

A young woman with blonde hair, wearing a white top and a colorful necklace, is smiling and looking up at a barista. The barista is holding a green card machine and a green card. The background shows a bright, modern cafe interior with wooden chairs and tables, and a barista in a green apron. The text is overlaid on the image.

**S-BANK PLC FINANCIAL
STATEMENTS BULLETIN**
**1 JANUARY –
31 DECEMBER 2024**



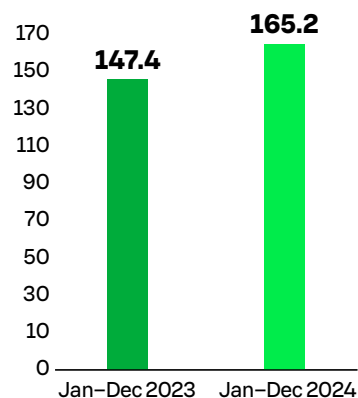
RECORD-BREAKING YEAR

JANUARY–DECEMBER 2024

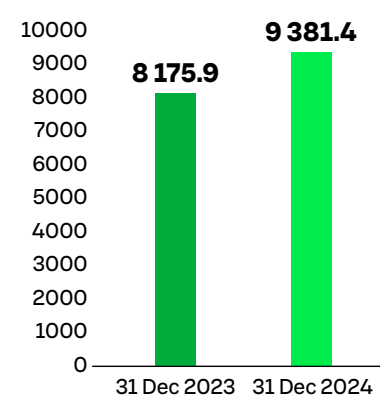
The S-Bank Group's operating profit was EUR 165.2 million (147.4), a 12.1 per cent growth. The improvement in performance and key figures was driven by 11.8 per cent increase in the net interest income as well as successful execution of the Handelsbanken transaction. The transaction created a negative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

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

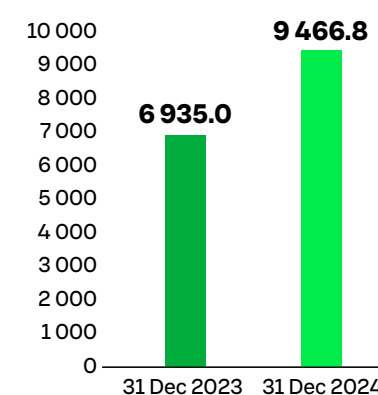
OPERATING PROFIT (EUR MILLION)



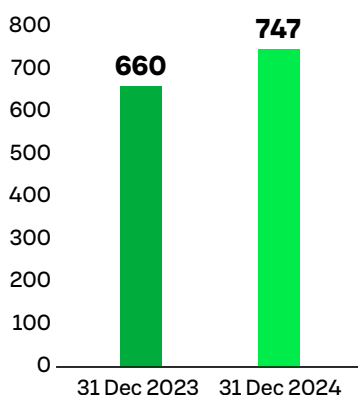
DEPOSITS (EUR MILLION)



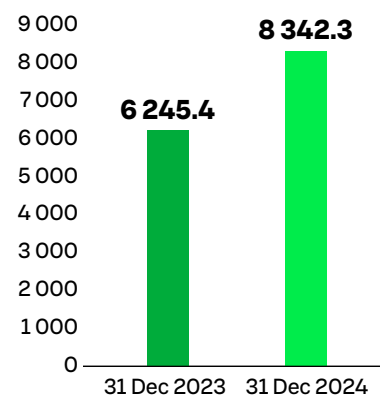
LENDING (EUR MILLION)



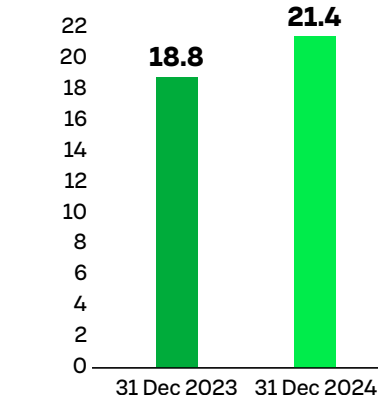
ACTIVE CUSTOMERS ('000)



ASSETS UNDER MANAGEMENT (EUR MILLION)



CAPITAL ADEQUACY RATIO (%)



SUMMARY

DIVIDEND

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

OUTLOOK FOR 2025

S-Bank's profit guidance for 2025 has been lowered due to declining interest rates, despite the fact that the Handelsbanken transaction will increase the bank's earnings. In addition, the investments related to implementing our strategy will remain at a high level. The outlook for 2025 is still subject to uncertainties regarding the operating environment, geopolitical tensions, the economy, employment and the real estate market.

We expect operating profit for the whole year to decline approximately to EUR100 million (165.2). The scale of the change is impacted by the one-off negative goodwill related to the Handelsbanken transaction, which was recognised as income in 2024.

KEY FIGURES

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

(EUR million)	31 Dec 2024	31 Dec 2023	Change
Liabilities to customers, deposits	9 381.4	8 175.9	14.7%
Receivables from customers, lending	9 466.8	6 935.0	36.5%
Debt securities	622.8	699.0	-10.9%
Equity	977.6	649.3	50.6%
Expected credit losses (ECL)	52.3	37.3	40.1%
Assets under management	8 342.3	6 245.4	33.6%
Return on equity	16.2%	20.1%	-3.9
Return on assets	1.1%	1.2%	-0.1
Equity ratio	7.4%	6.5%	0.9
Capital adequacy ratio	21.4%	18.8%	2.6

CEO'S REVIEW



Riikka Laine-Tolonen
CEO

COMPLETION OF THE HANDELSBANKEN TRANSACTION WRAPS UP A STRONG YEAR

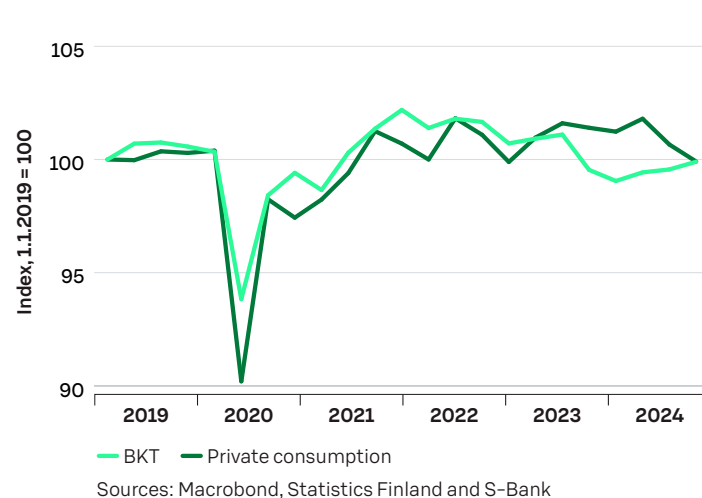
In many ways, 2024 was a historic year for S-Bank. In December, we completed S-Bank's largest business transaction of all time: the acquisition of Handelsbanken's Finnish private customer, asset management and investment services operations. The deal is a major step

forward in the implementation of our updated strategy. As a result, we moved up to a new size category and are now the fourth largest bank for private customers in Finland. The deal also strengthens our profitability and capital adequacy.

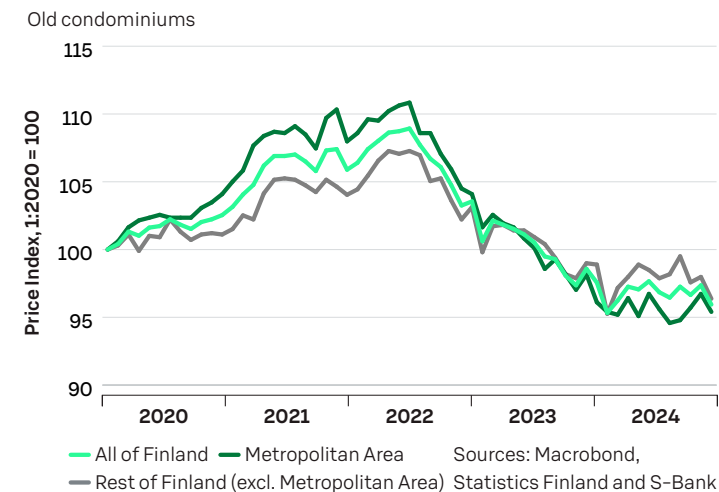
We are also pleased with S-Bank's strong financial performance during the year. Our operating profit for the fourth quarter

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

FINLAND'S GDP AND PRIVATE CONSUMPTION



HOUSING PRICES IN FINLAND



market average. The growth was driven both by the successful Handelsbanken transaction and the good development of other businesses.

SYSTEMATIC IMPLEMENTATION OF STRATEGY AND A MASTERPIECE OF COOPERATION

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

The Handelsbanken transaction was a big joint effort. A large team of S-Bank and Handelsbanken employees worked for over 18 months to ensure a seamless integration of the businesses. This major

project made excellent progress, meeting the planned schedule and scope. According to a customer survey conducted by S-Bank in December, two thirds of customers who transferred from Handelsbanken said that the transfer of services to S-Bank took place smoothly. I am very pleased with our achievement. The excellent integration and the good feedback on the first phase are pushing us to improve our service even more.

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

FINLAND'S ECONOMY TURNS TOWARDS GROWTH

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

CONTINUOUS DEVELOPMENT OF SERVICES

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

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

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

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

In 2024, we also worked on the development of our sustainability reporting. We have been preparing our first sustainability statement that is compliant with the Corporate Sustainability Reporting Directive (CSRD) and will publish it as a part of the Annual Report in spring 2025. It's great to have the opportunity to discuss sustainability issues in more detail and in a broader way!

ENTERING 2025 WITH CONFIDENCE

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

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

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

RIIKKA LAINE-TOLONEN

CEO

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OPERATIONS IN THE REVIEW PERIOD

KEY EVENTS

Funding, credit ratings and capital adequacy

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

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

On 24 September 2024, S-Bank Plc issued an increase of EUR 100 million to the original amount of the Senior Preferred MREL Eligible Notes 1/2024 bond (tap issue) issued on 8 March 2024. The original bond amount, EUR 300 million, was part of the company's EUR 3.0 billion bond programme. After the tap issue, the total capital of the bond is EUR 400 million. The bond will mature on 8 March 2028, and a fixed interest rate of 4.875 per cent will be paid for the bond until 8 March 2027 and

a floating interest rate thereafter. On 22 February 2024, S-Bank Plc announced a voluntary repurchase offer for its EUR 220 million bond maturing in 2025. Tender instructions amounting to EUR 86.1 million were accepted.

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

Acquisition of Handelsbanken's Finnish operations

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

S-Bank paid Handelsbanken a cash amount that was EUR 25.7 million less than the net value of the balance sheet items that transferred at closing. The value of transferred loans was approximately EUR 2.5 billion and that of deposits EUR 0.9 billion. The assets under management transferred from Handels-

banken to S-Bank in connection with the transaction amounted to approximately EUR 2 billion. In connection with the closing of the transaction, the companies also initiated cooperation, with S-Bank offering funds managed by Handelsbanken Fonder AB. The cooperation will diversify the selection of funds available to S-Bank's current and future customers. The transaction is described in more detail in Note 16.

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

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

Changes in management and Annual General Meeting

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

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

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

S-Bank's services

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

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

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

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

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

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

Customer experience and brand

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

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

In September 2024, S-Bank came top in customer satisfaction in the EPSI Rating survey, which measures the satisfaction of banks' household customers.

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

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

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

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

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

Personnel satisfaction

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

OPERATING ENVIRONMENT

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

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

Russia's war of aggression continued and the situation in the Middle East escalated.

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

The Finnish economy turned to slight growth last year, but overall economic

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

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

the year. By contrast, residential construction continued to contract throughout the year.

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

FINANCIAL POSITION

The figures in financial statement bulletin are unaudited.

KEY FIGURES

(EUR million)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	2024	2023
Net interest income	72.5	76.8	78.0	79.6	78.8	306.9	274.5
Net fee and commission income	25.7	22.3	23.0	21.7	26.2	92.7	93.7
Total income	130.5	102.2	102.3	104.1	104.9	439.0	371.3
Operating profit	38.9	42.8	40.8	42.8	43.5	165.2	147.4
Cost-to-income ratio	0.53	0.51	0.49	0.50	0.51	0.53	0.51

(EUR million)	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Liabilities to customers, deposits	9 381.4	8 492.9	8 321.7	8 175.1	8 175.9	9 381.4	8 175.9
Receivables from customers, lending	9 466.8	7 024.2	7 002.0	6 991.3	6 935.0	9 466.8	6 935.0
Debt securities	622.8	628.9	619.7	646.7	699.0	622.8	699.0
Equity	977.6	746.6	710.2	685.1	649.3	977.6	649.3
Expected credit losses (ECL)	52.3	39.4	41.1	37.5	37.3	52.3	37.3
Assets under management	8 342.3	6 429.8	6 220.2	6 416.0	6 245.4	8 342.3	6 245.4
Return on equity	16.2%	20.0%	21.7%	21.4%	20.1%	16.2%	20.1%
Return on assets	1.1%	1.3%	1.4%	1.4%	1.2%	1.1%	1.2%
Equity ratio	7.4%	6.6%	6.5%	6.7%	6.5%	7.4%	6.5%

RESULT OCTOBER–DECEMBER 2024

S-Bank Group's operating profit for October–December decreased slightly year on year and was EUR 38.9 million (43.5). Closing of the Handelsbanken transaction as planned had a positive impact to the fourth quarter result.

Income

Total income increased to EUR 130.5 million (104.9) which represents an increase of 24.4 per cent on the comparison period. Net interest income totalled EUR 72.5 million (78.8). Net fee and commission income was EUR 25.7 million (26.2). Net income from investing activities were EUR 0.1 million (-2.1). Other operating income totalled EUR 32.1 million (2.0). One-off income items related to the Handelsbanken transaction, that are included in other operating income, have been described in Note 16. The most significant one-off item was the negative goodwill EUR 28.9 million that was recognised as income.

Expenses

Operating expenses totalled EUR 71.4 million (52.2). This represents an increase of 36.8 per cent on the comparison period. Expenses include one month's expenses related to the

staff and branch offices that were transferred from Handelsbanken. Personnel expenses accounted for EUR 27.9 million (19.6) of operating expenses. The change was due to an increase in the number of personnel and provisions related to incentive programs. Other administrative expenses were EUR 36.6 million (27.0). The change is mainly due to increase in IT cost as well as preparation and development expenses related to the Handelsbanken transaction. These are described in more detail in Note 16. Depreciation and impairment of tangible and intangible assets amounted to EUR 4.6 million (4.6). Other operating expenses totalled EUR 2.3 million (1.0).

Expected and final credit losses

In the fourth quarter, expected and final credit losses of EUR 22.6 million (11.1) were recognised in the consolidated income statement. Reversals, or recovered credit losses, amounted to EUR 2.4 million (1.9). Consequently, the total net effect on profit of expected and final credit losses was EUR 20.2 million (9.2). The increase was affected by provisions related to the credit portfolio that grew due to the Handelsbanken transaction.

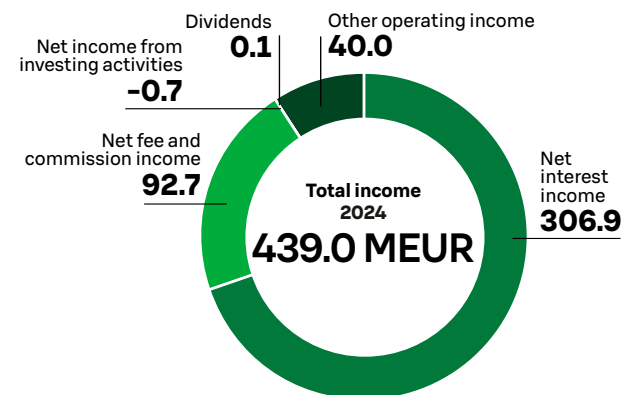
RESULT AND BALANCE SHEET JANUARY–DECEMBER 2024

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

Income

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

Net interest income increased by 11.8 per cent, totalling EUR 306.9 million (274.5). Net fee and commission income was EUR 92.7 million (93.7). Net income from investing activities was EUR -0.7 million (-4.7). Other operating income was EUR 40.0 million (7.7). One-off income items related to the Handelsbanken transaction, that are included in other operating income, have been described in Note 16. The most significant one-off item was the negative goodwill EUR 28.9 million that was recognised as income.



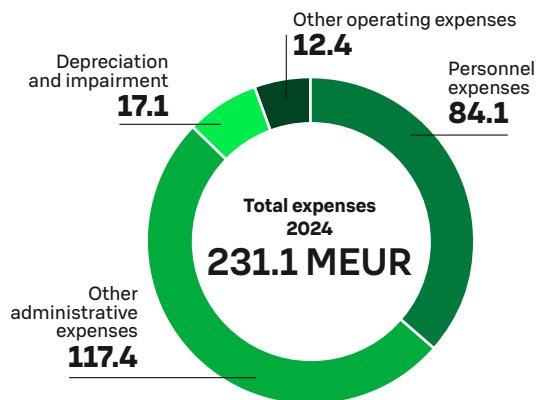
Expenses

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

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

Expected and final credit losses

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



Deposits

Total deposits were EUR 9 381.4 million (8 175.9) at the end of the review period. Deposits repayable on demand totalled EUR 8 390.1 million (7 581.6) and time deposits EUR 991.3 million (594.3) at the end of the review period. During the past 12 months, total deposits grew by 14.7 per cent. Household customers' deposit portfolio grew by 17.0 per cent year on year and was EUR 8 729.1 million. Corporate customers' deposit portfolio decreased by 8.6 per cent year on year and was EUR 652.4 million. The effects of the Handelsbanken transaction have been described in Note 16.

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

Lending

At the end of the review period, the loan portfolio totalled EUR 9 466.8 million (6 935.0). During the past 12 months, the loan portfolio grew by 36.5 per cent. The household loan portfolio grew by 43.4 per cent year on year and was EUR 8 247.3 million. The corporate loan portfolio grew by 2.9 per cent year on year and was EUR 1 219.5 million. The effects of the Handelsbanken transaction have been described in Note 16.

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

Liquidity portfolio and investing activities

At the end of the review period, the bank's debt securities totalled EUR 622.8 million, compared with EUR 699.0 million at the end of 2023. Deposits in

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

Equity

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

Assets under management

Assets under management were EUR 8 342.3 million (6 245.4) at the end of the review period. Of assets under management, S-Bank mutual fund capital accounted for EUR 4 721.4 million (4 309.4), wealth management capital accounted for EUR 2 711.0 million (1 936.0) and, as a new item, funds issued by other than Group companies accounted for EUR 910.0 million. The effects of the Handelsbanken transaction have been described in Note 16. In addition, S-Bank Properties Ltd managed EUR 368.9 million in customer assets, consisting of real estate and joint ventures (379.1). Net subscriptions to the S-Bank mutual funds amounted to EUR 130.9 million in the review period compared with EUR 130.7 million a year earlier.

DEPOSITS

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

LENDING

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

BUSINESS OPERATIONS AND RESULT BY SEGMENT

The S-Bank Group's segments are Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The reporting of business segments is identical to the internal reporting provided to company management.

Banking

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

Operating profit was EUR 150.4 million (156.0). Total income increased by 11.6 per cent to EUR 378.5 million (339.0).

Expenses increased by 23.6 per cent to EUR 185.4 million (150.0). Impairment of receivables were EUR 42.7 million (33.0). Impairment of receivables is described in the section Expected and final credit losses.

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

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

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

Wealth Management

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

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

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

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

BANKING

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

WEALTH MANAGEMENT

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

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

CALCULATION OF KEY PERFORMANCE INDICATORS

Total income:

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

Net interest income:

Interest income – Interest expenses

Net fee and commission income:

Fee and commission income – Fee and commission expenses

Other income:

Net income from investing activities + Dividends + Other operating income

Cost-to-income ratio:

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

Net interest income + Net fee and commission income + Net income from investing activities + Dividends + Other operating income + Share of the profits of associated companies (net)

Return on equity (ROE), %:

Profit (loss) for the period
Average equity

x 100

Return on assets (ROA), %:

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

x 100

Equity ratio, %:

Total equity
Balance sheet total

x 100

Key performance indicators based on separate calculation

Capital adequacy ratio, %:

Total capital
Total risk exposure amount

x 100

Tier 1 capital adequacy ratio, %:

Tier 1 (T1) capital
Total risk exposure amount

x 100

Common Equity Tier 1 (CET1) ratio, %:

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

x 100

Leverage ratio, %:

Tier 1 (T1) capital
Exposure amount

x 100

Liquidity Coverage Ratio (LCR), %:

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

x 100

Net Stable Funding Ratio (NSFR), %:

Available Stable Funding
Required Stable Funding

x 100

Non-performing loan (NPL) ratio, %:

Non-performing loans, gross amount
Loans and advances

x 100

RISKS AND CAPITAL ADEQUACY AND THEIR MANAGEMENT

S-BANK GROUP'S RISK POSITION

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

S-Bank's risk position was strong at the end of the year. Bank's balance sheet and total risk exposure increased due to the transaction. S-Bank strengthened its own funds with a share issue of EUR 200 million and ensured that the bank's capital position and capital ratios remained strong even after the transaction was completed. The bank's own funds were strengthened during the year not only by the share issue but also by good financial performance. During the year, the bank proactively prepared for

the financing of the transaction and strengthened its liquidity buffers through issuances of debt securities and deposit growth. At the end of the year, the liquidity position and the amount of stable funding were at a very strong level after the completion of the transaction. The Handelsbanken transaction is discussed in more detail under Note 16.

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

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

THE S-BANK GROUP'S KEY RISK INDICATORS

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

Credit risk

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

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

are discussed under section Result and balance sheet January–December 2024 and in Note 7.

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

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

The amount of non-performing loans (NPL) in the balance sheet increased by EUR 71.8 million to EUR 164.3 million (92.6) during the financial year, of which corporate customers amounted to

EUR 9.0 million (0.0). The NPL ratio, which describes non-performing exposures in relation to loans and advances, rose to 1.7 per cent (1.3).

Own funds and capital adequacy

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

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

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

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

Leverage ratio

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

Liquidity and funding

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

In March, S-Bank issued a Senior Preferred bond, valued at EUR 300 million, and in April a covered bond, valued at EUR 500 million, as part of its bond programme. In connection with the March issue, S-Bank made tender offer and bought back in aggregate nominal amount EUR 86.1 million of Senior Preferred bonds maturing 4 April 2025. At the end of September, S-Bank issued an increase of EUR 100 million to the original amount of its bond (tap issue). The increase concerned the

Senior Preferred MREL Eligible Notes 1/2024 issued on 8 March 2024 and maturing on 8 March 2028. At the end of November, S-Bank strengthened its own funds with a directed share issue of EUR 200 million and raised EUR 590 million of bilateral funding.

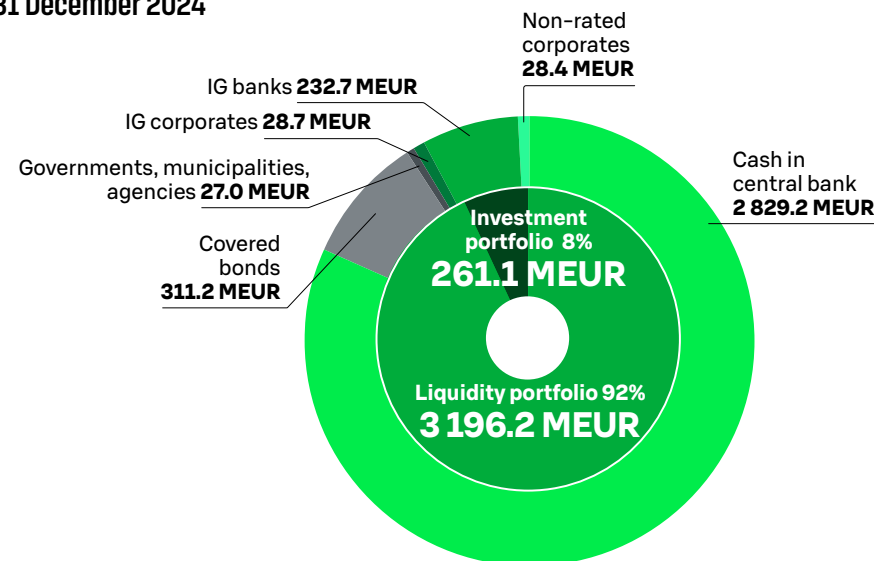
S-Bank's liquidity position strengthened in the review period due to the acquired funding. The funding was used to prepare for the execution of the Handelsbanken transaction. The liquidity coverage ratio (LCR) was 285 per cent (257) and the net stable funding ratio (NSFR), which describes the sufficiency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

S-BANK'S LIQUIDITY PORTFOLIO

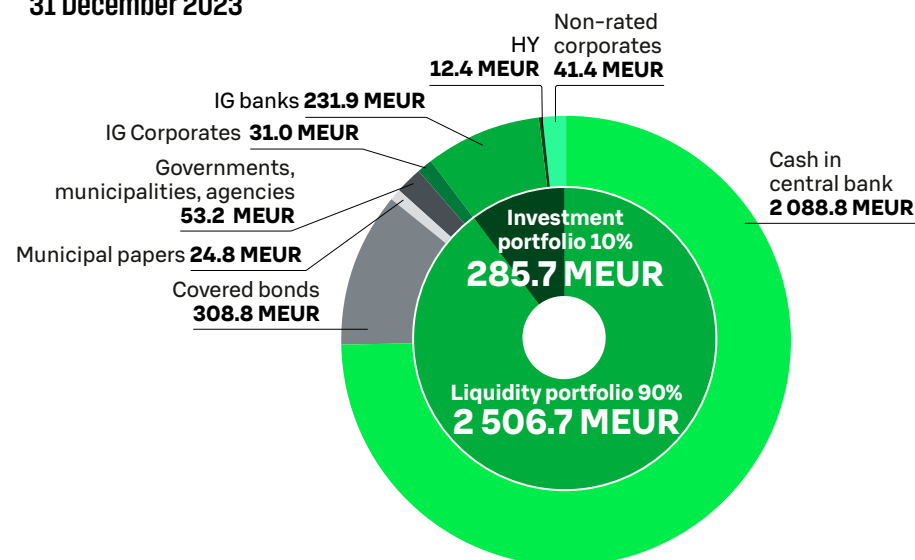
(EUR million)	31 Dec 2024		31 Dec 2023	
	Market value	Buffer value	Market value	Buffer value
Central bank deposit	2 829.2	2 829.2	2 088.8	2 088.8
Government, municipal or other public sector bonds	27.0	27.0	53.2	53.2
Covered bonds	311.2	277.1	308.8	273.5
Municipal papers	-	-	24.8	24.8
Other	28.7	14.4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

BREAKDOWN OF THE LIQUIDITY AND INVESTMENT PORTFOLIO

31 December 2024



31 December 2023



The Treasury portfolio consists of the liquidity portfolio (LCR liquidity buffer) and the investment portfolio. The total amount of the portfolio increased and totalled to EUR 3 457.3 million (2 792.4). The increase in the total portfolio concentrated in the amount of central bank deposit.

Market risk

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

The economic value risk for items measured at fair value (+100 basis points) was EUR -4.9 million (-4.6). The interest

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

MREL requirement

The Financial Stability Authority is the national resolution authority in Finland. The Financial Stability Authority is responsible of setting the institution specific MREL-requirement for S-Bank. The latest decision and the one in force have been given on 17 April 2024. Accordingly, at the end of December, the requirement based on total risk exposure amount was 21.91 (17.23) per cent and the requirement based on the total amount of exposures used in the calculation of the leverage ratio was

7.75 (5.91) per cent. The Financial Stability Authority has not set specific subordination requirement for S-Bank.

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

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

Operational risk

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

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

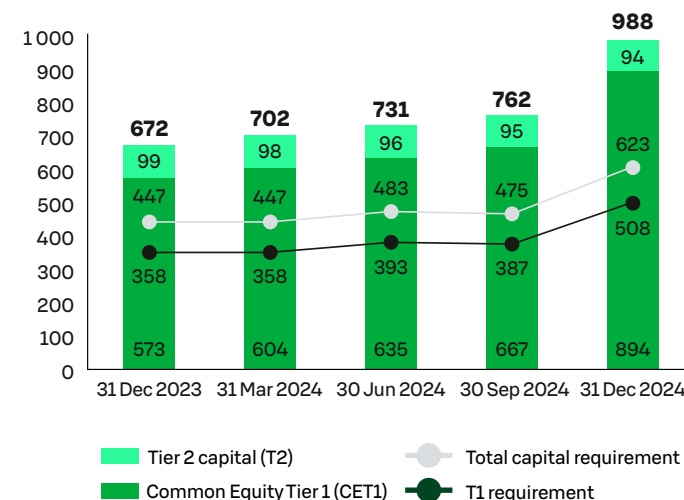
OWN FUNDS REQUIREMENTS

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

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

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

DEVELOPMENT OF OWN FUNDS AND CAPITAL REQUIREMENTS (EUR MILLION)



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

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

CAPITAL ADEQUACY POSITION

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

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

S-Bank's risk exposure amount (REA) was EUR 4 608.6 million (3 567.1) at the end of the financial year. REA increased

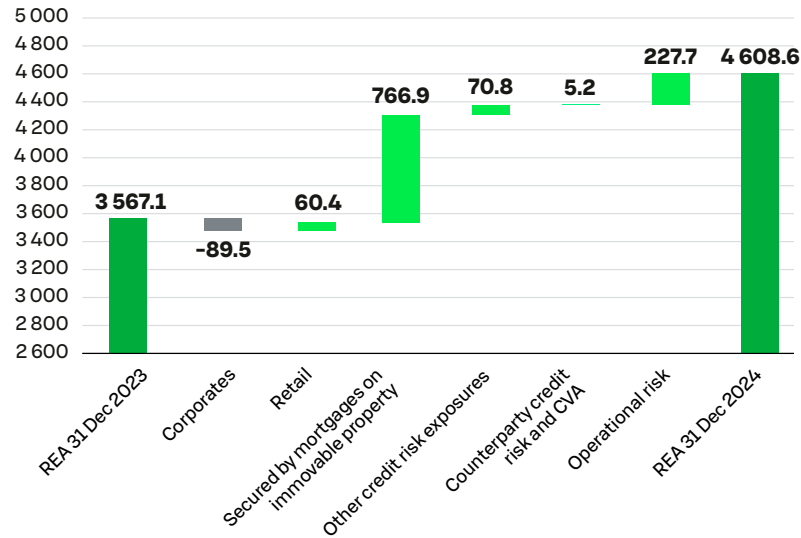
by EUR 1 041.5 million during the review period. Credit risk increased by EUR 810.1 million especially due to the Handelsbanken transaction. Credit risk growth resulting from the transaction was primarily related to exposures secured by mortgages on immovable property. In addition, the risk-weighted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

S-Bank uses the standardised approach for calculating Credit risk and the original exposure method for calculating Counterparty Credit risk (CCR). Operational risk is calculated using the basic indicator approach and Credit Valuation

SUMMARY OF CAPITAL ADEQUACY INFORMATION

	31 Dec 2024	31 Dec 2023
Own funds (EUR million)		
Common Equity Tier 1 (CET1) capital before regulatory adjustments	957.5	639.3
Share capital	82.9	82.9
Reserve for invested non-restricted equity	483.8	283.8
Retained earnings	393.2	281.2
Fair value reserve	-2.4	-8.7
Regulatory adjustments to Common Equity Tier 1 (CET1) capital	63.4	66.4
Intangible assets	62.4	65.6
Value adjustments due to the requirements for prudent valuation	0.7	0.7
Deduction for non-performing exposures	0.4	0.0
Common Equity Tier 1 (CET1) capital	894.1	572.9
Tier 1 (T1 = CET1 + AT1) capital	894.1	572.9
Tier 2 (T2) capital before adjustments	94.2	99.1
Debentures	94.2	99.1
Tier 2 (T2) capital	94.2	99.1
Own funds in total (TC = T1 + T2)	988.3	672.0
Risk exposure amount (EUR million)	31 Dec 2024	31 Dec 2023
Credit and Counterparty Credit risk	3 881.9	3 071.8
Operational risk	716.1	488.3
Credit valuation adjustment (CVA)	10.7	7.0
Total risk exposure amount	4 608.6	3 567.1
Ratios (%)	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 (CET1) ratio	19.4	16.1
Tier 1 (T1) capital adequacy ratio	19.4	16.1
Capital adequacy ratio	21.4	18.8

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



Adjustment is calculated using the standardised approach. S-Bank does not have a trading book, in accordance with the Capital Requirements Regulation, and hence it's not subject to capital requirement for market risk.

REPORTING OF RISK AND CAPITAL ADEQUACY INFORMATION

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

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

SIGNIFICANT EVENTS AFTER THE END OF THE REVIEW PERIOD

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

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

On 20 January 2025, S-Bank announced that the company's Board of Directors had decided on a change in the company's dividend policy. According to the updated dividend policy, S-Bank aims to pay shareholders a steady and growing annual dividend of 15–25 per

cent of profit after tax for the financial year. According to the previous dividend policy, the target was to distribute a steady and growing annual dividend of 5–15 per cent of profit after tax for the financial year.

OUTLOOK FOR 2025

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

After the difficulties of 2024, recovery is expected to be particularly strong in key European economies. The industrial sectors in Germany and France remain vulnerable at the start of the year, however, and an unstable political envi-

ronment poses challenges in both countries. In the US, President Trump's policies are likely to have a positive impact on economic growth, but they are expected to increase the country's debt and create new inflationary pressure. On the other hand, the global outlook is more unpredictable because of Trump's policies. In China, economic growth is expected to continue to slow down slightly, which could trigger further stimulus measures from the government to boost consumption. Geopolitical tensions and their escalation also have the potential to quickly alter the global economic environment.

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

grow moderately this year, reaching 1.5 per cent on an annual basis.

For Finnish households, the news is more positive. Their purchasing power will strengthen over the year as nominal wages rise faster than inflation and interest rates continue to fall. The weakened labour market situation will also improve during the year, especially in the private sector. As a result, consumer confidence will start to strengthen, and households will finally begin spending more boldly. However, consumption is expected to recover at a moderate pace. The Finnish housing market will also continue to recover

during the year through increased transaction volumes and moderately rising prices. Moreover, residential construction will reach its trough in the first half of the year. Key risks to an otherwise more positive economic outlook include developments in the international economy and the weakness of Finland's public finances, which may require further adjustments that will dampen the consumption outlook.

Around the world, inflation is expected to continue to decelerate towards target levels. The European Central Bank will continue to take small steps to cut interest rates until the summer, which will be reflected in a further fall of the Euribor rates at the beginning of the year. There is greater uncertainty about the Federal Reserve's interest rate policy, as Trump's stimulus and tariff policies are feared to re-intensify inflationary pressure. With the US economic growth and labour market also

remaining relatively strong, the markets have started to consider it increasingly likely that the Fed may not be able to cut the funds rate much during the year.

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

S-Bank's profit guidance for 2025 has been lowered due to declining interest rates, despite the fact that the Handelsbanken transaction will increase the bank's earnings. In addition, the investments related to implementing our strategy will remain at a high level.

The outlook for 2025 is still subject to uncertainties regarding the operating environment, geopolitical tensions, the economy, employment and the real estate market. We expect operating profit for the whole year to decline approximately to EUR 100 million (165.2). The scale of the change is impacted by the one-off negative goodwill related to the Handelsbanken transaction, which was recognised as income in 2024.

OTHER INFORMATION

ANNUAL GENERAL MEETING

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

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

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

UNANIMOUS RESOLUTION OF SHAREHOLDERS

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

SHARE ISSUE

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

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

BOARD OF DIRECTORS

At the AGM the following members were elected to S-Bank’s Board of Directors:

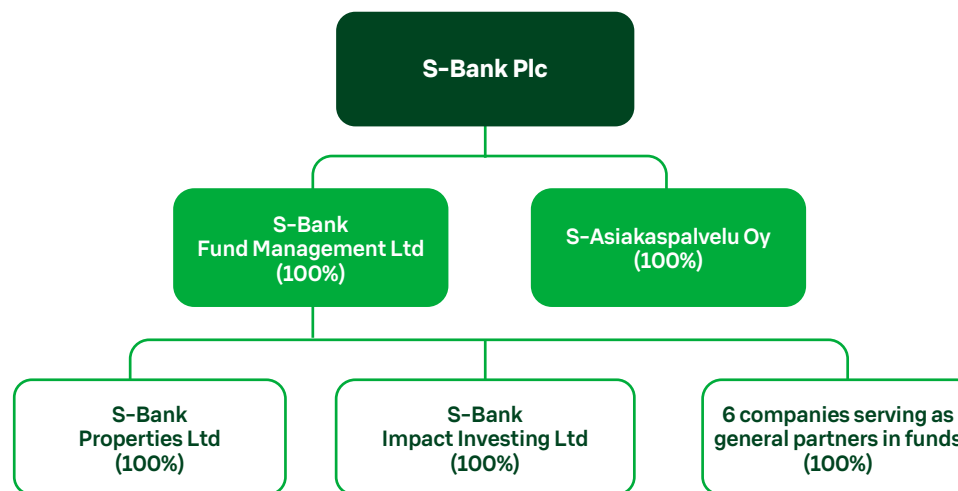
Jari Annala, MSc. (Econ.).....	Executive Vice President SOK, CEO of SOK Liiketoiminta Oy
Tom Dahlström, Ph.D. (Doc.Soc.Sc.) (Econ.)	Principal of Good Ventures Oy
Kati Hagros, M.Sc. (Tech.), M.Soc.Sc	CDO at Aalto University
Veli-Matti Liimatainen, M.Sc. (Econ.)	Managing Director of Helsinki Cooperative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

Niklas Österlund, M.Sc. (Econ.), CEO of Turku Cooperative Society, was elected as a deputy member.

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

CORPORATE STRUCTURE OF S-BANK GROUP

The corporate structure and the Group companies are described in more detail in the 2023 annual report.



CEO

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

PERSONNEL

At the end of the review period, S-Bank employed a total of 1 172 people (847). Of these, 991 persons (676) worked at S-Bank Plc. In connection to the Handelsbanken transaction on 1 December 2024, 213 employees transferred to S-Bank Plc. 38 persons (39) worked at the subsidiaries of the Wealth Management business, and 143 persons (132) at S-Asiakaspalvelu Oy. The salaries and remunerations paid to S-Bank’s personnel during the review period totalled EUR 70.2 million (56.8).

FINANCIAL STATEMENTS BULLETIN

1 JANUARY–31 DECEMBER 2024

CONSOLIDATED INCOME STATEMENT

(EUR '000)	Note	2024	2023
Interest income		551 758	388 385
Interest expenses		-244 867	-113 901
Net interest income	4	306 891	274 484
Fee and commission income		109 432	107 564
Fee and commission expenses		-16 708	-13 882
Net fee and commission income	5	92 723	93 682
Net income from investing activities	6	-722	-4 677
Dividends		86	58
Other operating income		39 996	7 739
Total income		438 973	371 287
Personnel expenses		-84 129	-68 702
Other administrative expenses		-117 394	-91 693
Depreciation and impairment		-17 111	-16 836
Other operating expenses		-12 441	-13 649
Total expenses		-231 075	-190 879
Impairment of receivables	7	-42 678	-33 003
Share of the profits of associated companies		-2	2
OPERATING PROFIT (LOSS)		165 218	147 407
Income taxes		-33 078	-29 422
PROFIT (LOSS) FOR THE PERIOD		132 140	117 985
of which:			
to the parent company's shareholders		132 140	117 985

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Note	2024	2023
PROFIT (LOSS) FOR THE PERIOD		132 140	117 985
Other comprehensive income items:			
Items that will not be reclassified to profit or loss			
Items due to remeasurements of defined benefit plans		-80	71
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income		–	15
Tax effect		16	-17
Items that will not be reclassified to profit or loss		-64	69
Items that may be reclassified subsequently to profit or loss			
Profit or loss on financial assets measured at fair value through other comprehensive income		8 069	14 850
Tax effect		-1 773	-2 862
Items that may be reclassified subsequently to profit or loss		6 297	11 988
Other comprehensive income items, after taxes		6 232	12 057
Comprehensive income, total		138 373	130 042
of which:			
to the parent company's shareholders		138 373	130 042

CONSOLIDATED BALANCE SHEET

(EUR '000)	Note	31 Dec 2024	31 Dec 2023	(EUR '000)	Note	31 Dec 2024	31 Dec 2023
Assets				Liabilities			
Cash and cash equivalents	8, 9	2 906 420	2 207 041	Liabilities to credit institutions	8, 9	655 700	34 231
Debt securities eligible for refinancing with central banks	8, 9	564 844	571 735	Liabilities to customers	8, 9, 10	9 460 439	8 239 664
Receivables from credit institutions	8, 9	21 578	9 420	Issued bonds	8, 9, 10, 11	1 712 456	886 895
Receivables from customers	8, 9	9 466 806	6 934 971	Subordinated debts	8, 9, 12	95 666	101 333
Debt securities	8, 9, 10	57 966	127 293	Derivatives	8, 9, 10	1 717	829
Derivatives	8, 9, 10	48 981	31 349	Provisions		225	200
Shares and interests	8, 9	19 322	18 881	Tax liabilities		11 344	19 024
Holdings in associated companies		5	7	Accrued expenses		246 679	53 374
Intangible assets		62 365	65 600	Other liabilities		87 782	74 224
Tangible assets		13 953	7 381	Liabilities, total		12 272 007	9 409 774
Tax assets		3 951	5 801	Equity			
Prepayments and accrued income		78 060	62 837	Share capital		82 880	82 880
Other assets		5 373	16 731	Reserves		481 445	275 148
Assets, total		13 249 625	10 059 046	Retained earnings		413 293	291 244
				Parent company's shareholders		977 618	649 272
				Equity, total		977 618	649 272
				Liabilities and equity, total		13 249 625	10 059 046

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR '000)	Equity attributable to parent company shareholders				Total equity
	Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	
EQUITY 1 JAN 2023	82 880	283 828	-20 680	178 213	524 241
Comprehensive income					
Profit (loss) for the period				117 985	117 985
Other comprehensive income items:					
Profit or loss on financial assets measured at fair value through other comprehensive income			11 988		11 988
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income			12		12
Remeasurements of defined benefit plans				57	57
Other comprehensive income items, total			12 000	57	12 057
Comprehensive income, total			12 000	118 041	130 042
Transactions with shareholders					
Dividend distribution *				-5 010	-5 010
Transactions with shareholders, total				-5 010	-5 010
TOTAL EQUITY 31 DEC 2023	82 880	283 828	-8 680	291 244	649 272

* Dividend EUR 0.75 per share.

(EUR '000)	Equity attributable to parent company shareholders				Total equity
	Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	
EQUITY 1 JAN 2024	82 880	283 828	-8 680	291 244	649 272
Comprehensive income					
Profit (loss) for the period				132 140	132 140
Other comprehensive income items:					
Profit or loss on financial assets measured at fair value through other comprehensive income			6 297		6 297
Profit or loss on financial assets measured at fair value through other comprehensive income				-64	-64
Other comprehensive income items, total			6 297	-64	6 232
Comprehensive income, total			6 297	132 076	138 373
Transactions with shareholders					
Dividend distribution *				-10 020	-10 020
Share issue		200 000			200 000
Transactions with shareholders, total		200 000		-10 020	189 980
Other changes				-7	-7
TOTAL EQUITY 31 DEC 2024	82 880	483 828	-2 384	413 293	977 618

* Dividend EUR 1.50 per share.

CONSOLIDATED CASH FLOW STATEMENT

(EUR '000)	Note	2024	2023
Cash flows from operating activities			
Profit (loss) for the period		132 140	117 985
Depreciation and impairment		17 111	16 836
Shares of the profit of companies consolidated with the equity method		2	-2
Credit losses		52 705	39 489
Other non-payment income and expenses		1 023	3 101
Income taxes		33 078	29 422
Other adjustments *		-28 153	246
Adjustments for financial income and expenses		24 956	-8 536
Adjustments, total *		100 721	80 556
Cash flows from operating activities before changes in operating assets and liabilities *		232 861	198 541
Increase/decrease in operating assets (-/+)			
Receivables from credit institutions, other than repayable on demand		-11 507	-517
Receivables from customers		-120 920	-278 877
Investment assets		92 560	23 869
Other assets		13 496	-793
Increase/decrease in operating assets		-26 371	-256 319
Increase/decrease in operating liabilities (+/-)			
Liabilities to credit institutions		31 469	11 074
Liabilities to customers		335 532	256 105
Other liabilities		12 117	23 321
Increase/decrease in operating liabilities		379 118	290 501
Taxes paid		-40 666	-20 665
Cash flows from operating activities *		544 943	212 058

(EUR '000)	Note	2024	2023
Cash flows from investing activities			
Investments in tangible and intangible assets *		-11 285	-9 525
Purchase prices paid for acquisitions	16	-1 417 407	—
Cash flows from investing activities *		-1 428 692	-9 525
Cash flows from financing activities			
Paid share issue	16	200 000	—
Increase/decrease in short term loans	16	590 000	—
Payments received from issue of bonds and debentures	11, 12	898 073	649 170
Repayments of issued bonds and debentures	11, 12	-91 767	-5 667
Repayments of lease liabilities		-2 515	-2 484
Dividends paid		-10 020	-5 010
Cash flows from financing activities		1 583 771	636 008
Difference in cash and cash equivalents		700 021	838 542
Cash and cash equivalents, opening balance sheet		2 209 361	1 370 828
Difference in cash and cash equivalents		700 021	838 542
Impact of changes in exchange rates		10	-9
Cash and cash equivalents consist of the following items:			
Cash and cash equivalents	8, 9	2 906 420	2 207 041
Repayable on demand		2 972	2 321
Cash and cash equivalents		2 909 392	2 209 361
Interests paid		-209 531	-98 305
Dividends received		86	58
Interests received		539 714	363 544

* The comparison period has been amended between the cash flows from operating and investing activities since the publication of the 31 December 2023 financial statements.

GROUP'S QUARTERLY PROFIT PERFORMANCE

CONSOLIDATED INCOME STATEMENT

(EUR '000)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	2024	2023
Interest income	142 883	144 244	136 941	127 690	122 157	551 758	388 385
Interest expenses	-70 365	-67 494	-58 968	-48 040	-43 356	-244 867	-113 901
Net interest income	72 517	76 751	77 973	79 650	78 801	306 891	274 484
Fee and commission income	28 064	27 439	27 783	26 146	27 287	109 432	107 564
Fee and commission expenses	-2 396	-5 106	-4 740	-4 467	-1 130	-16 708	-13 882
Net fee and commission income	25 668	22 334	23 043	21 678	26 156	92 723	93 682
Net income from investing activities	143	-655	-490	279	-2 111	-722	-4 677
Dividends	37	0	42	7	0	86	58
Other operating income	32 090	3 743	1 719	2 444	2 022	39 996	7 739
Total income	130 455	102 173	102 287	104 058	104 869	438 973	371 287
Personnel expenses	-27 866	-20 050	-18 496	-17 717	-19 635	-84 129	-68 702
Other administrative expenses	-36 638	-27 909	-29 494	-23 353	-26 966	-117 394	-91 693
Depreciation and impairment	-4 590	-4 118	-4 247	-4 156	-4 586	-17 111	-16 836
Other operating expenses	-2 274	-1 416	1 415	-10 166	-1 003	-12 441	-13 649
Total expenses	-71 368	-53 494	-50 822	-55 391	-52 189	-231 075	-190 879
Impairment of receivables	-20 182	-5 887	-10 709	-5 900	-9 168	-42 678	-33 003
Share of the profits of associated companies	-1	-	-1	-	1	-2	2
OPERATING PROFIT (LOSS)	38 904	42 792	40 755	42 767	43 513	165 218	147 407
Income taxes	-7 869	-8 541	-8 149	-8 519	-8 698	-33 078	-29 422
PROFIT (LOSS) FOR THE PERIOD	31 036	34 251	32 605	34 249	34 815	132 140	117 985
of which:							
to the parent company's shareholders	31 036	34 251	32 605	34 249	34 815	132 140	117 985

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	2024	2023
PROFIT (LOSS) FOR THE PERIOD	31 036	34 251	32 605	34 249	34 815	132 140	117 985
Other comprehensive income items:							
Items that will not be reclassified to profit or loss							
Items due to remeasurements of defined benefit plans	-80	–	–	–	71	-80	71
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income	–	–	–	–	–	–	15
Tax effect	16	–	–	–	-14	16	-17
Items that will not be reclassified to profit or loss	-64	–	–	–	57	-64	69
Items that may be reclassified subsequently to profit or loss							
Profit or loss on financial assets measured at fair value through other comprehensive income	21	2 949	3 091	2 008	6 586	8 069	14 850
Tax effect	-10	-763	-567	-433	-1 491	-1 773	-2 862
Items that may be reclassified subsequently to profit or loss	11	2 186	2 524	1 575	5 095	6 297	11 988
Other comprehensive income items, after taxes	-53	2 186	2 524	1 575	5 152	6 232	12 057
Comprehensive income, total	30 983	36 437	35 129	35 823	39 967	138 373	130 042
of which:							
to the parent company's shareholders	30 983	36 437	35 129	35 823	39 967	138 373	130 042

NOTES TO THE FINANCIAL STATEMENTS BULLETIN

NOTE 1: BASIC INFORMATION

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

S-Bank's headquarters are located at Fleminginkatu 34, FI-00510 Helsinki, Finland.

NOTE 2: ACCOUNTING POLICIES

Accounting policies used in the preparation of the financial statements bulletin

The financial statements bulletin 1 January–31 December 2024 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard.

The figures in the tables of the financial statements bulletin are presented in thousands of euros unless otherwise is indicated. Since the figures have generally been rounded and do not include decimals, the sums of individual figures in euros may differ from the total figures presented in the report.

S-Bank applies fair value hedges to derivative contracts entered into for the purpose of hedging against changes in the fair value of assets and liabilities exposed to interest rate risk. The risk related to changes in fair value that S-Bank hedges against concerns fixed interest rate securities and issued bonds and, as of the beginning of 2024, a deposit portfolio modelled as fixed rate, which are exposed to interest rate risk.

A credit-adjusted effective interest rate is applied to purchased or originated credit-impaired (POCI) financial assets as of the date on which the financial asset item measured at amortised cost was initially recognised. These financial assets are only classified under Stage 3 or Stage 2.

In 2024, a 10-year depreciation period for fixed assets was introduced for vaults and similar structures.

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

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

IFRS-compliant interim report require management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the interim report.

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

- Note 7 Impairment of receivables: The calculation of expected credit loss in accordance with the IFRS 9 standard is based on internal models that

contain assumptions of a change in credit risk. The model-based estimate is complemented with a management judgement, which takes into account the uncertainty related to model parameters and assumptions, as well as model risk. Management judgement is also applied to definition of LGD risk parameter floors.

- Note 8 Fair values of financial assets and liabilities: The management's judgement is required in circumstances where fair value price information is not available in the market or fair value is not reliable. In these cases, the fair value of a financial instrument needs to be determined using a valuation technique, where input data is based on management's estimation regarding market practices used to measure the value of particular instruments.
- Note 16 Acquisition of Handelsbanken's Finnish private customer, asset management and investment services operations: management's judgement has been used, when determining fair value to assets and liabilities acquired from Handelsbanken. Fair values are calculated on the statement, where management's estimations and assumptions are part of input information.

NOTE 3: SEGMENT REPORT

The S-Bank Group's operating segments are Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The Group reports segment data in

accordance with the IFRS 8 Operating Segments standard. The reporting of business segments is identical to the internal reporting provided to company management. The S-Bank's highest executive decision-maker is the Group Management Team.

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

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

INCOME STATEMENT FOR SEGMENTS

2024 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	305 933	1 587	-629		306 891
Net fee and commission income	53 327	39 396	0		92 723
Net income from investing activities	-739	17	0		-722
Dividends	52		33		86
Other operating income	19 897	196	32 597	-12 693	39 996
Total income	378 469	41 196	32 001	-12 693	438 973
Total expenses *	-185 395	-44 419	-13 954	12 693	-231 075
Impairment of receivables	-42 678				-42 678
Share of the profits of associated companies				-2	-2
Operating profit (loss)	150 396	-3 223	18 047	-2	165 218

External income from Banking was EUR 370 646 thousand and from Wealth Management EUR 39 642 thousand.

2023 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income *	273 351	1 178	-45		274 484
Net fee and commission income *	54 549	39 133	0		93 682
Net income from investing activities	-4 665	-12	-		-4 677
Dividends	36		22		58
Other operating income *	15 772	260	2 944	-11 237	7 739
Total income *	339 043	40 559	2 921	-11 237	371 287
Total expenses ***	-150 033	-37 210	-14 873	11 237	-190 879
Impairment of receivables	-33 003				-33 003
Share of the profits of associated companies				2	2
Operating profit (loss) *	156 007	3 350	-11 952	2	147 407

External income from Banking was EUR 331 912 thousand and from Wealth Management EUR 39 397 thousand.

* New organisation of S-Bank came into effect on 1 April 2024. Customer services were transferred from 'Other activities' to Banking. Also, some other operations were transferred between segments. The impact on operating profit for Banking was an increase of EUR 0.8 million, for Wealth Management an increase of EUR 0.2 million and for 'Other activities' a decrease of EUR 1.0 million. Amounts for comparison period has been adjusted accordingly.

** The net expenses of support and headquarter functions are allocated from 'Other activities' to the Banking and Wealth Management business segments. This cost allocation is included in the segments' item 'Total expenses'.

Other activities include Group support and headquarter functions. Most of the net expenses of the support and headquarter functions are allocated to the Banking and Wealth Management business segments. This cost allocation is included in the segments' item

'Total expenses'. The result of 'Other activities' consists of items not allocated to the segments.

'Other activities' include common costs, such as those related to financial statements, auditing, the Board of Directors

and General Meetings, as well as those of the management, including the CEO, in support and headquarter functions. Negative goodwill EUR 28.9 million related to Handelsbanken transactions that was recognized as other operating income is included in 'Other Activities'.

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

BALANCE SHEET FOR SEGMENTS

31 Dec 2024 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	9 466 806			9 466 806
Liquid and investment assets of banking	3 619 112			3 619 112
Intangible and tangible assets	12 326	28 281	35 716	76 323
Other assets	62 790	6 047	18 547	87 384
Assets, total	13 161 033	34 329	54 263	13 249 625
Banking liabilities	11 925 978			11 925 978
Provisions and other liabilities	113 585	6 109	226 335	346 029
Equity			977 618	977 618
Liabilities and equity, total	12 039 563	6 109	1 203 953	13 249 625

31 Dec 2023 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	6 934 971			6 934 971
Liquid and investment assets of banking	2 965 718			2 965 718
Intangible and tangible assets *	5 274	28 859	38 856	72 988
Other assets	55 909	6 781	22 679	85 369
Assets, total *	9 961 872	35 639	61 535	10 059 046
Banking liabilities	9 262 952			9 262 952
Provisions and other liabilities *	64 375	5 848	76 599	146 822
Equity			649 272	649 272
Liabilities and equity, total *	9 327 327	5 848	725 872	10 059 046

Material customer business items, as well as the tangible and intangible assets of the business segments together with associated lease liabilities, are allocated to Banking and Wealth Management on the balance sheet. The remaining balance sheet items, including equity, are allocated to 'Other activities'.

* New organisation of S-Bank came into effect on 1 April 2024. Leases of customer services were transferred from 'Other activities' to Banking. Amounts for comparison period has been adjusted accordingly.

QUARTERLY PROFIT PERFORMANCE BY SEGMENT

Banking (EUR '000)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	2024	2023
Net interest income *	72 592	76 415	77 690	79 236	78 446	305 933	273 351
Net fee and commission income *	15 164	12 539	13 652	11 973	16 179	53 327	54 549
Net income from investing activities	133	-652	-501	280	-2 092	-739	-4 665
Dividends	37	–	9	7	–	52	36
Other operating income *	4 885	6 122	4 074	4 816	4 205	19 897	15 772
Total income *	92 810	94 424	94 923	96 311	96 739	378 469	339 043
Total expenses *	-54 744	-43 075	-41 194	-46 382	-39 973	-185 395	-150 033
Impairment of receivables	-20 182	-5 887	-10 709	-5 900	-9 168	-42 678	-33 003
Operating profit (loss) *	17 884	45 462	43 021	44 030	47 599	150 396	156 007
Wealth Management (EUR '000)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	2024	2023
Net interest income	373	396	413	405	372	1 587	1 178
Net fee and commission income	10 504	9 797	9 389	9 706	9 977	39 396	39 133
Net income from investing activities	9	-3	11	-1	-19	17	-12
Other operating income *	44	40	65	47	72	196	260
Total income *	10 931	10 229	9 878	10 158	10 402	41 196	40 559
Total expenses *	-13 782	-9 994	-10 856	-9 787	-11 294	-44 419	-37 210
Operating profit (loss) *	-2 851	236	-978	371	-892	-3 223	3 350

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

NOTE 4: NET INTEREST INCOME

(EUR '000)	2024	2023
Interest income		
Cash and cash equivalents	106 698	51 725
Debt securities eligible for refinancing with central banks measured at fair value through other comprehensive income	11 787	7 709
Receivables from credit institutions	380	682
Receivables from customers	391 712	317 723
Debt securities measured at fair value through other comprehensive income	752	1 381
measured at fair value through profit or loss	164	736
Derivatives	40 243	8 422
Other interest income	21	8
Total interest income using the effective interest method	511 329	379 220
Other interest income	40 428	9 165
Interest income, total	551 758	388 385
Interest income from stage 3 financial assets	4 776	3 174
Interest expenses		
Liabilities to credit institutions	-1 659	-801
Liabilities to customers	-127 914	-85 506
Issued bonds	-59 762	-15 210
Derivatives	-43 557	-1 814
Subordinated debts	-5 851	-5 183
Other interest expenses	-5 829	-5 290
Interest expenses on leases	-296	-96
Total interest expenses using the effective interest method	-195 186	-106 701
Other interest expenses	-49 681	-7 200
Interest expenses, total	-244 867	-113 901
Net interest income	306 891	274 484

NOTE 5: NET FEE AND COMMISSION INCOME

(EUR '000)	2024	2023
Fee and commission income by segment		
Fee and commission income from Banking		
From lending	9 652	9 690
From borrowing	790	721
From payment transactions	10 130	11 578
From card business	41 456	38 915
From legal duties	670	505
From insurance brokerage	2 274	1 762
From issuance of guarantees	13	94
Total fee and commission income from Banking	64 984	63 264
Fee and commission income from Wealth Management		
From funds	38 029	38 199
From wealth management	2 288	2 438
From property management	2 553	2 731
Total fee and commission income from Wealth Management	42 870	43 368
Fee and commission income from other activities		
From securities brokerage	657	363
Other fee and commission income	920	569
Total fee and commission income from other activities	1 577	932
Fee and commission income, total	109 432	107 564
Fee and commission expenses		
From funds	-3 330	-3 793
From wealth management	-119	-39
From securities brokerage	-1 228	-984
From card business	-11 411	-8 344
From property management	-84	-209
Banking fees	-447	-421
Other expenses	-89	-92
Fee and commission expenses, total	-16 708	-13 882
Net fee and commission income	92 723	93 682

NOTE 6: NET INCOME FROM INVESTING ACTIVITIES

(EUR '000)	2024	2023
Net income from financial assets measured at fair value through profit or loss		
Debt securities		
Capital gains and losses	7	8
Changes in fair value	-6	7
Shares and interests		
Capital gains and losses	25	17
Changes in fair value	24	-2 600
Derivatives		
Changes in fair value	-417	-103
Net income from financial assets measured at fair value through profit or loss, total	-367	-2 672
Net income from financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	-636	-2 396
Other income and expenses	–	26
Shares and interests		
Capital gains and losses	1 311	0
Other income and expenses	-16	-80
Net income from financial assets measured at fair value through other comprehensive income, total	659	-2 450
Net income from currency operations	413	373

(EUR '000)	2024	2023
Net income from hedge accounting		
Debt securities		
Net result from hedging instruments	-5 577	-10 845
Net result from hedged items	5 727	11 337
Liabilities to customers*		
Net result from hedging instruments	8 568	–
Net result from hedged items	-9 385	–
Issued bonds		
Net result from hedging instruments	14 170	17 657
Net result from hedged items	-14 930	-18 077
Net income from hedge accounting	-1 427	71
Net income from investing activities, total	-722	-4 677

* New hedged item. No comparison amounts.

Changes in the fair value of hedged items attributable to the hedged risk are recognised in the income statement under 'Net income from hedge accounting'. Changes in the fair value not attributable to the hedged risk are recognised in the fair value reserve.

Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement under Net result from hedge accounting. When hedging is effective, the changes in the fair value offset each other and the net result is close to zero.

NOTE 7: IMPAIRMENT OF RECEIVABLES

S-Bank is exposed to credit risk arising from household and corporate customer exposures, investing activities (debt securities) and off-balance sheet commitments. Credit granted to household customers constitutes the largest exposure to credit risk in the form of expected credit losses. The exposures to household customers include housing loans and consumer loans, the latter of which generate a relatively larger credit risk, as they are unsecured credit products. The corporate loan portfolio focuses on the secured financing of housing companies. As mortgage-backed loans, these are considered to be less risky, which also reduces the amount of expected credit losses. Corporate exposures and

investment activities focus on large companies with good credit ratings.

The total amount of the ECL provision was EUR 52.3 million (37.3) at the end of the financial year. The total amount of the ECL provision included provisions based on management judgement totalling EUR 3.8 million (3.8). The coverage ratio of the entire loan portfolio was 0.42 per cent (0.37) and remained within the risk appetite set by S-Bank's Board of Directors.

The ECL provision increased by EUR 15.0 million during the financial year, which was affected by growth of the loan portfolio following the transaction and model changes. The total ECL provi-

sion related to the acquired loan portfolio was EUR 11.4 million, including related provisions based on management judgement. Of the acquired loan portfolio, EUR 23.1 million were recognised as purchased credit impaired with related ECL provision of EUR 3.2 million.

During the financial year, S-Bank updated the credit risk models measuring the probability of default of household customers and the criteria for a significant increase in credit risk in the ECL calculation. The changes in ECL calculation had also an impact on the distribution of exposures across credit risk categories and the amount of exposures classified in stage 2. At the same time, provisions previously made

based on management judgement were reversed. The net impact of model changes and changes in provision based on management judgement on the ECL provision was EUR 2.2 million.

The ECL provision for lending to household customers increased by EUR 17.2 million, mainly due to acquired loan portfolio, model changes and an increase in the amount of defaulted liabilities.

The total ECL provision for corporate customers and investing activities decreased by EUR 1.5 million.

EXPECTED CREDIT LOSSES AND IMPAIRMENT LOSSES RECOGNIZED DURING THE PERIOD

Expected credit losses and impairment losses (EUR '000)	2024	2023
Receivables written off as credit and guarantee losses	-36 935	-25 228
Reversal of receivables written off	9 232	7 025
Expected credit losses (ECL) on receivables from customers and off-balance sheet commitments	-15 770	-14 261
Expected credit losses (ECL) on investing activities	794	-539
Total	-42 678	-33 003

RISK EXPOSURE, SUMMARY

	Stage 1		Stage 2		Stage 3		Purchased credit impaired		Exposures and commitments, total	ECL provision, total	Coverage ratio %
	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision			
31 Dec 2024 (EUR '000)											
Lending to household customers *	7 630 621	-6 125	526 860	-21 107	132 083	-18 079	23 108	-3 200	8 312 671	-48 512	-0.58%
Lending to corporate customers *	1 182 675	-510	27 897	-1 027	8 927	-968	–	–	1 219 499	-2 505	-0.21%
Investing activities **	628 072	-126	–	–	–	–	–	–	628 072	-126	-0.02%
Off-balance sheet commitments ***	2 259 030	-160	70 043	-942	1 389	-66	–	–	2 330 462	-1 167	-0.05%
Total	11 700 397	-6 921	624 800	-23 076	142 399	-19 113	23 108	-3 200	12 490 704	-52 310	-0.42%

	Stage 1		Stage 2		Stage 3		Purchased credit impaired		Exposures and commitments, total	ECL provision, total	Coverage ratio %
	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision			
31 Dec 2023 (EUR '000)											
Lending to household customers *	5 421 610	-2 489	283 706	-13 128	92 415	-15 729	–	–	5 797 731	-31 346	-0.54%
Lending to corporate customers *	1 087 996	-424	96 708	-2 766	–	–	–	–	1 184 705	-3 189	-0.27%
Investing activities **	667 649	-314	11 146	-607	–	–	–	–	678 795	-921	-0.14%
Off-balance sheet commitments ***	2 294 153	-464	10 824	-1 344	872	-71	–	–	2 305 850	-1 879	-0.08%
Total	9 471 408	-3 690	402 384	-17 845	93 287	-15 800	–	–	9 967 080	-37 335	-0.37%

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

** The ECL provision is recognised in the fair value reserve under other comprehensive income.

*** The ECL provision is recognised on the balance sheet under 'Other liabilities'.

EXPOSURE TO CREDIT RISK (LENDING TO HOUSEHOLD CUSTOMERS)

31 Dec 2024 (EUR '000)	Lending to household customers				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
Category 1	2 593 206	3 378	–	–	2 596 583
Category 2	573 724	1 841	–	–	575 565
Category 3	2 499 853	14 505	–	75	2 514 434
Category 4	315 498	17 292	–	–	332 791
Category 5	1 523 627	100 547	–	–	1 624 174
Category 6	119 689	172 712	–	–	292 400
Category 7	5 023	216 585	–	–	221 608
In default	–	–	132 083	23 032	155 115
Gross carrying amount	7 630 621	526 860	132 083	23 108	8 312 671
ECL provision *	-6 125	-21 107	-18 079	-3 200	-48 512
Net carrying amount	7 624 495	505 753	114 004	19 907	8 264 160

31 Dec 2023 (EUR '000)	Lending to household customers				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
Category 1	4 347 233	122 824	–	–	4 470 057
Category 2	329 722	14 030	–	–	343 752
Category 3	297 012	12 642	–	–	309 654
Category 4	125 578	6 610	–	–	132 187
Category 5	231 797	12 998	–	–	244 795
Category 6	87 657	36 230	–	–	123 886
Category 7	2 611	78 373	–	–	80 984
In default	–	–	92 415	–	92 415
Gross carrying amount	5 421 610	283 706	92 415	–	5 797 731
ECL provision *	-2 489	-13 128	-15 729	–	-31 346
Net carrying amount	5 419 121	270 578	76 686	–	5 766 385

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

EXPOSURE TO CREDIT RISK (LENDING TO CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)

31 Dec 2024 (EUR '000)	Lending to corporate customers, investing activities and off-balance sheet commitments					31 Dec 2023 (EUR '000)	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total		Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL			12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
Category 1	2 783 658	42	–	–	2 783 700	Category 1	2 785 552	34	–	–	2 785 586
Category 2	640 342	1 659	–	–	642 001	Category 2	565 527	5	–	–	565 531
Category 3	238 475	15 066	–	–	253 542	Category 3	301 264	6	–	–	301 270
Category 4	79 211	15 345	–	–	94 556	Category 4	90 734	0	–	–	90 734
Category 5	207 548	32 464	–	–	240 012	Category 5	234 796	4 441	–	–	239 237
Category 6	120 527	30 077	–	–	150 604	Category 6	68 957	107 974	–	–	176 931
Category 7	16	3 287	–	–	3 303	Category 7	2 969	6 218	–	–	9 187
In default	–	–	10 316	–	10 316	In default	–	–	872	–	872
Gross carrying amount	4 069 777	97 940	10 316	–	4 178 032	Gross carrying amount	4 049 799	118 678	872	–	4 169 349
ECL provision *	-796	-1969	-1 034	–	-3 799	ECL provision *	-1 201	-4 716	-71	–	-5 989

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

The ECL provision for investment activities is recognised in the fair value reserve under 'Other comprehensive income'.

The ECL provision for off-balance sheet receivables is recognised on the balance sheet under 'Other liabilities'.

RECONCILIATION OF EXPECTED CREDIT LOSSES (LENDING TO HOUSEHOLD CUSTOMERS)

(EUR '000)	Lending to household customers				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
ECL 1 Jan 2024	2 489	13 128	15 729	–	31 346
Transfers from Stage 1 to Stage 2	-648	12 418	–	–	11 770
Transfers from Stage 1 to Stage 3	-95	–	5 401	–	5 307
Transfers from Stage 2 to Stage 1	111	-2 875	–	–	-2 763
Transfers from Stage 2 to Stage 3	–	-2 242	4 620	–	2 378
Transfers from Stage 3 to Stage 1	10	–	-479	–	-469
Transfers from Stage 3 to Stage 2	–	573	-2 497	–	-1 923
Changes in the risk parameters	1 645	903	-3 202	–	-654
Increases due to origination and acquisition	2 939	2 470	2 866	3 200	11 475
Decreases due to derecognition	-209	-673	-1 435	–	-2 317
Decrease in the allowance account due to write-offs	-117	-2 597	-2 925	–	-5 638
Net change in ECL	3 637	7 978	2 351	3 200	17 166
ECL 31 Dec 2024	6 125	21 107	18 079	3 200	48 512

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

(EUR '000)	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
ECL 1 Jan 2024	1 201	4 716	71	–	5 989
Transfers from Stage 1 to Stage 2	-80	999	–	–	918
Transfers from Stage 1 to Stage 3	-5	–	994	–	989
Transfers from Stage 2 to Stage 1	47	-2 524	–	–	-2 476
Transfers from Stage 2 to Stage 3	–	-48	5	–	-43
Transfers from Stage 3 to Stage 1	0	–	-15	–	-15
Transfers from Stage 3 to Stage 2	–	3	-12	–	-9
Changes in the risk parameters	-377	-500	-10	–	-886
Increases due to origination and acquisition	152	387	26	–	564
Decreases due to derecognition	-127	-723	-24	–	-874
Decrease in the allowance account due to write-offs	-15	-341	-1	–	-358
Net change in ECL	-406	-2 747	963	–	-2 190
ECL 31 Dec 2024	796	1 969	1 034	–	3 799

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

CLASSIFICATION OF FINANCIAL INSTRUMENTS ACCORDING TO VALUATION METHOD

Fair values of financial assets 31 Dec 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount	Fair values of financial assets 31 Dec 2023 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial assets measured at amortised cost						Financial assets measured at amortised cost					
Cash and cash equivalents		2 906 420		2 906 420	2 906 420	Cash and cash equivalents		2 207 041		2 207 041	2 207 041
Receivables from credit institutions		21 809		21 809	21 578	Receivables from credit institutions		9 390		9 390	9 420
Receivables from customers		9 979 893		9 979 893	9 466 806	Receivables from customers		7 364 448		7 364 448	6 934 971
Total		12 908 122		12 908 122	12 394 805	Total		9 580 879		9 580 879	9 151 432
Financial assets measured at fair value through profit or loss						Financial assets measured at fair value through profit or loss					
Debt securities		–		–	–	Debt securities		24 842		24 842	24 842
Derivatives		48 981		48 981	48 981	Derivatives		31 349		31 349	31 349
Shares and interests	7 869	10 547		18 416	18 416	Shares and interests	8 235	9 878		18 114	18 114
Total	7 869	59 527		67 396	67 396	Total	8 235	66 070		74 305	74 305
Financial assets measured at fair value through other comprehensive income						Financial assets measured at fair value through other comprehensive income					
Debt securities eligible for refinancing with central banks	558 927	10 695		569 623	564 844	Debt securities eligible for refinancing with central banks	556 081	19 333		575 414	571 735
Debt securities	58 450	–		58 450	57 966	Debt securities	100 192	3 188		103 381	102 451
Shares and interests		840	67	907	907	Shares and interests		646	121	767	767
Total	617 377	11 535	67	628 979	623 717	Total	656 273	23 168	121	679 562	674 953
Fair values of assets, total	625 246	12 979 184	67	13 604 498	13 085 918	Fair values of assets, total	664 509	9 670 117	121	10 334 747	9 900 689

Fair values of financial liabilities 31 Dec 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial liabilities measured at amortised cost					
Liabilities to credit institutions		659 194		659 194	655 700
Liabilities to customers		10 034 634		10 034 634	9 460 439
Issued bonds	1 754 682			1 754 682	1 712 456
Subordinated debts		96 663		96 663	95 666
Total	1 754 682	10 790 490		12 545 172	11 924 260
Financial liabilities measured at fair value through profit or loss					
Derivatives		1 717		1 717	1 717
Total		1 717		1 717	1 717

Fair values of financial liabilities 31 Dec 2023 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial liabilities measured at amortised cost					
Liabilities to credit institutions *		34 231		34 231	34 231
Liabilities to customers *		8 151 156		8 151 156	8 239 664
Issued bonds	899 181			899 181	886 895
Subordinated debts		102 717		102 717	101 333
Total *	899 181	8 288 104		9 187 285	9 262 123
Financial liabilities measured at fair value through profit or loss					
Derivatives		829		829	829
Total		829		829	829

* The fair values of the comparison period has been amended.

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

Financial assets and liabilities measured at fair value are divided into three categories according to the method of determining fair value. Level 1 fair values

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

Transfers between Levels 1 and 2

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

CHANGES AT LEVEL 3

(EUR '000)

Shares and interests, carrying amount 1 Jan 2024

Sales

Shares and interests, carrying amount 31 Dec 2024

Shares and interests

121

-54

67

The value of Level 3 financial instruments recognised at fair value includes those instruments whose fair value is

estimated by using valuation methods that are entirely or partly based on non-verifiable market values and prices.

NOTE 9: CLASSES OF FINANCIAL ASSETS AND LIABILITIES

Classes of financial assets 31 Dec 2024 (EUR '000)	Fair value through profit or loss				
	Amortised cost	Measured at fair value through other comprehensive income	Measured at fair value	Derivatives in hedge accounting	Total
Cash and cash equivalents	2 906 420				2 906 420
Debt securities eligible for refinancing with central banks		564 844			564 844
Receivables from credit institutions	21 578				21 578
Receivables from customers	9 466 806				9 466 806
Debt securities		57 966	–		57 966
Derivatives			8	48 973	48 981
Shares and interests		907	18 416		19 322
Total	12 394 805	623 717	18 423	48 973	13 085 918

Classes of financial assets 31 Dec 2023 (EUR '000)	Fair value through profit or loss				
	Amortised cost	Measured at fair value through other comprehensive income	Measured at fair value	Derivatives in hedge accounting	Total
Cash and cash equivalents	2 207 041				2 207 041
Debt securities eligible for refinancing with central banks		571 735			571 735
Receivables from credit institutions	9 420				9 420
Receivables from customers	6 934 971				6 934 971
Debt securities		102 451	24 842		127 293
Derivatives			425	30 924	31 349
Shares and interests		767	18 114		18 881
Total	9 151 432	674 953	43 381	30 924	9 900 689

Classes of financial liabilities 31 Dec 2024 (EUR '000)	Fair value through profit or loss: Derivatives in hedge accounting		
	Amortised cost		Total
Liabilities to credit institutions	655 700		655 700
Liabilities to customers	9 460 439		9 460 439
Issued bonds	1 712 456		1 712 456
Subordinated debts	95 666		95 666
Derivatives		1 717	1 717
Lease liabilities	13 607		13 607
Total	11 937 867	1 717	11 939 585

Classes of financial liabilities 31 Dec 2023 (EUR '000)	Fair value through profit or loss: Derivatives in hedge accounting		
	Amortised cost		Total
Liabilities to credit institutions	34 231		34 231
Liabilities to customers	8 239 664		8 239 664
Issued bonds	886 895		886 895
Subordinated debts	101 333		101 333
Derivatives		829	829
Lease liabilities	7 077		7 077
Total	9 269 200	829	9 270 029

NOTE 10: DERIVATIVES AND HEDGE ACCOUNTING

NOMINAL AND FAIR VALUES OF DERIVATIVES

Interest rate derivatives (EUR '000)	31 Dec 2024			31 Dec 2023		
	Nominal value	Positive fair value	Negative fair value	Nominal value	Positive fair value	Negative fair value
Interest rate swaps						
Designated for hedge accounting						
Debt securities	307 200	7 512	-651	397 200	13 268	-829
Liabilities to customers *	1 140 000	9 634	-1 067	–	–	–
Issued bonds	1 400 000	31 826	–	500 000	17 657	–
Total	2 847 200	48 973	-1 717	897 200	30 924	-829
For non-hedging purposes	10 000	8	–	40 000	425	–
Derivatives, total	2 857 200	48 981	-1 717	937 200	31 349	-829

MATURITIES OF DERIVATIVES

Interest rate derivatives (EUR '000)	31 Dec 2024				31 Dec 2023			
	Less than one year	1-5 years	Over 5 years	Total	Less than one year	1-5 years	Over 5 years	Total
Designated for hedge accounting								
Debt securities	70 000	237 200	–	307 200	90 000	307 200	–	397 200
Liabilities to customers *	–	1 140 000	–	1 140 000	–	–	–	–
Issued bonds	–	900 000	500 000	1 400 000	–	500 000	–	500 000
For non-hedging purposes	10 000	–	–	10 000	30 000	10 000	–	40 000
Derivatives, total	80 000	2 277 200	500 000	2 857 200	120 000	817 200	–	937 200

* New hedged item. No comparison amounts.

Changes in the fair value of hedged items attributable to the hedged risk are recognised in the income statement under 'Net income from hedge accounting'. Changes in the fair value not

attributable to the hedged risk are recognised in the fair value reserve. Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement

under Net result from hedge accounting. When hedging is effective, the changes in fair value offset each other and the net result is close to zero.

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

NOTE 11: ISSUED BONDS

Bonds (EUR '000)	31 Dec 2024		31 Dec 2023		Interest	Maturity
	Carrying amount	Nominal value	Carrying amount	Nominal value		
Secured bonds						
S-Bank Plc's Covered Bond	518 154	500 000	517 291	500 000	Fixed 3.75%	26 Sep 2028
S-Bank Plc's Covered Bond	506 170	500 000	–	–	Fixed 3.00%	16 Apr 2030
Secured bonds, total	1 024 324	1 000 000	517 291	500 000		
Unsecured bonds						
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 1	84 375	83 900	170 281	170 000	Euribor 3 m + 0.75%	4 Apr 2025
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 2	49 324	50 000	49 324	50 000	Euribor 3 m + 0.75%	4 Apr 2025
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2023	150 000	150 000	150 000	150 000	Euribor 3 m + 2.30%	23 Nov 2026
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2024, Tranche 1	304 433	300 000	–	–	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2024, Tranche 2	100 000	100 000	–	–	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
Unsecured bonds, total	688 132	683 900	369 605	370 000		
Bonds, total	1 712 456	1 683 900	886 895	870 000		

NOTE 12: SUBORDINATED DEBTS

Debentures (EUR '000)	31 Dec 2024		31 Dec 2023		Interest	Maturity
	Carrying amount	Nominal value	Carrying amount	Nominal value		
Debenture I/2016	8 667	8 667	13 000	13 000	Euribor 12 m + 1.8%	30 Jun 2026
Debenture I/2017	3 999	3 999	5 333	5 333	Euribor 12 m + 1.8%	18 Dec 2027
Debenture I/2020	25 500	25 500	25 500	25 500	Euribor 12 m + 2.0%	1 Dec 2030
Debenture I/2021	57 500	57 500	57 500	57 500	Euribor 12 m + 2.0%	8 Oct 2031
Debentures, total	95 666	95 666	101 333	101 333		

NOTE 13: COLLATERAL GIVEN

(EUR '000)	Other collateral	
	31 Dec 2024	31 Dec 2023
Derivatives	15 185	4 257
Collateral given for own debt, total*	15 185	4 257
of which cash	15 185	4 257
Other collateral given on own behalf	557	357
of which cash	557	357

* The comparison period has been amended since the publication of the 31 December 2023 financial statements. Collateral given in form of securities has been reported as pre-pledged collateral for central bank in the 31 December 2023 financial statements. Since 31 March 2024, they are not included in the figures, if the limit in central bank has not been used.

NOTE 14: OFF-BALANCE SHEET COMMITMENTS

(EUR '000)	31 Dec 2024	31 Dec 2023
Guarantees	908	2 170
Other	33	52
Undrawn credit facilities	129 512	144 045
Off-balance sheet commitments, total	130 454	146 266

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

The expected credit loss on off-balance sheet items is EUR 1 167 thousand (1 879).

NOTE 15: RELATED PARTIES

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

NOTE 16: ACQUISITION OF HANDELSBANKEN'S FINNISH PRIVATE CUSTOMER, ASSET MANAGEMENT AND INVESTMENT SERVICES OPERATIONS

S-Bank announced on 31 May 2023 that it will acquire the Finnish private customer, asset management and investment services operations of Svenska Handelsbanken AB. The transaction was completed on 1 December 2024 when customers and the balance sheet items related to the transactions were transferred to S-Bank. In connection to the Handelsbanken transaction, 213 employees and nearly all of the bank's Finnish branches were transferred to S-Bank on 1 December 2024. The companies also started cooperation, and S-Bank started to offer funds managed by Handelsbanken Fonder AB.

Negative goodwill mainly consists of the EUR 25.7 million, the less than the net

value of the balance sheet items transferred at closing, that S-Bank paid to Handelsbanken. In addition to that, there are one-off adjustments to the balance sheet that effect on the total negative goodwill. Negative goodwill is included in Other operating income.

In connection to Handelsbanken transaction, the definition of Assets under management was expanded when S-Bank became for example a distributor of funds managed by Handelsbanken Fonder AB. As from 1 December 2024 Assets under management includes: S-Bank funds, discretionary asset management and, as a new item, funds issued by other than Group companies, which are not reported under discretionary asset management.

The transaction was covered with a subsequent share issue to the owners, debt financing from the market as well as bilateral financing agreements. S-Bank

strengthened its own capital with a share issue of EUR 200 million on 28 November 2024 to ensure that the bank's capitalisation and capital adequacy will remain strong also following the transaction. To cover the debt financing and pay the transaction price, S-Bank has and will issue covered and senior bonds between 2023 and 2025.

On 26 September 2023, S-Bank issued its first covered bond with nominal value EUR 500 million. On 8 March 2024 S-Bank issued a Senior Preferred MREL Eligible Notes –bond. On 16 April 2024, S-Bank issued its second covered bond with a nominal value of EUR 500 million. On 24 September 2024, S-Bank issued an increase of EUR 100 million in the original

IMPACTS OF THE TRANSACTION

(EUR million)	1 Dec 2024
Receivables from customers (gross) *	2 466.0
Liabilities to customers	-875.9
Other items **	3.9
Purchased net assets	1 594.0
Purchase price, cash	1 565.1
Negative goodwill	28.9
Assets under management	1 948.0
Undrawn credit facilities	15.3

* The fair value of receivables from customers is EUR 2 454.6 million. The amount includes estimated credit losses EUR 11.4 million related to the receivables. The effect has been described in more details in Note 7.

** As a part of the net assets, also other items, such as interest accruals and other assets and liabilities related to the transferred staff and branch offices, were included in the transaction.

amount of its bond (tap issue). The tap issue concerns the Senior Preferred MREL Eligible Notes 1/2024 in the original amount EUR 300 million issued on 8 March 2024 and maturing on 8 March 2028. On 29 November 2024, bank drew EUR 590 million bilateral funding.

S-Bank's result for the review period includes expenses of EUR 14.1 million (EUR 4.2 million in year 2023). Those are expenses for consultancy and advisory services related to planning and preparation of the acquisition. In addition, the result includes expenses and interest of EUR 5.3 million (EUR 5.4 million in year 2023) related to the financing arrangement to ensure execution of the transaction.

NOTE 17: EVENTS AFTER THE REVIEW PERIOD

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

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

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

5 February 2025

S-Bank Plc's Board of Directors

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.

Annual report for 2024: Week 12

Interim report January–March: 8 May 2025

Half-year report: 31 July 2025

Interim report January–September: 6 November 2025



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