



S-BANK PLC
HALF-YEAR REPORT
1 JANUARY –
30 JUNE 2024



STEADY PERFORMANCE AND GROWTH CONTINUED

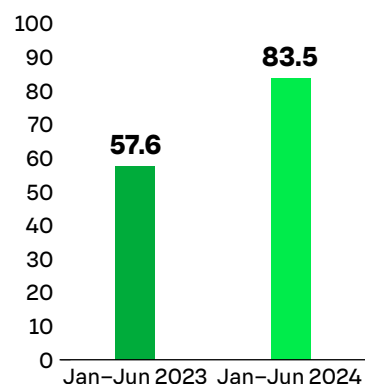
JANUARY–JUNE 2024

The S-Bank Group's operating profit was EUR 83.5 million (57.6), a 45.0 per cent growth. The improvement in performance and key figures was especially driven by a strong 30.3 per cent increase in the net interest income. The cost-to-income ratio was 0.49 (0.61) and return on equity was 21.7 per cent (13.3 *).

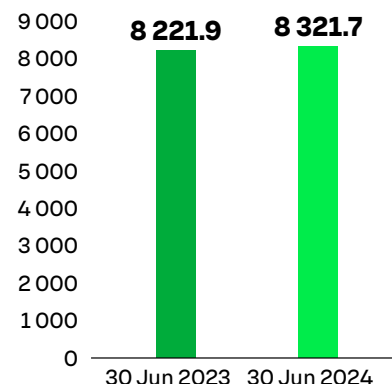
- Operating profit increased to EUR 83.5 million (57.6)
- Deposits increased to EUR 8.3 billion (8.2 *)
- Lending increased to EUR 7.0 billion (6.9 *)
- Assets under management increased to EUR 6.2 billion (6.1 *)
- Number of active customers increased to 699 000 (625 000 *)
- The capital adequacy ratio increased to 20.5 per cent (17.3 *)

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

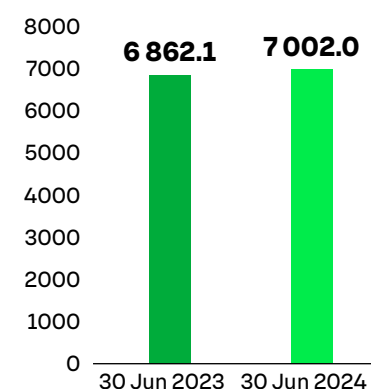
OPERATING PROFIT (EUR MILLION)



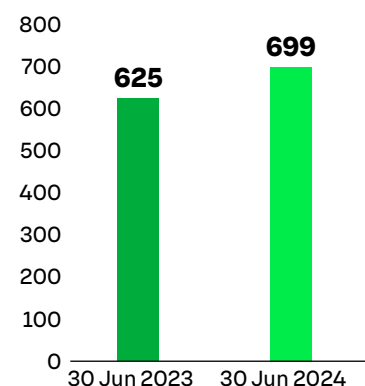
DEPOSITS (EUR MILLION)



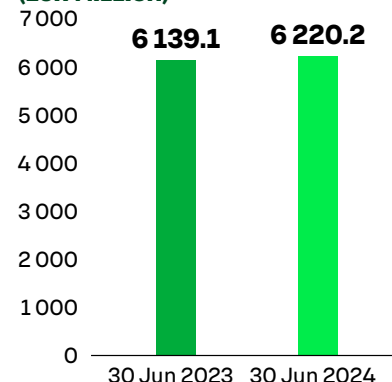
LENDING (EUR MILLION)



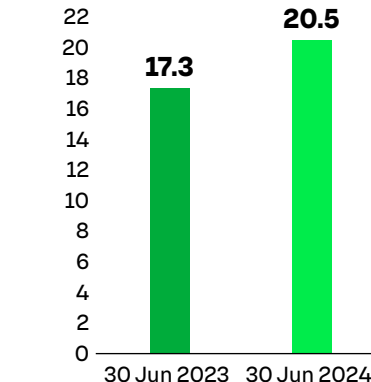
ACTIVE CUSTOMERS ('000)



ASSETS UNDER MANAGEMENT (EUR MILLION)



CAPITAL ADEQUACY RATIO (%)



SUMMARY

OUTLOOK FOR 2024 (UNCHANGED)

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

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

KEY FIGURES

(EUR million)	Jan-Jun 2024	Jan-Jun 2023	Change	Q2 2024	Q2 2023	Change	(EUR million)	30 Jun 2024	31 Dec 2023	Change
Net interest income	157.6	120.9	30.3%	78.0	66.1	17.9%	Liabilities to customers. deposits	8 321.7	8 175.9	1.8%
Net fee and commission income	44.7	45.0	-0.6%	23.0	23.0	0.1%	Receivables from customers. lending	7 002.0	6 935.0	1.0%
Total income	206.3	170.5	21.0%	102.3	90.6	13.0%	Debt securities	619.7	699.0	-11.3%
Operating profit	83.5	57.6	45.0%	40.8	32.2	26.7%	Equity	710.2	649.3	9.4%
Cost-to-income ratio	0.49	0.61	-0.12	0.49	0.61	-0.12	Expected credit losses (ECL)	41.1	37.3	10.1%
							Assets under management	6 220.2	6 245.4	-0.4%
							Return on equity	21.7%	20.1%	1.6
							Return on assets	1.4%	1.2%	0.1
							Equity ratio	6.5%	6.5%	0.0
							Capital adequacy ratio	20.5%	18.8%	1.7

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

CEO'S REVIEW



Riikka Laine-Tolonen
CEO

S-Bank's strong performance continued; economic outlook indicates a change for the better

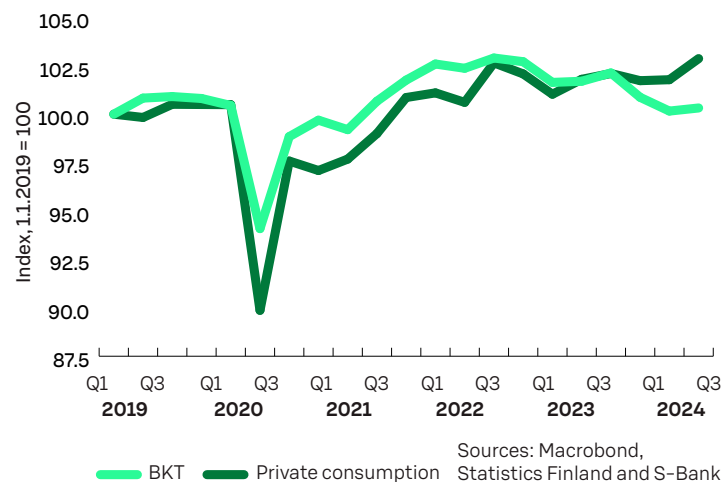
S-Bank's profit and growth continued to be strong in January–June. Operating profit was EUR 83.5 million during the first half of the year. More and more Finns are focusing their banking needs with S-Bank and the number of active customers reached another new record of 699 000.

The global economy has recently been displaying more positive signs as inflation is slowing and the interest rate outlook is becoming more favourable. Finland's economy grew slightly at the beginning of the year, driven by consumption. Expectations of further interest rate cuts by the European Central Bank are being well received by Finnish households, and it is anticipated that the housing market's rock-bottom level will soon be behind us. However, near-term challenges are still expected

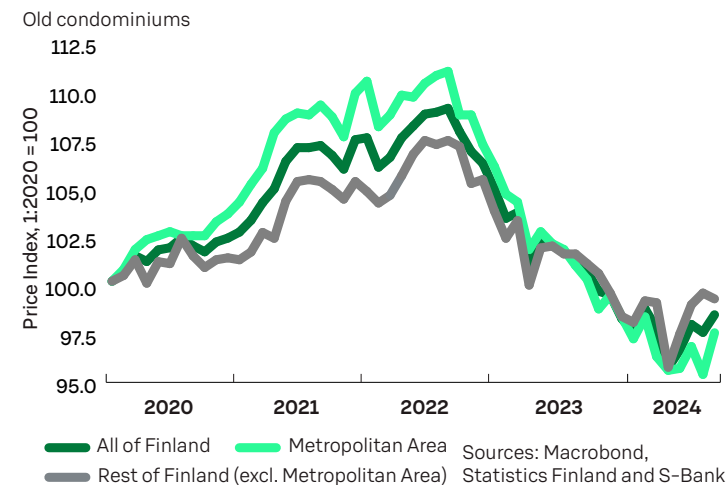
in construction and employment, but in general, the Finnish economy is forecast to gradually start improving in the second half of the year.

In line with our strategy, we exist to support our customers so that everyone has a chance to have a slightly more affluent tomorrow. We offer an account, a card, online banking and a mobile app free-of-charge to S Group cooperative store co-op members. Interest in our services is strong. At the end of June, we

FINLAND'S GDP AND PRIVATE CONSUMPTION



HOUSING PRICES IN FINLAND



had around 699 000 active customers, whereas a year earlier the corresponding figure was 625 000. I am very proud of the fact that more and more people are choosing S-Bank as their main bank.

Deposits by household customers were at a good level compared to the overall market development and increased to EUR 7.7 billion, an increase of 3.3 per cent year-on-year. At the market as a whole, household deposits have decreased. The volume of loans granted was EUR 7.0 billion. According to the latest available data, S-Bank has strengthened its position as a mortgage bank, as the volume of S-Bank's mortgage loans has increased while the overall market has declined. (Market data: Bank of Finland, May 2024)

The growth in the number of active customers is also reflected in the strong increase in purchases made with our cards. Over the period January–June, the euro amount of purchases made with S-Etukortti Visa cards grew by 12.2 per cent and the number of card purchases increased by 13.8 per cent year-on-year. According to data from the end of June, co-op members of S Group's regional cooperatives paid 26.4 per cent of their bonus purchases with

an S-Bank card.

S-Bank is serving more and more fund savers and the number of unit holders in S-Bank's funds increased year-on-year to 417 000 (375 000). Assets under management were EUR 6.2 billion at the end of June. We have also made progress as a provider of responsible investments. In June, we set an ambitious interim target for 2030 in the Net Zero Asset Managers initiative to reduce emissions by 50 per cent compared to the level in 2019.

In June, 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 the outlook as stable. I am very pleased that S&P considers our outlook to be stable and anticipates that the Handelsbanken transaction will have a positive impact on S-Bank's business operations.

Popularity of digital channels at record levels

The popularity of the joint digital channels of the S Group and S-Bank was at record levels during the first half of the year. The number of active users of the S-mobiili app was almost 1.4 million per week out of

a total of 2.3 million users. In April, we accomplished 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 also to Apple Wallet.

We offer our customers easy savings and investment solutions. A good example of this is S-Bank's popular micro-saving service called Säästäjä, which exceeded 100 000 users in May. I am very happy and proud of the fact that our Säästäjä service has become so popular. It shows that effortless and mobile investment services are important to our customers to achieve a slightly more affluent tomorrow. We want to continue to make investing easy and accessible for everyone.

Continuing our journey to become an even more customer-focused and digital bank

The execution of the Handelsbanken transaction is progressing as planned towards the migration and transfer of customers that will take place at the turn of November–December 2024, and we are working hard to ensure that everything goes smoothly. I would like to welcome our new customers and colleagues from Handelsbanken. The

customers from Handelsbanken will be able to come over to S-Bank with confidence, as the customer relationship managers and branches transferring from Handelsbanken will continue to serve customers at S-Bank. In the coming weeks, we will inform customers of the upcoming change and encourage them to take action early to ensure that the transfer of their banking matters to S-Bank will take place smoothly. Our new organisation, which came into effect in April and the new way of managing S-Bank is the first step in implementing our new strategy and continuing our growth story. In conjunction with this, we also reinforced our business risk management.

S-Bank is in excellent shape and we are making good progress towards our strategic objectives. Our capital adequacy is strong, at 20.5 per cent, and our cost-to-income ratio is 0.49.

I would like to warmly thank 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 the outlook as stable.

As part of the 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 will be used to finance the bank's activities and growth, as well as the imminent acquisition of Svenska Handelsbanken AB.

S-Bank Plc issued a Senior Preferred MREL Eligible Notes 1/2024 bond, valued at EUR 300 million, on 29 February 2024 as part of its EUR 3.0 billion bond programme. The bond's maturity date is

8 March 2028. A fixed interest rate of 4.875 per cent will be paid for the bond until 8 March 2027 and a floating interest rate thereafter. On 22 February 2024, S-Bank Corporation announced a voluntary repurchase offer for its EUR 220 million bond maturing in 2025. Tender instructions adding up to EUR 86.1 million were accepted.

Acquisition of Handelsbanken's Finnish operations

The execution of the Handelsbanken business transaction is progressing as planned towards the transfer of customer relationships, which is expected to take place at the turn of November-December 2024. During the period under review, Handelsbanken provided its private customers transferring to S-Bank with more detailed information on the effects of the upcoming changes by letter and by message in Handelsbanken's online bank. All communication will be carried out in close cooperation between the banks.

For the time being, Handelsbanken and S-Bank will continue to serve their customers as before, and customers of both banks will continue to use their own bank. The transaction is described in more detail in Note 16.

Changes in management and Annual General Meeting

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

S-Bank's Annual General Meeting (AGM) was held on 9 April 2024. The AGM decided, 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

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 we committed to reducing 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 received important recognitions during the spring. S-Pankki High Yield Eurooppa ESG Korke 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.

S-Bank offers its customers easy savings and investment solutions. A good example of this is S-Bank's popular micro-saving service called Säästäjä. In May 2024, the Säästäjä service achieved a major milestone when its user numbers exceeded 100 000. 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.

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

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

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

Customer experience and brand

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

For the twelfth consecutive year, Finns 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 the Tyytyväisyys ja luottamus pankkien palveluihin 2024 (Satisfaction and trust in banking services) survey, commissioned by loan comparison service Sortter from Taloustutkimus, S-Bank's customers are the most satisfied with their bank among the customers of Finnish banks. This is the fifth year that S-Bank has held the top spot in the comparison.

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

OPERATING ENVIRONMENT

The first half of 2024 was a period of moderate economic growth that was slightly better than expected at the beginning of the year. It has taken time to adjust to the increased interest rate levels, but many economic areas have passed the worst phase and risks to the economy have diminished.

Activity in the global economy picked up, particularly in services, but manufacturing also slowly began to recover from its low. The euro area economy, which had been stuck at zero growth for a while, finally returned to a growth track. On the positive side, despite its previous growth challenges, the unemployment rate in the euro area remained at record low levels. By contrast, in the United States, economic growth slowed to just over one per cent annually at the beginning of the year, after an earlier period of strong growth. The US job market also showed slight signs of cooling in the run-up to the summer.

However, global inflation has not eased quite at the pace hoped for. The spike in inflation is behind us and the decline

from peak levels was rapid. The rise in goods prices has largely come to an end, but service prices have continued to rise sharply. Overall, the rate of consumer price inflation remains well above the central banks' target level of two per cent and progress towards this target has recently been slow. Indeed, expectations of central bank rate cuts by the end of the year decreased markedly over the January–June period. Nevertheless, the European Central Bank (ECB) made its first interest rate cut of 0.25 percentage points in June. In the US, interest rates have not yet been cut once.

In Finland, GDP contracted sharply in the second half of 2023, but at the beginning of 2024, gross production grew slightly on the previous quarter. Demand for household services and fast-moving and semi-durable consumer goods supported the slight increase in the volume of private consumption. In the new environment with higher interest rates, however, there was still a reluctance to make major purchases. There was also a considerable decline in investment as a result of the sharp fall in

construction. Based on barometers measuring confidence, economic momentum remained subdued also during the second quarter, and the recession has not yet eased fully. In particular, as a result of the weakening of the construction and manufacturing sectors the unemployment rate in Finland rose to over 8 per cent.

The rock-bottom levels of the Finnish housing market may gradually be behind us. There has been a very slight recovery in transaction numbers, but historically they have remained at a low level. Housing prices have not yet started on a sustained rise, although positive developments were seen in places. Sales of new dwellings were still slow.

The more positive momentum in the economy and persistent inflation have also been reflected in the financial markets. There was a strong start to the year for equities. Global equities rose by more than ten per cent in the first six months of the year. The pace was not as rapid on the Helsinki Stock Exchange, but Finnish equities also rose markedly. Bond yields, meanwhile, rose as

fixed-income market expectations of central bank rate cuts weakened markedly. The yield of Germany's 10-Year Government Bond rose from around 2 per cent to around 2.5 per cent.

FINANCIAL POSITION

KEY FIGURES

(EUR million)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Jan–Jun 2024	Jan–Jun 2023
Net interest income	78.0	79.6	78.8	74.8	66.1	157.6	120.9
Net fee and commission income	23.0	21.7	26.2	22.6	23.0	44.7	45.0
Total income	102.3	104.1	104.9	95.9	90.6	206.3	170.5
Operating profit	40.8	42.8	43.5	46.3	32.2	83.5	57.6
Cost-to-income ratio	0.49	0.50	0.51	0.54	0.61	0.49	0.61

(EUR million)	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	30 Jun 2024	31 Dec 2023
Liabilities to customers, deposits	8 321.7	8 175.1	8 175.9	8 172.6	8 221.9	8 321.7	8 175.9
Receivables from customers, lending	7 002.0	6 991.3	6 935.0	6 895.7	6 862.1	7 002.0	6 935.0
Debt securities	619.7	646.7	699.0	689.2	743.0	619.7	699.0
Equity	710.2	685.1	649.3	609.3	569.1	710.2	649.3
Expected credit losses (ECL)	41.1	37.5	37.3	33.3	31.5	41.1	37.3
Assets under management	6 220.2	6 416.0	6 245.4	6 038.0	6 139.1	6 220.2	6 245.4
Return on equity	21.7%	21.4%	20.1%	17.9%	13.3%	21.7%	20.1%
Return on assets	1.4%	1.4%	1.2%	1.1%	0.8%	1.4%	1.2%
Equity ratio	6.5%	6.7%	6.5%	6.2%	6.1%	6.5%	6.5%

RESULT APRIL–JUNE 2024

S-Bank Group's operating profit for April–June increased year-on-year and was EUR 40.8 million (32.2).

Income

Total income increased to EUR 102.3 million (90.6), an increase of 12.9 per cent. Net interest income grew by 17.9 per cent, totalling EUR 78.0 million (66.1). Net fee and commission income was EUR 23.0 million (23.0). Net income from investing activities were EUR -0.5 million (-0.3). Other operating income totalled EUR 1.7 million (1.7).

Expenses

Operating expenses totalled EUR 50.8 million (46.7). This represents an increase of 8.9 per cent on the comparison period. Personnel expenses accounted for EUR 18.5 million (16.5) of operating expenses. The change was due to an increase in the number of personnel. Other administrative expenses were EUR 29.5 million (23.8). The change is mainly due to increase in IT cost and consultancy and expert services related to the planning and preparation of the announced acquisi-

tion. These are described in more detail in Note 16. Depreciation and impairment of tangible and intangible assets amounted to EUR 4.2 million (4.1). Other operating expenses totalled EUR -1,4 million (2.2). This was mainly affected by smaller deposit guarantee contribution than anticipated. Final amount was confirmed according to Financial Stability Authority's decision in May.

Expected and final credit losses

In the second quarter, expected and final credit losses of EUR 12.9 million (13.4) were recognised in the consolidated income statement. Reversals, or recovered credit losses, amounted to EUR 2.2 million (1.7). Consequently, the total net effect on profit of expected and final credit losses was EUR 10.7 million (11.7). During the review period, 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. In the same connection provisions based on management judgement were reversed. The net effect on ECL provisions was about EUR 2.0 million.

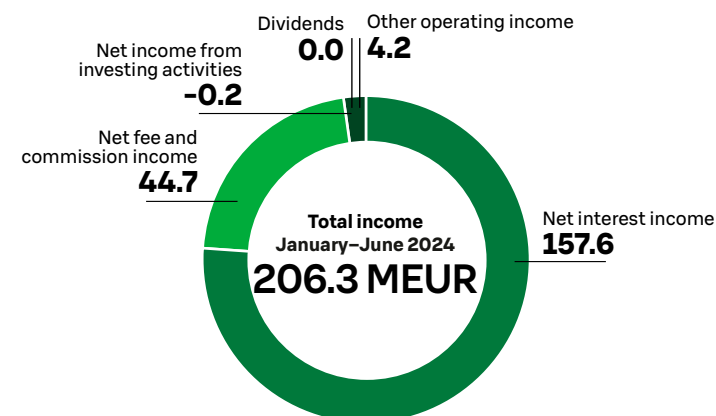
RESULT AND BALANCE SHEET JANUARY–JUNE 2024

S-Bank Group's operating profit was EUR 83.5 million (57.6). The profit for the period after taxes was EUR 66.9 million (46.1). Return on equity increased to 21.7 per cent (13.3).

Income

Total income amounted to EUR 206.3 million (170.5), a growth of 21.0 per cent.

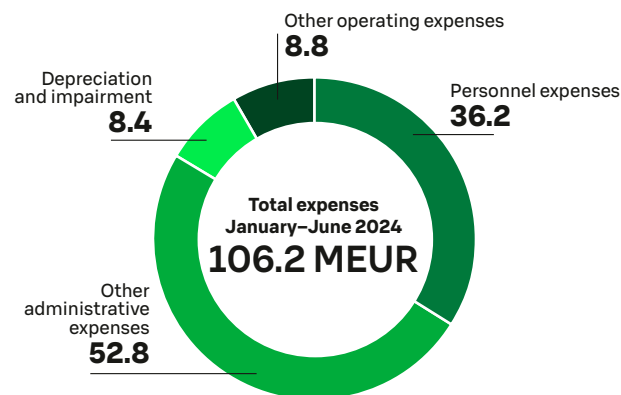
Net interest income increased by 30.3 per cent, totalling EUR 157.6 million (120.9). The prevailing interest rate level has continued to support the growth of the net interest income. Net fee and commission income was EUR 44.7 million (45.0). Net income from investing activities decreased and was EUR -0.2 million (0.5). Other operating income was EUR 4.2 million (4.1).



Expenses

Operating expenses totalled EUR 106.2 million (96.0) during the review period. This is 10.6 per cent more than during the comparison period, mainly due to an increase in personnel expenses, IT and acquisition-related development costs. Personnel expenses accounted for EUR 36.2 million (31.9) of operating expenses. The change was due to an increase in the number of personnel.

Other administrative expenses totalled EUR 52.8 million (44.4). 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 8.4 million (8.0). Other operating expenses totalled EUR 8.8 million (11.7), which includes EUR 6.4 million (9.5) authority fees.



Expected and final credit losses

Expected and final credit losses of EUR 20.9 million (20.2) were recognised in the consolidated income statement during the review period. Reversals, or recovered credit losses, amounted to EUR 4.3 million (3.3). Consequently, the total net effect on profit of expected and final credit losses was EUR 16.6 million (16.9). During the review period, 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. In the same connection provisions based on management judgement were reversed. The net effect on ECL provisions was about EUR 2.0 million. Provisions based on management judgement totalled EUR 0.5 million in the end of review period.

Deposits

Total deposits were EUR 8 321.7 million (8 175.9) at the end of the review period. Deposits repayable on demand totalled EUR 7 519.2 million (7 581.6) and time deposits EUR 802.5 million (594.3) at the end of the review period. During the past 12 months, total deposits grew by 1.2 per cent. Household customers' deposit portfolio grew by 3.3 per cent on the previous year and was EUR 7 723.2 million. Corporate customers' deposit portfolio decreased by 20.0 per cent on the previous year and was EUR 598.5 million.

At the end of the review period, the total amount of deposits in S-Bank covered by the deposit guarantee scheme was EUR 7 215.8 million (6 964.1).

Lending

At the end of the review period, the loan portfolio totalled EUR 7 002.0 million (6 935.0). During the past 12 months, the loan portfolio grew by 2.0 per cent. The household loan portfolio grew by 1.6 per cent on the previous year and was EUR 5 786.8 million. The corporate loan portfolio grew by 4.0 per cent on the previous year and was EUR 1 215.2 million.

The loan-to-deposit ratio, which describes the ratio between the loan portfolio and deposits, was 84 per cent (85).

Liquidity portfolio and investing activities

At the end of the review period, the bank's debt securities totalled EUR 619.7 million, compared with EUR 699.0

million at the end of 2023. Deposits in central banks and cash totalled EUR 3 135.5 million (2 207.0). The growth was influenced by the senior bond and covered bond issues. 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 710.2 million, compared with EUR 649.3 million at the end of 2023. Equity was increased by excellent performance development. The equity ratio was 6.5 per cent (6.5).

Assets under management

Assets under management were EUR 6 220.2 million (6 245.4) at the end of the review period. Of assets under management, fund capital accounted for EUR 4 449.9 million (4 309.4), and wealth management capital accounted for EUR 1 721.3 million (1 936.0). The decrease in wealth management capital was in particular affected by the change in one major customer's capital. In addition, S-Bank Properties Ltd managed EUR 379.6 million in customer assets, consisting of real estate and joint ventures (379.1). Net subscriptions to the S-Bank mutual funds amounted to EUR 70.5 million in the review period compared with EUR 104.9 million a year earlier.

DEPOSITS

(EUR million)	30 Jun 2024	31 Dec 2023	Change	Change year-on-year
Household customers	7 723.2	7 462.2	3.5%	3.3%
Corporate customers	598.5	713.7	-16.1%	-20.0%
Total	8 321.7	8 175.9	1.8%	1.2%

LENDING

(EUR million)	30 Jun 2024	31 Dec 2023	Change	Change year-on-year
Household customers	5 786.8	5 750.3	0.6%	1.6%
Corporate customers	1 215.2	1 184.7	2.6%	4.0%
Total	7 002.0	6 935.0	1.0%	2.0%

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 87.1 million (60.8). Total income increased by 24 per cent to EUR 191.2 million (154.2). The prevailing interest rate level has continued to support the growth of the net interest income. Expenses increased by 14.4 per cent to EUR 87.6 million (76.5). Impairment of receivables were EUR 16.6 million (16.9). Impairment of receivables is described in the section Expected and final credit losses.

According to the latest available information, the decrease in housing loan volume for the financial institutions operating in Finland was 1.4 per cent for the preceding 12-month period in May. S-Bank's housing loan volume grew by 0.9 per cent in the same period. During the review period the number of housing loan applications decreased on the previous year.

The use of S-Etukortti Visa cards developed positively during the review period. Total card purchases in euros increased by 12.2 per cent. The number of card purchases increased by 13.8 per cent year-on-year.

In June, co-op members of S Group's regional cooperatives paid 26.4 per cent of their bonus purchases with an S-Bank card.

Wealth Management

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

Operating profit was EUR -0.6 million (2.9). Total income was EUR 20 million (20.2). Expenses increased by 19.7 per cent to EUR 20.6 million (17.2). 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 70.5 million in the review period compared with EUR 104.9 million a year earlier. Net subscriptions on the market as a whole, amounted to EUR 4 298.8 million against EUR 1 932.9 million a year earlier.

The total number of unit holders in the S-Bank funds increased to around 417 000 from around 375 000 a year earlier. On the Finnish market as a whole, the number of unit holders rose to around 4.4 million from 4.1 million a year earlier.

BANKING

(EUR million)	Jan-Jun 2024	Jan-Jun 2023	Change
Operating income *	191.2	154.2	24.0%
Operating expenses *	-87.6	-76.5	14.4%
Impairment of receivables	-16.6	-16.9	-1.7%
Operating profit (loss) *	87.1	60.8	43.2%

* 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.

WEALTH MANAGEMENT

(EUR million)	Jan-Jun 2024	Jan-Jun 2023	Change
Operating income *	20.0	20.2	-0.7%
Operating expenses *	-20.6	-17.2	19.7%
Operating profit (loss) *	-0.6	2.9	-120.6%

CALCULATION OF KEY PERFORMANCE INDICATORS

Total income:

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

Net interest income:

Interest income – Interest expenses

Net fee and commission income:

Fee and commission income – Fee and commission expenses

Other income:

Net income from investing activities + Dividends + Other operating income

Cost-to-income ratio:

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

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

Return on equity (ROE), %:

Profit (loss) for the period
Average equity

x 100

Return on assets (ROA), %:

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

x 100

Equity ratio, %:

Total equity
Balance sheet total

x 100

Key performance indicators based on separate calculation

Capital adequacy ratio, %:

Total capital
Total risk exposure amount

x 100

Tier 1 capital adequacy ratio, %:

Tier 1 capital
Total risk exposure amount

x 100

Common Equity Tier 1 (CET1) ratio, %:

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

x 100

Leverage ratio, %:

Tier 1 capital
Exposure amount

x 100

Liquidity Coverage Ratio (LCR), %:

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

x 100

Net Stable Funding Ratio (NSFR), %:

Available Stable Funding
Required Stable Funding

x 100

Non-performing loan (NPL) ratio, %:

Non-performing loans, gross amount
Loans and advances

x 100

RISKS AND CAPITAL ADEQUACY AND THEIR MANAGEMENT

S-BANK GROUP'S RISK POSITION

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

S-Bank's capital adequacy has strengthened due to continued good profit development. The liquidity position has strengthened due to bond issuances and stable deposit base. S-Bank has ensured in advance to maintain adequate capital and liquidity position during and after the business transac-

tions. S-Bank will strengthen its own funds with a share issue of up to EUR 200 million to ensure that the bank's capital position and capital ratios will remain strong also following the transaction. To ensure the financing of the transaction, S-Bank has agreed on financing arrangements in addition to issuances of debt securities. The financing arrangement of the business transaction is discussed in more detail under Note 16.

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

Towards the end of June, there have been cautious signs of recovery in the operating environment and inflation has continued to slow down. In line with market expectations, the European central bank implemented the first

THE S-BANK GROUP'S KEY RISK INDICATORS

EUR million	30 Jun 2024	31 Dec 2023
Total risk exposure amount	3 564.4	3 567.1
Credit and Counterparty Credit risk, standardised approach	3 063.1	3 071.8
Operational risk, basic indicator approach	488.3	488.3
Credit valuation adjustment (CVA), standardised approach	13.0	7.0
Own funds, total	731.0	672.0
Common Equity Tier 1 (C-ET1) capital	634.7	572.9
Tier 2 (T2) capital	96.3	99.1
Total capital requirement (Pillar 1)	13.54%	12.54%
Capital adequacy ratio	20.5%	18.8%
Common Equity Tier 1 (CET1) ratio	17.8%	16.1%
Non-performing loan (NPL) ratio	1.6%	1.3%
Leverage ratio	5.7%	5.6%
Liquidity Coverage Ratio (LCR)	393.2%	256.6%
Net Stable Funding Ratio (NSFR)	178.7%	164.3%

interest rate cut in June. In Finland, private demand is slowly picking up, but willingness to borrow has remained low. The effects of the operating environment can be seen in the slowdown in the growth of lending business volumes and increase in savings.

Credit risk

Growth in the loan portfolio slowed down during the review period. There were no major shifts in the credit portfolio distribution between different credit products. Of the total loan stock 79.2 per cent (79.8) 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 3.8 million to EUR 41.1 million (37.3) during the review period. During the review period, 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. At the same time, provi-

sions previously made based on management judgement were reversed. The net impact of model changes and changes in management provisions on the ECL provision was about EUR 2.0 million. Expected and final credit losses are discussed under section Result and balance sheet January–June 2024 and in Note 7.

The volume of household customer loans subject to repayment holidays was EUR 325.0 million (399.9), representing 5.6 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 forbore exposures in the balance sheet totalled EUR 238.4 million (215.5). The carrying amount of performing forbore exposures in relation to loans and advances was at the level of 2.8 per cent (2.5). The corresponding ratio of non-performing forbore exposures was 0.6 per cent (0.6).

The amount of non-performing loans (NPL) in the balance sheet increased by EUR 23.0 million to EUR 115.6 million (92.6) during the review period, of which corporate customers amounted to EUR 9.7 million (0.0). The NPL ratio, which describes non-performing exposures in relation to loans and advances, rose to 1.6 per cent (1.3).

Own funds and capital adequacy

S-Bank's capital adequacy strengthened during the review period. Total capital ratio was 20.5 per cent (18.8) and CET1 ratio 17.8 per cent (16.1). Total own funds at the end of the review period were EUR 731.0 million (672.0). Own funds were positively affected especially by profit performance due to net interest income.

Risk-weighted exposure amount was EUR 3 564.4 million (3 567.1). Changes in exposure amounts and risk weights were minor. Risk weighted assets within credit risk decreased moderately.

S-Bank's total capital requirement was 13.54 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, are expected to have only minor effects on the risk weighted assets and capital position of the bank. In the initial phase, the changes especially affect the risk weights of the loans secured by immovable property.

Leverage ratio

S-Bank's leverage ratio (LR) of 5.7 per cent (5.6) was strong and exceeded both the regulatory and internally set risk appetite minimum level.

Liquidity and funding

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.

S-Bank's liquidity position strengthened in the review period especially due to bond issuances. The liquidity coverage

ratio (LCR) was 393 per cent (257) and the net stable funding ratio (NSFR), which describes the sufficiency of stable funding, was at 179 per cent (164).

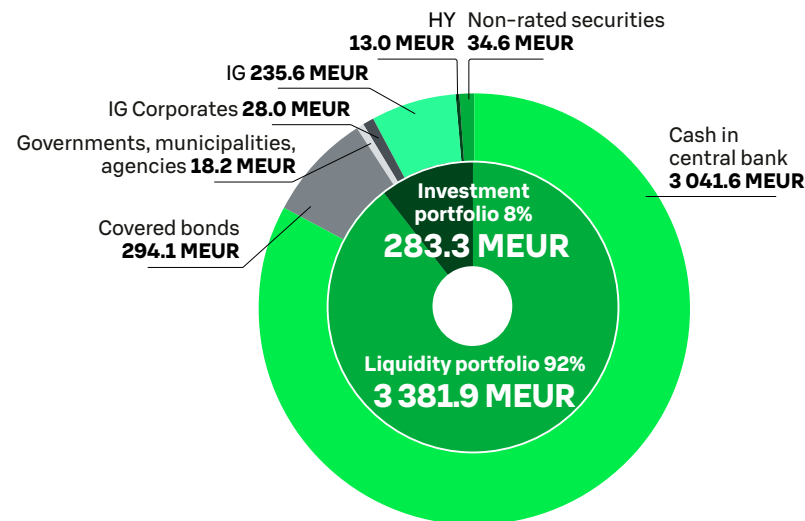
The Treasury portfolio consists of the liquidity portfolio (LCR liquidity buffer) and the investment portfolio. The total amount of the portfolio increased and totalled to EUR 3 665.1 million (2 792.4). The increase in the total portfolio concentrated in the amount of central bank deposit.

S-BANK'S LIQUIDITY PORTFOLIO

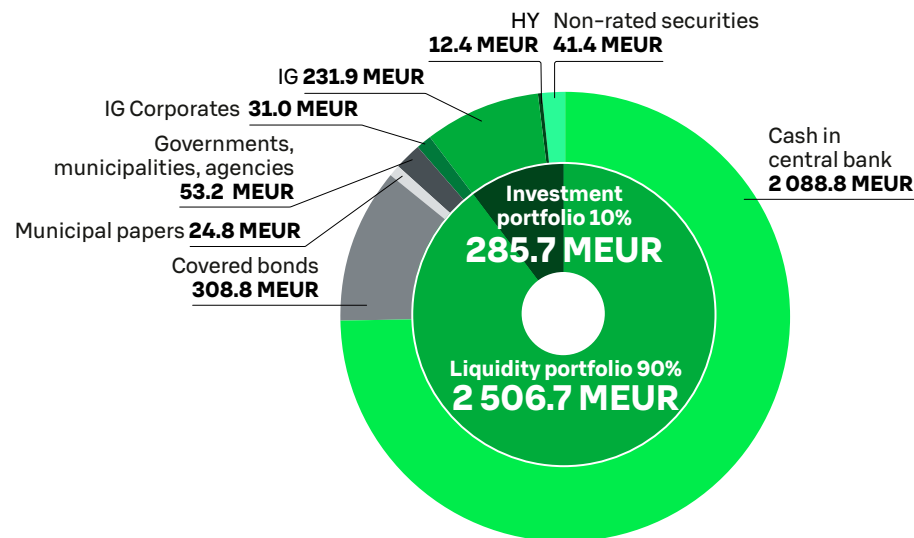
Liquidity portfolio (EUR million)	30 Jun 2024		31 Dec 2023	
	Market value	Buffer value	Market value	Buffer value
Central bank deposit	3 041.6	3 041.6	2 088.8	2 088.8
Government, municipal or other public sector bonds	18.2	18.2	53.2	53.2
Covered bonds	294.1	261.1	308.8	273.5
Municipal papers	-	-	24.8	24.8
Other	28.0	14.0	31.0	15.5
Total	3 381.9	3 334.9	2 506.7	2 455.9

BREAKDOWN OF THE LIQUIDITY AND INVESTMENT PORTFOLIO

30 June 2024



31 December 2023



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 -1.7 million (-4.6). The interest income risk (-100 basis points) for all interest-bearing instruments on the balance sheet was EUR -26.9 million (-7.7). The interest income risk increased due to the modelling change made during the review period. The interest income risk is calculated as the effect of one

percentage point sudden decrease on the net interest income for the next 12 months including market value changes. The spread risk was EUR -3.0 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 June, 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

3.54 per cent on 30 June 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 33.1 per cent (29.3), and the MREL ratio based on leverage ratio exposure (MREL, LRE) was 10.6 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

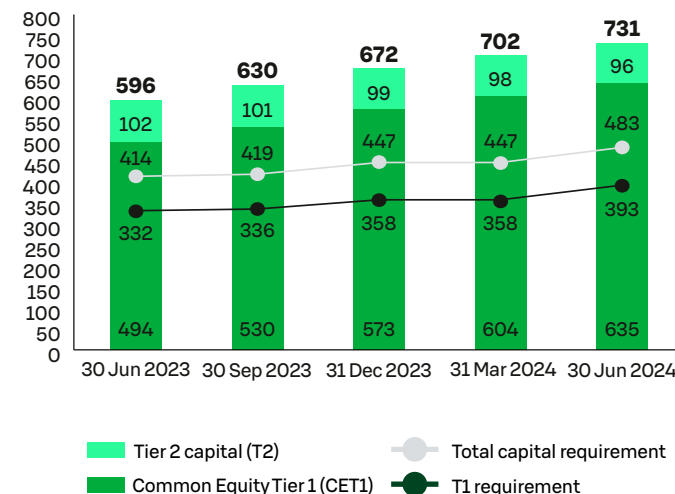
S-Bank's total capital requirement was 13.54 per cent (12.54). The capital requirement consists of the minimum capital requirement, the capital conservation buffer, the countercyclical capital buffer, the systemic risk buffer, and the discretionary, institution-specific Pillar 2 requirement. Based on the 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 Finnish Financial Supervisory Authority (FIN-FSA) announced in October 2023 its decision to impose an additional capital recommendation to S-Bank (Pillar 2 Guidance, P2G) amounting to 0.75 per cent of the total risk exposure amount. The P2G entered into force on 31 March 2024.

DEVELOPMENT OF OWN FUNDS AND CAPITAL REQUIREMENTS (EUR MILLION)



S-BANK'S TOTAL CAPITAL REQUIREMENT ON 30 JUNE 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%	160.4	2.5%	89.1	0.04%	1.3	1.0%	35.6	1.13%	40.1	9.17%	326.6
AT1	1.5%	53.5							0.38%	13.4	1.88%	66.8
T2	2.0%	71.3							0.50%	17.8	2.50%	89.1
Total	8.0%	285.2	2.5%	89.1	0.04%	1.3	1.0%	36.5	2.00%	71.3	13.54%	482.5

CAPITAL ADEQUACY POSITION

At the end of the review period, S-Bank's CET1 ratio was 17.8 per cent (16.1) and the total capital adequacy ratio was 20.5 per cent (18.8). CET1 capital increased by EUR 61.8 million and T2 capital decreased by EUR 2.8 million. The profit-driven increase in CET1 capital as well as the recovery in the fair value reserve strengthened own funds. S-Bank's Tier 2 capital consists of four debentures with a T2 eligible value of EUR 96.3 million (99.1). Two of the debentures have a residual maturity of over five years and are thus fully recognised as Tier 2 capital. The debentures with a residual maturity of less than five years are being gradually reduced from Tier 2 capital, as required by Capital Requirements Regulation. The amount of paid dividend for 2023 and 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.

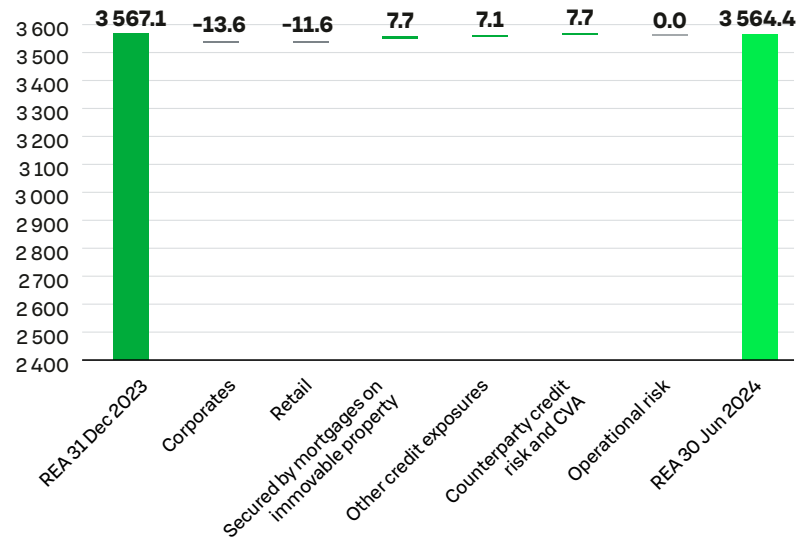
S-Bank's risk exposure amount (REA) was EUR 3 564.4 million (3 567.1). REA decreased by EUR 2.7 million during the review period. The decrease was due to a change in credit risk. Credit risk constitutes 85.9 per cent of the risk exposure amount (86.1). The most substantial exposure classes are exposures secured by immovable property, retail exposures and corporate exposures.

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

SUMMARY OF CAPITAL ADEQUACY INFORMATION

	30 Jun 2024	31 Dec 2023
Own funds (EUR million)		
Common Equity Tier 1 (CET1) capital before regulatory adjustments	700.2	639.3
Share capital	82.9	82.9
Reserve for invested non-restricted equity	283.8	283.8
Retained earnings	338.0	281.2
Fair value reserve	-4.6	-8.7
Regulatory adjustments to Common Equity Tier 1 (CET1) capital	65.5	66.4
Intangible assets	64.5	65.6
Value adjustments due to the requirements for prudent valuation	0.6	0.7
Deduction for non-performing exposures	0.3	0.0
Common Equity Tier 1 (CET1) capital	634.7	572.9
Tier 1 (T1 = CET1 + AT1)	634.7	572.9
Tier 2 (T2) capital before adjustments	96.3	99.1
Debentures	96.3	99.1
Tier 2 (T2) capital	96.3	99.1
Own funds in total (TC = T1 + T2)	731.0	672.0
Risk exposure amount (EUR million)	3 063.1	3 071.8
Credit and Counterparty Credit risk	3 063.1	3 071.8
Operational risk	488.3	488.3
Credit valuation adjustment (CVA)	13.0	7.0
Total risk exposure amount	3 564.4	3 567.1
Ratios (%)	30 Jun 2024	31 Dec 2023
Common Equity Tier 1 (CET1) ratio	17.8	16.1
Tier 1 capital adequacy ratio	17.8	16.1
Capital adequacy ratio	20.5	18.8

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



REPORTING OF RISK AND CAPITAL ADEQUACY INFORMATION

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

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

SIGNIFICANT EVENTS AFTER THE END OF THE REVIEW PERIOD

No significant events after the end of the review period.

OUTLOOK FOR THE REST OF THE YEAR

As we enter the second half of the year, the sentiment is one of moderate optimism. Global purchasing managers' indices indicate that economic growth will continue to pick up, so the positive trends of the first half of the year are expected to continue. In the United States, economists are forecasting growth of 2.4 per cent for the whole year and 0.7 per cent growth is forecast for the euro area.

The global outlook for consumption is being improved by a strong labour market, slowing inflation and gradually declining interest rates. At the same time, consumers' real incomes are growing, as wage increases have been higher than the general price increase. Therefore, in developed economies we

can expect households' purchasing power to improve. Investments are generally on a modest level but is gradually being accelerated by government support measures and green investments. Despite a slight weakening, the employment situation should remain quite strong. Structural labour shortages due to the ageing population and the improvement in the economic cycle are supporting the labour market.

Economic growth is expected to pick up towards the end of the year also in Finland. A more sustained downward turn in interest rates will support a recovery in household and business confidence. Real wages will also rise, which will strengthen households' purchasing power at the same time. On

the other hand, unemployment may further rise slightly and there will be an increase in VAT in September, which will slightly weaken the outlook for consumption. The weaker period of investments will continue, and construction, in particular, will keep investments in the red for the rest of the year. It is likely that we will have to wait until next year before there is a recovery in the construction sector. Positive expectations are focused on the outlook for foreign trade and industry, which are being boosted by an improvement in global economic growth.

The European Central Bank is expected to continue cutting interest rates moderately during the rest of the year and the US Federal Reserve (Fed) antic-

ipated one rate cut this year at its June meeting. Expectations of ECB rate cuts are keeping short-term market interest rates on a downward trend, which is gradually boosting activity in the Finnish housing market. Household confidence is improving, and cheaper house prices are boosting purchase intentions. Investor demand is also likely to recover. Overall, the housing market is expected to stabilise before a more pronounced recovery in 2025. In large cities, the market is being supported by positive migration and a simultaneous decline in housing production.

The financial markets have largely been preparing for a positive outlook. They are not especially prepared for disappointments, which will increase the markets'

sensitivity to bad news. As investors seek returns, equity valuation ratios have risen and credit risk margins have narrowed, which limits the market's upside potential. On the other hand, risky markets will receive support as long as the economy grows.

The economy and markets face risks from different directions. High expectations and possible disappointment with central banks are the most obvious risks. We are living in unpredictable times in geopolitics and trade tensions between the US and China are escalating once again. The US presidential election in November could, at worst, worsen the situation even further.

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

OTHER INFORMATION

ANNUAL GENERAL MEETING

The Annual General Meeting (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 decided 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 decided to amend the Articles of Association with regard to the article on the line of business and the sections regarding the sustainability reporting assurer.

BOARD OF DIRECTORS

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

Jari Annala, M.Sc. (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.

CEO

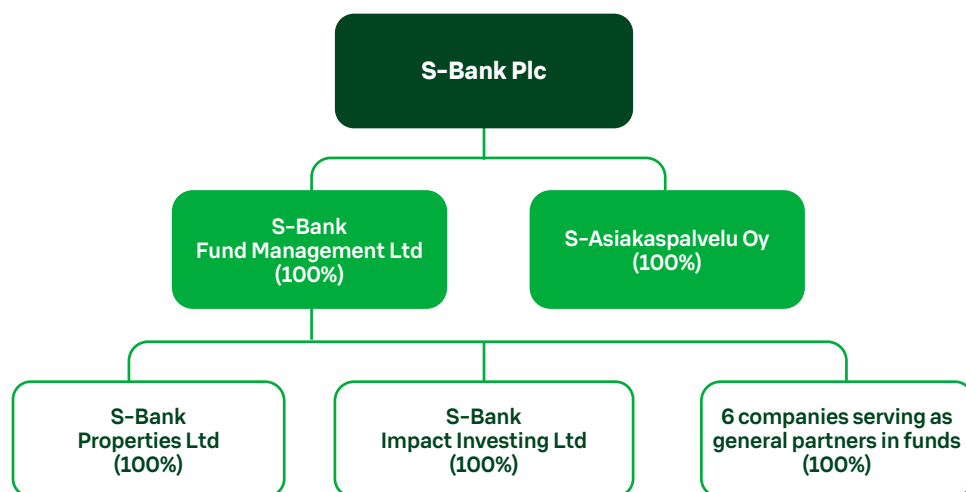
Riikka Laine-Tolonen acts as the CEO of S-Bank Plc. Iikka Kuosa has been the Deputy CEO since 1 April 2024.

PERSONNEL

At the end of the review period, the S-Bank employed a total of 958 people (847). Of these, 735 persons (676) worked at S-Bank Plc, 40 persons (39) at the

subsidiaries of the Wealth Management business, and 183 persons (132) at S-Asiakaspalvelu Oy. The salaries and remunerations paid to personnel at the S-Bank totalled EUR 30.4 million (26.3).

CORPORATE STRUCTURE OF S-BANK GROUP



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

HALF-YEAR REPORT 1 JANUARY–30 JUNE 2024

CONSOLIDATED INCOME STATEMENT

(EUR '000)	Note	Jan–Jun 2024	Jan–Jun 2023
Interest income		264 631	158 598
Interest expenses		-107 008	-37 674
Net interest income	4	157 623	120 924
Fee and commission income		53 929	53 362
Fee and commission expenses		-9 207	-8 392
Net fee and commission income	5	44 722	44 970
Net income from investing activities	6	-210	499
Dividends		48	58
Other operating income		4 163	4 098
Total income		206 345	170 549
Personnel expenses		-36 212	-31 884
Other administrative expenses		-52 847	-44 407
Depreciation and impairment		-8 403	-8 010
Other operating expenses		-8 751	-11 741
Total expenses		-106 213	-96 043
Impairment of receivables	7	-16 609	-16 897
Share of the profits of associated companies		-1	1
OPERATING PROFIT (LOSS)		83 522	57 610
Income taxes		-16 668	-11 461
PROFIT (LOSS) FOR THE PERIOD		66 854	46 148
of which:			
to the parent company's shareholders		66 854	46 148

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Note	Jan–Jun 2024	Jan–Jun 2023
PROFIT (LOSS) FOR THE PERIOD		66 854	46 148
Other comprehensive income items:			
Items that may be reclassified subsequently to profit or loss			
Profit or loss on financial assets measured at fair value through other comprehensive income		5 099	4 204
Tax effect		-1 000	-440
Items that may be reclassified subsequently to profit or loss		4 099	3 763
Other comprehensive income items, after taxes		4 099	3 763
Comprehensive income, total		70 953	49 912
of which:			
to the parent company's shareholders		70 953	49 912

CONSOLIDATED BALANCE SHEET

(EUR '000)	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023	(EUR '000)	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
Assets					Liabilities				
Cash and cash equivalents	8,9	3 135 529	2 207 041	1 493 513	Liabilities to credit institutions	8,9	32 095	34 231	24 401
Debt securities eligible for refinancing with central banks	8,9	527 526	571 735	599 399	Liabilities to customers	8,9	8 372 645	8 239 664	8 266 346
Receivables from credit institutions	8,9	12 255	9 420	11 638	Issued bonds	8,9,11	1 578 406	886 895	219 436
Receivables from customers	8,9	7 002 043	6 934 971	6 862 076	Subordinated debts	8,9,12	96 999	101 333	102 666
Debt securities	8,9,10	92 186	127 293	143 620	Derivatives	8,9,10	7 742	829	–
Derivatives	8,9,10	20 695	31 349	22 923	Provisions		200	200	303
Shares and interests	8,9	18 458	18 881	20 293	Tax liabilities		11 478	19 024	7 830
Holdings in associated companies		6	7	6	Accrued expenses		81 740	53 374	42 057
Intangible assets		64 547	65 600	67 493	Other liabilities		70 866	74 224	56 331
Tangible assets		6 846	7 381	4 333	Liabilities, total		10 252 173	9 409 774	8 719 370
Tax assets		4 642	5 801	7 638	Equity				
Prepayments and accrued income		64 384	62 837	43 996	Share capital		82 880	82 880	82 880
Other assets		13 255	16 731	11 582	Reserves		279 247	275 148	266 911
Assets, total		10 962 372	10 059 046	9 288 513	Retained earnings		348 071	291 244	219 351
					Parent company's shareholders		710 198	649 272	569 143
					Equity, total		710 198	649 272	569 143
					Liabilities and equity, total		10 962 372	10 059 046	9 288 513

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR '000)	Equity attributable to parent company shareholders				
	Share capital	Reserve for invested non- restricted equity	Other reserves	Retained earnings	Total equity
EQUITY 1 JAN 2023	82 880	283 828	-20 680	178 213	524 241
Comprehensive income					
Profit (loss) for the period				46 148	46 148
Other comprehensive income items:					
Profit or loss on financial assets measured at fair value through other comprehensive income			3 763		3 763
Other comprehensive income items, total			3 763		3 763
Comprehensive income, total			3 763	46 148	49 912
Transactions with shareholders					
Dividend distribution *				-5 010	-5 010
Transactions with shareholders, total				-5 010	-5 010
TOTAL EQUITY 30 JUN 2023	82 880	283 828	-16 917	219 351	569 143

* Dividend EUR 0.75 per share.

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

* Dividend EUR 0.75 per share.

(EUR '000)	Equity attributable to parent company shareholders				
	Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Total equity
EQUITY 1 JAN 2024	82 880	283 828	-8 680	291 244	649 272
Comprehensive income					
Profit (loss) for the period				66 854	66 854
Other comprehensive income items:					
Profit or loss on financial assets measured at fair value through other comprehensive income			4 099		4 099
Other comprehensive income items, total			4 099		4 099
Comprehensive income, total			4 099	66 854	70 953
Transactions with shareholders					
Dividend distribution *				-10 020	-10 020
Transactions with shareholders, total				-10 020	-10 020
Other changes				-7	-7
TOTAL EQUITY 30 JUN 2024	82 880	283 828	-4 581	348 071	710 198

* Dividend EUR 1.50 per share.

CONSOLIDATED CASH FLOW STATEMENT

(EUR'000)	Note	Jan-Jun 2024	Jan-Jun 2023
Cash flows from operating activities			
Profit (loss) for the period		66 854	46 148
Depreciation and impairment		8 403	8 010
Shares of the profit of companies consolidated with the equity method		1	-1
Credit losses		20 824	18 230
Other non-payment income and expenses		1 926	1 331
Income taxes		16 668	11 461
Other adjustments *		87	93
Adjustments for financial income and expenses		26 105	3 335
Adjustments, total *		74 014	42 460
Cash flows from operating activities before changes in operating assets and liabilities *		140 868	88 609
Increase/decrease in operating assets (-/+)			
Receivables from credit institutions, other than repayable on demand		-2 153	-2 966
Receivables from customers		-89 119	-185 375
Investment assets		83 822	-40 943
Other assets		7 423	7 766
Increase/decrease in operating assets		-27	-221 518
Increase/decrease in operating liabilities (+/-)			
Liabilities to credit institutions		-2 135	1 245
Liabilities to customers		132 460	282 786
Other liabilities		-10 622	1 352
Increase/decrease in operating liabilities		119 703	285 384
Taxes paid		-24 055	-13 296
Cash flows from operating activities *		236 489	139 178

(EUR'000)	Note	Jan-Jun 2024	Jan-Jun 2023
Cash flows from investing activities			
Investments in tangible and intangible assets *		-6 023	-3 835
Cash flows from investing activities *		-6 023	-3 835
Cash flows from financing activities			
Payments received from issue of bonds and debentures	8, 9, 11	795 981	–
Repayments of issued bonds and debentures	8, 9, 11	-86 100	-4 333
Repayments of lease liabilities		-1 162	-1 220
Dividends paid		-10 020	-5 010
Cash flows from financing activities		698 699	-10 563
Difference in cash and cash equivalents		929 164	124 780
Cash and cash equivalents, opening balance sheet		2 209 361	1 370 828
Difference in cash and cash equivalents		929 164	124 780
Impact of changes in exchange rates		7	-4
Cash and cash equivalents consist of the following items:			
Cash and cash equivalents	8, 9	3 135 529	1 493 513
Repayable on demand		3 003	2 090
Cash and cash equivalents		3 138 532	1 495 603
Interests paid		-69 957	-25 631
Dividends received		48	58
Interests received		253 185	149 317

* The comparison period has been amended between the cash flows from operating and investing activities since the publication of the 30 June 2023 half-year report.

GROUP'S QUARTERLY PROFIT PERFORMANCE

CONSOLIDATED INCOME STATEMENT

(EUR '000)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
Interest income	136 941	127 690	122 157	107 630	89 519	264 631	158 598
Interest expenses	-58 968	-48 040	-43 356	-32 871	-23 384	-107 008	-37 674
Net interest income	77 973	79 650	78 801	74 759	66 135	157 623	120 924
Fee and commission income	27 783	26 146	27 287	26 915	27 328	53 929	53 362
Fee and commission expenses	-4 740	-4 467	-1 130	-4 360	-4 308	-9 207	-8 392
Net fee and commission income	23 043	21 678	26 156	22 556	23 020	44 722	44 970
Net income from investing activities	-490	279	-2 111	-3 065	-305	-210	499
Dividends	42	7	0	-	22	48	58
Other operating income	1 719	2 444	2 022	1 619	1 680	4 163	4 098
Total income	102 287	104 058	104 869	95 869	90 552	206 345	170 549
Personnel expenses	-18 496	-17 717	-19 635	-17 183	-16 540	-36 212	-31 884
Other administrative expenses	-29 494	-23 353	-26 966	-20 320	-23 782	-52 847	-44 407
Depreciation and impairment	-4 247	-4 156	-4 586	-4 239	-4 122	-8 403	-8 010
Other operating expenses	1 415	-10 166	-1 003	-905	-2 210	-8 751	-11 741
Total expenses	-50 822	-55 391	-52 189	-42 647	-46 655	-106 213	-96 043
Impairment of receivables	-10 709	-5 900	-9 168	-6 938	-11 732	-16 609	-16 897
Share of the profits of associated companies	-1	-	1	-	1	-1	1
OPERATING PROFIT (LOSS)	40 755	42 767	43 513	46 284	32 166	83 522	57 610
Income taxes	-8 149	-8 519	-8 698	-9 263	-6 427	-16 668	-11 461
PROFIT (LOSS) FOR THE PERIOD	32 605	34 249	34 815	37 021	25 739	66 854	46 148
of which:							
to the parent company's shareholders	32 605	34 249	34 815	37 021	25 739	66 854	46 148

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
PROFIT (LOSS) FOR THE PERIOD	66 854	34 249	34 815	37 021	25 739	66 854	46 148
Other comprehensive income items:							
Items that will not be reclassified to profit or loss							
Items due to remeasurements of defined benefit plans	–	–	71	–	–	–	–
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income	–	–	–	15	–	–	–
Tax effect	–	–	-14	-3	–	–	–
Items that will not be reclassified to profit or loss	–	–	57	12	–	–	–
Items that may be reclassified subsequently to profit or loss							
Profit or loss on financial assets measured at fair value through other comprehensive income	3 091	2 008	6 586	4 061	1 532	5 099	4 204
Tax effect	-567	-433	-1 491	-932	80	-1 000	-440
Items that may be reclassified subsequently to profit or loss	2 524	1 575	5 095	3 130	1 612	4 099	3 763
Other comprehensive income items, after taxes	2 524	1 575	5 152	3 142	1 612	4 099	3 763
Comprehensive income, total	35 129	35 823	39 967	40 163	27 351	70 953	49 912
of which:							
to the parent company's shareholders	35 129	35 823	39 967	40 163	27 351	70 953	49 912

NOTES TO THE HALF-YEAR REPORT

NOTE 1: BASIC INFORMATION

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

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

NOTE 2: ACCOUNTING POLICIES

Accounting policies used in the preparation of the half-year report

The half-year report 1 January–30 June 2024 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. The figures in the tables of the half-year report are presented in thousands of euros unless otherwise is indicated. Since the figures have generally been rounded and do not include decimals, the sums of individual figures in euros may differ from the total figures presented in the report.

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

Otherwise, the half-year report complies with the accounting policies presented in the financial statements for 2023.

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

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

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

- Note 7 Impairment of receivables: The calculation of expected credit loss in accordance with the IFRS 9

standard is based on internal models that contain assumptions of a change in credit risk. The model-based estimate is complemented with a management judgement, which takes into account the uncertainty related to model parameters and assumptions, as well as model risk. Management judgement is also applied to definition of backstop criteria for estimation of significant increase in credit risk and LGD risk parameter floors.

- Note 8 Fair values of financial assets and liabilities: The management's judgement is required in circumstances where fair value price information is not available in the market or fair value is not reliable. In these cases, the fair value of a financial instrument needs to be determined using a valuation technique, where input data is based on management's estimation regarding market practices used to measure the value of particular instruments.

NOTE 3: SEGMENT REPORT

The S-Bank Group's operating segments are Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The Group reports segment data in accordance with the IFRS 8 Operating Segments standard.

The reporting of business segments is identical to the internal reporting provided to company management. The S-Bank's highest executive decision-maker is the Group Management Team.

Banking is responsible for producing 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 consumer customers, private banking services and services to institutional investors.

INCOME STATEMENT FOR SEGMENTS

Jan-Jun 2024 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	156 926	818	-122		157 623
Net fee and commission income	25 625	19 095	2		44 722
Net income from investing activities	-221	10			-210
Dividends	15		33		48
Other operating income	8 890	112	1 656	-6 494	4 163
Total income	191 235	20 036	1 569	-6 494	206 345
Total expenses *	-87 575	-20 643	-4 489	6 494	-106 213
Impairment of receivables	-16 609				-16 609
Share of the profits of associated companies				-1	-1
Operating profit (loss)	87 051	-607	-2 920	-1	83 522

External income from Banking was EUR 187 207 thousand and from Wealth Management EUR 19 225 thousand.

Jan-Jun 2023 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income *	120 455	473	-4		120 924
Net fee and commission income *	25 393	19 577	-		44 970
Net income from investing activities	498	2			499
Dividends	36		22		58
Other operating income *	7 849	135	1 472	-5 358	4 098
Total income *	154 231	20 186	1 490	-5 358	170 549
Total expenses **	-76 545	-17 242	-7 614	5 358	-96 043
Impairment of receivables	-16 897				-16 897
Share of the profits of associated companies				1	1
Operating profit (loss) *	60 789	2 944	-6 125	1	57 610

External income from Banking was EUR 150 813 thousand and from Wealth Management EUR 19 718 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 0.4 million, for Wealth Management an increase of EUR 0.1 million and for 'Other activities' a decrease of EUR 0.5 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. In addition, the income and expenses of functions subject to restructuring are allocated to 'Other activities'.

BALANCE SHEET FOR SEGMENTS

30 Jun 2024 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	7 002 043			7 002 043
Liquid and investment assets of banking	3 806 648			3 806 648
Intangible and tangible assets	5 370	28 130	37 899	71 399
Other assets	65 181	5 947	11 154	82 281
Assets, total	10 879 242	34 077	49 053	10 962 372
Banking liabilities	10 087 888			10 087 888
Provisions and other liabilities	101 629	5 648	57 007	164 285
Equity			710 198	710 198
Liabilities and equity, total	10 189 517	5 648	767 206	10 962 372

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

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
Banking (EUR '000)							
Net interest income *	77 690	79 236	78 446	74 450	65 855	156 926	120 455
Net fee and commission income *	13 652	11 973	16 179	12 976	13 344	25 625	25 393
Net income from investing activities	-501	280	-2 092	-3 071	-307	-221	498
Dividends	9	7	–	–	–	15	36
Other operating income *	4 074	4 816	4 205	3 718	3 505	8 890	7 849
Total income *	94 923	96 311	96 739	88 073	82 397	191 235	154 231
Total expenses *	-41 194	-46 382	-39 973	-33 516	-36 272	-87 575	-76 545
Impairment of receivables	-10 709	-5 900	-9 168	-6 938	-11 732	-16 609	-16 897
Operating profit (loss) *	43 021	44 030	47 599	47 620	34 393	87 051	60 789
Wealth Management (EUR '000)							
Net interest income	413	405	372	333	282	818	473
Net fee and commission income	9 389	9 706	9 977	9 579	9 676	19 095	19 577
Net income from investing activities	11	-1	-19	6	2	10	2
Other operating income	65	47	72	53	119	112	135
Total income *	9 878	10 158	10 402	9 971	10 079	20 036	20 186
Total expenses *	-10 856	-9 787	-11 294	-8 675	-8 743	-20 643	-17 242
Operating profit (loss) *	-978	371	-892	1 297	1 335	-607	2 944

* 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)	Jan–Jun 2024	Jan–Jun 2023
Interest income		
Cash and cash equivalents *	49 447	17 625
Debt securities eligible for refinancing with central banks measured at fair value through other comprehensive income	5 540	2 902
Receivables from credit institutions *	110	491
Receivables from customers	195 647	133 167
Debt securities measured at fair value through other comprehensive income	469	756
measured at fair value through profit or loss	164	531
Derivatives	13 253	3 125
Other interest income	1	0
Total interest income using the effective interest method	251 213	154 942
Other interest income	13 418	3 656
Interest income, total	264 631	158 598
Interest income from stage 3 financial assets	2 096	1 408
Interest expenses		
Liabilities to credit institutions	-572	-334
Liabilities to customers	-60 371	-30 418
Issued bonds	-26 352	-3 899
Derivatives	-13 149	–
Subordinated debts	-3 121	-2 324
Other interest expenses	-3 298	-691
Interest expenses on leases	-145	-8
Total interest expenses using the effective interest method	-90 416	-36 975
Other interest expenses	-16 592	-699
Interest expenses, total	-107 008	-37 674
Net interest income	157 623	120 924

* The comparison period has been amended since the publication of the 30 June 2023 half-year report. Interest income from cash and cash equivalents is presented as a separate line item.

NOTE 5: NET FEE AND COMMISSION INCOME

(EUR '000)	Jan–Jun 2024	Jan–Jun 2023
Fee and commission income by segment		
Fee and commission income from Banking		
From lending *	4 759	4 831
From borrowing *	408	364
From payment transactions *	5 537	5 866
From card business *	19 927	18 926
From legal duties	297	214
From insurance brokerage	1 379	857
From issuance of guarantees	9	99
Total fee and commission income from Banking *	32 315	31 156
Fee and commission income from Wealth Management		
From funds	18 572	19 060
From wealth management	1 138	1 353
From property management	1 254	1 333
Total fee and commission income from Wealth Management	20 964	21 747
Fee and commission income from other activities		
From securities brokerage	310	205
Other fee and commission income *	340	254
Total fee and commission income from other activities *	649	459
Fee and commission income, total	53 929	53 362
Fee and commission expenses		
From funds	-1 627	-1 997
From wealth management	-66	15
From securities brokerage	-622	-485
From card business	-6 554	-5 552
From property management	-50	-110
Banking fees	-242	-219
Other expenses	-46	-44
Fee and commission expenses, total	-9 207	-8 392
Net fee and commission income	44 722	44 970

* The comparison period has been amended since the publication of the 30 June 2023 half-year report. The fee and commission income from card business is presented as a separate line item.

NOTE 6: NET INCOME FROM INVESTING ACTIVITIES

(EUR '000)	Jan-Jun 2024	Jan-Jun 2023
Net income from financial assets measured at fair value through profit or loss		
Debt securities		
Capital gains and losses	3	6
Changes in fair value	-6	1
Shares and interests		
Capital gains and losses	25	17
Changes in fair value	-810	-235
Derivatives		
Changes in fair value	-425	578
Net income from financial assets measured at fair value through profit or loss, total	-1 213	367
Net income from financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	95	-337
Other income and expenses	-	34
Shares and interests		
Capital gains and losses	1 311	0
Other income and expenses	-8	-80
Net income from financial assets measured at fair value through other comprehensive income, total	1 398	-382
Net income from currency operations	195	182

(EUR '000)	Jan-Jun 2024	Jan-Jun 2023
Net income from hedge accounting		
Debt securities		
Net result from hedging instruments	1 410	-1 828
Net result from hedged items	-1 624	2 161
Liabilities to customers*		
Net result from hedging instruments	439	-
Net result from hedged items	-521	-
Issued bonds		
Net result from hedging instruments	-18 992	-
Net result from hedged items	18 697	-
Net income from hedge accounting	-591	333
Net income from investing activities, total	-210	499

* 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 that are new or under construction. As mortgage-backed loans, these are considered to be less risky, which also reduces

the amount of expected credit losses. Corporate exposures and investment activities focus on large companies with good credit ratings.

The total amount of the ECL provision was EUR 41.1 million (37.3) at the end of the review period. The total amount of the ECL provision included provisions based on management's estimate totalling EUR 0.5 million (3.8). The coverage ratio of the entire loan portfolio rose to 0.41 per cent (0.37) and remained within the risk appetite set by S-Bank's Board of Directors.

The ECL provision increased by EUR 3.8 million during the review period. During

the review period, 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 approximately EUR 2.0 million. The ECL provision related to stage 3 loans decreased due to reversal of provisions

based on management judgement and the ECL growth due to model was mainly related to stage 2 loans.

The ECL provision for lending to household customers increased by EUR 5.1 million, mainly due to model changes and an increase in the amount of defaulted liabilities.

The total ECL provision for corporate customers and investing activities decreased by EUR 0.6 million. The ECL provision for corporate customers and investing activities increased due to the growth in defaulted liabilities and decreased due to changes in internal ratings of customers.

EXPECTED CREDIT LOSSES AND IMPAIRMENT LOSSES RECOGNIZED DURING THE PERIOD

Expected credit losses and impairment losses (EUR '000)	Jan–Jun 2024	Jan–Jun 2023
Receivables written off as credit and guarantee losses	-17 140	-11 242
Reversal of receivables written off	4 315	3 336
Expected credit losses (ECL) on receivables from customers and off-balance sheet commitments	-3 684	-6 988
Expected credit losses (ECL) on investing activities	-100	-2 003
Total	-16 609	-16 897

RISK EXPOSURE, SUMMARY

	Stage 1		Stage 2		Stage 3		Exposures and commitments, total	ECL provision, total	Coverage ratio %
	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision			
30 Jun 2024 (EUR '000)									
Lending to household customers *	5 223 257	-4 009	511 611	-19 921	105 755	-12 510	5 840 624	-36 441	-0.62%
Lending to corporate customers *	1 165 340	-449	40 355	-1 086	9 513	-968	1 215 208	-2 503	-0.21%
Investing activities **	610 937	-183	12 633	-838	–	–	623 570	-1 021	-0.16%
Off-balance sheet commitments ***	2 198 102	-117	55 899	-973	914	-64	2 254 916	-1 154	-0.05%
Total	9 197 636	-4 758	620 499	-22 818	116 182	-13 543	9 934 317	-41 119	-0.41%

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

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

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

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

EXPOSURE TO CREDIT RISK (LENDING TO HOUSEHOLD CUSTOMERS)

30 Jun 2024 (EUR'000)	Lending to household customers			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Category 1	2 518 296	4 382	–	2 522 679
Category 2	592 622	1 442	–	594 064
Category 3	519 248	15 366	–	534 615
Category 4	300 271	17 761	–	318 032
Category 5	1 173 749	93 443	–	1 267 192
Category 6	118 271	167 420	–	285 690
Category 7	799	211 798	–	212 597
In default	–	–	105 755	105 755
Gross carrying amount	5 223 257	511 611	105 755	5 840 624
ECL provision *	-4 009	-19 921	-12 510	-36 441
Net carrying amount	5 219 249	491 690	93 245	5 804 183

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

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

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

30 Jun 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	Total		Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL			12-month ECL	Lifetime ECL	Lifetime ECL	
Category 1	2 774 353	43	–	2 774 397	Category 1	2 785 552	34	–	2 785 586
Category 2	571 809	11 491	–	583 300	Category 2	565 527	5	–	565 531
Category 3	250 282	9 568	–	259 849	Category 3	301 264	6	–	301 270
Category 4	94 193	15 142	–	109 336	Category 4	90 734	0	–	90 734
Category 5	153 506	15 464	–	168 970	Category 5	234 796	4 441	–	239 237
Category 6	130 212	45 108	–	175 320	Category 6	68 957	107 974	–	176 931
Category 7	23	12 071	–	12 094	Category 7	2 969	6 218	–	9 187
In default	–	–	10 427	10 427	In default	–	–	872	872
Gross carrying amount	3 974 379	108 888	10 427	4 093 693	Gross carrying amount	4 049 799	118 678	872	4 169 349
ECL provision *	-750	-2 896	-1 033	-4 678	ECL provision *	-1 201	-4 716	-71	-5 989

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

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

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

RECONCILIATION OF EXPECTED CREDIT LOSSES (LENDING TO HOUSEHOLD CUSTOMERS)

(EUR '000)	Lending to household customers			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
ECL 1 Jan 2024	2 489	13 128	15 729	31 346
Transfers from Stage 1 to Stage 2	-760	12 106	–	11 345
Transfers from Stage 1 to Stage 3	-85	–	2 694	2 609
Transfers from Stage 2 to Stage 1	99	-2 849	–	-2 751
Transfers from Stage 2 to Stage 3	–	-2 315	3 397	1 082
Transfers from Stage 3 to Stage 1	3	–	-167	-164
Transfers from Stage 3 to Stage 2	–	532	-2 002	-1 470
Changes in the risk parameters	1 807	1 398	-4 206	-1 002
Increases due to origination and acquisition	591	52	129	772
Decreases due to derecognition	-115	-335	-941	-1 392
Decrease in the allowance account due to write-offs	-18	-1 796	-2 122	-3 937
Net change in ECL	1 520	6 793	-3 219	5 095
ECL 30 Jun 2024	4 009	19 921	12 510	36 441

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	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
ECL 1 Jan 2024	1 201	4 716	71	5 989
Transfers from Stage 1 to Stage 2	-88	1 119	–	1 031
Transfers from Stage 1 to Stage 3	-3	–	992	989
Transfers from Stage 2 to Stage 1	103	-2 505	–	-2 403
Transfers from Stage 2 to Stage 3	–	-26	2	-24
Transfers from Stage 3 to Stage 1	0	–	-9	-9
Transfers from Stage 3 to Stage 2	–	6	-19	-12
Changes in the risk parameters	-483	-491	-13	-987
Increases due to origination and acquisition	96	532	18	646
Decreases due to derecognition	-76	-263	-11	-350
Decrease in the allowance account due to write-offs	0	-191	-1	-192
Net change in ECL	-452	-1 820	961	-1 310
ECL 30 Jun 2024	750	2 896	1 033	4 678

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 30 Jun 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		3 135 529		3 135 529	3 135 529	Cash and cash equivalents		2 207 041		2 207 041	2 207 041
Receivables from credit institutions		12 803		12 803	12 255	Receivables from credit institutions		9 390		9 390	9 420
Receivables from customers		7 404 862		7 404 862	7 002 043	Receivables from customers		7 364 448		7 364 448	6 934 971
Total		10 553 195		10 553 195	10 149 827	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		20 695		20 695	20 695	Derivatives		31 349		31 349	31 349
Shares and interests	6 795	10 756		17 551	17 551	Shares and interests	8 235	9 878		18 114	18 114
Total	6 795	31 451		38 246	38 246	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	520 651	10 388		531 040	527 526	Debt securities eligible for refinancing with central banks	556 081	19 333		575 414	571 735
Debt securities	92 530	–		92 530	92 186	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	613 182	11 228	67	624 477	620 618	Total	656 273	23 168	121	679 562	674 953
Fair values of assets, total	619 977	10 595 874	67	11 215 918	10 808 691	Fair values of assets, total	664 509	9 670 117	121	10 334 747	9 900 689

Fair values of financial liabilities 30 Jun 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial liabilities measured at amortised cost					
Liabilities to credit institutions		32 095		32 095	32 095
Liabilities to customers		8 290 736		8 290 736	8 372 645
Issued bonds	1 619 592			1 619 592	1 578 406
Subordinated debts		100 714		100 714	96 999
Total	1 619 592	8 423 545		10 043 137	10 080 146
Financial liabilities measured at fair value through profit or loss					
Derivatives		7 742		7 742	7 742
Total		7 742		7 742	7 742

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, unad-

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

Transfers between Levels 1 and 2

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

CHANGES AT LEVEL 3

(EUR '000)

	Shares and interests
Shares and interests, carrying amount 1 Jan 2024	121
Sales	-54
Shares and interests, carrying amount 30 Jun 2024	67

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

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

NOTE 9: CLASSES OF FINANCIAL ASSETS AND LIABILITIES

CLASSES OF FINANCIAL ASSETS

30 Jun 2024 (EUR '000)	Amortised cost	Fair value through profit or loss			Total
		Measured at fair value through other comprehensive income	Measured at fair value	Derivatives in hedge accounting	
Cash and cash equivalents	3 135 529				3 135 529
Debt securities eligible for refinancing with central banks		527 526			527 526
Receivables from credit institutions	12 255				12 255
Receivables from customers	7 002 043				7 002 043
Debt securities		92 186	–		92 186
Derivatives			–	20 695	20 695
Shares and interests		907	17 551		18 458
Total	10 149 827	620 618	17 551	20 695	10 808 691

CLASSES OF FINANCIAL LIABILITIES

30 Jun 2024 (EUR '000)	Amortised cost	Fair value through profit or loss		Total
		Measured at fair value	Derivatives in hedge accounting	
Liabilities to credit institutions	32 095			32 095
Liabilities to customers	8 372 645			8 372 645
Issued bonds	1 578 406			1 578 406
Subordinated debts	96 999			96 999
Derivatives		0	7742	7742
Lease liabilities	6 707			6 707
Total	10 086 853	0	7742	10 094 595

31 Dec 2023 (EUR '000)	Amortised cost	Fair value through profit or loss			Total
		Measured at fair value through other comprehensive income	Measured at fair value	Derivatives in hedge accounting	
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

31 Dec 2023 (EUR '000)	Amortised cost	Fair value through profit or loss		Total
		Measured at fair value	Derivatives in hedge accounting	
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)	30 Jun 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	327 200	13 879	-31	397 200	13 268	-829
Liabilities to customers *	300 000	439	-	-	-	-
Issued bonds	1 300 000	6 377	-7 712	500 000	17 657	-
Total	1 927 200	20 695	-7 742	897 200	30 924	-829
For non-hedging purposes	-	-	-	40 000	425	-
Derivatives, total	1 927 200	20 695	-7 742	937 200	31 349	-829

MATURITIES OF DERIVATIVES

Interest rate derivatives (EUR '000)	30 Jun 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	80 000	247 200	-	327 200	90 000	307 200	-	397 200
Liabilities to customers *	-	300 000	-	300 000	-	-	-	-
Issued bonds	-	800 000	500 000	1 300 000	-	500 000	-	500 000
For non-hedging purposes	-	-	-	-	30 000	10 000	-	40 000
Derivatives, total	80 000	1 347 200	500 000	1 927 200	120 000	817 200	-	937 200

* New hedged item. No comparison amounts.

Changes in the fair value of hedged items attributable to the hedged risk are recognised in the income statement under 'Net income from hedge accounting'. Changes in the fair value

not attributable to the hedged risk are recognised in the fair value reserve. Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement

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

NOMINAL AND FAIR VALUES OF HEDGED ITEMS

Fair value hedge 30 Jun 2024 (EUR '000)	Nominal value, total	Assets, fair values	Liabilities, fair values	Balance sheet item including the hedged item	Changes in fair value in the income statement
Interest rate derivatives					
Debt securities	561 756	538 664	–	Debt securities	-1 624
Liabilities to customers*	300 000	–	-300 521	Liabilities to customers	-521
Issued bonds	1 300 000	–	-1 328 623	Issued bonds	18 697

Fair value hedge 31 Dec 2023 (EUR '000)**	Nominal value, total	Assets, fair values	Liabilities, fair values	Balance sheet item including the hedged item	Changes in fair value in the income statement
Interest rate derivatives					
Debt securities	649 336	621 959	–	Debt securities	11 337
Issued bonds	500 000	–	-868 818	Issued bonds	18 077

* New hedged item. No comparison amounts.

** The comparison period has been amended since the publication of the 31 December 2023 financial statements.

CARRYING AMOUNTS OF HEDGED ITEMS**30 Jun 2024 (EUR '000)**

Balance sheet item including the hedged item	Carrying amount		Cumulative change in balance sheet value		Changes in fair value in the income statement
	Assets	Liabilities	Assets	Liabilities	
Debt securities	538 664	–	13 832	–	-1 624
Liabilities to customers *	–	-300 000	–	-521	-521
Issued bonds	–	-1 295 473	620	–	18 697
Total	538 664	-1 595 473	14 451	-521	16 552

31 Dec 2023 (EUR '000)

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

* New hedged item. No comparison amounts.

INEFFECTIVE PORTION OF HEDGE ACCOUNTING**30 Jun 2024 (EUR '000)**

Hedged items by balance sheet items	Hedging instrument	Profit (loss) on hedging relationship		Ineffective portion of hedging relationship	Income statement line on which the ineffective portion is booked
		Hedged item	Hedging instrument		
Debt securities	Interest rate derivatives	-1 624	1 410	-214	Net income from investing activities: Net income from hedge accounting
Liabilities to customers *	Interest rate derivatives	-521	439	-82	Net income from investing activities: Net income from hedge accounting
Issued bonds	Interest rate derivatives	18 697	-18 992	-295	Net income from investing activities: Net income from hedge accounting

31 Dec 2023 (EUR '000)

Hedged items by balance sheet items	Hedging instrument	Profit (loss) on hedging relationship		Ineffective portion of hedging relationship	Income statement line on which the ineffective portion is booked
		Hedged item	Hedging instrument		
Debt securities	Interest rate derivatives	11 337	-10 845	492	Net income from investing activities: Net income from hedge accounting
Issued bonds	Interest rate derivatives	-18 077	17 657	-420	Net income from investing activities: Net income from hedge accounting

* New hedged item. No comparison amounts.

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

NOTE 11: ISSUED BONDS

Bonds (EUR '000)	30 Jun 2024		31 Dec 2023		Interest	Maturity
	Carrying amount	Nominal value	Carrying amount	Nominal value		
Secured bonds						
S-Bank Plc's Covered Bond	499 731	500 000	517 291	500 000	Fixed 3.75%	26 Sep 2028
S-Bank Plc's Covered Bond	496 924	500 000	–	–	Fixed 3.00%	16 Apr 2030
Secured bonds, total	996 655	1 000 000	517 291	500 000		
Unsecured bonds						
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 1	84 228	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	298 199	300 000	–	–	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
Unsecured bonds, total	581 751	583 900	369 605	370 000		
Bonds, total	1 578 406	1 583 900	886 895	870 000		

NOTE 12: SUBORDINATED DEBTS

DEBENTURES

(EUR '000)	30 Jun 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	5 333	5 333	5 333	5 333	Euribor 12 m + 1.8%	18 Dec 2027
Debenture I/2020	25 500	25 500	25 500	25 500	Euribor 12 m + 2.0%	1 Dec 2030
Debenture I/2021	57 500	57 500	57 500	57 500	Euribor 12 m + 2.0%	8 Oct 2031
Debentures, total	96 999	96 999	101 333	101 333		

NOTE 13: COLLATERAL GIVEN

(EUR '000)	Other collateral	
	30 Jun 2024	31 Dec 2023
Derivatives	4 829	4 257
Collateral given for own debt, total *	4 829	4 257
of which cash	4 829	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)	30 Jun 2024	31 Dec 2023
Guarantees	970	2 170
Other	38	52
Undrawn credit facilities	118 980	144 045
Off-balance sheet commitments, total	119 989	146 266

Impairment of off-balance sheet items is presented in Note 7. The expected credit loss on off-balance sheet items is EUR 1154 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. Earlier on the same day Handelsbanken signed an agreement with S-Bank, Oma Savings Bank Plc (OmaSp) and Fennia Life Insurance Company Ltd. to sell the bank's Finnish retail banking, asset management and investment services businesses to S-Bank, its SME business to OmaSp and its life insurance business, including investment, pension and loan insurance, to Fennia. The Finnish Competition and Consumer Authority

gave approval of the transaction to all buyers in July 2023. The parties expect the transaction to be completed at the turn of November–December 2024.

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

S-Bank will not pay a premium on the transaction. S-Bank will pay Handelsbanken a cash amount that is EUR 20–25

million less than the net value of the balance sheet items to be transferred at closing. The net value is determined by the difference between the values of the loan and deposit agreements to be transferred and it amounted to approximately EUR 2.0 billion on 31 March 2023. The value of loans to be transferred was approximately EUR 3.6 billion and that of deposits approximately EUR 1.6 billion. The final purchase price will be determined at closing on the basis of the value of the loan and deposit agreements current at that time.

The transaction will be covered with a subsequent share issue to the owners, debt financing from the market as well as bilateral financing agreements. S-Bank will strengthen its own funds with a share issue of up to EUR 200

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

nominal value of the issue. On 8 March 2024 S-Bank issued a Senior Preferred MREL Eligible Notes –bond and after that issue the value of financing agreements was amended with EUR 110 million. On 16 April 2024, S-Bank issued its second covered bond with a nominal value of EUR 500 million. After the issue, the value of the financing arrangements

was amended with the nominal value of the issue.

After the abovementioned issues, the value of the financing arrangements, which originally had a total value of approximately EUR 2.0 billion, was approximately EUR 0.9 billion at the end of the reporting period.

S-Bank's result for the review period includes expenses of EUR 5.2 million (EUR 4.2 million in year 2023). Those are expenses for consultancy and advisory services related to planning and preparation of the acquisition. In addition, the result includes expenses of EUR 3.3 million (EUR 5.4 million in year 2023) related to the financing arrangements mentioned earlier.

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

31 July 2024

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.

7 November 2024: Interim report January–September

6 February 2025: Financial statements bulletin for 2024

This document is an English translation of the Finnish report on review of the interim report. Only the Finnish version of the report is legally binding.

REPORT ON REVIEW OF THE HALF-YEAR FINANCIAL REPORT OF S-BANK PLC AS OF AND FOR THE SIX MONTHS PERIOD ENDING JUNE 30, 2024

To the Board of Directors of S-Bank Plc

Introduction

We have reviewed the balance sheet as of June 30, 2024 and the related income statement, statement of other comprehensive income, statement of changes in equity capital and cash flow statement of S-Bank Plc Group for the six-month period then ended, as well as other explanatory notes to the consolidated financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this Half-Year Financial Report in accordance with IAS 34 Interim Financial Reporting and other Finnish rules and regulations governing the preparation of interim reports. We will express our conclusion on the Half-Year Financial Report based on our review.

Scope of review

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

Conclusion

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

Helsinki 31, July 2024

KPMG OY AB

Petri Kettunen

Authorised Public Accountant, KHT

