# SAVINGS BANKS GROUP'S RELEASE OF FINANCIAL STATEMENTS

31.12.2025

Savings Bank

*Translation of the Savings Banks Group's Release of Financial Statements 31 December 2025*

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# BOARD OF DIRECTORS' REPORT OF THE SAVINGS BANKS GROUP

## 1.1.–31.12.2025

# REVIEW BY THE CHIEF EXECUTIVE OFFICER OF THE SAVINGS BANKS' UNION COOP

Kai Koskela
Acting Chief
Executive Officer

**We believe in Finland's future – together with our customers**

The Savings Banks Group had a year of strong growth in 2025. In line with our strategy, we achieved growth in each of our business areas, despite the fact that the development of the Finnish economy provided no tailwinds. We are particularly pleased to have outpaced the market in financing, where market growth for private and corporate customer credit was close to zero. This success was driven by our customer-oriented service model, which combines local presence, personalised service, speed and flexibility.

There was a lot of public debate in 2025 about the availability of financing for corporations, as many companies and entrepreneurs felt that it is difficult to get loans from banks. The Savings Banks Group's corporate financing, which is focused on small businesses, has seen strong growth for a long time now. In 2025, our corporate financing grew by 4.7%. As a Finnish banking group, it is important to us that entrepreneur-led micro and small enterprises operating in Finland have every opportunity to grow and succeed in the future. This is especially important at a time when confidence in the future is being tested in many areas.

The trend of saving and investing continued in Finland. In the investment markets, the year was positive as a whole in spite of the concerns caused by the US tariff decisions in the spring. Savings Banks' customers' assets under management increased by 17.6%, and Sp-Fund Management Company's assets under management exceeded EUR 6 billion at the end of 2025. The number of saving customers with fund or insurance savings increased by more than 2,500. We achieved broad-based growth ranging from private banking services to consistent saving involving small amounts, which was supported by the reduction of the minimum subscription amount of several of our funds to EUR 10.

**Towards the best service in banking**

The use of banking services has been undergoing a long-standing transformation characterised by the expansion of digital services. Although we invest heavily in digital services, we also opened new branches in 2025, as face-to-face interactions with our customers still play an important role. The Net Promoter Score (NPS) for customer meetings held at our branches and online improved further, reaching 85.6. The NPS for corporate customers was as high as 89.4. At the end of 2025, the NPS for our telephone service for private customers was 76, and the Customer Effort Score (CES), which measures the ease and smoothness of service use, was 6.31 (scale 1–7).

Alongside excellent personal service, we have also continuously developed our self-service solutions, where the main focus has been on improving the features, ease of use and security of our mobile application. Our goal is for our mobile application to provide industry-leading tools for customers to manage and plan their finances. In 2025, we added ETF funds and new markets to our range of investment solutions. In addition, our newly launched Savings Target feature supports the budgeting of savings and makes it easier for customers to monitor their progress towards their savings target. Thanks to our development efforts, the app store ratings of our mobile application rank in the top tier of Finnish mobile banks.

Our extensive digitalisation project, which began in 2023, is progressing. We deployed new customer relationship marketing tools in late 2024. In 2026–2027, we will extensively deploy new operating models and systems for customer relationship management and financing, which will enable us to provide our customers with even smoother, faster and more personalised service.

**Cooperation with Fennia**

As part of the implementation of our Group strategy, which was confirmed in summer 2024, we started distribution cooperation on insurance saving and loan insurance with Fennia at the turn of August–September. In connection with this, the Savings Banks Group sold the entire share capital of Sb Life Insurance Ltd to Fennia Life. In line with our strategy, the aim of the cooperation is to grow and provide our customers with the best service in the industry. The divestment freed up capital for other projects that support the implementation of our strategy.

Our customers will benefit from the arrangement, as our cooperation with Fennia strengthens our opportunities to invest in product development and expand the product range. Fennia is the best possible partner for the Savings Banks Group, as we complement each other and share similar values.

**Good deeds and financial skills for Finns**

Social responsibility is an important part of the operations of Savings Banks. Savings Banks and their owner foundations made donations and grants totalling EUR 3.1 million in 2025. The focus was on the wellbeing of children and young people. The banks' donations supported recreational activities and community clubs, as well as youth mental health initiatives. Grants given by Savings Bank foundations promoted education, culture and youth entrepreneurship.

The development of financial skills is a key part of Savings Banks' work. In 2025, the banks cooperated and visited educational institutions and schools. They also increased awareness of sound financial management by means of webinars, articles and newsletters. In addition, we provided financial support and served as the main partner of the "Raharemontti" TV show when it was launched in 2024 and as it went into its second season in autumn 2024. This way, we promoted open dialogue about money and helped Finns struggling with financial difficulties.

**Skilled employees with a high level of wellbeing are the foundation of our success**

We employ approximately 1,500 people across Finland in a wide range of positions. The competence and wellbeing of our personnel are the foundation of our success, and we are committed to actively nurturing them. Our strong growth and high customer satisfaction are underpinned by our excellent employee satisfaction. In the autumn 2025 survey, the eNPS was 34.

In 2025, we recruited many new professionals for both permanent and fixed-term employment relationships. Our recruitment activities and the applicant volumes have demonstrated that we are seen as an attractive employer and that our people-oriented culture appeals to banking professionals of different ages and backgrounds.

**Moving forward with a positive outlook**

Finland's future currently appears subdued in terms of economic growth, employment, the public sector deficit and people's confidence in the future. The Savings Banks Group's history of more than 200 years has encompassed several difficult periods. Finland has always emerged from them successfully. That is why we look to the future with confidence and positivity.

The Savings Banks Group is in good shape and ready to serve individuals, families, entrepreneurs and companies in matters related to money and finances. We want to play our part in building a brighter future for Finland – together with our customers.

I want to express my warmest thanks to our customers, cooperation partners, personnel and governing bodies for the year 2025! Together and through cooperation, we will continue to build the financial wellbeing of people and companies in Finland in the future!

Kai Koskela
Chief Executive Officer

# THE SAVINGS BANKS GROUP AND THE SAVINGS BANKS AMALGAMATION

The Savings Banks Group is the most long-standing banking group in Finland. It comprises the Savings Banks that form the Savings Banks Amalgamation, the Savings Banks' Union Coop that acts as the Central Institution, as well as the subsidiaries and associated companies owned jointly by the banks.

The member organisations of the Savings Banks Amalgamation form a financial entity as defined in the Act on the Amalgamation of Deposit Banks, in which Savings Banks' Union Coop and its member credit institutions are ultimately jointly and severally liable for each other's liabilities and commitments. The Amalgamation comprises the Savings Banks' Union Coop which acts as the central institution of the Amalgamation, 14 Savings Banks, Central Bank of Savings Banks Finland Plc, Sp Mortgage Bank Plc and the companies within the consolidation groups of the above-mentioned entities, Savings Bank Services Ltd as well as Sp-Fund Management Company Ltd. The scope of the Savings Banks Group differs from that of the Savings Banks Amalgamation in that the Savings Banks Group also includes entities other than credit and financial institutions or service companies. The most notable of these is Sp-Koti Ltd.

Further information about the structure of the Savings Banks Group can be found at www.saastopankki.fi/en/savingsbanksgroup.

# DESCRIPTION OF THE OPERATIONAL ENVIRONMENT

## THE GLOBAL ECONOMY

According to current estimates, the global economy grew by just over 3% in 2025. This represents growth at roughly the previous year's level and slightly below the long-term average. Although the development of the global economy appears stable on the surface, there were many economically disruptive events in 2025.

US President Trump began working towards his goals as his term began. From the perspective of the global economy, one of the most significant measures was the imposition of very high tariffs on almost all of the United States' trade partners. This caused a great deal of uncertainty, especially in the first half of the year. However, the countermeasures of other countries remained measured and a broad spiral of retaliation was avoided. Consequently, the impacts of the tariffs on the economy have been less severe than feared, at least for the time being.

The development of the US economy remained surprisingly good in spite of the increases in tariffs. Underlying economic weakness may be partially masked by massive AI investment. The use of AI increased significantly in 2025 globally, and this was also reflected in investments in the real economy, especially in the US. However, the significant productivity growth expected from AI has yet to be realised.

In the eurozone, economic growth picked up as the year went on. According to current estimates, the rate of growth was just over 1%. While this figure is modest when compared to many other countries, it represents fair performance for the eurozone. Germany, the largest economy in the eurozone, is shifting its overarching economic policy and increasing its investments. While this did not stimulate the economy to a significant extent in 2025, it is expected that the German economy – and with it, the entire eurozone economy – will pick up in 2026. The lower interest rate level is also expected to benefit the euro economy in 2026.

## THE INTEREST RATE ENVIRONMENT

In the first half of 2025, short-term interest rates in the eurozone remained on a downward trajectory as the European Central Bank continued its rate cuts. For example, the 12-month Euribor rate, which is used as the general reference rate for mortgages, had a range of movement of approximately 0.5 percentage points.

The situation gradually changed in the second half of the year. The bottom of the interest rate cycle was found and interest rates turned to an increase as the end of the year approached. The 12-month Euribor was close to 2% at its lowest, but rose by nearly 25 basis points by the end of the year.

In the early part of the year, the development of long-term interest rates was affected by US tariff policy, geopolitical concerns and weakened economic growth expectations. Although development in the first half of the year was more volatile in this environment, the period ended with long-term interest rates close to the levels seen at the beginning of the year.

As the autumn went on, the focus shifted to the end of central banks' rate cut cycles, the increase in sovereign debt and inflation in Europe persisting above 2%. Long-term interest rates rose by more than 30 basis points during the final months of the year.

For banking operations, the interest rate environment was challenging as a whole in 2025, as the falling reference rates and the normalisation of the interest rate curve had a negative impact on net interest income. The effect on net interest income caused by the rise in interest rates at the end of the year remained moderate due to its late timing.

The European Central Bank's key interest rate has remained at 2% since June 2025. The markets are pricing in the European Central Bank's next key interest rate hike only for 2027. Consequently, the development of short-term interest rates can be expected to be stable next year. Geopolitical factors, rising government debt (due to increased defence spending, among other things) and questions about the state of the economy (including inflation) affect the development of the longer end of the interest rate curve.

## INVESTMENT MARKETS

From an investment market perspective, the most significant event in 2025 was the policy directives adopted by the Trump administration in April concerning US trade policy and foreign trade tariffs. Share prices fell sharply as a result of the announcement, but investor confidence returned fairly quickly and the recovery of share prices began as early as the second quarter. The key theme in the equity markets was AI and investor confidence in the technology sector's profit performance following significant investments.

In the second half of the year, share prices also rose in Europe and especially in emerging markets, where share prices rose sharply. The strong investor sentiment and risk appetite were also reflected in the corporate bond market. Credit risk margins continued to narrow in the second half of the year, and the demand for corporate bonds remained strong. In the sovereign bond market, interest rates rose in the fourth quarter, which contributed to a decrease in returns from fixed income investments. In the currency markets, the US dollar remained stable against the euro.

## THE FINNISH ECONOMY

The start of 2025 saw a recovery in the Finnish economy. However, economic growth stalled as the year went on, and GDP again contracted year-on-year in the latter part of the year. The year 2025 was characterised by subdued consumer sentiment. This was also reflected in the Savings Banks' Savings Barometer, which showed that financial distress experienced by households again turned to an increase.

The subdued consumer sentiment meant that the development of private consumption was rather muted. The household saving rate was high, indicating that an increasing share of growing income was directed to savings rather than consumption. Many households bolstered their financial buffers following several challenging years.

In spite of the subdued sentiment, the financial position of households improved in terms of many indicators in 2025. Wage earners' purchasing power continued to grow, inflation subsided and interest rates stabilised at a lower level than before. At the same time, uncertainty was maintained by higher-than-expected unemployment and uncertainties in the global economy.

Finnish business confidence developed more favourably than the confidence of households. Business confidence in the economic outlook improved as the year went on, although the level was still rather moderate. There was a slight pick-up in investment, but a more distinct recovery has yet to materialise. Difficult times persisted for the construction sector. The number of bankruptcies continued to rise in 2025.

## THE HOUSING MARKET IN FINLAND

The effects of the housing market slump, which has continued since October 2022, are still being felt. Uncertainty in the housing market is still being created by the global political climate, low consumer confidence and the employment situation. For the year under review, we had projected growth of 8–10 percentage points in the transaction volume for old dwellings sold by real estate agents, and a 2-percentage point average increase in the prices of old units in housing companies.

While the transaction volume increased by approximately 10 percentage points, in line with our projections, the average price development for old units in housing companies was approximately -6 percentage points, deviating substantially from our forecast.

Demand has been particularly strong for detached houses and family-sized dwellings. Demand for small dwellings has remained at a low level, mainly due to the low demand for investment housing and caution among first-time home buyers. During the year, transaction volumes in the housing market increased the most in Oulu and the Helsinki metropolitan area. The transaction volume for new dwellings continued to fall, decreasing by approximately 14 percentage points from the previous year.

In 2026, the housing market will be affected by the development of consumer confidence and the labour market situation. The market is also expecting a recovery in new residential construction.

# THE SAVINGS BANKS GROUP'S PROFIT AND BALANCE SHEET

## FINANCIAL HIGHLIGHTS OF THE SAVINGS BANKS GROUP

| (EUR 1,000) | 1–12/2025 | 1–12/2024 | 1–12/2023 | 1–12/2022* | 1–12/2021*/** |
|---|---|---|---|---|---|
| Net interest income | 244,527 | 274,844 | 263,761 | 169,610 | 152,324 |
| Total operating revenue | 392,261 | 407,058 | 376,236 | 305,154 | 298,715 |
| Total operating expenses | -265,434 | -241,804 | -230,733 | -218,385 | -220,021 |
| Cost to income ratio | -67.7% | -59.4% | -61.3% | -71.6% | -73.7% |
| Impairment losses on financial assets | -16,022 | -25,385 | -9,988 | -15,882 | -941 |
| Profit/loss for the financial year | 86,630 | 115,577 | 105,487 | 56,168 | 72,762 |
| | | | | | |
| Total assets | 13,225,506 | 13,892,891 | 13,206,415 | 13,780,287 | 13,079,096 |
| Total equity | 1,358,261 | 1,283,902 | 1,137,950 | 1,178,847 | 1,190,293 |
| Return on equity % | 6.6% | 9.5% | 9.1% | 4.7% | 6.2% |
| Return on assets % | 0.6% | 0.9% | 0.8% | 0.4% | 0.6% |
| Equity/assets ratio % | 10.3% | 9.2% | 8.6% | 8.6% | 9.1% |
| Solvency ratio % | 22.7% | 20.9% | 19.5% | 18.7% | 19.5% |

* Comparative period information has not been adjusted to reflect the presentation change made for presenting investment contracts in accordance with the IFRS 9 Financial Instrument standard.

** The figures for the financial year have not been adjusted to reflect the distribution of continuing operations and exit from the Savings Bank Group.

## PROFIT TRENDS (COMPARISON FIGURES 1–12/2024)

The text below, describing the profit trends of the Savings Banks Group, presents figures for continuing operations unless otherwise mentioned.

The Savings Banks Group's profit before tax was EUR 110.8 (139.8) million and the profit after tax was EUR 86.6 (115.6) million.

The Savings Banks Group's total operating income decreased by 3.6%, amounting to EUR 392.3 (407.1) million. The Savings Banks Group's net interest income decreased due to the decline in market interest rates. Net interest income amounted to EUR 244.5 (274.8) million. Interest income came to 516.3 (615.1) EUR million. Interest income from loans and advances to customers amounted to EUR 403.1 (476.8) million. Interest income from loans and advances to credit institutions decreased to EUR 31.4 (66.8) million. Interest expenses decreased to EUR 271.8 (340.3) million. Interest expenses associated with derivatives used in the management of the interest rate risk decreased to EUR 98.7 (141.9) million. Interest expenses from debt securities issued came to EUR 87.6 (82.5) million. Interest expenses from liabilities to customers were EUR 76.0 (97.1) million.

Net fee and commission income amounted to EUR 129.8 (119.4) million. Fee and commission income amounted to EUR 143.9 (132.3) million. Payment transaction fees came to EUR 54.5 (50.4) million. Fees received for funds amounted to EUR 40.7 (41.5) million and lending commissions totalled EUR 20.1 (19.0) million. Fee expenses increased to EUR 14.1 (12.9) million.

Net investment income amounted to EUR 3.1 (-2.9) million. Net income from financial assets recognised at fair value through profit or loss amounted to EUR 5.8 (-0.3) million, including both fair value gains and losses of shares and participations amounting to EUR -0.6 (-1.0) million and net income from hedge accounting, EUR 5.8 (0.8) million.

Other operating revenue came to EUR 14.8 (15.7) million. Other operating income includes a deposit guarantee payment of EUR 0.8 (6.4) million, which was covered by the VTS Fund. A corresponding expense is recognised in other operating expenses.

The Savings Banks Group's operating expenses increased by 9.8% to EUR 265.4 (241.8) million. Personnel expenses increased by 11.0% and amounted to EUR 114.9 (103.5) million. The number of personnel on 31 December 2025 was 1 514 (continuing operations 1 412). Other operating expenses came to EUR 135.1 (126.1) million. Other administrative expenses totalled EUR 113.5 (98.7) million. ICT expenses were EUR 64.5 (54.2) million. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets amounted to EUR 15.4 (12.2) million.

The deposit guarantee contribution was 0.8 (6.4) million euros. The Single Resolution Board (SRB) of the EU has announced that it will not collect resolution fees in 2025. During the comparison period, the Savings Bank Group paid 2.8 million euros in resolution fees.

The Group's cost-to-income ratio was 67.7% (59.4%).

A total of EUR 16.0 (25.4) million was recognised in impairment of financial assets. These impairments had a negative effect on the Savings Banks Group's result, and they include the change in expected credit losses on loans granted to customers and off-balance sheet commitments and other financial assets, final credit losses and credit loss recoveries. In addition to expected credit losses of financial assets, the income item includes impairments of the shares of an unconsolidated subsidiary and an associate company amounting to EUR 1.0 million. Changes in the models applied in the calculation of expected credit losses of loans granted to customers and related off balance-sheet commitments decreased the amount of the expected credit losses by EUR 4.1 million. Change in the expected credit losses recognized in the period increased impairments by EUR 2.7 million. Final net credit losses realised during the period totalled EUR 12.3 (11.8) million, and they concerned mainly loans and advances.

The Savings Banks Group's effective income tax rate was 21.8% (17.4%).

## BALANCE SHEET AND FUNDING (COMPARISON FIGURES 31 DECEMBER 2024)

The Savings Banks Group's balance sheet total was EUR 13.2 (13.9) billion at the end of the period.

Loans and advances to customers amounted to EUR 10.5 (10.1) billion, representing an increase of 4.3%. Loans and advances to credit institutions amounted to EUR 160.1 (163.6) million. The Savings Banks Group's investment assets amounted to EUR 970.3 (854.8) million. Cash and cash equivalents totalled EUR 1.3 (1.5) billion. The Savings Banks Group's liabilities to customers remained stable at EUR 7.2 (6.9) billion. Liabilities to credit institutions came to EUR 344.6 (530.3) million. Debt securities issued amounted to EUR 4.0 (3.7) billion.

The Savings Banks Group's equity amounted to EUR 1.4 (1.3) billion. The share of non-controlling interests of the Group's equity was EUR 0.2 (1.2) million. The change in fair value recognised in other comprehensive income was EUR 7.9 (13.3) million in the period.

The Savings Banks Group's return on equity was 6.6% (9.5%).

The quality of the Savings Banks Group's credit portfolio is good and most credit is secured.

The expected credit loss allowance on loans and advances on the balance sheet at the end of the period amounted to EUR 67.6 (64.9) million, or 0.60% (0.60%) of loans and advances. The Savings Banks Group's non-performing receivables remained at a moderate level at 2.9% (2.7%) of loans and advances.

The Savings Banks Group's financial position and liquidity are strong. The Savings Banks Group's LCR was 255% and NSFR was 124% at the end of the period.

## DISCONTINUED OPERATIONS

The Savings Banks Group has sold the entire share capital of Sb Life Insurance Ltd to Fennia Life. The transaction was completed as planned in August 2025. In connection with the sale, the Savings Banks Group and Fennia Life started long-term distribution cooperation on insurance savings and loan security. The result of Sb Life Insurance is presented as a discontinued operation in accordance with IFRS 5.

The total result accumulated from insurance operations from the start of the financial year to the date of the sale amounted to EUR 4.4 million. The result of discontinued operations was EUR -8.3 (10.1) million.

## BUSINESS DEVELOPMENT

Customer satisfaction and customer experience of the Savings Banks' private customers were very good throughout 2025. The Net Promoter Score (NPS) for Savings Banks' customer meetings was high at 85.3, reflecting the high quality of our customer interactions. The results indicate that we are on the right path towards our strategic goal of providing the best service in our industry.

In September, the Savings Banks Group and Fennia started long-term cooperation on insurance savings and loan security. In connection with the start of the cooperation, the Savings Banks Group sold the entire share capital of Sb Life Insurance Ltd to Fennia Life. The transaction implements the Savings Bank Group's new group strategy.

Work on the Savings Banks Group's digitalisation project, which began in 2023, has continued intensively in 2025. New tools for customer relationship management and marketing were in use during the first half of the year. Over the next two years, we will not only modernise our customer relationship management, but also our financial process and systems, with the aim of streamlining our customers' experience.

Our mobile service was developed extensively during the first half of the year in terms of its investment-related features as well as day-to-day banking services. The stock market selection was expanded to include the Swedish and Danish stock exchanges and Xetra in Germany, and ETFs were added to the product selection. The visual appearance of the mobile service was updated through a brand renewal effort. We introduced a savings target feature to help our customers manage their finances. A new feature was added to mobile banking to enable private customers to open a renewable fixed-term deposit.

The number of private customers using Savings Banks' services extensively and concentrating their banking in Savings Banks increased by 2.7% during the year. The year 2025 began in hopeful spirits with regard to the housing market. Against a backdrop of a trade war caused by tariffs and declining consumer confidence, the housing market saw disappointingly little improvement. The private customer loan portfolio increased by an impressive 4.1% during the year, in spite of the subdued market conditions. Deposits by private customers increased by 4.4% during 2025.

As in the case of private customers, our corporate customers had a very high level of customer satisfaction during the review period, as indicated by the NPS score of 89.4 for the Savings Banks' customer meetings.

Volumes developed favourably in the corporate customer business during the year in spite of the difficult market situation: the corporate loan portfolio rose by 4.7% and reached EUR 3.4 billion. Housing corporations' share of this growth was slightly higher than average, as loans to housing corporations increased 8.0% during the year.

The development of companies' account and deposit balances fluctuated during the review period: account and deposit balances decreased during the first months of the year but, thanks to positive development towards the end of the year, we ultimately achieved growth of 13.2%, which brought the total to EUR 1.8 billion.

The difficulties in the construction, hotel and restaurant industries were also reflected in the Savings Banks Group's corporate loan portfolio but, on the whole, the volume of non-performing loans remained at a fairly low level. To support our agricultural customers' green transition and the transition to regenerative farming, we signed a Baltic Sea Commitment with the Baltic Sea Action Group (BSAG) in October 2025. Development efforts in the corporate customer business were also focused on the Savings Banks Group's digitalisation project, which will involve the renewal of financing systems and customer relationship management systems. The project is aimed at achieving significant business benefits and an increasingly smooth and convenient service experience for both customers and employees.

Savings Banks offer comprehensive and high-quality asset management services to both private and corporate customers. The Savings Banks' core mission is to promote thrift, and we have taken a number of steps during 2025 to make it easier, and lower the threshold, for our customers to start saving. One such step was to reduce the minimum subscription amount for savers' funds to EUR 10 per month.

An increasing number of Savings Banks' customers started saving in funds or insurance. The number of new continuous fund saving agreements increased by 5.6% year-on-year. 31.5% of continuous fund saving agreements were made on a self-service basis using digital channels, representing a clear increase from the comparison period. We will continue our determined efforts to promote thrift.

The extensive development of our services continued in the first half of 2025. Among other things, we continued the renewal of the Savings Banks' private banking services. Our private banking service for our wealthiest asset management customers has grown significantly and our customers' satisfaction with the service has been excellent. The number of private banking customers increased by over 45% year-on-year in 2025.

Net subscriptions of Savings Banks' asset management services to funds managed by Sp-Fund Management Company and the insurance saving products of Sb Life Insurance amounted to EUR 282.7 million during the review period. Net subscriptions increased by 66.4% year-on-year.

Customer assets managed by Savings Banks (excluding deposits) showed positive development during the review period with growth of 17.6%. Assets under management include customers' fund and insurance savings and securities custody assets. At the end of the review period, the amount of customer assets under management was EUR 4.27 billion.

Sp-Fund Management Company's market share among Finnish fund management companies was 3.0% (31 December 2024: 2.9%) at the end of the review period. Fund capital managed by Sp-Fund Management Company Ltd increased by 13.8% and totalled EUR 6.0 billion at the end of the review period. Net subscriptions to funds managed by Sp-Fund Management Company totalled EUR 403.7 million. The number of fund unit holders grew by 3.1%. The funds had 298 107 unit holders at the end of the review period. In terms of the number of unit holders, Sp-Fund Management Company is the fourth-largest fund management company in Finland. Sp-Fund Management Company manages 25 investment funds and 7 special investment funds.

## MATERIAL EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Savings Banks' Union Coop is not aware of any factors which would materially influence the financial position of the Savings Banks Group after the completion of the financial statements.

## OUTLOOK FOR THE 2026

The growth outlook of the global economy in 2026 is stable, but still rather sluggish. The OECD, for example, expects that global economic growth will slow to 2.9%. Growth in the US and China is projected to slow slightly, while growth in Europe is expected to pick up slightly. Trade policy tensions remain high, and the situation can change quickly. One risk is the potential bubble that has developed around AI. If it were to burst, it could cause volatility in the financial markets. In any case, the use of AI is increasing and it is gradually bringing benefits to businesses.

In Finland, economic growth is expected to pick up in 2026. However, the extent of the recovery depends on how cautious consumers remain. The situation is fragile in this respect. High unemployment is likely to keep households cautious at least in the early part of the year. At the same time, purchasing power is rising, inflation has subsided and interest rates have stabilised, which supports the situation of households. Households have also been accumulating savings for a fairly long time now, so as confidence improves, the foundations are in place for a rise in consumption and housing purchases. We expect Finland's GDP to grow by 0.8% in 2026.

Business investment is expected to recover gradually. While lower interest rates support investment decisions, the uncertainties in the global economy have a weakening impact on the investment environment. The plight of the construction sector is likely to ease gradually, but there is no quick recovery in sight.

### Outlook for the operations

In 2026, the focus of the Savings Bank Group's operations will be on implementing the Savings Bank Group's strategy. The main goals of the strategy are sustainable growth, the best service in the banking sector, and being the most desirable workplace for top professionals in the industry. As a financially stable bank, the Savings Bank Group can support its customers in both good and bad times.

## FURTHER INFORMATION:

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Releases and other corporate information are available on the Savings Banks Group's website at www.saastopankki.fi/saastopankkiryhma

## CAPITAL ADEQUACY AND RISK POSITION

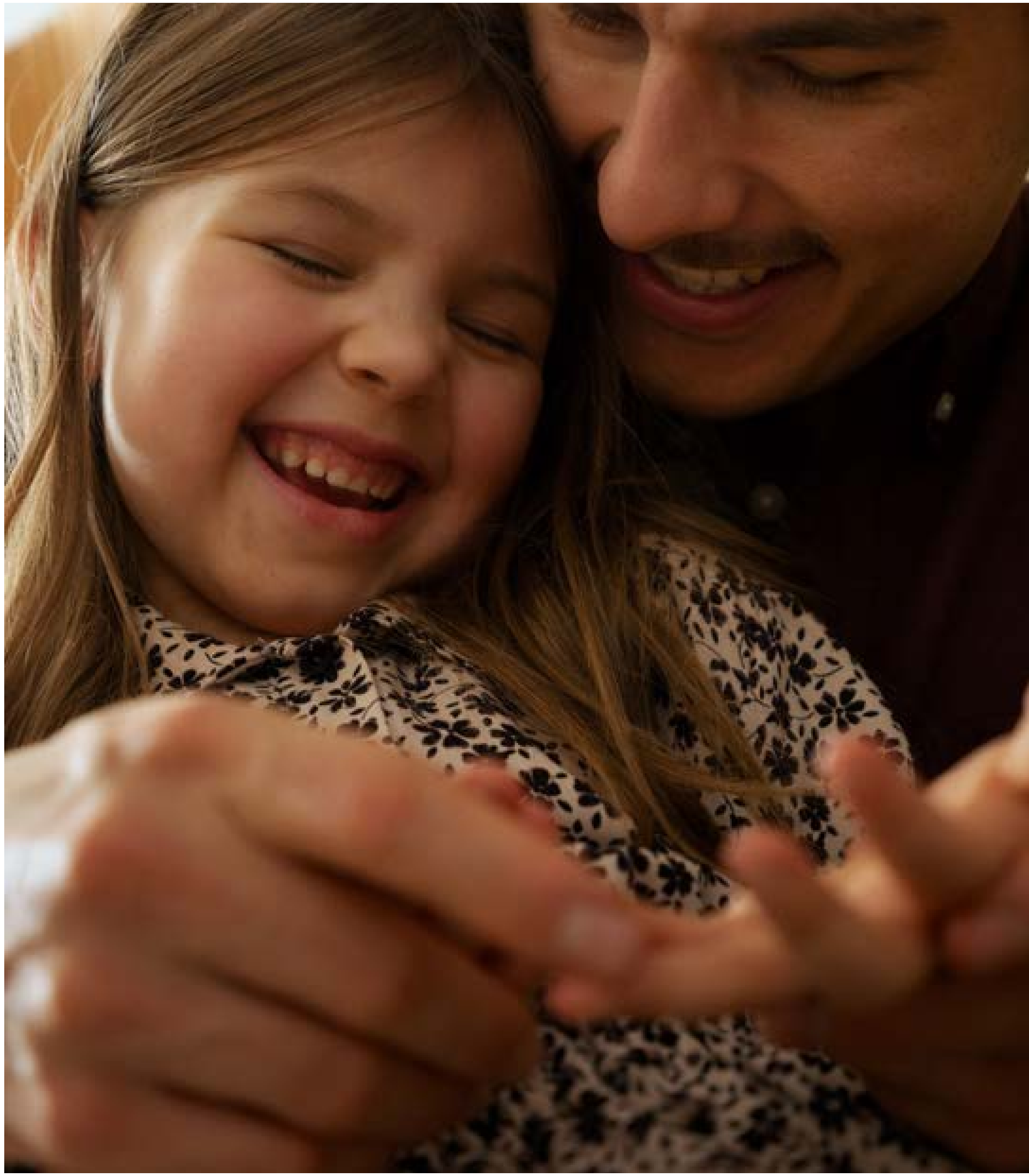
**Capital adequacy (comparison figures 31 December 2024)**

At the end 2025, the Savings Banks Amalgamation had a strong capital structure, consisting almost entirely of CET1 capital. Total own funds were EUR 1,256.2 (1,148.5) million, of which CET1 capital accounted for EUR 1,254.4 (1,146.1) million. The Savings Banks Amalgamation does not have additional Tier 1 capital. Tier 2 (T2) capital amounted to EUR 1.7 (2.4) million, consisting of debentures during the review period. Risk-weighted assets amounted to EUR 5,531.3 (5,494.8) million, an increase of 0.7% compared to the end of the previous year. The capital ratio of the Savings Banks Amalgamation was 22.7% (20.9%), and the CET1 capital ratio was 22.7% (20.9%). During the review period the own funds were strengthened mainly by the profit for the period. In addition, the amendments to the EU's Capital Requirements Regulation (CRR3) that entered into force at the beginning of 2025 increased the capital ratio of the Savings Banks Amalgamation slightly.

The capital requirement of the Savings Banks Amalgamation was EUR 720.2 (716.8) million. The capital requirement of the Savings Banks Amalgamation consists of the 8% minimum capital requirement laid down in the Capital Requirements Regulation, a discretionary additional Pillar II capital requirement imposed by the Financial Supervisory Authority, a fixed additional capital requirement pursuant to the Act on Credit Institutions and the country-specific countercyclical capital requirements of foreign exposures. The composition of the capital requirement is shown in the table below.

## COMBINED CAPITAL REQUIREMENT, %

| 31.12.2025 | Minimum requirement | Pillar 2 (SREP)-requirement | Capital conservation buffer | Systemic risk buffer | Countercyclical capital buffer | Combined capital requirement |
|---|---|---|---|---|---|---|
| CET1 | 4.50 | 0.84 | 2.50 | 1.00 | 0.02 | 8.86 |
| AT1 | 1.50 | 0.28 | | | | 1.78 |
| T2 | 2.00 | 0.38 | | | | 2.38 |
| Total | 8.00 | 1.50 | 2.50 | 1.00 | 0.02 | 13.02 |



The Pillar II capital requirement imposed by the Financial Supervisory Authority on the Savings Banks Amalgamation is currently 1.5%. At least three quarters of the Pillar II capital requirement must be Tier 1 capital, of which at least three quarters must be CET1 capital.

On 26 June 2025, the Financial Supervisory Authority decided to maintain the systemic risk buffer (1%) for the Savings Banks Amalgamation unchanged. The decision will enter into force on 1 July 2026.

In 2025, the Financial Supervisory Authority did not imposed a countercyclical capital buffer requirement. The Financial Supervisory Authority has not set additional capital requirements, so called O-SII buffers, for the Savings Banks Amalgamation.

The Financial Supervisory Authority has granted permission not to deduct internal holdings of credit institutions included in the Amalgamation from own funds instruments when calculating own funds at the individual bank level and sub-consolidation group level. In addition, the Financial Supervisory Authority has granted permission to apply a 0% risk weight to internal credit institution liabilities included within the scope of the Amalgamation's joint and several liability. These permissions are based on the European Union Capital Requirements Regulation (EU 575/2013) and the Act on the Amalgamation of Deposit Banks (599/2010).

The Finnish Financial Supervisory Authority has granted Savings Banks' Union Coop, which acts as the Central Institution of the Savings Banks Amalgamation, permission pursuant to the Act on the Amalgamation of Deposit Banks to decide that its member credit institutions will not be subject to the requirements stipulated by Section 6 of the EU Capital Requirements Regulation (EU 575/2013) and other EU statutes issued on the basis of the Regulation regarding the liquidity of credit institutions. The authorisation granted to the Central Institution also covers the NSFR claim.

The standard method is used to calculate the capital requirement for the credit risk of the Savings Banks Amalgamation. he capital requirement for the credit valuation adjustment (CVA) is calculated using by the standardised method, while the requirement for the operational risk is calculated by using the basic method. The capital requirement relating to market risk is calculated by the basic method for the foreign exchange exposure if the total net foreign exchange position is over 2% of the aggregate amount of own funds. The Savings Banks Amalgamation does not have a trading book and the Amalgamation's business does not involve taking commodity risk.

## CAPITAL ADEQUACY'S MAIN ITEMS

| **Own Funds (EUR 1,000)** | **31.12.2025** | **31.12.2024*** |
|---|---|---|
| Common Equity Tier 1 (CET1) capital before regulatory adjustments | 1,350,124 | 1,213,425 |
| Total regulatory adjustments to Common Equity Tier 1 (CET1) | -95,690 | -67,299 |
| Common Equity Tier 1 (CET1) capital | 1,254,434 | 1,146,126 |
| | | |
| Tier 1 capital (T1 = CET1 + AT1) | 1,254,434 | 1,146,126 |
| | | |
| Tier 2 (T2) capital before regulatory adjustments | 1,745 | 2,379 |
| Tier 2 (T2) capital | 1,745 | 2,379 |
| | | |
| Total capital (TC = T1 + T2) | 1,256,179 | 1,148,505 |
| | | |
| Risk weighted assets | 5,531,347 | 5,494,792 |
| of which: credit and counterparty risk | 4,883,309 | 4,782,921 |
| of which: credit valuation adjustment (CVA) | 15,916 | 31,231 |
| of which: market risk | | |
| of which: operational risk | 632,122 | 680,640 |
| | | |
| Common Equity Tier 1 (as a percentage of total risk exposure amount) | 22.7% | 20.9% |
| Tier 1 (as a percentage of total risk exposure amount) | 22.7% | 20.9% |
| Total capital (as a percentage of total risk exposure amount) | 22.7% | 20.9% |
| | | |
| **Capital requirement** | | |
| Total capital | 1,256,179 | 1,148,505 |
| Capital requirement total** | 720,198 | 716,840 |
| of which: Pillar 2 additional capital requirement | 82,970 | 82,422 |
| Capital buffer | 535,981 | 431,665 |

* The amendments to the EU's Capital Requirements Regulation (CRR3) entered into force at 1 January 2025. The comparison period 31.12.2024 has not been adjusted to reflect the change.

** The capital requirement is formed by the statutory minimum capital adequacy requirement of 8%, the capital conservation buffer of 2.5% according to the Act on Credit Institutions, the pillar 2 requirement of 1.5% set by the Financial Supervisory Authority, the systemic risk buffer requirement of 1.0% and the country-specific countercyclical capital buffers of foreign exposures.

## LEVERAGE RATIO

The leverage ratio of the Savings Banks Amalgamation was 9.4 (8.9%), exceeding the binding 3% minimum requirement. The leverage ratio describes the level of indebtedness of a credit institution and is calculated by dividing its Tier 1 capital by its total leverage ratio exposure measure. The Savings Banks Amalgamation monitors excessive indebtedness as part of the ICAAP process.

### LEVERAGE RATIO

| (EUR 1,000) | 31.12.2025 | 31.12.2024 |
|---|---:|---:|
| Tier 1 capital | 1,254,434 | 1,146,126 |
| Total leverage ratio exposures | 13,380,826 | 12,883,839 |
| Leverage ratio | 9.4% | 8.9% |

## RESOLUTION PLAN

Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms was implemented nationally effective from 1 January 2015 (Act on the Resolution of Credit Institutions and Investment Firms). To implement the Resolution Act, the Financial Stability Authority was established in Finland (Act on the Financial Stability Authority, 1995/2014). In March 2025, the Financial Stability Authority set a minimum requirement for own funds and eligible liabilities (MREL requirement) for the Savings Banks Amalgamation Sp Mortgage Bank Plc. The requirement entered into effect from the date of the decision. The requirement does not apply to the member credit institutions or the Central Bank of Savings Banks.

The MREL requirement is by nature a Pillar 2 type minimum requirement that must be met continuously. According to the Financial Stability Authority's decision, the MREL requirement applied to the Savings Banks Amalgamation is 20.87% of the total risk exposure amount or 7.80% of the total exposures, whichever is higher.

The MREL requirement for Sp Mortgage Bank Plc is 15.75% of the total risk amount or 5.92% of the total exposures, whichever is higher.

In addition to the requirement calculated on the basis of overall risk, the institution-specific capital buffer requirement must be met on an ongoing basis.

## RISK POSITION

The Savings Banks Group's strong solvency and very good liquidity create security in an uncertain operational environment. At the end of the year, the Savings Banks Group's CET1 capital ratio was 22.7%, which is 9.7 percentage points above the minimum level required by regulation. The Savings Banks Group is one of the most solvent banks in Finland. The quality of the credit portfolio has remained at a good level, taking into account the weakening of the economic operational environment.

The Savings Banks Group's risk management and internal control are part of the internal control of the Savings Banks Group and the Savings Banks Amalgamation and a key part of the Group's operative activities. It is the responsibility of the Central Institution to steer the operations of the Amalgamation. It provides guidelines for the securing of liquidity and solvency for enterprises belonging to it in terms of risk management, reliable administration, internal control and compliance with uniform financial statement principles in the preparation of the Amalgamation's financial statements.

The Central Institution approves the principles for the Group's internal control framework. Functions that are independent of the business operations have been established within the Central Institution to ensure effective and comprehensive internal control in all the member companies within the Amalgamation and the Group.

The Savings Banks Amalgamation's independent risk control function maintains and develops methods for managing risks within the Central Institution. This ensures that any new, material but previously unidentified risks are also brought within the scope of business risk management. Significant or high-risk commitments are made in accordance with a collegial decision-making process, and the use of authority is restricted by limits. Internal operational policies are used to steer business operations and processes. The internal policies are monitored for compliance and timeliness. All decisions and significant business operations are documented and archived. An essential part of risk management is executed in daily supervision.

The execution of decisions made is monitored through approvals, verifications, confirmations, reconciliations and monitoring and exception reports.

The Savings Banks Amalgamation has prepared risk strategies and risk limits by risk area. The strategies specific to risk areas are complemented by operational guidelines and instructions issued by the Board of Directors of the Central Institution. The strategies specific to risk areas cover risk identification, measurement and assessment as well as the mitigation, monitoring and reporting of risks.

The Board of Directors of the Central Institution is regularly informed about the various risks and their levels. The Board of Directors also approves authorisations and frameworks for the desired risk-taking by specifying the permitted risk thresholds for different risk areas at the amalgamation level. The most significant risks affecting the operations of the Savings Banks Group are credit risk, liquidity risk, interest rate risk, operational risk, and various business risks.

## CREDIT RATINGS

On 24 February 2025, S&P Global Ratings reviewed the rating of SB Central Bank. The ratings and outlook remained the same: long-term A-, short-term A-2 and stable outlook.

The Central Bank of Savings Banks Finland Plc is part of the Savings Banks Amalgamation. The role of the Central Bank of Savings Banks Finland is to ensure the liquidity and funding of the Savings Banks Group. The Central Bank acquires funds and operates in the money and capital markets on behalf of the Group, manages payment transactions and the internal balancing of the Group's liquidity.

## SUPERVISORY BOARD, BOARD OF DIRECTORS AND AUDITORS

The Savings Banks' Union Coop General Meeting held on 13 March 2025 elected the members of the Supervisory Board and their personal deputies for a term extending until the next ordinary general meeting. The Supervisory Board consists of 9–35 members. The Supervisory Board had 13 members, each with a personal deputy. The chairman of the Supervisory Board was Arto Seppänen (chairman of the Board of Directors of Someron Säästöpankki) until 13 March 2025. Starting from 13 March 2025, the chairman was Timo Saraketo (chairman of the Board of Directors of Aito Säästöpankki Oy). The deputy chairmen were Timo Saraketo (chairman of the Board of Directors of Aito Säästöpankki Oy) until 13 March 2025 and from 13 March 2025 Valtteri Simola (chairman of the Board of Directors of Helmi Säästöpankki Oy) and Björn West (chairman of the Board of Directors of Kvevlax Sparbank Ab). The members of the Supervisory Board are primarily chairmen of the Boards of Directors of Savings Banks, and their deputies are deputy chairmen of the Boards of Directors of Savings Banks.

During the period 1 January – 30 June 2025, the following persons were members of the Board of Directors of Savings Banks' Union Coop:

Robin Lindahl (independent of Savings Banks), chairman
Heikki Paasonen, (Säästöpankki Optia Oy) deputy chairman
Pirkko Ahonen (Aito Säästöpankki Oy), member
Monika Mangs (Närpiön Säästöpankki Oy), member
Petri Siviranta (Someron Säästöpankki), member
Tuula Heikkinen (independent of Savings Banks), member
Eero Laesterä (Säästöpankeista riippumaton), member
Hannu Syvänen (Säästöpankki Sinetti), member
Simo Leisti (independent of Savings Banks), member
Veli-Pekka Mattila (Länsi-Uudenmaan Säästöpankki Oy), member

The members of the Board of Directors of the Savings Banks' Union Coop were elected at the Savings Banks' Union Coop General Meeting held on 13 March 2025 for a term extending until the next ordinary general meeting. The Board of Directors of Savings Banks' Union Coop has a quorum when more than half of the members are present.

The Chief Executive Officer of the Savings Banks' Union Coop is Kai Koskela.

At the ordinary general meeting of the Savings Banks' Union Coop held on 13 March 2025, KPMG Oy Ab, Authorised Public Accountants, was elected as the auditor of the Central Institution. The chief auditor designated by the firm is Mikko Kylliäinen, Authorised Public Accountant.

# NON-FINANCIAL REPORTING

The Savings Bank Group reports on its sustainability in accordance with the ESRS standards under the Corporate Sustainability Reporting Directive (CSRD). We will publish the 2025 sustainability report as part of the Savings Bank Group's Board of Directors report and consolidated IFRS financial statements in March 2026.

The Savings Bank Group's sustainability strategy for the 2024–2030 strategy period guides our sustainability work. The key themes of our sustainability strategy are the financial well-being of customers and local communities, safe and secure service experience, the well-being and equality in the work community, the environment and climate, and good governance. In the sustainability report, these themes are included under the topics of climate change, own workforce, consumers and end-users, financial well-being of customers and local communities, and business conduct.

Targets and metrics have been set for the key themes of the sustainability strategy. New metrics introduced in 2025 include the number of people reached through events, safe and secure service experience, share of employees who have completed sustainability training, and emission reduction targets in the climate transition plan.

In spring 2025, we carried out an ESG risk materiality assessment in accordance with the guidelines of the European Banking Authority (EBA). This work enabled us to identify the Savings Bank Group's material ESG risks. The assessment will be updated annually. Based on this work, we will continue integrating ESG risks into our risk management and monitoring activities.

In the transition plan for climate change mitigation we prepared in 2025, we set emission reduction targets for 2030 for Scope 1 and Scope 2 emissions from our own operations, as well as for emissions from financing, investment activities, and our own investments. In accordance with the roadmap described in the transition plan, the Savings Banks Group plans to develop new sustainability-promoting solutions, guidelines and advisory services related to financing and investment activities in order to support our customers' sustainable transition and the Savings Banks Group's transition to a sustainable economy.

During 2025, we created DEI (Diversity, Equity and Inclusion) principles and incorporated them into our HR policy. They are based on our values and provide the foundation for management, operations and interaction in our work communities.

In 2025, through donations from the "Good Deeds" campaign and grants from the Savings Bank Foundations, we distributed a total of €3.1 million to over 1,000 recipients across Finland. The "Good Deeds" donations focused on hobbies and club activities as well as youth mental health work. The Savings Bank Foundations' grants were likewise directed toward supporting education and culture for young people and young adults, as well as promoting youth entrepreneurship.

## FORMULAS USED IN CALCULATING THE FINANCIAL HIGHLIGHTS

| | |
|---|---|
| Total operating revenue: | Net interest income, net fee and commission income, net trading income, net investment income, net life insurance income, net finance income of the insurance contracts, other operating revenue |
| Total operating expenses: | Personel expenses, other operating expenses, depreciation and impairment charges on tangible and intangible assets |
| Cost to income ratio: | $\dfrac{\text{Total operating expenses}}{\text{Total operating revenue}}$ |
| Return on equity %: | $\dfrac{\text{Profit}}{\text{Equity, incl. non-controlling interests (average)}} \times 100$ |
| Return on assets %: | $\dfrac{\text{Profit}}{\text{Total assets (average)}} \times 100$ |
| Equity/assets ratio %: | $\dfrac{\text{Equity (incl. non-controlling interests)}}{\text{Total assets}} \times 100$ |

The calculation of the financial highlights uses the results of continuing operations.

## ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority's Guidelines on Alternative Performance Measures came into effect on 3 July 2016. An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the IFRS framework. Alternative Performance Measures are used to reflect financial development and enhance comparability between different reporting periods.

In its financial reporting, the Savings Banks Group uses Alternative Performance Measures (APM) that describe the Group's financial performance and position. The APMs are not defined in IFRS regulation, Capital Adequacy regulation (CRD/CRR) or Solvency II regulation (SII). The APMs presented complement the main statements and notes prepared in accordance with IFRS.

# RELEASE OF FINANCIAL STATEMENTS

## 1.1.–31.12.2025

# INCOME STATEMENT

| (EUR 1,000) | Note | 1.1.–31.12.2025 | 1.1.–31.12.2024 adjusted |
|---|---|---|---|
| Interest income | 3 | 516,342 | 615,098 |
| Interest expense | 3 | -271,815 | -340,253 |
| Net interest income | 3 | 244,527 | 274,844 |
| Net fee and commission income | 4 | 129,825 | 119,354 |
| Net investment income | 5 | 3,148 | -2,858 |
| Other operating revenue | | 14,760 | 15,717 |
| Total operating revenue | | 392,261 | 407,058 |
| | | | |
| Personnel expenses | | -114,914 | -103,532 |
| Other operating expenses | | -135,102 | -126,085 |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | | -15,418 | -12,187 |
| Total operating expenses | | -265,434 | -241,804 |
| | | | |
| Net impairment loss on financial assets | 5 | -16,022 | -25,385 |
| Associate's share of profits | | 44 | -24 |
| Profit before tax | | 110,848 | 139,845 |
| Income tax expense | | -24,218 | -24,268 |
| Profit, continuing operations | | 86,630 | 115,577 |
| Profit, discontinued operations | | -8,284 | 10,117 |
| Profit | | 78,347 | 125,694 |
| | | | |
| **Profit attributable to:** | | | |
| Equity holders of the Group | | 78,341 | 125,703 |
| Non-controlling interests | | 6 | -9 |
| Total | | 78,347 | 125,694 |

# STATEMENT OF COMPREHENSIVE INCOME

| (EUR 1,000) | 1.1.–31.12.2025 | 1.1.–31.12.2024 adjusted |
|---|---|---|
| Profit | 78,347 | 125,694 |
| | | |
| **Other comprehensive income** | | |
| **Items that will never be reclassified to profit or loss** | | |
| Remeasurements of defined benefit obligation | -770 | 576 |
| Deferred tax from remeasurements of defined benefit obligation | 154 | -115 |
| Capital gain of financial assets at fair value through other comprehensive income | 1,365 | -1,961 |
| Total | 749 | -1,500 |
| | | |
| **Items that are or may be reclassified to profit or loss** | | |
| Changes in fair value reserve | | |
| Fair value measurements | 8,890 | 16,608 |
| Deferred tax from fair value measurements | -1,003 | -3,322 |
| Cash flow hedges | | 1 |
| Deferred tax from cash flow hedges | | |
| Total | 7,887 | 13,287 |
| | | |
| Total comprehensive income | 86,983 | 137,480 |
| | | |
| **Profit attributable to:** | | |
| Equity holders of the Group | 86,977 | 137,489 |
| Non-controlling interests | 6 | -9 |
| Total | 86,983 | 137,480 |

# STATEMENT OF FINANCIAL POSITION

| Assets (EUR 1,000) | Note | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | | 1,280,957 | 1,470,385 |
| Loans and advances to credit institutions | 5 | 160,101 | 163,578 |
| Loans and advances to customers | 5 | 10,549,143 | 10,113,524 |
| Derivates | 8 | 16,903 | 33,991 |
| Investment assets | 5 | 970,323 | 854,840 |
| Assets covering unit-linked contracts | | | 1,024,674 |
| Assets related to insurance contracts | | | 2,394 |
| Investments in associates and joint ventures | | 153 | 109 |
| Propert, plant and equipment | | 37,385 | 41,339 |
| Intangible assets | | 86,621 | 61,222 |
| Tax assets | | 19,928 | 21,436 |
| Other assets | | 103,992 | 105,398 |
| Total assets | | 13,225,506 | 13,892,891 |

| Liabilities (EUR 1,000) | Note | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **Liabilities and equity** | | | |
| **Liabilities** | | | |
| Financial liabilities at fair value through profit or loss | | | 22,327 |
| Liabilities to credit institutions | 6 | 344,574 | 530,309 |
| Liabilities to customers | 6 | 7,163,384 | 6,885,467 |
| Derivatives | 8 | 91,414 | 116,035 |
| Debt securities issued | 6 | 4,022,671 | 3,687,107 |
| Unit-linked contract liability | | | 515,304 |
| Insurance contract liability | | | 580,467 |
| Subordinated liabilities | 6 | 3,173 | 3,173 |
| Tax liabilities | | 63,879 | 68,745 |
| Provisions and other liabilities | | 178,150 | 200,056 |
| Total liabilities | | 11,867,245 | 12,608,989 |
| **Equity** | | | |
| Basic capital | | 40,217 | 40,140 |
| Primary capital | | 46,202 | 45,835 |
| Reserves | | 530,303 | 525,336 |
| Retained earnings | | 741,300 | 671,438 |
| Total equity attributable to equity holders of the Group | | 1,358,023 | 1,282,749 |
| Non-controlling interests | | 239 | 1,153 |
| Total equity | | 1,358,261 | 1,283,902 |
| Total liabilities and equity | | 13,225,506 | 13,892,891 |

# STATEMENT OF CASH FLOWS

| (EUR 1,000) | 1.1.–31.12.2025 | 1.1.–31.12.2024 adjusted |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit | 86,630 | 115,577 |
| Adjustments for items without cash flow effect | 59,841 | 65,881 |
| Incme taxes paid | -26,100 | -35,276 |
| Cash flows from operating activities before change in assets and liabilities | 120,371 | 146,182 |
| | | |
| Increase (-) or decrease (+) operating assets | -738,176 | -507,876 |
| Financial assets at fair value trough profit or loss | -1,041 | 16,213 |
| Investments, at fair value through other comprehensive income | -59,597 | 35,174 |
| Financial assets at amortised cost | -2,144 | 1,594 |
| Investment assets, at amortized cost | -229,095 | -16,345 |
| Loans and advances to credit institutions | 4,746 | 16,030 |
| Loans and advances to customers | -449,502 | -606,145 |
| Other assets | -1,544 | 45,604 |
| | | |
| Increase (-) or decrease (+) in operating liabilities | 412,979 | 433,359 |
| Liabilities to credit institutions | -186,030 | -89,286 |
| Liabilities to customers | 280,758 | -145,417 |
| Debt securities issued | 336,213 | 673,038 |
| Other liabilities | -17,963 | -4,977 |
| Exit from Savings Banks Group | -4,268 | -8,507 |
| Total cash flows from operating activities | -209,093 | 63,159 |
| | | |
| **Cash flows from investing activities** | | |
| Investments in shares and participations, deductions | -1,705 | 80 |
| Investments in investment property and in property, plant and equipment and intangible assets | -40,349 | -33,556 |
| Disposals of investment property and property, plant and equipment and intangible assets | 3,196 | 1,294 |
| Exit from Savings Banks Group | 68,636 | 304 |
| Total cash flows from investing activities | 29,777 | -31,878 |

| (EUR 1,000) | 1.1.–31.12.2025 | 1.1.–31.12.2024 adjusted |
|---|---|---|
| **Cash flows from financing activities** | | |
| Increase in basic capital | 367 | 14,806 |
| Distribution of profits | -9,233 | -6,819 |
| Total cash flows from financing activities | -8,866 | 7,986 |
| | | |
| Change in cash and cash equivalents | -188,182 | 39,267 |
| | | |
| Cash and cash equivalents at the beginning of the period | 1,493,100 | 1,453,832 |
| Cash and cash equivalents at the end of the period | 1,304,918 | 1,493,100 |
| | | |
| **Cash and cash equivalents comprise the following items:** | | |
| Cash | 1,280,957 | 1,470,385 |
| Receivables from central banks repayable on demand | 23,961 | 22,715 |
| Total cash and cash equivalents | 1,304,918 | 1,493,100 |
| | | |
| **Adjustments for items without cash flow effect** | | |
| Impairment losses on financial assets | 16,022 | 25,385 |
| Changes in fair value | -5,825 | -127 |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | 16,667 | 14,337 |
| Effect of profit from associated companies | -44 | 24 |
| Income taxes | 21,421 | 24,529 |
| Other adjustments | 8,803 | 1,995 |
| Changes in deferred taxes | 2,797 | -261 |
| Total | 59,841 | 65,881 |
| | | |
| Dividends received | 521,123 | 616,001 |
| Interest paid | 294,512 | 327,227 |
| Dividends received | 862 | 1,769 |

# STATEMENT OF CHANGES IN EQUITY

| (EUR 1,000) | Basic capital | Primary capital | Share premium | Fair value reserve | Reserve for hedging insturments | Reserve fund | Other reserves | Total reserves | Retained earnings | Total equity attributable to equity holders of the Group | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Equity 1.1.2024 | 50,183 | 31,452 | 210,370 | -28,868 | -1 | 24,484 | 36,514 | 242,499 | 812,654 | 1,136,788 | 1,162 | 1,137,950 |
| **Comprehensive income** | | | | | | | | | | | | |
| Profit for the period | | | | | | | | | 66,171 | 66,171 | 0 | 66,171 |
| Other comprehensive income | | | | 3,693 | 1 | | | 3,694 | | 3,694 | | 3,694 |
| Total comprehensive income | | | | 3,693 | 1 | 0 | 0 | 3,694 | 66,171 | 69,865 | 0 | 69,865 |
| **Transactions with owners** | | | | | | | | | | | | |
| Distribution of profits | | | | | | | | | -6,696 | | | -6,696 |
| Primary capital issue | | 2,387 | | | | | | | | | | 2,387 |
| Tranfers between items | -14,965 | | 14,965 | | | | | 14,965 | | | | 0 |
| Other changes | | | -190 | | | | | -190 | -1,199 | | | -1,389 |
| Total equity 31.12.2024 | 40,140 | 45,835 | 491,803 | -15,582 | | 14,704 | 34,410 | 525,336 | 671,438 | 1,282,749 | 1,153 | 1,283,902 |
| | | | | | | | | | | | | |
| Equity 1.1.2025 | 40,140 | 45,835 | 491,803 | -15,582 | | 14,704 | 34,410 | 525,336 | 671,438 | 1,282,749 | 1,153 | 1,283,902 |
| **Comprehensive income** | | | | | | | | | | | | |
| Profit for the period | | | | | | | | | 78,341 | 78,341 | 6 | 78,347 |
| Other comprehensive income | | | | 7,887 | | | | 7,887 | 785 | 8,672 | | 8,672 |
| Total comprehensive income | | | | 7,887 | | 14,704 | 0 | 7,887 | 79,126 | 87,013 | 6 | 87,018 |
| **Transactions with owners** | | | | | | | | | | | | |
| Distribution of profits | | | | | | | | | -9,233 | -9,233 | | -9,233 |
| Primary capital issue | | 367 | | | | | | | | 367 | | 367 |
| Tranfers between items | 77 | | | -5,969 | | | | -5,969 | 2,274 | -3,619 | | -3,619 |
| Other changes | | | | | | | -646 | -646 | -2,305 | -2,950 | -920 | -3,870 |
| **Changes in Savings Bank Group's structure** | | | | | | | | | | | | |
| Discontinued operations | | | | 3,695 | | | | 3,695 | | 3,695 | | 3,695 |
| Total equity 31.12.2025 | 40,217 | 46,202 | 491,803 | -9,969 | | 29,407 | 33,765 | 530,303 | 741,300 | 1,358,023 | 239 | 1,358,261 |

# NOTES TO THE FINANCIAL STATEMENTS

# NOTE 1: DESCRIPTION OF THE SAVINGS BANKS GROUP AND THE SAVINGS BANKS AMALGAMATION

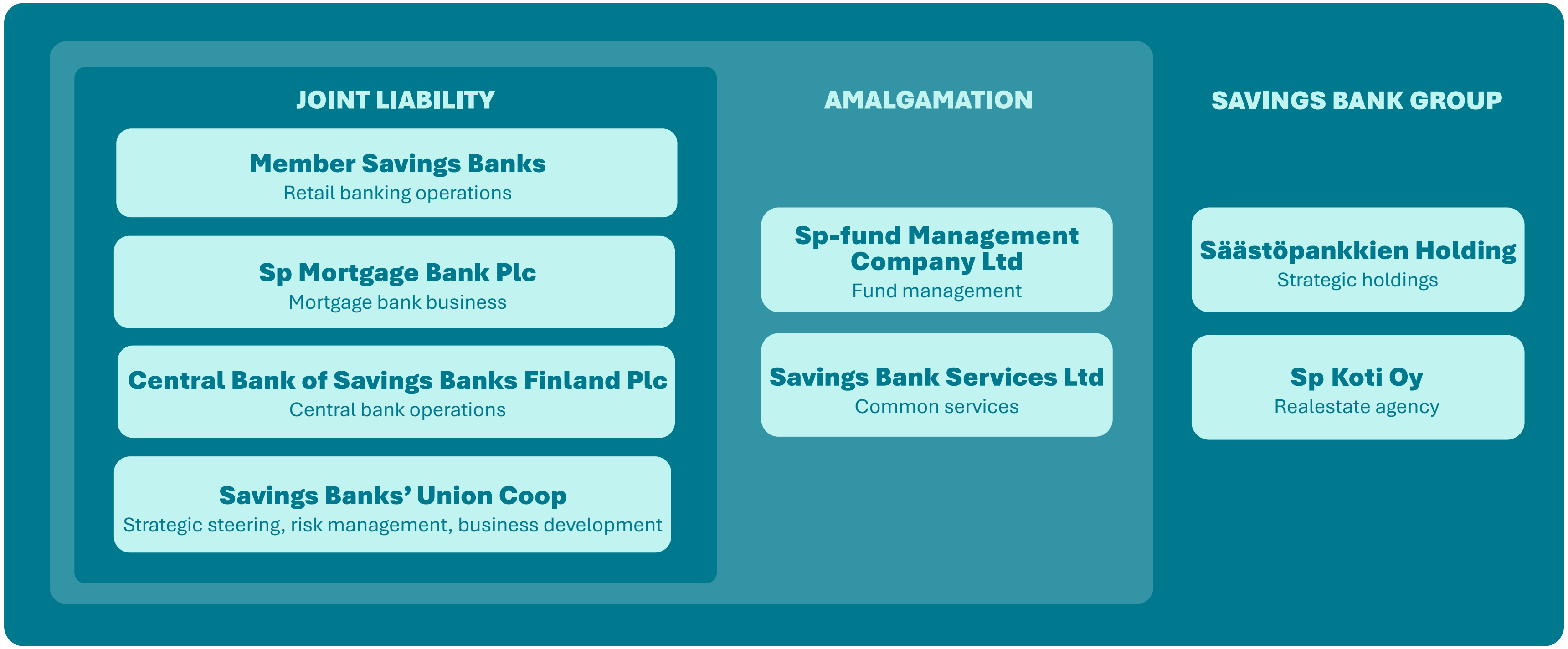
The Savings Banks Group is the most longstanding banking group in Finland. It comprises of Savings Banks that formed the Savings Banks Amalgamation, the Savings Banks' Union Coop, which acts as the Central Institution and the subsidiaries, and associated companies owned by Savings Banks. Together the Savings Banks form a banking group that operates locally as well as nationally.

The basic objective of the Savings Banks is to promote thrift, the financial well-being of their customers and to operate near their customers. The Savings Banks operate in the retail banking business, especially in daily banking, saving and investment products and lending. The service and product range offered is complemented with the other financial services and products provided in cooperation with the service and product companies within the Savings Banks Group. The service and product companies within the Group support and promote the operations of the Savings Banks Group via producing centralised services or having responsibility for certain products. The most significant service and product companies of the Savings Banks Group are Central Bank of Savings Banks Finland Plc, Sp Mortgage Bank Plc, Sp-Fund Management Company Ltd, Savings Bank Services Ltd and Sp-Koti Oy.

The member organizations of the Savings Banks Amalgamation form a financial entity as defined in the Act on Amalgamations, in which the Savings Banks' Union Coop and its member credit institutions are jointly liable for each other's liabilities and commitments. The Savings Banks Amalgamation comprises the Savings Banks' Union Coop, which acts as the Central Institution of the Amalgamation, 14 Savings Banks, the Central Bank of Savings Banks Finland Plc, Sp Mortgage Bank Plc as well as the companies within the consolidation groups of the above-mentioned entities, Sp-Fund Management Company Ltd and Sp-Fund Management Company Ltd.

The structure of the Savings Banks Group differs from that of the Savings Banks Amalgamation so that the Savings Banks Group also includes organizations other than credit and financial institutions or service companies. The most significant of these is Sp-Koti Oy. The Savings Banks' Union Coop and its member Savings Banks do not have control over each other as referred to in the general consolidation accounting principles and therefore it is not possible to define a parent company for the Group.

The structure of the Amalgamation and the Group are described in the chart below:




Savings Banks' Union Coop steers the operations of the Savings Banks Group and is responsible for the internal control framework. According to the Amalgamation Act Savings Banks' Union Coop acting as the Central Institution of the Amalgamation is obliged to prepare consolidated financial statements for the Savings Banks Group. The Board of Directors of Savings Banks' Union Coop is responsible for preparing the financial statements. The financial statements are prepared for the financial group formed by the Savings Banks Group. All figures presented hereafter are Savings Banks Group's figures unless otherwise stated. Savings Banks' Union Coop's registered office is in Helsinki, and its registered address is Teollisuuskatu 33, FI-00510 Helsinki.

The Savings Banks Group's financial statements and half-year report are available at www.saastopankki.fi/saastopankkiryhma.

# NOTE 2: ACCOUNTING POLICIES

## 2.1 GENERAL

The consolidated financial statements of the Savings Banks' Group are prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union. The release of the financial statements 1 January – 31 December 2025 is prepared in accordance with IAS 34 Interim Financial Reporting standard.

The release of the financial statement of the Savings Bank Group is presented in euros, which is the accounting and functional currency of the Savings Bank Group. The release of the financial statement is presented in thousands of euros unless otherwise stated. Figures in the notes are rounded, whereby the sum total of individual figures may deviate from the sum total presented in the calculations and tables.

The applied accounting policies in their entirety are presented in the notes to the financial statements 31 December 2024.

The figures of the half-year report have not been audited.

## 2.2 DISCONTINUED OPERATIONS

The Savings Banks Group sold the entire share capital of Sb Life Insurance Ldt to Fennia Life on 29 August 2025. Upon completion of the transaction, the Savings Banks Group ceased insurance operations and applies IFRS 5 Non-current Assets Held for Sale and Discontinued Operations to the presentation and recognition of Sb Life Insurance Ltd. The result of discontinued operations is reported separately from the income and expenses of continuing operations. The Group's internal income and expenses between continuing and discontinued operations have been eliminated. The information for the comparison period has been adjusted accordingly.

## 2.3 SEGMENT REPORTING

Until August 2025, the Savings Banks Group voluntarily applied IFRS 8 and presented two reportable segments: Banking Operations and Asset Management Services. The Banking Operations segment consisted of the member Savings Banks of the Savings Banks Group, Central Bank of Savings Banks Finland Plc and Sp Mortgage Bank Plc. The Asset Management Services segment consisted of Sp-Fund Management Company Ltd and Sb Life Insurance Ltd. As of September 2025, the Savings Banks Group abandoned the voluntary presentation of segment information in accordance with IFRS 8. The Savings Banks Group sold the entire share capital of Sb Life Insurance Ltd to Fennia Life in August 2025. The divested life insurance business constituted a significant part of the Asset Management Services segment.

## 2.4 THE MOST SIGNIFICANT ACCOUNTING POLICIES REQUIRING MANAGEMENT JUDGEMENT AND UNCERTAINTIES RELATED TO ACCOUNTING ESTIMATES

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

The key estimates of the Savings Banks Group are related to the determination of impairment and fair value of financial assets, the recognition of deferred tax assets from confirmed losses and the determination of the present value of pension obligations.

In the financial statements dated 31 December 2025 the most significant uncertainties influencing the management's estimates have been the weak economic situation. There is considerable uncertainty associated with estimating the economic impacts of the afore-mentioned factor, which particularly influences the assessment of the expected credit losses on financial assets.

**Determination of expected credit losses**

The Savings Banks Group's expected credit loss calculation models contain several factors that require the management's judgment.

- Selection of the models used in the calculations so that they illustrate the expected credit losses of the contract portfolio as accurately as possible.
- Assumptions and expert assessments included in the models.
- Defining the quantitative and qualitative criteria for a significant increase in credit risk.
- Selection of the macroeconomic factors describing future economic development used in the calculations so that changes in the selected factors are correlated with the probability of contract default.
- Preparing economic forecasts and predicting the probability of their future realization.

The Savings Banks Group uses modelling-based calculations for determining expected credit losses but, where necessary, the figures generated by the models are adjusted to reflect the management's judgment. Recognising an adjustment may be based on, for example, newly available information or a new factor that is not included in the parameters or inputs used in the calculation model. The uncertainty regarding future economic development that continued during the review period has increased the significance of the management's judgment and estimates.

On the reporting date, the adjustments based on the management's judgment have been associated especially with receivables in stage 3 and, when assessing the need and extent of adjustments, attention has been paid especially to the following factors that influence the expected credit loss amount.

- Considering the nature and value of receivable-related collaterals, the effect of the regional economic situation on the price level of residential properties and realization, for instance.
- Amount and timing of receivables' contractual cash flows, taking into account available counterparty information that is not included in the calculation model. Such information includes, for instance, changes in employment, the number and duration of instalment-free periods that have been applied for and changes in the scope and profitability of business operations.
- Change in the credit risk of the receivable counterparty, resulting from restrictions that influence business or employment that are not included in the calculation model.

The member banks of the Savings Banks Group have assessed the financial impacts of the war in Ukraine and the economic sanctions against Russia on their customers' credit risk. At the time of reporting, the Savings Banks Group does not have significant direct or indirect sector-specific risk concentrations related to the Ukrainian, Russian or Belarusian markets. Nevertheless, the changed market conditions have indirect impacts on certain industries or individual customer relationships. Savings Banks have enhanced their monitoring of identified risks that have potentially been elevated by the crisis.

**Determining fair value**

When determining fair values, the management must consider whether there is price information available in the market that can be considered a reliable indication of the financial instrument's fair value. The assessment is based on a view of the functioning of the market and the trading activity for the financial instrument in question.

On the reporting date, the Savings Banks Group's financial instruments measured at fair value consisted mainly of listed financial assets for which a public price quotation is available or financial assets for which fair value measurement is based on verifiable market information, such as interest rate data. In the view of the management of the Savings Bank Group, the conditions regarding the functioning of the market and the trading activity of the individual financial instruments are met and, consequently, the price information obtained from the market can be considered a reliable indication of the fair value of the instruments.

The management's judgement is required in circumstances where fair value price information is not available in the market, and the fair value of a financial instrument needs to be determined using a valuation technique. In such circumstances, the valuation techniques and inputs used to measure fair values are based on the management's assessment of the market practices used to measure the value of the instruments in question. The Savings Banks Group only has a small number of financial instruments whose fair value is measured using valuation techniques, and there were no substantial changes in their amount during the past financial year.

# NOTE 3: NET INTEREST INCOME

Interest income and expense are accrued over the maturity of the contract using the effective interest rate method. Using this method, the income and expenses arising from an instrument are accrued in relation to the residual receivable and liability in the balance sheet until maturity. When a financial asset is impaired, the original effective interest rate is used when calculating interest income and interest is calculated for the loan balance less impairment.

Interest income and interest expenses are included in the net interest income. Negative interest income from financial assets are recorded in interest expenses and positive interest expenses from financial liabilities are recorded in interest income.

| (EUR 1,000) | 1–12/2025 | 1–12/2024 |
|---|---|---|
| **Interest income** | | |
| **From financial assets measured at amortized cost** | | |
| Debt securities eligible for refinancing with Central Bank | 5,898 | 2,092 |
| Loans and advances to credit institutions | 31,382 | 66,841 |
| Loans and advances to customers | 403,102 | 476,831 |
| Debt securities | 634 | 598 |
| | 441,017 | 546,362 |
| **From financial assets measured at fair value through other comprehensive income** | | |
| Debt securities eligible for refinancing with Central Bank | 10,532 | 8,338 |
| Debt securities | 1,042 | 2,200 |
| | 11,573 | 10,538 |
| **From financial assets measured at fair value through profit or loss** | | |
| Debt securities | 188 | 318 |
| Derivative contracts | | |
| Hedging derivatives | 63,564 | 57,880 |
| | 63,752 | 58,198 |
| | | |
| Total interest income | 516,342 | 615,098 |

| (EUR 1,000) | 1–12/2025 | 1–12/2024 |
|---|---|---|
| **Interest expenses** | | |
| | | |
| **From financial liabilities measured at amortised cost** | | |
| Liabilities to credit institutions | -8,985 | -17,928 |
| Liabilities to customers | -76,439 | -97,824 |
| Debt securities issued | -87,595 | -82,454 |
| Subordinated liabilities | -97 | -124 |
| | -173,116 | -198,331 |
| **From financial liabilities measured at fair value through profit or loss** | | |
| Derivative contracts | | |
| Hedging derivatives | -98,699 | -141,923 |
| | -98,699 | -141,923 |
| | | |
| Total interest expenses | -271,815 | -340,253 |
| | | |
| Net interest income | 244,527 | 274,844 |

# NOTE 4: NET FEE AND COMISSION INCOME

Net fee and commission income consists of the income and expenses associated with services provided to customers. Fees received for services are recognised as income after the performance obligation has been fulfilled, and the key criterion is the transfer of control. Income is recognised at the amount which the Savings Banks Group expects to be entitled to in exchange for the services performed.

Net fee income consists mainly of commission income from lending and payment transactions. In addition, fees are charged for, among other things, legal tasks, guarantees, funds and brokerage of securities. The above-mentioned items consist of several different types of fees and commissions, the performance obligations of which are fulfilled, depending on the nature of the fee, either over time or at a single point in time.

The performance obligations for lending, guarantees and fund fees are mainly fulfilled over time, for other fees at a point in time. The amount of consideration in the services is mainly the list price or as agreed in the contract. Fees are charged to the customer on a monthly basis or after the performance of the service in accordance with the terms and conditions of the contract. The fund and asset management fees include performance-based fees that are tied to the performance of investment activities. Performance-based fees are recognised as income only when the criteria measuring the performance of investment activities are very likely to be met.

Fee expenses are recognised on a performance basis.

| (EUR 1,000) | 1–12/2025 | 1–12/2024 |
|---|---|---|
| **Fee and commission income** | | |
| Lending | 20,153 | 18,957 |
| Deposits | 256 | 249 |
| Payment transfers | 54,550 | 50,382 |
| Securities brokerage | 3,449 | 1,616 |
| Mutual fund brokerage | 40,673 | 41,516 |
| Asset management | 3,750 | 2,139 |
| Legal services | 5,612 | 4,798 |
| Custody fees | 1,214 | 1,221 |
| Insurance brokerage | 5,785 | 1,610 |
| Guarantees | 2,646 | 2,593 |
| Other | 5,810 | 7,212 |
| Total | 143,898 | 132,293 |
| | | |
| **Fee and commission expense** | | |
| Payment transfers | -4,453 | -4,470 |
| Securities | -727 | -582 |
| Mutual fund brokerage | -129 | -252 |
| Asset management | -1,313 | -1,257 |
| Other* | -7,451 | -6,377 |
| Total | -14,073 | -12,938 |
| | | |
| Net fee and commission income | 129,825 | 119,354 |

*of which the most significant expenses are payment transfer fees amounting to EUR 3,257 (2,922) thousand and the shared ATM expenses amounting to EUR 2,016 (1,710) thousand.

# NOTE 5: LOANS AND ADVANCES

## 5.1 LOAND AND ADVANCES TO CREDIT INSITUTIONS AND CUSTOMERS

Loans and advances to credit institutions and customers are primarily classified as measured at amortised cost and are consequently subject to calculation of expected credit losses. The table below presents the gross values, allowances for expected credit losses and balance values for loans and advances by product type.

### LOAND AND ADVANCES

| 31.12.2025<br>(EUR 1,000) | Not impaired (gross) | Expected credit losses (ECL) | Carrying amount |
|---|---|---|---|
| **Loans and advances to credit institutions** | | | |
| Deposits | 160,041 | | 160,041 |
| Loans and other receivables | 64 | -3 | 60 |
| Total | 160,104 | -3 | 160,101 |
| | | | |
| **Loans and advances to customers** | | | |
| **by product types** | | | |
| Used overdrafts | 105,309 | -2,845 | 102,464 |
| Loans | 9,766,837 | -55,117 | 9,711,719 |
| Interest subsidized housing loans | 579,787 | -8,564 | 571,223 |
| Credit cards and unsecured loans | 169,671 | -6,436 | 163,235 |
| Guarantees | 833 | -332 | 502 |
| Total | 10,622,438 | -73,294 | 10,549,143 |
| | | | |
| Loans and advances total | 10,782,542 | -73,298 | 10,709,244 |

### LOAND AND ADVANCES

| 31.12.2024<br>(EUR 1,000) | Not impaired (gross) | Expected credit losses (ECL) | Carrying amount |
|---|---|---|---|
| **Loans and advances to credit institutions** | | | |
| Deposits | 163,590 | -138 | 163,452 |
| Loans and other receivables | 93 | 33 | 126 |
| Total | 163,683 | -104 | 163,578 |
| | | | |
| **Loans and advances to customers** | | | |
| **by product types** | | | |
| Used overdrafts | 106,008 | -1,543 | 104,465 |
| Loans | 9,370,897 | -54,411 | 9,316,485 |
| Interest subsidized housing loans | 537,169 | -2,388 | 534,781 |
| Credit cards | 161,627 | -5,096 | 156,531 |
| Guarantees | 1,573 | -313 | 1,260 |
| Total | 10,177,275 | -63,751 | 10,113,523 |
| | | | |
| Loans and advances total | 10,340,957 | -63,856 | 10,277,102 |

# 5.2 INVESTMENT ASSETS

| (EUR 1,000) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| **At fair value through other comprehensive income** | | |
| Debt securities | 592,461 | 523,679 |
| Shares and participations | 2,582 | 2,349 |
| Total | 595,043 | 526,028 |
| | | |
| **At fair value through profit or loss** | | |
| Debt securities | 4,544 | 6,309 |
| Shares and participations | 39,860 | 211,007 |
| Total | 44,405 | 217,316 |
| | | |
| **At amortised cost** | | |
| | 585 | 4,860 |
| Debt securities | 318,101 | 89,956 |
| Expected Credit Losses | -135 | -30 |
| Total | 318,550 | 94,786 |
| | | |
| Investment property | 12,325 | 16,710 |
| | | |
| Investment assets total | 970,323 | 854,840 |

## BREAKDOWN BY QUOTATION OF ISSUER

| 31.12.2025<br>(EUR 1,000) | Measured at fair value through other comprehensive income | Measured at fair value through profit or loss | Measured at amortised cost | Total |
|---|---|---|---|---|
| Quoted | | | | |
| From public entities | 279,878 | 4,544 | 123,583 | 408,005 |
| From others | 312,584 | 28,423 | 194,383 | 535,389 |
| Other | | | | |
| From others | 2,582 | 11,437 | 585 | 14,604 |
| Total | 595,043 | 44,405 | 318,550 | 957,998 |

| 31.12.2024<br>(EUR 1,000) | Measured at fair value through other comprehensive income | Measured at fair value through profit or loss | Measured at amortised cost | Total |
|---|---|---|---|---|
| Quoted | | | | |
| From public entities | 202,830 | 588 | 67,021 | 270,439 |
| From others | 320,849 | 204,508 | 22,905 | 548,263 |
| Other | | | | |
| From others | 2,349 | 12,220 | 4,860 | 19,428 |
| Total | 526,028 | 217,316 | 94,786 | 838,131 |

# 5.3 IMPAIRMENT LOSS ON FINANCIAL ASSETS

The Savings Banks Group determines impairments on financial assets based on an expected credit loss model. The loss allowance for expected credit loss is measured and recognized for financial assets that are subsequently measured at amortized cost or at fair value through other comprehensive income as well as for financial guarantees and loan commitments.

For the purpose of measuring expected credit losses, the Group applies a three-stage model in which the stage to be applied in the measurement is determined based on the change in the credit risk of the financial asset between the date of initial recognition and the reporting date.

- Stage 1 includes financial assets for which the credit risk has not increased significantly between the date of initial recognition and the reporting date. The measurement of the expected credit loss for stage 1 financial assets is based on the probability of a default event occurring within 12 months of the reporting date.
- Stage 2 includes financial assets for which the credit risk has increased significantly after the date of initial recognition. The measurement of the expected credit loss for stage 2 financial assets is based on the probability of a default event occurring within the remaining life of the financial asset.
- Stage 3 includes financial assets that are impaired. The measurement of the expected credit loss for stage 3 financial assets is based on the probability that a credit loss event occurs within the remaining life of the financial asset.

The adjacent table present the financial assets within the scope of measurement of expected credit losses by impairment stage broken down into investment assets, loans and advances and off-balance sheet items.

## FINANCIAL ASSETS WITHIN THE SCOPE OF MEASUREMENT OF EXPECTED CREDIT LOSSES BY IMPAIRMENT STAGE

| (EUR 1,000) | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Financial assets 31 Dec 2025** | | | | |
| Investment assets | 928,724 | 2,112 | 2,000 | 932,836 |
| Loans and advances | 9,246,476 | 1,086,392 | 298,966 | 10,631,835 |
| Off-balance sheet items | 647,097 | 25,463 | 2,558 | 675,118 |
| Total | 10,822,297 | 1,113,967 | 303,525 | 12,239,788 |

| (EUR 1,000) | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Financial assets 31 Dec 2024** | | | | |
| Investment assets | 638,294 | 7,632 | | 645,926 |
| Loans and advances | 8,481,991 | 1,437,210 | 273,702 | 10,192,903 |
| Off-balance sheet items | 642,077 | 28,706 | 2,163 | 672,946 |
| Total | 9,762,362 | 1,473,549 | 275,865 | 11,511,776 |

In assessing the significance of change in credit risk, the Savings Banks Group takes into account the following qualitative and quantitative information, amongst others.

- Payment delay: the credit risk of a financial asset is deemed to have increased significantly, and the contract is migrated from stage 1 to stage 2 when a payment delay exceeds 30 days. When a payment delay for a financial asset exceeds the relative and absolute threshold values over 90 consecutive days, it is deemed to be impaired and is migrated to stage 3.
- PD% increase: the risk of a financial asset is deemed to have increased significantly, and the contract is migrated from stage 1 to stage 2 when the defined relative or absolute thresholds for the PD% increase are exceeded.
- Forbearance: the credit risk of a performing financial asset subject to forbearance is deemed to have increased significantly and the contract is migrated from stage 1 to stage 2. If the contract is forborne and non-performing or if a forbearance concession is made for a contract at the time of application, the contract is deemed to be impaired and is migrated to stage 3.
- Default: If the counterparty of a financial asset is in default, the contract is deemed to be impaired and is migrated to stage 3.

The financial asset can revert from stage 2 or stage 3 if its credit risk has improved significantly and it has consistently met the criteria for the previous stage during the length of the defined probation period. The length of the probation period for transitions from stage 3 to 2 and 2 to 1 is three months.

The tables below present the development of the expected credit losses from the beginning of the financial period.

## EXPECTED CREDIT LOSSES (ECL), LOANS AND ADVANCES AND OFF-BALANCE SHEET ITEMS

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **(EUR 1,000)** | 12 month ECL | Lifetime ECL | Lifetime ECL | |
| Expected credit losses 1 January 2025 | 6,148 | 15,545 | 43,164 | 64,857 |
| Transfers to stage 1 | 1,071 | -2,368 | | -1,298 |
| Transfers to stage 2 | -2,271 | 13,031 | -3,964 | 6,796 |
| Transfers to stage 3 | -399 | -5,671 | 14,865 | 8,795 |
| New assets originated or purchased | 5,865 | 480 | 1,557 | 7,902 |
| Assets derecognised or repaid (excluding write offs) | -1,238 | -2,477 | -6,877 | -10,592 |
| Amounts written off | | | -12,843 | -12,843 |
| Amounts recovered | | | 735 | 735 |
| Change in credit risk | -6,170 | -2,943 | 16,448 | 7,335 |
| Change in model for calculation of ECL | 100 | -464 | -3,759 | -4,122 |
| Net change in ECL | -3,042 | -413 | 6,162 | 2,708 |
| Expected credit losses 31 December 2025 | 3,106 | 15,133 | 49,326 | 67,564 |

## EXPECTED CREDIT LOSSES (ECL), INVESTMENT ASSETS

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **(EUR 1,000)** | 12 month ECL | Lifetime ECL | Lifetime ECL | |
| Expected credit losses 1 January 2025 | 964 | 1,291 | | 2,255 |
| Transfers to stage 1 | | | | |
| Transfers to stage 2 | | | | |
| Transfers to stage 3 | | -826 | 911 | 84 |
| New assets originated or purchased | 613 | 28 | | 641 |
| Assets derecognised or repaid (excluding write offs) | -159 | -355 | | -514 |
| Change in credit risk | -315 | 63 | | -252 |
| Change in model for calculation of ECL | | | | |
| Net change in ECL | 139 | -1,089 | | -39 |
| Expected credit losses 31 December 2025 | 1,103 | 202 | | 2,216 |
| | | | | |
| Expected credit losses 31 December 2025 | | | | 69,780 |
| | | | | |
| Total change in expected credit losses<br>1 January 2025 – 31 December 2025 | | | | 2,668 |

## METHODS AND PARAMETERS USED IN CALCULATION OF EXPECTED CREDIT LOSSES

The Savings Banks Group's assessment of expected credit loss is mainly based on the probability of default / Loss given default-model (PD*LGD*EAD). For low-risk counterparties – including the public sector, financial institutions and state-guaranteed student loans – the calculation is based on the Loss Rate model (Loss Rate*EAD). The calculations are carried out separately for each contract and based on the following parameters:

- PD% (only the PD/LGD model): probability of default.
- Loss Rate% (only the Loss Rate model): a percentage figure established for each counterparty based on their sector code.
- LGD %: estimated loss at the time of default, takes into account the contract's available collaterals and customer and contract related riskfactors.
- EAD: exposure at default is the annual average and takes into consideration instalments and advance repayments, calculated for the term of the contract and for the year, for products for which it has been modelled. Off-balance sheet items are considered to remain fixed until the end of the lifecycle of the contract.

The calculation takes the time value of money into consideration by discounting the expected credit loss calculated for the contract. The contractual interest rate is used as the effective interest rate, and it is calculated on the gross carrying amount in stages 1 and 2 and on the adjusted carrying amount in stage 3.

The Savings Banks Group assesses expected credit losses of debt securities belonging to investment assets by purchasing lot by using the PD*LGD*EAD model. The probability of default (PD) is based on credit ratings provided by Bloomberg and, if they are not available, external credit rating information, which is converted into PD values. The LGD values used in the calculation correspond to analysed historical actuals by investment type and are not assessed separately by issuer or investment.

The calculation of expected credit loss for the credit portfolio (loans and advances to customers and off-balance sheet items) includes forward-looking information by incorporating three different economic scenarios based on macroeconomic forecasts prepared by the Savings Banks Groups' Chief Economist. The effect of the changes in macroeconomic forecasts is modelled in the PD parameter which is used in calculation of ECL. The scenarios used in the calculation and their weights are the following: optimistic 20%, base 60% and pessimistic 20%. The forecast horizon of the economic scenarios used in ECL calculation is three years and in the years after that, the values of the macroeconomic factors are assumed to remain stable and be equivalent to the third-year values of the forecast period. The key macroeconomic factors and their forecasted values for the next three years are presented below (the value variation range between different scenarios).

| | 2025 | 2026 | 2027 |
|---|---|---|---|
| - Change in EuropeStoxx% | 6.0% | -10.0% / 7.0% | -4.0% / 8.0% |
| - Change in GDP | 0.0% / 1.4% | 0.8% / 2.0% | 1.40% |
| - Investments | -2.0% / 4.0% | 1.0% / 5.0% | 3.50% |

## EFFECT OF CHANGES IN THE ECL MODEL

The PD models applied in the calculation of ECL for loan contracts have been updated in May 2025. The aforementioned models have been modelled separately for corporate and retail exposures. Implementation of the new PD models increased the ECL amount by EUR 1,0 million.

The collateral allocation of agricultural properties in the ECL calculation for loan contracts has been updated in October 2025. Due to the change, the whole collateral market value is considered instead of the market value of the residential part of the collateral. The change lowered the ECL amount by EUR 4,6 million.

The effect of the changes is presented on the row “Change in model for calculation of ECL”.

## EXPECTED CREDIT LOSSES (ECL), LOANS AND ADVANCES AND OFF-BALANCE SHEET

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **(EUR 1,000)** | 12 month ECL | Lifetime ECL | Lifetime ECL | |
| Expected Credit Losses 1 January 2024 | 5,025 | 8,590 | 36,796 | 50,410 |
| Transfers to stage 1 | 1,292 | -2,806 | -14 | -1,528 |
| Transfers to stage 2 | -2,071 | 12,036 | -3,797 | 6,167 |
| Transfers to stage 3 | -172 | -3,590 | 14,581 | 10,820 |
| New assets originated or purchased | 4,918 | 232 | 2,300 | 7,450 |
| Assets derecognised or repaid (excluding write offs) | -1,181 | -1,808 | -3,174 | -6,163 |
| Amounts written off | | | -12,215 | -12,215 |
| Amounts recovered | | | 433 | 433 |
| Change in credit risk | -2,095 | -958 | 5,753 | 2,700 |
| Change in model for calculation of ECL | 433 | 3,850 | 2,501 | 6,784 |
| Net change in ECL | 1,123 | 6,956 | 6,368 | 14,448 |
| Expected Credit Losses 31 December 2024 | 6,148 | 15,546 | 43,164 | 64,858 |

## EXPECTED CREDIT LOSSES (ECL), INVESTMENT ASSET

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **(EUR 1,000)** | 12 month ECL | Lifetime ECL | Lifetime ECL | |
| Expected Credit Losses 1 January 2024 | 1,233 | 1,994 | | 3,227 |
| Transfers to stage 1 | 15 | -604 | | -589 |
| Transfers to stage 2 | -129 | 466 | | 337 |
| Investments during the period | 81 | | | 81 |
| Investments expired | -154 | -143 | | -297 |
| Change in credit risk | -80 | -423 | | -503 |
| ECL net change | -269 | -703 | | -972 |
| Expected Credit Losses 31 December 2024 | 964 | 1,291 | | 2,255 |
| | | | | |
| Total Expected Credit Losses 31 December 2024 | | | | 67,113 |
| | | | | |
| Total change in Expected Credit Losses 1 January 2023 – 31 December 2024 | | | | 13,476 |

# 5.4 NET INVESTMENT INCOME

Net investment income includes net income from financial assets measured at fair value through profit or loss (capital gains and losses, measurement gains and losses and dividend income), financial assets measured at fair value through other comprehensive income (capital gains and losses, expected credit losses and dividend income) and net income from investment property (rental and dividend income, capital gains and losses, maintenance charges and expenses, depreciation and amortization and rental expenses). In addition, this item includes net income from foreign exchange operations and fair value hedge accounting.

| (EUR 1,000) | 1–12/2025 | 1–12/2024 |
|---|---|---|
| **Net income from financial assets at fair value through other comprehensive income** | | |
| Debt securities | | |
| Capital gains and losses | 180 | 1,174 |
| Transferred from fair value reserve during the financial year | -594 | -1,868 |
| | -414 | -694 |
| Shares and participations | | |
| Dividend income | 25 | |
| | 25 | |
| Total | -389 | -694 |
| | | |
| **Net income from financial asset at fair value through profit or loss** | | |
| Debt securities | | |
| Capital gains and losses | 19 | -178 |
| Fair value gains and losses | 3 | 111 |
| | 22 | -67 |
| Shares and participations | | |
| Dividend income | 574 | 1,209 |
| Capital gains and losses | -31 | -91 |
| Fair value gains and losses | -648 | -1,030 |
| | -104 | 87 |
| | | |
| Net income from foreign exchange operations | 2 | -2 |
| Fair value gains and losses from derivative contracts | 71 | -1,122 |
| Net income from hedge accounting | | |
| Change in hedging instruments' fair value | 2,186 | 79,342 |
| Change in hedged items' fair value | 3,638 | -78,580 |
| | 5,898 | -362 |
| Total | 5,815 | -341 |

| (EUR 1,000) | 1–12/2025 | 1–12/2024 |
|---|---|---|
| **Net income from investment property** | | |
| Rental and dividend income | 3,629 | 4,225 |
| Capital gains and losses | -1,098 | -55 |
| Other income from investment property | 105 | 63 |
| Maintenance charges and expenses | -3,664 | -3,903 |
| Depreciation and amortisation of investment property | -1,248 | -2,149 |
| Rental expenses arising from investment property | -2 | -2 |
| Total | -2,278 | -1,822 |
| | | |
| Net investment income | 3,148 | -2,858 |

# NOTE 6: FUNDING

## 6.1 LIABILITIES TO CREDIT INSTITUTIONS AND CUSTOMERS

| (EUR 1,000) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| **Liabilities to credit institutions** | | |
| Liabilities to credit institutions | 344,574 | 530,309 |
| Total | 344,574 | 530,309 |
| | | |
| **Liabilities to customers** | | |
| Deposits | 7,180,693 | 6,899,936 |
| Other financial liabilities | 21 | 20 |
| Change in the fair value of deposits | -17,330 | -14,489 |
| Total | 7,163,384 | 6,885,467 |
| | | |
| Liabilities to credit institutions and customers | 7,507,958 | 7,415,776 |

# 6.2 DEBT SECURITIES ISSUED

| (EUR 1,000) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| **Measured at amortised cost** | | |
| Bonds | 1,297,269 | 1,148,243 |
| Covered bonds | 2,744,973 | 2,545,488 |
| Fair value change of hedged debt securities | -46,298 | -44,100 |
| Other | | |
| Certificates of deposit | 26,726 | 37,475 |
| Debt securities issued | 4,022,671 | 3,687,107 |
| | | |
| **Of which** | | |
| Variable interest rate | 922,208 | 471,314 |
| Fixed interest rate | 3,100,463 | 3,215,792 |
| Total | 4,022,671 | 3,687,107 |

## ISSUED COVERED BONDS

| (EUR 1,000) | Nominal value | Carrying amount | Maturity | Interest base | Coupon | Maturity date |
|---|---|---|---|---|---|---|
| XS2014370915 | 500,000 | 499,805 | 7 years | Fixed | 0.050% | 19.6.2026 |
| XS2550557800 | 750,000 | 747,962 | 5 years | Fixed | 3.125% | 1.11.2027 |
| XS2391343196 | 500,000 | 501,140 | 7 years | Fixed | 0.010% | 28.9.2028 |
| XS3177997130 | 500,000 | 498,004 | 5 years | Fixed | 2.625% | 11.9.2030 |
| XS2812394737 | 500,000 | 498,063 | 5 years | Fixed | 3.250% | 2.5.2031 |
| Total | 2,750,000 | 2,744,973 | | | | |

The Group has not had delays or defaults in respect of its issued debt securities.

# 6.3 SUBORDINATED LIABILITIES

| | 31.12.2025 | | 31.12.2024 | |
|---|---|---|---|---|
| (EUR 1,000) | Average interest rate % | Carrying amount | Average interest rate % | Carrying amount |
| Other | | | | |
| Debentures | 4.00% | 3,173 | 4.00% | 3,173 |
| Subordinated liabilities | | 3,173 | | 3,173 |

# NOTE 7: CLASSIFICIATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are classified into measurement categories on initial recognition. The measurement category defines subsequent measurement of a financial asset or liability.

## CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Financial assets are classified on initial recognition based on the business model used for managing the group of financial assets in which the financial asset is held and characteristics of the cash flows of the instrument, specifically, whether the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Business model assessment**

The business model refers to how the Savings Banks Group manages its financial assets in order to generate cash flows. That is, the business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. If cash flows are realised in a way that is different from the entity's expectations on the date that the entity assessed the business model, that does not give rise to a prior period error in the entity's financial statements, nor does it change the classification of the remaining financial assets held in that business model.

**Assesment of cash flow characteristics**

Cash flow characteristics means the characteristics of the contractual cash flows of the financial asset. When assessing cash flow characteristics, it is determined whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, for example, interest only consists of consideration for the time value of money, credit risk and other basic lending risks. The cash flow criteria is assessed separately for each instrument and if the terms of the contract include factors that cannot be considered typical terms for lending, the financial asset is classified as measured at fair value through profit or loss.

## MEASUREMENT CATEGORIES AND PRINCIPLES FOR CLASSIFICATION OF FINANCIAL ASSETS

**Amortised cost**

A financial asset is measured at amortised cost when both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of interest and payments of principal.

On initial recognition the Savings Banks Group may make an irrevocable choice to present the subsequent fair value changes of an equity instrument in other comprehensive income. This election is made on instrument basis. These financial assets are measured at fair value and the change in value is recognised, less deferred taxes, in the statement of other comprehensive income.

### Fair value through profit or loss

All items that are not measured at amortised cost or recognised at fair value through other comprehensive income are recognised at fair value through profit or loss. However, a financial asset may, at initial recognition, be irrevocably designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets that are investments in debt instruments are reclassified only when the Savings Banks Group changes the business models applied in the management of financial assets. The Savings Banks Group expects such changes to be highly infrequent, and it has not reclassified any financial assets during the review period.

## CLASSIFICATION AND MEASUREMENT OF FINANCIAL LIABILITIES

Financial liabilities are classified into following measurement categories for the purposes of subsequent measurement:

- amortised cost
- fair value through profit or loss.

Financial liabilities are principally measured at amortised cost. Derivative contracts and other investors' participation in consolidated funds are measured at fair value through profit or loss.

The table below presents financial assets and libilities by balance items broken down into measurement categories.

| 31.12.2025 (EUR 1,000) | Amortized cost | Fair value through other comprehensive income | Fair value through profit or loss | Non-financial assets/ liabilities | Total |
|---|---|---|---|---|---|
| Cash and cash equivalents | 6,468 | | 1,274,489 | | 1,280,957 |
| Loans and advances to credit institutions | 160,101 | | | | 160,101 |
| Loans and advances to customers | 10,547,859 | | 1,284 | | 10,549,143 |
| Derivatives | | | | | |
| fair value hedges | | | 16,903 | | 16,903 |
| Investment assets | 318,550 | 595,043 | 44,405 | 12,325 | 970,323 |
| Total assets | 11,032,978 | 595,043 | 1,337,080 | 12,325 | 12,977,427 |
| | | | | | |
| Liabilities to credit institutions | 344,574 | | | | 344,574 |
| Liabilities to customers | 7,163,384 | | | | 7,163,384 |
| Derivatives | | | | | |
| hedging derivatives | | | | | |
| fair value hedges | | | 91,414 | | 91,414 |
| Debt securities issued | 4,022,671 | | | | 4,022,671 |
| Subordinated liabilities | 3,173 | | | | 3,173 |
| Total liabilities | 11,533,802 | | 91,414 | | 11,625,216 |

| 31.12.2024 (EUR 1,000) | Amortized cost | Fair value through other comprehensive income | Fair value through profit or loss | Non-financial assets/ liabilities | Total |
|---|---|---|---|---|---|
| Cash and cash equivalents | 6,727 | | 1,463,658 | | 1,470,385 |
| Loans and advances to credit institutions | 163,578 | | | | 163,578 |
| Loans and advances to customers | 10,112,388 | | 1,135 | | 10,113,524 |
| Derivatives | | | | | |
| Hedging derivatives | | | | | |
| fair value hedges | | | 33,991 | | 33,991 |
| Investment assets | 94,786 | 526,028 | 217,316 | 16,710 | 854,840 |
| Assets covering unit-linked contracts | | | 1,024,674 | | 1,024,674 |
| Total assets | 10,377,480 | 526,028 | 2,740,775 | 16,710 | 13,660,992 |
| | | | | | |
| Financial liabilities at fair value through profit or loss | | | 22,327 | | 22,327 |
| Liabilities to credit institutions | 530,309 | | | | 530,309 |
| Liabilities to customers | 6,885,467 | | | | 6,885,467 |
| Derivatives | | | | | |
| hedging derivatives | | | | | |
| fair value hedges | | | 116,035 | | 116,035 |
| Debt securities issued | 3,687,107 | | | | 3,687,107 |
| Unit-linked contract liability | | | 515,304 | | 515,304 |
| Subordinated liabilities | 3,173 | | | | 3,173 |
| Total liabilities | 11,106,056 | | 653,666 | | 11,759,721 |

**Offsetting financial assets and liabilities**

The derivative contracts of the Savings Banks Group are subject to either ISDA Master Agreement or the Master Agreement of the Federation of Finnish Financial Services. Under these agreements, derivative payments may be offset by payment transaction on each payment date as well as in the event of counterparty default or bankruptcy. In addition, it is possible to agree on collateral on a counterparty-specific basis in the terms and conditions of the agreement. These derivatives are presented in the statement of financial position on a gross basis.

| | | | | Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements | | |
|---|---|---|---|---|---|---|
| **31.12.2025 (EUR 1,000)** | **Recognised financial assets, gross** | **Recognised financial liabilities offset in balance sheet, gross** | **Carrying amount in balance sheet, net** | **Financial instruments** | **Cash held as collateral*** | **Net amount** |
| **Assets** | | | | | | |
| Derivative contracts | 44,756 | -5,691 | 39,065 | -20,994 | -16,933 | 1,138 |
| Variation margin | 6,770 | -6,770 | | | | |
| Total | 51,525 | -12,460 | 39,065 | -20,994 | -16,933 | 1,138 |

| **31.12.2025 (EUR 1,000)** | **Recognised financial liabilities, gross** | **Recognised financial assets offset in balance sheet, gross** | **Carrying amount in balance sheet, net** | **Financial instruments** | **Cash held given as collateral*** | **Net amount** |
|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | |
| Derivative contracts | 127,759 | -10,387 | 117,372 | -20,994 | -48,598 | 47,780 |
| Variation margin | 2,073 | -2,073 | | | | |
| Total | 129,832 | -12,460 | 117,372 | -20,994 | -48,598 | 47,780 |

* The carrying value of cash held as collateral is EUR 16.990 thousand and cash given as collateral is EUR 58.202 thousand. Overcollateralization is not taken into account in the table.

| | | | | Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreement | | |
|---|---|---|---|---|---|---|
| **31.12.2024 (EUR 1,000)** | **Recognised financial assets, gross** | **Recognised financial liabilities offset in balance sheet, gross** | **Carrying amount in balance sheet, net** | **Financial instruments** | **Cash held as collateral*** | **Net amount** |
| **Assets** | | | | | | |
| Derivative contracts | 61,530 | -1,795 | 59,735 | -26,494 | -32,361 | 880 |
| Variation margin | 291 | -291 | | | | |
| Total | 61,821 | -2,086 | 59,735 | -26,494 | -32,361 | 880 |

| **31.12.2024 (EUR 1,000)** | **Recognised financial liabilities, gross** | **Recognised financial assets offset in balance sheet, gross** | **Carrying amount in balance sheet, net** | **Financial instruments** | **Cash held given as collateral*** | **Net amount** |
|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | |
| Derivative contracts | 161,115 | -881 | 160,233 | -26,494 | -51,005 | 82,735 |
| Variation margin | 1,204 | -1,204 | | | | |
| Total | 162,319 | -2,086 | 160,233 | -26,494 | -51,005 | 82,735 |

* The carrying value of cash held as collateral is EUR 32.570 thousand and cash given as collateral is EUR 67.563 thousand. Overcollateralization is not taken into account in the table.

# NOTE 8: DERIVATIVES AND HEDGE ACCOUNTING

The Savings Banks Group uses derivative contracts to hedge its interest rate risk from changes in fair value and cash flows and applies hedge accounting to hedging relationships. Fair value hedge accounting is applied to hedges of fixed interest rate funding and investment assets. Cash flow hedge accounting is applied when hedging the future interest cash flow from variable rate lending. The aim of hedging is to stabilise net interest income and to neutralise potential change in the fair value of assets and liabilities.

Derivative contracts are measured at fair value. The fair value of derivatives that hedge fair value is recognised in the balance sheet as a derivative receivable or liability and the change in fair value is recognised in the income statement under “Net investment income”. When hedging fair value, the hedged item is also measured at fair value during the hedging period even if it would otherwise be measured at amortised cost. A change in the hedged item’s fair value is recognised in the balance sheet as an adjustment to the balance sheet item and in the income statement under “Net investment income”. Interest on hedging derivatives is presented as interest income and expense depending on their nature.

The effective portion of the fair value changes of derivatives hedging cash flow is recognised in the hedging instrument reserve in equity, adjusted with deferred taxes. The ineffective portion of fair value change is recognised directly in the income statement under “Net investment income”. The cumulative change in the fair value reserve resulting from valuation of a hedging derivative is recognised in profit or loss as an adjustment of the hedged cash flow simultaneously with recognising the hedged cash flow. Interest on hedging derivatives is presented as interest income and expense depending on their nature. On reporting date, the Savings Banks Group did not have any cash flow hedges.

When hedge accounting begins, the hedging relationship between the hedged item and the hedging derivative is documented, along with the risk management objectives and the strategy for initiating hedging. The effectiveness of the hedging relationship is assessed on a regular basis and always on reporting dates.

| 31.12.2025 | Nominal value / remaining maturity | | | | Fair value | |
|---|---|---|---|---|---|---|
| (EUR 1,000) | less than 1 year | 1 – 5 years | more than 5 years | Total | Assets | Liabilities |
| **Hedging derivative contracts** | | | | | | |
| **Fair value hedging** | | | | | | |
| Interest rate swap contracts | 810,000 | 2,780,000 | 943,900 | 4,533,900 | 16,903 | 91,414 |
| Total | 810,000 | 2,780,000 | 943,900 | 4,533,900 | 16,903 | 91,414 |

| 31.12.2024 | Nominal value / remaining maturity | | | | Fair value | |
|---|---|---|---|---|---|---|
| (EUR 1,000) | less than 1 year | 1 – 5 years | more than 5 years | Total | Assets | Liabilities |
| **Hedging derivative contracts** | | | | | | |
| **Fair value hedging** | | | | | | |
| Interest rate swap contracts | 498,000 | 2,550,000 | 856,400 | 3,904,400 | 33,991 | 116,035 |
| Total | 498,000 | 2,550,000 | 856,400 | 3,904,400 | 33,991 | 116,035 |

## HEDGED ITEMS

| | 31.12.2025 | | 31.12.2024 | |
|---|---|---|---|---|
| (EUR 1,000) | Current value of the hedged item | of which fair value change of the hedged item | Current value of the hedged item | of which fair value change of the hedged item |
| **Assets** | | | | |
| **IFRS9 Fair value hedges** | | | | |
| Investment assets | 182,781 | -592 | | |
| Assets, total | 182,781 | -592 | | |
| | | | | |
| **Liabilities** | | | | |
| **IAS 39 Fair value portfolio hedges** | | | | |
| Liabilities to customers | 1,306,830 | 17,330 | 1,057,489 | 14,489 |
| | | | | |
| **IFRS9 Fair value hedges** | | | | |
| Liabilities to credit institutions | 100,330 | 330 | 100,625 | 625 |
| Debt securities issued | 3,001,721 | 46,298 | 2,799,919 | 44,100 |
| Liabilities, total | 4,408,881 | 63,957 | 3,958,033 | 59,213 |

Nominal values of hedging instruments equal to the nominal values of hedged items.

# NOTE 9: FAIR VALUES BY VALUATION TECHNIQUE

### FAIR VALUE MEASUREMENT

The Savings Banks Group measures assets and liabilities at amortised cost or at fair value. Financial assets and liabilities that are classified as to be measured at fair value are measured at fair value. The breakdown of financial assets and liabilities into measurement categories is presented in note 7.

Fair value is the price that would be attained if the asset was sold or would be paid to transfer the liability from one market party to another in a standard business transaction taking place on a valuation day. The fair values of financial instruments are primarily determined using quotations on a publicly traded market or, if active markets do not exist, on the company's own valuation methods. A market is considered active if price quotations are readily and regularly available and if they reflect real and regularly occurring arm's-length market transactions. Current bid price is used as the quoted market price of a financial asset.

If the market has a well-established valuation technique for a financial instrument for which there is no direct market price available, the fair value is based on the commonly used valuation model and on the market quotations of the input data used in the model. If there is no well-established valuation technique in the market, the fair value is determined based on a specific valuation model created for the product in question. The valuation models are based on widely used measuring techniques, incorporating all the factors that market participants would consider when setting a price. The valuation prices used include market transaction prices, the discounted cash flow method, as well as the fair value of another substantially similar instrument at the reporting date. The valuation methods take into account an estimate of credit risk, applicable discount rates, early repayment option, and other such factors that may impact reliable determination of the fair value of the financial instrument. In respect of cash and deposits payable on demand, the nominal value is considered as an approximation of the fair value.

Investment property in the Group's financial statements is measured at cost less depreciation and impairment. The fair value of investment property is presented in the notes. Fair values are determined on the basis of market prices which are as comparable as possible or a valuation model which is based on net income from investment property. An independent appraiser's opinion on the valuation is sought for the most material properties.

The Savings Banks Group does not have assets measured at fair value on a non-recurring basis.

### FAIR VALUE HIERARCHY

The fair values are divided into three hierarchical levels, depending on how the fair value is defined. The fair value hierarchy level into which an item measured at fair value is fully classified is determined by the input data which is at the lowest level and is significant in respect of the whole item. The significance of input data is evaluated considering the whole item which is valued at fair value.

Level 1 consists of fair values that are based on quotes for identical assets or liabilities in active markets. Market is considered active when the prices are available easily and regularly enough. Fair value hierarchy level 1 includes quoted bonds, shares and participations as well as other securities and derivative contracts which are quoted on a public market.

Level 2 consists of fair values that are estimated using valuation techniques or models for which the input data is either directly available on an active market as a e.g. price or can be derived from a e.g. price. Fair values on hierarchy level 2 are based on assumptions which are supported by verifiable market information such as the quoted interest rates or prices of similar instruments. Fair value hierarchy level 2 includes interest rate derivative contracts as well as commercial papers and certificates of deposit.

Level 3 consists of fair values that cannot be derived from public market quotations or through valuation techniques or models which are based on observable market data. Fair values on level 3 are often based on price information received from a third party. Fair value hierarchy level 3 includes investments in unquoted equity instruments and other securities for which there is currently no binding market quotation available. The Savings Banks Group has only limited amount of financial assets that are measured at fair value and belong to level 3.

### TRANSFERS BETWEEN HIERARCHY LEVELS

Transfers between the levels of the fair value hierarchy are considered to take place on the date when an event causes such a transfer or when circumstances change.

The table presents carrying amounts and fair values of financial assets and liabilities as well as investment properties and break down of fair values into the levels of fair value hierarchy for continuing operations. The fair values presented exclude accrued interest.

| 31.12.2025 | Carrying amount | Fair value by hierarchy level | | | |
|---|---|---|---|---|---|
| **Financial assets (EUR 1,000)** | | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Measured at fair value** | | | | | |
| **At fair value through profit or loss** | | | | | |
| Demand deposits in central banks | 1,274,489 | 1,274,489 | | | 1,274,489 |
| Loans and advances to customers | 1,284 | 1,284 | | | 1,284 |
| Investment assets | 44,405 | 32,524 | | 11,881 | 44,405 |
| Derivative contracts | 16,903 | | 16,903 | | 16,903 |
| | | | | | |
| **Fair value through other comprehensive income** | | | | | |
| Investment assets | 595,043 | 591,561 | | 3,482 | 595,043 |
| | | | | | |
| **Measured at amortised cost** | | | | | |
| Cash | 6,468 | 6,468 | | | 6,468 |
| Investment assets | 318,550 | 293,496 | | 24,888 | 318,384 |
| Loans and advances | 10,707,960 | 197,933 | 11,561,502 | | 11,759,435 |
| Total financial assets | 12,965,102 | 2,397,754 | 11,578,404 | 40,251 | 14,016,410 |

| | Current value | | | | Fair value |
|---|---|---|---|---|---|
| **Investment property** | 12,325 | | | 25,341 | 25,341 |
| Total | 12,325 | | | 25,341 | 25,341 |

| 31.12.2025 | Carrying amount | Fair value by hierarchy level | | | |
|---|---|---|---|---|---|
| **Financial liabilities (EUR 1,000)** | | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Measured at fair value** | | | | | |
| **Measured at fair value through profit or loss** | | | | | |
| Derivative contracts | 91,414 | | 91,414 | | 91,414 |
| | | | | | |
| **Measured at amortised cost** | | | | | |
| Liabilities to credit institutions | 344,574 | 344,574 | | | 344,574 |
| Liabilities to customers | 7,163,384 | 5,460,228 | 1,718,864 | | 7,179,092 |
| Subordinated liabilities | 3,173 | 3,173 | | | 3,173 |
| Debt securities issued | 4,022,671 | 3,985,448 | 33,565 | | 4,019,013 |
| Total financial liabilities | 11,625,216 | 9,793,423 | 1,843,844 | | 11,637,266 |

### Changes at level 3

Reconciliation of changes in financial instruments at level 3.

| Financial assets at fair value through profit or loss (EUR 1,000) | |
|---|---|
| **Carrying amount 1 January 2025** | 25,012 |
| Purchases | 1,702 |
| Sales | -3,941 |
| Matured during the period | -1,503 |
| Changes in value recognised in income statement, realised | 43 |
| Changes in value recognised in income statement, unrealised | -673 |
| Discontinued opeartions | -8,759 |
| Carrying amount 31 December 2025 | 11,881 |

Changes in fair value recognised in the income statement are presented in the item Net investment income.

| Fair value through other comprehensive income (EUR 1,000) | |
|---|---|
| **Carrying amount 1 January 2025** | 5,812 |
| Purchases | 3,593 |
| Sales | -3,794 |
| Matured during the period | -39 |
| Changes in value recognised in income statement, realised | -392 |
| Changes in value recognised in income statement, unrealised | -1,274 |
| Changes in value recognised in comprehensive income statement | -423 |
| Carrying amount 31 December 2025 | 3,482 |

Unrealized changes in fair value of financial assets classifed as measured at fair value through other comprehensive income are accounted for in the fair value reserve included in other comprehensive income.

## SENSITIVITY ANALYSIS OF FINANCIAL INSTRUMENTS AT LEVEL 3

| 31.12.2025 (EUR 1,000) | Carrying amount | Effect of hypothetical changes' on profit, negative |
|---|---|---|
| At fair value through profit or loss | 11,881 | -22 |
| Fair value through other comprehensive income | 3,482 | -122 |
| Total | 15,363 | -144 |

The adjacent table shows the sensitivity of fair value for level 3 instruments in the event of market changes. Interest-bearing securities have been tested by assuming 1 percentage points parallel shift of the interest rate level in all maturities. For non-interest sensitive instrumetns the market prices are assumed to change by -15 percentage. For derivatives it is assumed that the possible change in value equals to the fair value of the derivative.

| 31.12.2024 | Carrying amount | Fair value by hierarchy level | | | |
|---|---|---|---|---|---|
| **Financial assets (EUR 1,000)** | | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Measured at fair value** | | | | | |
| **At fair value through profit or loss** | | | | | |
| Banking | 1,668,451 | 1,655,173 | | 13,277 | 1,668,451 |
| Asset Management Services*/** | 1,038,333 | 1,026,599 | | 11,734 | 1,038,333 |
| **Derivative contracts** | | | | | |
| Banking | 33,991 | | 33,991 | | 33,991 |
| | | | | | |
| **Fair value through other comprehensive income** | | | | | |
| Banking | 526,028 | 519,217 | 999 | 5,812 | 526,028 |
| | | | | | |
| **Measured at amortised cost** | | | | | |
| Investments, Banking | 94,786 | 77,185 | 17,877 | | 95,062 |
| Loans and other receivables, Banking | 10,282,693 | | 11,700,264 | | 11,700,264 |
| Total financial assets | 13,644,283 | 3,278,174 | 11,753,131 | 30,824 | 15,062,129 |
| | | | | | |
| **Investment property** | | | | | |
| Banking | 16,710 | | | 27,423 | 27,423 |
| Total | 16,710 | | | 27,423 | 27,423 |

* including fair value of investments covering unit-linked policies, which are reported on level 1.

** The other investors' share of the consolidated mutual funds.

| 31.12.2024 | Carrying amount | Fair value by hierarchy level | | | |
|---|---|---|---|---|---|
| **Financial liabilities (EUR 1,000)** | | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Measured at fair value** | | | | | |
| **At fair value through profit or loss** | | | | | |
| Banking | | | | | |
| Asset Management Services*/** | 537,630 | 537,630 | | | 537,630 |
| Other operations | | | | | |
| **Derivative contracts** | | | | | |
| Banking | 116,035 | | 116,035 | | 116,035 |
| | | | | | |
| **Measured at amortised cost** | | | | | |
| Banking | 11,106,056 | 8,866,861 | 1,562,345 | 584,018 | 11,013,223 |
| Total financial liabilities | 11,759,721 | 9,404,491 | 1,678,381 | 584,018 | 11,666,889 |

* Includes liabilities for unit-linked insurance and investments contracts which are reported on level 1 in accordance of the underlying investment.

** The other investors' share of the consolidated mutual funds.

**Changes at level 3**

Reconciliation of changes in financial instruments at level 3.

| Financial assets at fair value through profit or loss (EUR 1,000) | Banking | Asset Management Services | Total |
|---|---|---|---|
| **Carrying amount 1 January 2024** | 13,491 | 13,799 | 27,290 |
| Purchases | 663 | 393 | 1,055 |
| Sales | -1,739 | -1,961 | -3,700 |
| Changes in value recognised in comprehensive income statement | 302 | -25 | 277 |
| Transfers from level 1 and 2 | 259 | -472 | -212 |
| Transfers between levels 1 and 2 | 301 | | 301 |
| Carrying amount 31 December 2024 | 13,277 | 11,734 | 25,012 |

Changes in fair value recognised in the income statement are presented in the item "Net investment income" and "Net life insurance income".

| Fair value through other comprehensive income (EUR 1,000) | Banking | Total |
|---|---|---|
| **Carrying amount 1 January 2024** | 3,258 | 3,258 |
| Matured during the period | -28 | -28 |
| Changes in value recognised in comprehensive income statement | 960 | 960 |
| Transfers from level 1 and 2 | 1,622 | 1,622 |
| Transfers to level 1 and 2 | | |
| Carrying amount 31 December 2024 | 5,812 | 5,812 |

Unrealized changes in fair value are booked in the equity fair value reserve through the other comprehensive income.

## SENSITIVITY ANALYSIS OF FINANCIAL INSTRUMENTS AT LEVEL 3

| 31.12.2024 (EUR 1,000) | Carrying amount | Effect of hypothetical changes' on profit, negative |
|---|---|---|
| **At fair value through profit or loss** | | |
| Banking | 13,277 | -22 |
| Asset Management Services | 11,734 | -2,112 |
| | 25,012 | -2,134 |
| | | |
| **Derivative contracts** | | |
| Banking, assets | | |
| | | |
| **Fair value through other comprehensive income** | | |
| Banking, liabilities | 5,812 | -12 |
| | 5,812 | -12 |
| | | |
| Total | 30,824 | -2,146 |

The adjacent table shows the sensitivity of fair value for level 3 instruments in the event of market changes. Interest-bearing securities have been tested by assuming 1 percentage points parallel shift of the interest rate level in all maturities. For non-interest sensitive instrumetns the market prices are assumed to change by -15 percentage. For derivatives it is assumed that the possible change in value equals to the fair value of the derivative.

# NOTE 10: COLLATERALS

| (EUR 1,000) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| **Collateral given** | | |
| Given on behalf of Group's own liabilities and commitments | | |
| Loans* | 4,090,660 | 3,945,750 |
| Other | 58,512 | 148,933 |
| Collateral given | 4,149,172 | 4,094,683 |
| | | |
| **Collateral received** | | |
| Real estate collateral | 7,737,857 | 9,414,482 |
| Securities | 67,016 | 81,874 |
| Other | 212,499 | 238,698 |
| Guarantees received | 22,914 | 28,225 |
| Collateral received | 8,040,286 | 9,763,279 |

* Loans that have given as collateral to Sp Mortage Bank’s secured bonds.

# NOTE 11: RELATED PARTIES

The Board of Savings Banks' Union Coop has defined the related parties of the Savings Banks Group. The related parties of the Savings Banks Group's comprise the entities consolidated in the Group's financial statements, associated companies and key management personnel as well as their close family members. In addition, related parties comprise entities which the key management personnel and/or their close family members control. The key management personnel of the Savings Banks Group comprise the members and deputy members of the Supervisory Board, the members of the Board of Directors, the Managing Director and his deputy as well as the Executive Board of Savings Banks' Union Coop.

Loans and guarantees to related parties have been granted under the terms and conditions which apply to the corresponding customer loans and guarantees.

**2025 (EUR 1,000)**

| Transactions with related parties | Key management personnel* | Close companies** | Associates and joint arrangements | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Loans | 8,655 | 179 | | 8,834 |
| Total assets | 8,655 | 179 | | 8,834 |
| | | | | |
| **Liabilities** | | | | |
| Deposits | 2,071 | 1,203 | 971 | 4,245 |
| Total liabilities | 2,071 | 1,203 | 971 | 4,245 |
| | | | | |
| **Off balance-sheet commitments** | | | | |
| Loan commitments | 504 | 62 | 300 | 867 |
| Total | 504 | 62 | 300 | 867 |
| | | | | |
| **Revenue and expense** | | | | |
| Interest income | 254 | 5 | 4 | 263 |
| Interest expense | 11 | 2 | | 13 |
| Fee and commission income | 7 | | 4 | 11 |
| Total | 273 | 7 | 8 | 287 |

* Including key management personnel and their close family members

** Including entities which the key management personnel or their close family members control.

## KEY MANAGEMENT PERSONNEL COMPENSATION

| (EUR 1,000) | 2025 | 2024 |
|---|---|---|
| Short-term employee benefits | 6,253 | 6,383 |
| Other long-term benefits | 628 | 627 |
| Termination benefits | 48 | 57 |
| Total | 6,930 | 7,067 |

**2024 (EUR 1,000)**

| Transactions with related parties | Key management personnel* | Close companies** | Associates and joint arrangements | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Loans | 9,241 | 713 | | 9,954 |
| Total assets | 9,241 | 713 | | 9,954 |
| | | | | |
| **Liabilities** | | | | |
| Deposits | 2,292 | 1,353 | 558 | 4,203 |
| Other liabilities | 1,196 | 1,256 | | 2,451 |
| Total liabilities | 3,487 | 2,609 | 558 | 6,654 |
| | | | | |
| **Off balance-sheet commitments** | | | | |
| Loan commitments | 629 | 481 | 300 | 1,409 |
| Total | 629 | 481 | 300 | 1,409 |
| | | | | |
| **Revenue and expense** | | | | |
| Interest income | 341 | 54 | 4 | 399 |
| Interest expense | 18 | 16 | | 34 |
| Insurance premiums | 260 | 312 | | 572 |
| Fee and commission income | 5 | 7 | 4 | 16 |
| Total | 625 | 388 | 8 | 1,021 |

* Including key management personnel and their close family members
** Including entities which the key management personnel or their close family members control.

# NOTE 12: DISCONTINUED OPERATIONS

The Savings Banks Group sold the entire share capital of Sb Life Insurance Ltd to Fennia Life on 29 August 2025. The company has been consolidated as a subsidiary in the Savings Banks Group's financial statements until the date of completion of the transaction. After the sale, the Savings Banks Group has only one operating segment, Banking Operations, for which no segment reporting is prepared.

The Savings Banks Group applies IFRS 5 Non-current Assets Held for Sale and Discontinued Operations to the presentation and recognition of Sb Life Insurance Ltd. The result of discontinued operations is reported separately from the income and expenses of continuing operations. The Group's internal income and expenses between continuing and discontinued operations have been eliminated. The information for the comparison period has been adjusted accordingly. The assets and liabilities of discontinued operations are presented as a separate line item under assets and liabilities on the balance sheet in the information for the comparison period as at 31 December 2024.

## PROFIT FROM DISCONTINUED OPERATIONS

| (EUR 1,000) | 2025 |
|---|---|
| Net interest income | -2 |
| Net fee and commission income | -8,268 |
| Net investment income | 23,233 |
| Net insurance income | 1,520 |
| Finance income and expenses of the insurance contracts | -13,582 |
| Other operating revenue | 91 |
| Total operating revenue | 2,991 |
| | |
| Personnel expenses | -2,117 |
| Other operating expenses | -3,638 |
| Transfer to net insurance income | 8,540 |
| Depreciations, amortisations and impairments | -260 |
| Total operating expenses | 2,525 |
| | |
| Operating profit | 5,516 |
| Profit before tax | 5,516 |
| | |
| Income tax expense | -1,089 |
| Profit, discontinuing operations | 4,427 |
| | |
| Disposal loss from discontinued operations | -12,711 |
| | |
| Profit, discontinued operations | -8,284 |

## GAIN/LOSS ON DISPOSAL OF DISCONTINUED OPERATION

| (EUR 1,000) | |
|---|---|
| Cash consideration received | 70,993 |
| Net assets sold | -75,369 |
| Tax expense arising from the disposal | -5,956 |
| Other items related to the transaction | -2,378 |
| Disposal loss from discontinued operations | -12,711 |

## EFFECT OF THE SALE ON THE FINANCIAL POSITION

| (EUR 1,000) | 29.8.2025 |
|---|---|
| **Sold assets** | |
| Investment assets | 141,060 |
| Assets covering unit-linked contracts | 1,104,025 |
| Assets related to insurance contracts | 1,744 |
| Immaterial and material assets | 903 |
| Tax assets | 1,367 |
| Other assets | 6,258 |
| Sold assets, total | 1,255,356 |
| | |
| **Sold liabilities** | |
| Unit-linked contract liability | 592,439 |
| Insurance contract liability | 577,900 |
| Liabilities related to reinsurance contracts | 550 |
| Tax liabilities | 5,989 |
| Other liabilities | 3,109 |
| Sold liabilities, total | 1,179,986 |
| | |
| Net assets sold | 75,369 |

Savings Bank

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