Credit Update | 30 September 2026

S-Bank Plc

Update on Oma acquisition

S-Bank's acquisition of Oma seems to be very close to being finalised, after the former received tenders representing more than 90% of outstanding shares in Oma early this week, with Oma set to become a subsidiary of S-Bank. Looking ahead, there is scope for S-Bank to be active in SNP format supporting its ALAC stack, and Oma potentially being upgraded due to a one-notch uplift amid extraordinary group support.

On Monday, it was announced that S-Bank (NR) had received tenders representing more than 90% of all outstanding shares in Oma (NR) under the tender offer presented on 9 July (see our coverage here: https://danske.link/sker). This was the last hurdle for S-Bank to acquire domestic peer Oma, as regulatory and competition clearances had already been granted. Oma is now set to become a subsidiary of S-Bank.

S-Bank has struggled somewhat to deliver organic growth in recent years amid a muted lending backdrop in Finland. Hence, the transaction should support S-Bank's growth ambitions, including its target of reaching 1m active customers, while diversifying its loan portfolio through increased exposure to SMEs and agricultural customers, thereby strengthening its position in the Finnish banking market. Based on the balance sheets of both banks, the loan book of the combined entity amounts to EUR15.1bn, and the merged entity would hold 8% of the Finnish mortgage market, establishing it as the fourth-largest player (S-Bank was previously the fifth-largest). We would also tend to expect some synergies from the combination, given the larger scale of the combined bank, albeit neither bank has quantified these. However, Oma has faced its own challenges in recent years, specifically its non-compliance matter, which has resulted in elevated provisioning and consequently weakened profitability and asset quality. This is also reflected in their respective stage 3 ratios, with Oma's totalling 8.7% as of Q2 26 and S-Bank's totalling 1.8%, while the combined stage 3 ratio is at 4.5%, and 3.7% excluding Oma's non-compliance portfolio.

Key figures

EURm	Q2-25	Q1-26	Q2-26	y/y	q/q
Net interest income	71.7	66.3	70.2	-2.1%	6.0%
Net fee and commissions income	24.2	25.2	26.9	11.0%	6.6%
Net results from financial transactions	0.1	0.5	0.7	764.1%	39.5%
Total income	98.0	94.9	99.8	1.8%	5.1%
Pre-provision profit	32.4	27.3	29.2	-10.0%	6.7%
Credit losses	-4.4	-5.0	-5.3	19.2%	6.5%
Net profit	20.9	17.9	19.2	-8.3%	7.2%
Lending to general public	9,396	9,440	9,459	0.7%	0.2%
Ratios	**Q2-25**	**Q1-26**	**Q2-26**	**y/y**	**q/q**
Net interest margin	2.25%	2.01%	2.08%	-0.17pp	0.06pp
Loan loss ratio	0.19%	0.21%	0.22%	0.03pp	0.01pp
Problem loans % of total assets	1.61%	1.76%	1.84%	0.24pp	0.09pp
CET1 ratio	23.0%	23.2%	23.5%	0.46pp	0.27pp

Source: Company data, Danske bank Credit Research

No recommendation

Financials

Corporate ticker: SPANOY

Equity ticker: 3503774Z FH

Ratings:
S&P: BBB+ / S
Moody's: NR
Fitch: NR

ESG rating:
Sustainalytics ESG Risk Rating:

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Based on 2025 figures, the combined entity (aggregating the reported equity of the banks) would have generated a RoE of 7.6% in 2025 (net profit: EUR122.6m), while on a standalone basis, S-Bank's RoE totalled 8.2% (net profit: EUR83m), and Oma's amounted to 6.6% (net profit: EUR39m). As for Oma's contribution to S-Bank's earnings generation, we see downside risks given the ongoing impact of the non-compliance matter. Yesterday, Oma lowered its 2026 earnings guidance and now expects comparable PBT to be "significantly" lower than in 2025 (EUR56.9m), compared with its initial guidance of "slightly" weaker. Oma cites weak housing-loan demand and low investment appetite among SMEs, which are reducing the loan portfolio and pressuring NII. Additionally, Oma flags that fee income has been weaker than expected, while non-performing loans are declining more slowly than anticipated, resulting in continued pressure on impairment losses. Oma also highlights unforeseen expenses related to the tender offer, amounting to around EUR200k as of Q2 26, as another contributing factor. That said, as can be seen from Table 1, the 2026 performance is mostly driven by intensified costs relative to the 2025 figures. Hence, the internal challenges Oma has faced since 2024 still persist and may require additional time to resolve, potentially weighing on S-Bank's earnings generation.

Based on the standalone RWAs of the two banks, the RWA of the combined banks is EUR7.2bn (Oma: EUR3.0bn and S-Bank: EUR4.2bn). S-Bank's CET1 ratio was 23.5% as of Q2 26, while its owners have committed to a capital injection of up to EUR400m. Factoring in the higher RWA following the transaction and assuming that the full amount is injected, the pro forma CET1 ratio is 19.3%, well in excess of the regulatory requirement of 9.62% (including P2G).

S&P has flagged that S-Bank could face a rating downgrade if its ALAC buffer falls below the 4% threshold (it is currently assigned a one-notch uplift). Based on available figures, the Oma acquisition would drag the ALAC buffer below 4%. If S-Bank intends to maintain its one-notch ALAC uplift, there may therefore be scope for S-Bank to issue SNP. S-Bank last issued SNP in 2025, which subsequently contributed to the one-notch ALAC uplift. Additionally, S&P highlights that any upgrade of S-Bank's rating would be conditional on gradually improving asset quality and credit losses in line with those of domestic peers - which we believe could pose a risk given Oma's recent challenges related to the non-compliance matter.

As for Oma, S&P placed the bank on creditwatch positive (from negative prior to the announcement) in late August. This was due to the fact that Oma would then be eligible for extraordinary group support from S-Bank. Given that the transaction for all practical purposes now seems to have been cleared, we would not be surprised to see Oma being upgraded in the near future.

Both S-Bank and Oma will report Q3 results on 5 November 2026.

Table 1. Breakdown of Oma's financials

	Q4-25*	Avg(Q1,Q2)	Diff (EURm)
NII	37,518	36,049	-1,469
Fee	13,314	13,282	-33
Core income	50,832	49,331	-1,502
Costs adj	-27,531	-30,588	-3,057
Loan losses	-5,586	-7,470	-1,884
PBT	12,004	11,059	-945
Comp PBT	14,224	11,812	-2,413

Source: Danske Bank Credit Research

**For costs and comparable profit, an average of 2025 is used due to seasonal effects*

Summary table

Income statement (EURm)	2021	2022	2023	2024	2025
Net interest income	90	122	274	307	279
Net fees and commissions income	81	87	94	93	104
Net gains/losses on items at fair value	3	3	-5	-1	1
Other income	13	10	8	40	10
Total income	187	222	371	439	393
Personnel expenses	-55	-59	-69	-84	-101
Total expenses	-146	-165	-191	-231	-267
Pre-provision profits	41	57	180	208	126
Loan losses and provisions	-16	-12	-33	-43	-19
Operating profits	25	45	147	165	106
Non-recurring items	0	0	0	0	0
Pre-tax profits	25	45	147	165	106
Taxes	-5	-9	-29	-33	-23
Net profits	20	36	118	132	83
Dividends	0	0	0	0	0
Balance sheet (EURm)	**2021**	**2022**	**2023**	**2024**	**2025**
Due from central banks and credit institutions	25	9	9	22	28
Lending to the general public	6,086	6,695	6,935	9,467	9,408
Loan loss reserve	0	0	0	0	0
Securities	1,181	717	718	642	1,062
Earning assets	0	0	0	0	0
Other assets	117	138	158	164	178
Total assets	8,501	8,952	10,059	13,250	13,240
Deposits from general public	7,611	7,984	8,240	9,460	10,242
Issued securities including covered bonds	170	219	887	1,712	1,616
Insurance liabilities	0	23	34	656	57
Subordinated debt ex. Additional Tier 1 debt	113	107	101	96	90
Additional Tier-1 debt (AT-1)	0	0	0	0	0
Equity	509	524	649	978	1,042
Risk exposure amount	3,346	3,385	3,567	4,609	4,129

Source: Company data, Danske Bank Credit Research estimates

Summary table

Ratios (EURm)	2021	2022	2023	2024	2025
Lending growth	11.8%	10.0%	3.6%	36.5%	-0.6%
Net interest margin	1.5%	1.8%	4.0%	3.2%	3.0%
Recurring earnings power	1.2%	1.7%	5.1%	4.5%	3.0%
Return on average assets (before tax)	0.3%	0.5%	1.6%	1.4%	0.8%
Return on average equity (before tax)	5.0%	8.6%	25.1%	20.3%	10.5%
Return on average equity (after tax)	3.9%	6.9%	20.1%	16.2%	8.2%
Cost/income-ratio	78.3%	74.5%	51.4%	52.6%	68.0%
Loan/loss ratio	0.3%	0.2%	0.5%	0.5%	0.2%
Problem loans/total loans	0.7%	0.9%	1.3%	1.5%	1.6%
Loan losses/pre-provision profits	38.8%	21.1%	18.3%	20.5%	15.3%
Average customer deposits/average total funding	92.4%	92.4%	91.3%	84.5%	89.6%
Market funding/total funding	3.4%	4.0%	11.3%	22.0%	15.4%
Average net customer lending/average customer deposits	79.0%	82.0%	84.0%	92.7%	95.8%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Common equity Tier-1 ratio (CET-1)	13.0%	13.2%	16.1%	19.4%	23.2%
Core capital ratio (Tier-1)	13.0%	13.2%	16.1%	19.4%	23.2%
Total capital ratio	16.3%	16.3%	18.8%	21.4%	25.3%
Leverage ratio (reported)	5.0%	4.9%	4.9%	4.9%	7.1%
Yearly overview (EURm)	**2021**	**2022**	**2023**	**2024**	**2025**
Net interest income	90	122	274	307	279
Net fees and commissions income	81	87	94	93	104
Net gains/losses on items at fair value	3	3	-5	-1	1
Total income	187	222	371	439	393
Total expenses	-146	-165	-191	-231	-267
Pre-provision profits	41	57	180	208	126
Loan losses and provisions	-16	-12	-33	-43	-19
Net profit	20	36	118	132	83
Lending to general public	6,086	6,695	6,935	9,467	9,408
Risk exposure amount	3,346	3,385	3,567	4,609	4,129
Ratios:					
Net interest margin	1.1%	1.4%	2.8%	2.4%	2.1%
Loan loss ratio	0.3%	0.2%	0.5%	0.5%	0.2%
Problem loans/total loans	0.7%	0.9%	1.3%	1.5%	1.6%
Cost/income ratio	78.3%	74.5%	51.4%	52.6%	68.0%
Common equity Tier-1 ratio (CET1)	13.0%	13.2%	16.1%	19.4%	23.2%
Total capital ratio	16.3%	16.3%	18.8%	21.4%	25.3%
Leverage ratio (reported)	5.0%	4.9%	4.9%	4.9%	7.1%

Source: Company data, Danske Bank Credit Research estimates

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23 Dec 2025	No recommendation	Marketweight
13 Nov 2025	Marketweight	No recommendation

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