



S-BANK PLC

(incorporated with limited liability in the Republic of Finland)

EUR 3,000,000,000

Programme for the Issuance of Senior Preferred MREL Eligible Notes, Covered Bonds and Additional Tier 1 Capital Notes

This supplement (the “**Supplement**”) is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 21 December 2022 (the “**Base Prospectus**”) prepared by S-Bank Plc (the “**Issuer**” or “**S-Bank**”) in connection with its EUR 3,000,000,000 notes issuance programme (the “**Programme**” which previously provided for up to EUR 1,500,000,000 and is currently being increased to EUR 3,000,000,000). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

The purpose of the Supplement is to incorporate new information, including the Half Year Report for the period 1 January – 30 June 2023 of S-Bank Plc and the financial statements for the period 1 January – 31 December 2022 of S-Bank, into the Base Prospectus. The incorporated information has been underlined in the text. The Finnish Financial Supervisory Authority (the “**FIN-FSA**”) has approved this Supplement on 28 August 2023 (journal number FIVA/2023/1494).

1. Maximum amount of the Programme:

The maximum amount of the Programme is increased from EUR 1,500,00,00 to EUR 3,000,000,000.

Due to this change, the subheading on the cover page is replaced as follows:

“EUR 3,000,000,00
Programme for the Issuance of Senior Preferred MREL Eligible Notes, Covered Bonds and
Additional Tier 1 Capital Notes”

The first paragraph under the title “*Programme for the Issuance of Senior Preferred MREL Eligible Notes, Covered Bonds and Additional Tier 1 Capital Notes*” on the cover page is replaced as follows:

“Under this EUR 3,000,000,000 note issuance programme (the “**Programme**” which previously provided for up to EUR 1,500,000,000 and has been increased to EUR 3,000,000,000), S-Bank Plc (hereinafter the “**Issuer**”) may from time to time issue senior preferred MREL eligible notes (“**Senior Preferred MREL Eligible Notes**”), covered bonds under the Finnish Covered Bond Act (laki kiinnitysluottopankeista ja katetuista joukkolainoista 151/2022, as amended) (the “**CBA**”) (“**Covered Bonds**”) and additional tier 1 capital notes (the “**AT1 Notes**”), as defined in the General Terms and Conditions of the Notes (Senior Preferred MREL Eligible Notes, Covered Bonds and AT1 Notes together the “**Notes**”) (“**General Terms and Conditions**”). The Programme provides that Notes may be listed on the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd (the “**Helsinki Stock Exchange**”) as specified in the Final Terms of the relevant series of Notes (each a “**Series**”). Each Series of Notes may comprise one or more tranches of Notes (each a “**Tranche of Notes**”). The Issuer may also issue unlisted Notes.”

The first paragraph with the heading “*Maximum amount of the Programme*” under the title “*Overview of the Programme*” on page 2 is replaced as follows:

“EUR 3,000,000,000.”

The paragraph with the heading “*Authorisation*” under the title “*Overview of the Programme*” on page 5 is replaced as follows:

The Programme was authorised by a duly convened meeting of the Board of Directors of the Issuer passed/given on 13 December 2022. Increase of the amount of the Programme from EUR 1,500,000,000 to EUR 3,000,000,000 was authorised by a duly convened meeting of the Board of Directors of the Issuer given on 18 August 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

The first paragraph under “*5 Maximum amount of the Programme and note principal as well as currency*” on page 36 is replaced as follows:

“The total equivalent value of outstanding Notes issued under the Programme at one time may be a maximum of EUR three billion (3,000,000,000). The Issuer may decide on raising or lowering the maximum amount, including any Subsequent Notes.”

The subheading under the title “*Form of final terms*” on page 51 is replaced as follows:

“EUR [●] [Senior Preferred MREL Eligible Notes/AT1 Notes/Covered Bonds] Due [●] under the EUR 3,000,000,000 Programme for the Issuance of Senior Preferred MREL Eligible Notes, AT1 Notes and Covered Bonds”

2. *Credit rating to positive*

On 29 June 2023, S&P Global Ratings (S&P) changed the Issuer’s outlook from stable to positive and affirmed the credit rating of the Issuer.

Due to this change, the second paragraph with the heading “*Credit rating*” under the title “*Overview of the Programme*” on page 5 is replaced as follows:

“At the date of this Supplement, the Issuer has long- and short-term counterparty credit ratings BBB/A-2 by S&P. The outlook is positive.”

The seventh paragraph under the title “*History and Development of the Issuer*” on pages 70–71 is replaced as follows:

“The decision to expand S-Bank’s operations into mortgage credit bank activity was made in late 2019, and in 2020 the bank obtained a mortgage banking licence from the FIN-FSA. S-Bank has acquired a credit rating from S&P. Initial credit rating BBB rating for long term-funding and A-2 for short term funding with negative outlook was assigned 31.7.2020. Outlook was raised to stable in January 2021, which was in line with the rest of the Finnish banking sector. The same credit rating of BBB for long-term borrowing and A-2 for short-term borrowing with a stable outlook was sustained in the report published by S&P on 22 September 2022. On 29 June 2023, S&P sustained the same credit rating of BBB for long-term borrowing and A-2 for short-term borrowing and raised the outlook for future performance from stable to positive. On 1 August 2023, S&P published a full analysis report of S-Bank keeping the forecasts unchanged.”

The first paragraph under the title “*Credit Rating of the Issuer and the Notes*” on page 81 is replaced as follows:

“As at the date of this Supplement, the Issuer has long- and short-term issuer credit ratings ‘BBB/A-2’ by S&P. The outlook is positive.”

3. *S-Bank to acquire Handelsbanken's Finnish private customer, asset management and investment services operations*

On 31 May 2023, S-Bank announced that it is going to acquire Svenska Handelsbanken AB's Finnish private customer, asset management and investment services operations.

Due to this, new paragraphs are added as the third, fourth and fifth paragraphs under the risk factor "*Failure to successfully integrate acquisitions or carrying out divestments may result in operational problems and increasing costs that could have material adverse effect on the Group's business*" on page 9 and the title will be amended as follows:

"Failure to successfully integrate acquisitions or carrying out divestment may result in failure to reach the goals and desired benefits of the acquisition or divestment, in operational problems or increase in expected cost that could have a material adverse effect on the Group's business

On 31 May 2023, the Issuer announced that it will acquire Svenska Handelsbanken AB's ("Handelsbanken") Finnish private customer, asset management and investment services operations. The transaction is a part of an agreement with Handelsbanken, S-Bank, Oma Savings Bank Plc ("OmaSp") and Fennia Life Insurance Company Ltd ("Fennia"), where Handelsbanken agrees to sell its Finnish retail banking, asset management and investment services businesses to S-Bank, its SME business to OmaSp and its life insurance business, including investment, pension and loan insurance, to Fennia. On 17 July 2023, the Finnish Competition and Consumer Authority approved the sale from Handelsbanken to S-Bank. However, the implementation of the transaction is subject to approval by the authorities regarding the other participants in the transaction. The parties expect the transaction to be completed during the second half of 2024.

The object of the transaction are the businesses to be acquired from Handelsbanken, which will be transferred to S-Bank upon completion of the transaction. As a result of the transaction, S-Bank's mortgage loan and deposit portfolios will increase. Additionally, in asset management, the number of Private Banking customers as well as the assets managed will increase. The range of funds available to customers will be diversified as S-Bank will start offering funds managed by Handelsbanken Fonder AB. Upon completion of the transaction, approximately 230 Handelsbanken employees and nearly all of the leases of Handelsbanken's Finnish branches will be transferred to S-Bank. The net value of the transaction is determined by the difference between the values of the loan and deposit contracts to be transferred from Handelsbanken to S-Bank and amounted to approximately EUR 2.0 billion as at 31 March 2023. The value of the loans and deposits to be transferred was approximately EUR 3.6 billion and EUR 1.6 billion respectively. The final purchase price will be determined at closing of the transaction on the basis of the value of the current loan and deposit contracts.

The transaction involves risks related to possible customer attrition, as it cannot be certain that Handelsbanken's and S-Bank's customers will continue to use the services of S-Bank in the same scale and scope following the transaction. Further, as the final purchase price is dependent on the net value at the closing of the transaction, it includes uncertainty since the amount of loans and deposits may fluctuate. Additionally, the transaction involves taking over and management of Handelsbanken's Finnish branches, which is a new operation for S-Bank and may turn out to be more challenging than expected for S-Bank. If the acquisition does not take place as planned or as scheduled, or at all, or any of the above-mentioned risks of acquisitions materialises, this may undermine, delay, or prevent the realisation of the desired benefits of the acquisition. In addition, the Issuer may incur additional costs related to advisers' fees and other differentiating costs in the preparation of the transaction, even if the planned transaction does not materialise. Any realisation of the risk associated with the transaction may have a material adverse effect on the Issuer's business, financial position, operating performance and future prospects."

The paragraph under the Title "*Use of Proceeds*" on page 29 is amended to read as follows:

"The net proceeds from each issue of Notes will be applied by the Issuer to ensure execution of its growth strategy and for its general corporate purposes, in case of Senior Preferred MREL Eligible Notes, to cover the Issuer's MREL requirement unless otherwise specified in the relevant Final Terms and, in case of AT1 Notes, to strengthen the Issuer's regulatory capital base by providing AT1 capital for the Issuer as well as in case of Covered Bonds, also to cover the debt financing

and pay the transaction price in relation to acquisition Svenska Handelsbanken AB’s Finnish private customer, asset management and investment services operations.”

The text of the paragraph titled “*Use of Proceeds*” of the Final Terms on page 56 is amended to read as follows:

Use of Proceeds:	[Execution of the Issuer’s growth strategy and general corporate purposes] [and] [To cover the [MREL]/ [additional tier 1 capital] requirement of the Issuer [and general corporate purposes]]/ <u>[To to cover the debt financing and pay the transaction price in relation to acquisition Svenska Handelsbanken AB’s Finnish private customer, asset management and investment services operations [and general corporate purposes]]/ [●]</u>
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A new paragraph is added as the fourteenth paragraph under the title “*History and Development of the Issuer*” on page 71 is as follows:

“On 31 May 2023, S-Bank announced that it will acquire Svenska Handelsbanken AB’s (“**Handelsbanken**”) Finnish private customer, asset management and investment services operations. The parties expect the transaction to be completed during the second half of 2024.”

The fourth paragraph under the title “*Position and sources of growth*” on page 75 is replaced as follows:

“The Group has accelerated its growth and strengthened its offering through mergers and acquisitions. On 31 May 2023, S-Bank signed an agreement with Handelsbanken, Oma Savings Bank Plc (“**OmaSp**”) and Fennia Life Insurance Company Ltd (“**Fennia**”), where Handelsbanken agrees to sell its Finnish retail banking, asset management and investment services businesses to S-Bank, its SME business to OmaSp and its life insurance business, including investment, pension and loan insurance, to Fennia.”

New fifth, sixth, seventh and eighth paragraphs are added under the title “*Position and sources of growth*” on page 75 as follows:

“Upon completion of the transaction, approximately 230 Handelsbanken employees and nearly all of the leases of the Handelsbanken’s Finnish branches will be transferred to S-Bank. The transaction will also increase S-Bank’s loan portfolio and deposit base significantly. As at 31 March 2023, the value of the loans and deposits to be transferred was approximately EUR 3.6 billion and EUR 1.6 billion respectively. The companies will also start to cooperate, and S-Bank will begin to offer funds managed by Handelsbanken Fonder AB. The cooperation will diversify the selection of funds available to S-Bank’s current and future customers. The assets under the Issuer’s management will grow, the selection of funds available to S-Bank’s customers will become more diverse, and the number of S-Bank’s Private Banking customers will increase. The net value of the transaction is determined by the difference between the values of the loan and deposit contracts to be transferred and amounted to approximately EUR 2.0 billion as at 31 March 2023. The final purchase price will be determined at closing of the transaction on the basis of the value of the current loan and deposit contracts.

The parties expect the transaction to be completed during the second half of 2024. The subject of the transaction comprises the business operations to be acquired from Handelsbanken, which will be transferred to S-Bank at the time of closing. S-Bank will not pay a premium on the transaction. S-Bank will pay Handelsbanken a cash amount that is EUR 20–25 million less than the net value of the balance sheet items to be transferred at closing. The final purchase price will be determined at closing.

The transaction will be covered with a subsequent share issue to the owners and debt financing from the market. S-Bank will strengthen its own funds with a share issue of up to EUR 200 million to ensure that its capitalisation will remain strong following the transaction. The owners of S-Bank,

SOK Corporation and the cooperative societies belonging to the S Group, have committed to the issue. S-Bank has also agreed on financing arrangements, which will have a total value of approximately EUR 2.0 billion. During the initial stage, financing will be arranged by Danske Bank A/S. To cover the debt financing and pay the transaction price, S-Bank will issue covered bonds between 2023 and 2025.

On 17 July 2023, the Finnish Competition and Consumer Authority approved the transaction between S-Bank and Handelsbanken. However, the implementation of the transaction is subject to approval by the authorities regarding the other participants in the transaction.”

New paragraphs are added as the seventh, eighth and ninth paragraphs under the title “Recent Events” on page 80 as follows:

“On 31 May 2023, S-Bank announced that it will acquire Handelsbanken’s Finnish private customer, asset management and investment services operations. The parties expect the transaction to be completed during second half of 2024. See also “Information on S-Bank – Position and sources of growth.””

“On 17 July 2023, S-Bank announced that the Finnish Competition and Consumer Authority has approved S-Bank’s acquisition of Handelsbanken’s Finnish household customer, asset management and investment services businesses. The implementation of the transaction is subject to approval by the authorities regarding the other participants in the transaction. See more “Information on S-Bank – Position and sources of growth.””

“On 19 July 2023, S-Bank became a member of the European Covered Bond Council (“ECBC”) and consequently, the Programme became qualified for the ECBC’s Covered Bond Label.”

4. Operational risks

The second paragraph of the risk factor with the subheading “Operational risks may have a negative effect on the Issuer’s business and reputation” under the title “B. Risks associated with the Group’s operations” on page 10 is replaced as follows:

“During the period from 20 April to 5 August 2022 a rare system malfunction affected authentication with online banking IDs. This problem was exploited by a very small group of individuals logging into the online bank as another customer, making unauthorised payments and logging into third-party online services. A few hundred customers were affected and the malfunction was corrected as soon as it was detected. S-Bank has requested the police to investigate the incident and has notified the Office of the Data Protection Ombudsman, the Finnish Transport and Communications Agency as well as the FIN-FSA of the matter, in accordance with applicable regulations. On 30 January 2023, the Office of the Data Protection Ombudsman submitted an enquiry to S-Bank regarding the matter to which S-Bank has responded. Article 58 Section 2 of the EU General Data Protection Regulation (EU) 2016/679 sets forth possible consequences that may arise as a result of the incident. However, at the date of this Supplement, the outcome of the enquiry is unknown. This event and possible future decisions by the Group concerning its operations, and the selection of services and products it offers and the selection of service providers as well as factors outside the control of the Group may have a negative effect on the Group’s brand.”

5. S-Bank as the most sustainable bank brand for the eleventh consecutive year

In 2023, the Finns chose S-Bank as the most responsible banking brand for the eleventh consecutive year in the Sustainable Brand Index Survey.

Due to this, the first paragraph of the risk factor under the subheading “The Group is exposed to risks relating to brand, reputation and market rumours” under title “B. Risks associated with the Group’s operations” on page 10 is replaced with the following:

“The Group relies on its well-known and respected brand and good reputation in Finland when competing for customers. In 2023, the Finns chose S-Bank as the most responsible banking brand for the eleventh consecutive year in the Sustainable Brand Index survey.”¹

¹Sources: Suomalaiset arvioivat S-Pankin vastuullisimmaksi pankkibrändiksi - Suomalaiset äänestivät S-Pankin Suomen vastuullisimmaksi pankkibrändiksi jo yhdenkertoista kerran peräkkäin vuosittaisessa Sustainable Brand Index -tutkimuksessa. Myös S-ryhmä, ABC, Prisma ja Sokos Hotellit arvioitiin kukin oman toimialansa vastuullisimmaksi brändiksi. (in Finnish) 21 March 2023”

6. *Supervisory Measures of the FIN-FSA*

The third paragraph of the risk factor with the title “*The Group is exposed to regulation and oversight risks*” on pages 13–14 is replaced and a sixth paragraph is added as follows:

“In September 2021, the FIN-FSA imposed a penalty payment of EUR 1.65 million on the Issuer for omissions in the process of detection of suspicious transactions under Article 16(2) of MAR reporting the same to the FIN-FSA in relation to the Issuer’s past brokerage business between July 2016 and November 2018. The referred brokerage business was under a closing up procedure prior to initiation of the FIN-FSA’s related inquiry in September 2018, has since been closed up, and the Issuer does not conduct brokerage business on the date of the Supplement.”

“As of August 2022, the FIN-FSA has started an investigation into the organisation of the governance in respect of the Board of Directors and the Senior Management of the Issuer with a view to EBA’s guidelines on the assessment of fitness and propriety (EBA/GL/2021/06). The Issuer has responded to the FIN-FSA’s requests and at the date of the Supplement, the Issuer has no information of the outcome of the investigation. See also “Information on S-Bank – Legal Proceedings“.”

The second and the fifth paragraphs under the title “*Legal Proceedings*” on pages 79–80 is replaced and a new sixth paragraph is added as follows:

“On 13 September 2021, the FIN-FSA imposed a penalty payment of EUR 1.65 million on the Issuer for omissions in the processes of detection of suspicious transactions under Article 16(2) of MAR and reporting the same to the FIN-FSA in relation to the Issuer’s past brokerage business between July 2016 and November 2018. The referred brokerage business was under a closing up procedure prior to initiation of the FIN-FSA’s related inquiry in September 2018, has since been closed up, and the Issuer does not conduct brokerage business on the date of the Supplement.”

“During the period from 20 April to 5 August 2022 a rare system malfunction affected authentication with online banking IDs. This problem was exploited by a very small group of individuals logging into the online bank as another customer, making unauthorised payments and logging into third-party online services. A few hundred customers were affected, and the malfunction was corrected as soon as it was detected. S-Bank has requested the police to investigate the incident and has notified the Office of the Data Protection Ombudsman, the Finnish Transport and Communications Agency as well as the FIN-FSA of the matter, in accordance with applicable regulations. On 30 January 2023, the Office of the Data Protection Ombudsman submitted an enquiry to S-Bank regarding the incident to which S-Bank has responded. Article 58 Section 2 of the EU General Data Protection Regulation (EU) 2016/679 sets forth possible consequences that may arise as a result of the incident. However, at the date of this Supplement, the outcome of the enquiry is unknown.”

As of August 2022, the FIN-FSA has started an investigation into the organisation of the governance in respect of the Board of Directors and the Senior Management of the Issuer with a view to EBA’s guidelines on the assessment of fitness and propriety (EBA/GL/2021/06). The Issuer has since i.e. increased the number of board members who are independent from the owners. There are now three board members that are independent from the owners. Also, the collective competence of the Board of Directors has been strengthened. The Issuer has responded to the FIN-FSA’s requests and at the date of the Supplement, the Issuer has no information of the outcome of the investigation. See more “Information about S-Bank – Board of Directors”.

7. *Risks relating to the reliance on Euroclear Finland’s procedures*

A new subheading and paragraphs are added under the title “*Risk Factors – F. Risks related to the Notes generally*” on page 18 as follows:

“Reliance on Euroclear Finland’s procedures

The Notes are issued in book-entry form in the book-entry system of Euroclear Finland Ltd. (“Euroclear Finland”), as specified in the applicable Final Terms. The Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland, as applicable, or account operators. The Notes are uncertificated and dematerialised securities and title to the Notes is recorded and transfers of the Notes are affected only through the relevant entries in the relevant book-entry system and registers maintained by Euroclear Finland, as applicable, and account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the relevant book-entry system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed.

On 11 September 2023, Euroclear Finland will join Target2-Securities platform (“T2S”), maintained by the European Central Bank. The T2S migration is a major system change in Euroclear Finland, and disturbances, operational failures or delays in the migration process may affect the availability of Euroclear Finland’s services and the operations of the account operators. These disturbances, failures or delays are beyond the Issuer’s control and they may challenge the timely and successful completion of transactions relating to the Notes or payments relating to the Notes.”

8. Changes in the Board of Directors

The Annual General Meeting of S-Bank held on Thursday 6 April 2023 elected seven ordinary members and one deputy member to the Board of Directors. Jari Annala, Tom Dahlström, Kati Hagros, Veli-Matti Liimatainen, Hillevi Mannonen, Jorma Vehviläinen and Olli Vormisto were elected as full members and Kim Biskop as a deputy member.

Due to these changes, the table under the title “Board of Directors of the Issuer” on page 77 is replaced as follows:

Name	Position	Elected to the Board of Directors
Jari Annala	Chair	2007
Jorma Vehviläinen	Deputy Chair	2020
Veli-Matti Liimatainen	Member	2018
Olli Vormisto	Member	2017
Hillevi Mannonen	Member	2021
<u>Tom Dahlström</u>	<u>Member</u>	<u>2023</u>
<u>Kati Hagros</u>	<u>Member</u>	<u>2023</u>

The sixth paragraph under the title “Board of Directors of the Issuer” concerning Heli Arantola on page 77 is removed.

New paragraphs are added as the ninth and tenth paragraph under the title “Board of Directors of the Issuer” on page 78 as follows:

“Tom Dahlström (born 1970) has been a member of the Issuer’s Board of Directors since 2023. Mr. Dahlström has served as Principal at Good Ventures Oy since 2023. Mr. Dahlström also serves as a member of Board of Directors of Stonecreek Advisory Oy Ab and One1 Oy. Previously, Mr. Dahlström has served as a Management Consultant, advisor and start-up entrepreneur in various companies in 2018–2022, Chief Strategy Officer at OP Ryhmä in 2014–2018 and at OP-Pohjola in 2010–2014, Director, Strategy at OP-Pohjola in 2008–2010, Director, Strategy and Competitor Monitoring at OP-Pohjola in 2007–2008 and an Analyst in OP Osuuskunta 2000–2006. Mr. Dahlström is a Finnish citizen and holds a Doctorate in Political Sciences.”

“Kati Hagros (born 1970) has been a member of the Issuer’s Board of Directors since 2023. Ms. Hagros has served as Chief Digital Officer at Aalto University since 2016. Ms. Hagros also serves as a member of Board of Directors of Eezy Oyj, Siili Solutions Oyj and A-insinööri/AINS Group Oy. Previously, Ms. Hagros has served as Senior Vice President, Digitalization Strategy at Kone Oyj in 2015–2016, Senior Vice President, Chief Information Officer (CIO), Global Development, at Kone Oyj in 2010–2014, Vice President, IT at Nokia Oyj in 2007–2009, Vice President, Quality, Nokia Oyj in 2004–2007, Director, Strategy, Process and Quality at Nokia Mobile Phone Asia-Pacific in 2001–2004, Head of Customer Relationship Management at Nokia Oyj in 1999–2001,

Supply Chain Analyst, Project Manager at Nokia Mobile Phones in 1997–1999. Ms. Hagros is a Finnish citizen and holds a Master of Science in Engineering and a Master of Arts in Political Science.”

9. *Riikka Laine-Tolonen was appointed as the CEO and changes in the Management Group*

Riikka Laine-Tolonen was appointed as the CEO as of April 2023.

The second paragraph under the title “*CEO of the Issuer*” on page 78 is replaced as follows:

“The Issuer’s CEO is Riikka Laine-Tolonen and Deputy CEO is Hanna Porkka.”

The table under the title “*Management Group of the Issuer*” on page 78 is replaced as follows:

<u>Name</u>	<u>Position</u>	<u>Appointed</u>
<u>Riikka Laine-Tolonen</u>	<u>CEO</u>	<u>2023</u>
Erkka Viljakainen	SVP, Group Services	2016
Hanna Porkka	Deputy CEO, EVP, Wealth Management	2018
Iikka Kuosa	SVP, Products & IT	2014
Merja Reinilä	SVP, Human Resources	2016
Jussi Sokka	SVP, Legal & Governance	2014
Mika Heikkilä	CFO, Director of Group Finance, Treasury & Corporate customers	2017
Petri Viertiö	CRO, Risk & Compliance	2019
Markus Lahtinen	SVP, Sales	2021

A new paragraph is added as the tenth paragraph under the title “*Management Group of the Issuer*” on page 78 as follows:

“**Riikka Laine-Tolonen** (born 1966) has been a member of the Management Group of S-Bank since 2023. She has served as the CEO since 2023. Ms. Laine-Tolonen has previously worked as Head of Personal Customers at Danske Bank A/S Finland branch and in diverse executive positions at Nordea Bank Oyj. Ms. Laine-Tolonen is a Finnish citizen and holds a Master of Science in Economics.”

10. *European Covered Bond (premium)*

A new subheading and paragraph are added under the title “*Finnish Covered Bond Act*” on page 67 as follows:

“Label

An issuer may use the label “Europeisk säkerställd obligation (premium)”, “Eurooppalainen katettu joukkolaina (premium)” or “European Covered Bond (Premium) and its language version translated into the official languages of the European Union only for covered bonds which are issued in accordance with the CBA.”

11. *Changes in capital requirements, in minimum requirement for own funds and eligible liabilities and capital adequacy*

On 31 March 2021, the FIN-FSA set a discretionary Pillar 2 requirement of 1.50 per cent for S-Bank. On 6 June 2023, the FIN-FSA imposed a discretionary Pillar 2 requirement of 2.0 per cent for S-Bank.

Due to this change, the last sentence of the fifth paragraph under the title “*Capital requirements and standards*” on page 58 is deleted and a new seventh paragraph is added as follows:

“The FIN-FSA established buffer requirements related to Pillar 2 capital adequacy regulations totalling 1.50 per cent of the Group’s risk exposure amount starting on 30 September 2021. Three fourth of the requirement must be covered by Tier 1 capital, of which three fourth by common equity Tier 1 capital.”

“Further, on 6 June 2023, the FIN-FSA imposed a discretionary Pillar 2 requirement of 2.00 per cent, which increased the previous imposed Pillar 2 requirement imposed on S-Bank by 0.5 per

cent. The requirement is valid until further notice as of 31 December 2023 but not longer than until 31 December 2026. At least three fourth of the requirement must be covered by Tier 1 capital, of which at least three fourth must be covered by common equity Tier 1 capital. Any updates to the Pillar 2 capital requirement by the FIN-FSA could affect S-Bank's capital buffers negatively. Thus, the increased Pillar 2 requirement, as well as the increased systemic risk buffer imposed by the FIN-FSA (see, "Information on S-Bank – Capital Adequacy") increase the MREL total risk exposure amount requirement and may affect S-Bank's future issuances of Notes."

On 31 May 2023, the Financial Stability Authority set new target levels for minimum requirements for own funds and eligible liabilities that will enter into force on 1 January 2024.

Due to this change, the second paragraph of the risk factor with the subheading "*Minimum requirement for own fund and eligible liabilities*" under title "*G. Risks related to the Senior Preferred MREL Eligible Notes*" on pages 18-19 is replaced and a new paragraph is added as follows:

"Based on the latest decision by the Stability Authority on 31 May 2023, the upcoming full MREL requirement based on total risk exposure amount is 20.64 per cent and the MREL requirement based on the total amount of exposures used in the calculation of the leverage ratio is 7.71 per cent. These target levels will enter into force on 1 January 2024. The latest decision will replace the previous requirements issued on 6 April 2022.

In accordance with the previous decision, the requirement based on total risk exposure amount is 20.34 per cent and the requirement based on the total amount of exposures used in the calculation of the leverage ratio is 8.41 per cent. The requirement based on total risk exposure amount must be met gradually so that the 17.23 per cent requirement entered into force on 1 January 2022 and the full requirement will enter on 1 January 2024. The requirement based on the total amount of exposures used in the calculation of the leverage ratio entered into force on 1 January 2022 with requirement of 5.91 per cent. The requirement of 8.41 per cent will enter into force on 1 January 2024. However, these requirements entering into force on 1 January 2024 have been replaced by the latest decision issued on 31 May 2023.

In addition to the requirement based on total risk exposure amount, S-Bank must fulfil CBR (Combined Buffer Requirement), that was equal to 2.54 per cent as of 30 June 2023. The updated MREL requirement set under the updated MREL policy is based on the Banking Reform Package, which amended the provisions of the BRRD and the SRM Regulation. The updated MREL requirement of the Issuer on the MREL eligible liabilities may increase the Issuer's dependence on market-based funding. If the Group were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other business operations. The applicable regulations in respect of the MREL requirement may be revised or the Stability Authority may revise its interpretations of the applicable regulations or its decision on the Group's MREL requirement so that senior preferred notes, such as the Senior Preferred MREL Eligible Notes, do not count towards the MREL requirement of the Group. This could possibly also constitute an MREL Disqualification Event under the General Terms and Conditions (see "*The Senior Preferred MREL Eligible Notes may be redeemed prior to maturity due to an MREL Disqualification Event or a Tax Event*") requiring the Issuer to utilise other instruments, such as senior non-preferred notes, to fulfil its MREL requirement. Additionally, the increased Pillar 2 requirement (see, "*Capital Requirements and Standards*"), as well as the increased systemic risk buffer imposed by the FIN-FSA (see, "*Information on S-Bank – Capital Adequacy*") increase the MREL total risk exposure amount requirement and may affect S-Bank's future issuances of Notes".

On 29 March 2023, the FIN-FSA announced to impose a requirement to maintain a systemic risk buffer covered by CET1, effective as of 1 April 2024. Due to this, the third paragraph under the subheading "*Capital Adequacy*" under the title "*Information on S-Bank*" on page 82 is replaced as follows:

"Due to the outbreak of the Coronavirus pandemic, the FIN-FSA made a decision on 6 April 2020 to remove the systemic risk buffer from certain credit institutions, including the Issuer, in order to support credit institutions' ability to provide credit and ease the funding conditions for households and businesses during the pandemic. However, due to the warning issued by the European Systemic Risk Board in the fall 2022 on raising levels of systemic risks in the EU financial system, as well as the FIN-FSA's view that the structural vulnerability of the Finnish credit institutions sector being at least at the same level as in 2020 before the Coronavirus pandemic, the FIN-FSA announced in its macroprudential

decision on 29 March 2023 to impose a requirement to maintain a systemic risk buffer covered by CET1, effective as of 1 April 2024. The requirement will be 1.0 per cent for all credit institutions.”

12. No significant change

The first and second paragraphs under the title “*No significant changes*” on page 80 is replaced as follows:

“The Group’s most recent audited financial statements including audited consolidated and parent company’s financial statements for the period 1 January – 31 December 2022 that are incorporated by reference into the Base Prospectus were signed on 2 February 2023 and published on 3 March 2023. Since the date of these audited financial statements of the Group, there has not been any material adverse change in the prospects of the Issuer.

Since 30 June 2023, there has been no significant change in the financial performance of the Group. Further, since 30 June 2023, no significant changes have occurred in the financial position of the Group.”

13. Information Incorporated by Reference

S-Bank published financial statements for the year ended 2022 and its half-year report for the six-months period ended on 30 June 2023. Additionally, in the end of year 2022, S-Bank decided to separate the Capital and Risk Management Report into two documents, with unaudited quantitative and numerical data describing the Issuer’s risk position presented in a separate document, the Capital Adequacy Tables.

Due to this, the following information is added on page 89 under the title “*Information Incorporated by Reference*”:

Document	Referred information
<u>Half Year Report 1 January – 30 June 2023</u>	Unaudited consolidated half-year report for the six-months period ended on 30 June 2023.
<u>Capital Adequacy Tables 1 January – 30 June 2023</u>	Unaudited Capital Adequacy Tables 1 January – 30 June 2023.
<u>Annual Report 2022</u>	Financial statements including audited consolidated and parent company’s financial statements 1 January – 31 December 2022 on pages 42-163.
<u>Annual Report 2022</u>	Auditor’s Report on pages 165-169 of the Annual Report 2022.
<u>Capital Adequacy Tables 1 January – 31 December 2022</u>	Unaudited Capital Adequacy Tables 1 January – 31 December 2022
<u>Capital and Risk Management Report 2022</u>	Unaudited Capital and Risk Management Report 2022, based on the audited figures of the Annual Report 2022.