



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 16 February 2024 (the “**Base Prospectus**”) and Supplement 1 dated 4 April 2024 prepared by S-Bank Plc (the “**Issuer**” or “**S-Bank**”) in connection with its EUR 3,000,000,000 notes issuance programme (the “**Programme**”). 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 2024 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 20 September 2024 (journal number FIVA/2024/1537).

1. S-Bank has appointed a new member to the Management Group of the Issuer

On 25 April 2024, S-Bank announced that a new member has been appointed to its Management Group as of 1 August 2024.

Therefore, the table under the title “*Management Group of the Issuer*” on page 82 is replaced as following:

Name	Position	Appointed
Riikka Laine-Tolonen	CEO	2023
Iikka Kuosa	EVP, Retail Banking	2014
Merja Reinilä	EVP, Human Resources	2016
Jussi Sokka	EVP, Legal & Governance	2014
Mika Heikkilä	CFO, EVP, Group Finance, Treasury & Corporate customers	2017
Petri Viertiö	Chief Risk and Compliance Officer, Risk & Compliance	2019
Teri Heilala	EVP, Wealth Management	2023
Anni Hiekkänen	EVP, Customer Relations and Brand	2024
Jarmo Parkkonen	Business Risk Officer	2024
<u>Niko Mikkola</u>	<u>Chief Technology Officer</u>	<u>2024</u>

The second paragraph under the title “*Management Group of the Issuer*” concerning Erkka Viljakainen is removed on page 82.

The fifteenth paragraph under the title “*Management Group of the Issuer*” concerning the appointment of a Chief Technology Officer on page 83 is replaced as follows:

“*Niko Mikkola* (born 1970) has been a member of the Management Group of S-Bank since 2024. He has served as Chief Technology Officer (CTO) since 2024. Mr. Mikkola is a Finnish citizen and holds a Master of Science in Economics and a Master of Science in Technology.”

2. *Credit rating raised by Standard & Poor’s*

On 28 June 2024, S&P Global Ratings (S&P) raised S-Bank’s long-term issuer credit rating to BBB+ and affirmed the Issuer’s short-term rating at A-2. S&P rated the outlook as stable on 28 June 2024.

The stable outlook reflects S&P’s expectation that S-Bank’s profitability will remain good despite the gradual decline in market interest rates. According to S&P’s assessment, S-Bank’s acquisition of Svenska Handelsbanken AB’s Finnish private customer, asset management and investment services operations will have a positive impact on S-Bank’s business operations.

Due to this change, the fifth paragraph on the cover page 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 Global Ratings (“S&P”). S&P is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”). The Series of Notes issued under the Programme will be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Series of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.”

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 stable. At the date of the Base Prospectus, the Issuer’s covered bond programme has an AAA credit rating by S&P. The outlook for the rating is stable. There is no guarantee that the rating of the Issuer or the Covered Bonds assigned by S&P will be maintained following the date of this Base Prospectus or that any other rating of any Series of Notes will be obtained or maintained. The Issuer may seek to obtain ratings from other credit rating agencies.”

The seventh paragraph under the title “*History and Development of the Issuer*” on page 72 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. On 28 June 2024, S&P raised the credit rating to BBB+ for long-term borrowing and sustained the A-2 for short-term borrowing. The outlook was rated at stable on 28 June 2024.”

New paragraph is added as the sixteenth paragraph under the title “*Recent Events*” on page 85 as follows:

“On 1 July 2024, S-Bank announced that S&P raised S-Bank’s long-term issuer credit rating to BBB+ and affirmed its short-term rating at A-2. S&P rated the outlook as stable on 28 June 2024.”

The first paragraph under the title “*Credit Rating of the Issuer and the Notes*” on page 85 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 stable.”

3. Changes in the Board of Directors

The Annual General Meeting of S-Bank held on 9 April 2024 elected eight ordinary members to the Board of Directors. Jari Annala, Tom Dahlström, Kati Hagros, Veli-Matti Liimatainen, Hillevi Mannonen, Tarja Tikkanen, Jorma Vehviläinen and Olli Vormisto were elected as full members.

Due to these changes, the table under the title “*Board of Directors of the Issuer*” on page 80 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
Tom Dahlström	Member	2023
Kati Hagros	Member	2023
<u>Tarja Tikkanen</u>	<u>Member</u>	<u>2024</u>

Therefore, the twelfth paragraph concerning the propositions of the Board of Directors for the Annual General Meeting under the title “*Board of Directors of the Issuer*” on page 82 is removed.

The thirteenth paragraph under the title “*Board of Directors of the Issuer*” on page 82 is amended as follows:

“Tarja Tikkanen (born 1960) has been a member of the Issuer’s Board of Directors since 2024. Ms. Tikkanen has acted as a Partner in Boardman Oy since 2020. Ms. Tikkanen also serves as a member of Board of Directors of Haminan Energia Oy and Boardman Oy. Previously Ms. Tikkanen has served as a Chair of Board of Directors of Enfo Oy in 2023, Osuuskunta KPY in 2016–2023, KPY Novapolis in 2019–2023 and as a member of Board of Directors in Osuuskunta KPY in 2008–2016, Savon Voima Oyj in 2011–2023 and Savon Energiaholding Oy in 2011–2023. Ms. Tikkanen has previously served as Regional Director in Finnvera Oyj in 2009–2013, as HR Manager at Lujatalo Oyj in 2007–2009 and several management position in at Nordea Pankki Oy in 1988–2000. Ms. Tikkanen is a Finnish citizen and holds a Master of Laws.”

4. The FIN-FSA’s letter in relation to rare system malfunction during 2022

In June 2024, the FIN-FSA sent a letter to S-Bank regarding the publicly informed incident of rare system malfunction that took place during the period from 20 April to 5 August 2022. S-Bank has responded to the letter and at the date of this Supplement, the matter is pending at the FIN-FSA.

Due to this information, the first paragraph under the heading “*Legal proceedings*” on page 83 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 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. In June 2024, the FIN-FSA sent a letter to S-Bank regarding the incident to which S-Bank has responded. At the date of this Supplement, the matter is pending at the FIN-FSA.”

5. *Issue of a new EUR 500 million covered bond*

New paragraph is added as the seventeenth paragraph under the title “*Recent Events*” on page 85 as follows:

“On 10 April 2024, S-Bank announced that it will issue a new covered bond, valued at EUR 500 million, as part of its bond programme. The bond’s maturity date is 16 April 2030 and interest rate paid will be 3.00 per cent. The bond’s ISIN code is FI4000570841. The issue took place under S-Bank’s EUR 3.0 billion bond programme.”

6. *S-Bank updates estimate on business to be transferred in the acquisition of Svenska Handelsbanken AB’s Finnish private customer, asset management and investment services operations*

On 18 September 2024, S-Bank announced that it is updating its estimate on business to be transferred in the pending transaction where S-Bank will acquire Svenska Handelsbanken AB’s Finnish private customer, asset management and investment services operations.

The fourth paragraph under the title “*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, operational problems or increase in expected cost that could have a material adverse effect on the Group’s business*” on page 9 is amended as follows:

“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. 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 1.6 billion as at 30 June 2024. The value of the loans and deposits to be transferred was approximately EUR 2.9 billion and EUR 1.3 billion respectively. The final purchase price is dependent on the net value at the closing of the transaction and includes uncertainty since the amount of loans and deposits may fluctuate. To cover the debt financing and pay the transaction price, the Issuer intends to issue covered bonds between 2023 and 2025. If the Issuer is not successful in the issue of such covered bonds or the Issuer otherwise is unable to obtain financing for the acquisition on commercially reasonable terms, this may have an adverse effect on the Issuer’s business operations and/or financial results. 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 fourth paragraph under the title “*Position and sources of growth*” on page 78 are amended 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 30 June 2024, the value of the loans and deposits to be transferred was approximately EUR 2.9 billion and EUR 1.3 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 1.6 billion as at 30 June 2024. 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.”

New paragraph is added as the eighteenth paragraph under the title “*Recent Events*” on page 85 as follows:

“On 18 September 2024, S-Bank announced that it is updating its estimate on business to be transferred in connection with the acquisition of Handelsbanken’s Finnish private customer, asset

management and investment services operations. The net value of the transaction amounted to approximately EUR 1.6 billion on 30 June 2024 (EUR 2.0 billion on 31 March 2023). The value of loans to be transferred amounted to approximately EUR 2.9 billion on 30 June 2024 (EUR 3.6 billion on 31 March 2023), with deposits amounting to EUR 1.3 billion (EUR 1.6 billion on 31 March 2023). The net value of the balance sheet items to be transferred has decreased due to the general development of the financial and interest rate markets, as well as the more accurate segmentation between the parties. The final purchase price is determined on the basis of the value of the current loan and deposit agreements at the time of the transaction and may therefore still change from what has been announced on 18 September 2024. In turn, assets under management to be transferred from Handelsbanken to S-Bank have increased from EUR 2.6 billion on 31 March 2023 to EUR 2.7 billion on 30 June 2024. The acquisition will strengthen S-Bank's market position in Finland and supports S-Bank's growth target of achieving one million active customers in accordance with S-Bank's strategy. The transaction is expected to be completed from late November to early December 2024. See more "Information on S-Bank – Position and sources of growth" and "Information on S-Bank – Path forward".

7. *Changes to the Articles of Association*

The Annual General Meeting held on 9 April 2024 resolved to amend S-Bank's Articles of Association. The changes are due to the implementation of the corporate sustainability reporting directive (Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting) into the Finnish national law. The Annual General Meeting also decided to amend the article concerning the business activity of the Issuer to include the updated name of the legislation concerning mortgage banking.

Therefore, a new paragraph is added as the nineteenth paragraph under the title "*Recent Events*" on page 85 as follows:

"The Annual General meeting of S-Bank held on 9 April 2024 has resolved to amend the Articles of Association to take into account the implementation of the corporate sustainability reporting directive (EU) 2022/2464 into the Finnish law by adding a new article on the selection and term of office of the sustainability reporting assurer and amending the provision on the Annual General Meeting to include the presentation of the assurance report on sustainability reporting to the Annual General Meeting and the resolution on the remuneration, number and selection of the sustainability reporting assurer. In addition, the Annual General Meeting resolved to amend the article concerning the business activity of the Issuer to include the updated name of the legislation concerning mortgage banking."

8. *Positive profit warning*

New paragraph is added as the twentieth paragraph under the title "*Recent Events*" on page 85 as follows:

"On 6 September 2024, S-Bank announced that S-Bank is raising its outlook for 2024. S-Bank now estimates that its full-year operating profit will be almost at the same level as in the previous year (EUR 147.4 million). Previously, the company expected its full-year operating profit to decline by approximately a quarter from the previous year. The raised outlook is based on S-Bank's very strong financial performance during 2024 so far and the refined estimate for the development of net interest income in the latter half of the year. At the same time, S-Bank's result in 2024 will be burdened by the costs related to the Handelsbanken transaction, and, despite some initial positive signs, the development of the operating environment still contains uncertainties. (See also "Information on S-Bank – Position and sources of growth")."

9. *No Significant Changes*

The paragraph under title "*No Significant Changes*" on page 84 is replaced by the following:

"The Group's most recent audited financial statements including audited consolidated and parent company's financial statements for the period 1 January – 31 December 2023 that are incorporated by reference into the Base Prospectus were signed on 1 February 2024 and published on 7 March 2024. 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 2024, there has been no significant change in the financial

performance or in the financial position of the Group, other than the positive profit warning announced on 6 September 2024 explained in detail under “Recent Events”.

10. Information Incorporated by Reference

On 1 August 2024, S-Bank published its half-year report for the six-months period ended on 30 June 2024.

Due to this, the following information is added on page 93 under the title “*Information Incorporated by Reference*”:

Document

Referred information

[Half Year Report 1 January - 30 June 2024](#)

Unaudited consolidated half-year report for the six-months period ended on 30 June 2024.