



OMA SAVINGS BANK PLC
Programme for the Issuance of Covered Bonds and Senior Preferred MREL Eligible Notes
EUR 3,000,000,000

This supplement 2 (the “**Supplement 2**”) comprises a supplement for Oma Savings Bank Plc (the “**Issuer**” or the “**Company**”) to the base prospectus dated 27 March 2024 (journal number FIVA/2024/417, the “**Base Prospectus**”) supplemented on 24 May 2024 by supplement 1 (journal number FIVA/2024/914). This Supplement 2 should be read in conjunction with the Base Prospectus.

In this Supplement 2, “**OmaSp**” refers to Oma Savings Bank Plc and its consolidated subsidiaries.

The purpose of this Supplement 2 is to incorporate new information into the Base Prospectus. The Finnish Financial Supervisory Authority (the “**FIN-FSA**”) has approved this Supplement 2 on 14 August 2024 (journal number FIVA/2024/1343), as competent authority under Regulation (EU) 2017/1129. The FIN-FSA only approves this Supplement 2 as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this Supplement 2.

1. Overview of the programme

The following language will replace the sixth paragraph in the right side column in section “*Overview of the programme*” on page 6 (amended information underlined):

“The Issuer has long and short-term counterparty credit ratings “**BBB+/A-2**” (S&P). The outlook is negative. A Series of Notes to be issued under the Programme may be rated or unrated.”

2. Risk Factors

The following language will replace the second paragraph in section “*Risk Factors – Risks Related to the Company’s Operating Environment and General Market Conditions – Uncertainty and unfavourable development in economic and capital market conditions together with increased inflation and changes in interest rates globally and in Finland could adversely affect the Company’s business, results of operations, financial condition, liquidity and capital resources*” on page 8 (amended information underlined):

“In the beginning of 2023, the inflation in Finland and in the eurozone area was rapidly increasing. The European Central Bank (the “**ECB**”) raised key interest rates several times in 2023. By the second half of 2023, the increase in inflation started to slow down and continued to do so in the first half of 2024, and in June the ECB decided to lower the three key ECB interest rates by 25 basis points. As at the date of this Supplement 2, inflation has continued to slow down, and the ECB seeks to ensure that inflation returns to its 2% target in a timely manner. In July 2024, the ECB decided to keep the three key ECB interest rates unchanged.¹ Income generation in the the Company’s retail banking is significantly affected by changes in the interest rate level. Interest rate risk arises when interest rate fixing periods or interest rate bases for assets and those for liabilities are mismatched. Net interest income comprises a substantial part of the Company’s total income. The recent increase in interest rates have been beneficial to the Company, since higher interest rate levels have a positive impact on the Company’s net interest income. However, the expected decrease in interest rates would effect the Company’s earnings negatively. Prolonged inflation and rising interest rates contribute to market uncertainty and concerns about global economic development, particularly in refinancing markets. This

¹ Bank of Finland, ECB’s monetary policy decisions. Published on 18 July 2024.

uncertainty may negatively affect the Company's clients by reducing investments and increasing credit risk. A general economic downturn could lead to higher credit losses, reduced consumer confidence and spending, and decreased demand for loans and financial services. See also “– *The development of the Finnish housing and property market may be different in different parts of the country and unfavourable development of economic conditions in Finland could adversely affect the Company*” and “– *Risks Related to Financial Condition and Financing – Realisation of credit risks may have an adverse effect on the Company*”.

The following language will replace the third paragraph in section “*Risk Factors – Risks Related to the Company's Business Operations – Operational risks and disruptions in the Company's business may have a material adverse effect on the Company*” on page 13 (added information underlined):

“Compliance risk is also a part of the Company's operational risks. Compliance risk refers to the risk arising from non-compliance with external regulation, internal procedures and appropriate procedures and ethical principles in the customer relationship. Realisation of the risk may result not only in financial losses but also other consequences (e.g. corporate fines, separate penalty payments and fines imposed for breach of obligations, warnings and reprimands issued by the authorities). Realisation of the compliance risk may also result in the deterioration or loss of reputation or confidence. The Company seeks to observe common risk management principles, in addition to which substantial resources have been allocated to the development of effective methods and to the training of personnel, and particular attention has been paid to the operations of the so-called supervisory units (independent internal audit, risk management and compliance functions). Despite these, there can be no absolute certainty that these measures would be sufficient for managing operational risks. For example, in the first quarter of 2024, the Company recognised an additional allowance based on the management's judgement of EUR 19.5 million for certain customer entities whose credit risk position was identified as having changed. The change was due to non-compliance with the Company's guidelines and its impact on the weakening credit risk position. As a result of events, the Company initiated extensive measures and a review of its loan portfolio and recognised an additional EUR 35.7 million of additional allowance based on the management's judgement and impairment losses for these entities during the second quarter of 2024. Of this, EUR 5.7 million was for credit losses and EUR 30 million for additional allowance.”

The following language will replace the second paragraph in section “*Risk Factors – Risks Related to Financial Condition and Financing – Realisation of credit risks may have an adverse effect on the Company*” on page 18 (amended information underlined):

“In 2023, based on the judgement of the Company's management, an additional allowance of EUR 1.0 million was recorded with what the Company continued to prepare for the uncertainty of the economic environment. At the end of year 2023, based on the judgement of the Company's management, the Company had additional loss allowances and fair value adjustments recognised in the balance sheet EUR 8.3 million in total. The allowance anticipated an increase in credit risk and was intended to cover potential credit losses to the extent that they were not recognised in the expected credit loss model. However, in the first quarter of 2024, based on the judgement of the Company's management, an additional allowance of EUR 19.5 million was recognised. According to the Company's estimate, the additional allowance covers possible credit losses realised in the future due to changes in the credit risk position. On 24 July 2024, the Company announced the completion of the review of the credit portfolio. The quality of the entire loan portfolio was verified by external, independent experts. Based on the results, the Company recognised EUR 35.7 million additional allowance based on the management's judgement and impairment losses for the second quarter of 2024. Of this, EUR 5.7 million was for credit losses and EUR 30 million for additional allowance. The increase was based on specified customer groups and a more detailed assessment of credit risk based on further studies carried out by the Company's internal and external experts. For more information on the additional allowance, see section “*Information about the Issuer – Recent Events*”.”

3. Funding, Liquidity and Solvency Requirements

The following language will replace the fourth paragraph in section “*Information about the Issuer – Funding, Liquidity and Solvency Requirements – Solvency Requirements*” on page 67 (amended information underlined and overlined):

“On 30 March 2023, the FIN-FSA imposed a systemic risk buffer requirement of 1.0 per cent for Finnish credit institutions in order to strengthen the risk-bearing capacity of the banking sector. The decision entered into force after a transitional period on 1 April 2024 and shall be covered by Consolidated Common Equity. In October 2023, the FIN-FSA had informed that, under the Finnish Act on Credit Institutions, it would impose on

OmaSp an indicative additional capital recommendation of 1.0 per cent for OmaSp's own funds. The indicative additional capital recommendation would remain in force until further notice as of 31 March 2024. The FIN-FSA also informed that it would impose on OmaSp a discretionary additional capital requirement of 0.25 per cent for the leverage ratio (Pillar II). The discretionary additional capital requirement would remain in force until further notice as of 31 March 2024, yet no longer than until 31 March 2026. As at the date of this Supplement 2, OmaSp ~~already~~ meets the set recommendation and the requirements."

4. Mortgage Bank Operations

The following language will replace the first paragraph in section "*Information About The Issuer – Mortgage Bank Operations*" on page 68 (amended information underlined):

"OmaSp was granted permission by the FIN-FSA to launch mortgage bank operations on 14 September 2017. The mortgage bank functions as part of OmaSp's banking business. The MCBA entered into force in Finland on 8 July 2022. As of 30 June 2022, the FIN-FSA has granted OmaSp a licence to operate mortgage banking under the new Act that entered into force on 8 July 2022. Mortgage bank operations constitute business operations entailing the issuance of covered bonds. The covered bonds are secured by the mortgages granted by OmaSp. The mortgage bank operations have allowed OmaSp to diversify its funding. In June 2024, Standard & Poor's (S&P Global Ratings Europe Limited, S&P Global division) confirmed OmaSp's long-term funding credit rating at BBB+ and short-term funding credit rating at A-2. As part of launching its mortgage bank operations, OmaSp applied to be admitted as a direct monetary policy counterparty of the European Central Bank (ECB) and as party of the TARGET2 system (the system preceding the T2), which enables the use of central bank financing in the maintenance of short-term and long-term liquidity. The Issuer's TARGET2 account at the Bank of Finland was opened in September 2017."

5. History and Development of OmaSp

The following language will replace the sixth paragraph in section "*Information About The Issuer – History and Development of OmaSp*" on page 69 (amended information underlined):

"In May 2023, the Company and Svenska Handelsbanken AB agreed on an arrangement whereby the Company will acquire Handelsbanken's SME enterprise operations in Finland. The transaction is expected to be completed at the turn of August and September 2024. As part of the purchase of the SME enterprise operations, entrepreneurs' private banking services will also be transferred to the Company, excluding asset management and investment services. See also "*– Recent Events*".

6. Recent Events

The following language is added at the end before the last paragraph in section "*Information about the Issuer – Recent Events*" on page 70:

- "On 24 May 2024, the Company issued EUR 250 million covered bond increase (tap issue).
- On 1 June 2024, the representatives of the five largest shareholders were appointed to the Shareholders' Nomination Committee.
- On 17 June 2024, the Company announced that S&P Global Ratings (S&P) has affirmed that the short-term and long-term issuer credit rating of OmaSp remains unchanged and is BBB+/A-2. However, S&P changed OmaSp's outlook from stable to negative.
- On 19 June 2024, the Company announced that the Board of Directors of the Company and the former CEO Pasi Sydänlammi had agreed that Sydänlammi would leave his position as the CEO immediately. At the same time, the Board of Directors announced that it would immediately commence the search process to select a new CEO. Deputy CEO Sarianna Liiri was appointed as interim CEO and Head of Service Network Markus Souru as deputy CEO.

At the same time, the Company announced that it had continued its internal study announced in April 2024 regarding non-compliance with the guidelines in lending and had submitted a request for investigation to the police. The non-compliance with the guidelines was targeted to a limited part of

the loan portfolio, and the quality of the loans granted had been studied internally. It was also decided to verify the internal report by external quality assurance.

The Company also announced that it had initiated extensive measures to improve its risk management processes and other control processes.

- On 24 July 2024, the Company announced the completion of the review of the credit portfolio. The quality of the entire loan portfolio had been verified by external, independent experts. Based on the results, the Company reassessed the credit risk position of the customer entities in question and recognised EUR 35.7 million additional allowance based on the management's judgement and impairment losses for the second quarter of 2024. Of this, EUR 5.7 million was for credit losses and EUR 30 million for additional allowance. On the same day, the Company also issued a negative profit warning and gave preliminary information on the result for the second quarter and updated its guidance of 2024 due to the significant EUR 35.7 million additional allowance based on management's judgement recognised for the second quarter of 2024. For further information, see section "*Financial and Trend Information – Trend Information*".
- On 27 July 2024, the Company published its Half-Year Financial Report January-June 2024. The beginning and especially the second quarter 2024 had been a very exceptional period in the history of the Company. The non-compliance with the guidelines and the resulting problem entity had required significant resources. Nevertheless, the core business of the Company had developed well and in line with expectations, and OmaSp's capital adequacy and financial position were strong. The comparable profit before taxes was EUR 31.1 million for the first part of 2024 and, without additional allowance based on management's judgement, EUR 80.6 million. The equity was approximately EUR 533 million at the end of June 2024. The bank had a strong solvency position with a total capital (TC) ratio of 16.6%.
- In May 2023, the Company and Svenska Handelsbanken AB agreed on an arrangement whereby the Company acquires Handelsbanken's SME enterprise operations in Finland. The size of the deposit base transferring to the Company was approximately EUR 630 million and the lending volume was approximately EUR 560 million in the situation on 30 June 2024. In the business transaction, over 11,000 customers will be transferred to the Company. At the same time, 31 people from Handelsbanken will transfer to the Company as old employees. The acquisition of the business is estimated to increase the Company's profit before taxes by approximately EUR 8–12 million annually."

7. Governmental, Legal and Arbitration Proceedings

The following language will replace the information given in section "*Information about the Issuer – Governmental, Legal and Arbitration Proceedings*" on page 70 (amended information underlined):

"In February 2024, a criminal case concerning a gross embezzlement and a forgery against the Company, which occurred between February 2019 and October 2023 and were allegedly committed by a former employee of the Company, became pending at the District Court of South Ostrobothnia. However, the Company deems the damage inflicted to the Company to be minor, and the Company's clients were not affected by the case. The compensation claimed by the Company amounts to EUR 160,000. At the date of this Supplement 2, the District Court had not yet held a main hearing in the case.

On 3 May 2024, the Company announced that in connection with a preliminary investigation request to the police for securities market offences related to the Company, the FIN-FSA said that it would investigate the need to impose administrative sanctions on the Company. The Company deems that based on current information held by it at the date of this Supplement 2, the impact of possible administrative sanctions on its financial position or profitability would not be material. However, the investigation is pending at the date of this Supplement 2 and the final assessment cannot be made until all information becomes available. For more information, see "*Information about the Issuer – Recent Events*".

On 19 June 2024, the Company announced that it had continued its internal study announced in April 2024 regarding non-compliance with the guidelines in lending and had submitted a request for investigation to the police.

Apart from the above, during the 12 months preceding the date of this Supplement 2, OmaSp has not been a party to any legal, arbitration or administrative proceedings that may have or have had, in the recent past, a

material impact upon the financial position or profitability of OmaSp or its subsidiaries, and to the OmaSp's knowledge no such proceedings are pending or threatened."

8. No significant Change in the Issuer's Financial Position

The following language will replace the information given in section "*Financial and Trend Information – No Significant Change in the Issuer's Financial Position*" on page 71 (amended information underlined):

"At the end of the second quarter of 2024, the Company commissioned reports related to ensuring the quality of the whole loan portfolio from two external, independent expert organisations. The results of the investigation were completed on 24 July 2024. On 24 July 2024, the Company also issued a negative profit warning and gave preliminary information on the result for the second quarter of 2024 and updated its guidance of 2024 due to a significant additional allowance based on management's judgement recognised for the second quarter of 2024. For further information, see section "*– Trend Information*".

Apart from the above, there have been no significant changes in the financial position of the Issuer or of the Issuer and its subsidiary taken as a whole since 30 June 2024."

9. Trend Information

The following language will replace the information given in section "*Financial and Trend Information – Trend Information*" on the page 71 (amended information underlined):

"In June 2024, the Company announced that it would launch an extensive action plan to improve its risk management processes and other control processes. As part of the action plan, the Company's Board of Directors had commissioned an extensive and detailed report on the quality of the entire loan portfolio from two internationally respected expert organisations. On 24 July 2024, the Company announced the completion of the review of the credit portfolio. As results of the study, it could be stated that the quality of the Company's credit portfolio corresponded to what was previously reported, and the problems were limited to previously identified non-compliance with the guidelines. Customer entities related to non-compliance with the guidelines announced in April 2024 represented approximately 4% of the EUR 6 billion credit portfolio based on specified information. The analysis of the entire loan portfolio also concluded that the Company's collateral values relative to market values are conservative and the collateral assessment process is functional. The external, independent expert party confirmed that the problems of the loan portfolio were limited to the previously announced non-compliance with guidelines. In the background of the event is a violation of the lending guidelines. The Company had recognised an additional allowance of EUR 19.5 million based on the management's judgement for the loans in question during the first quarter of 2024. Based on completed internal and external studies, the Company recognised an additional EUR 35.7 million additional allowance for credit losses and impairment losses during the second quarter of 2024. Of this, EUR 5.7 million was for credit losses and EUR 30 million for additional allowance.

On 24 July 2024, the Company also issued a negative profit warning and gave preliminary information on the result for the second quarter and updated its guidance of 2024 due to the significant EUR 35.7 million additional allowance based on management's judgement recognised for the second quarter of 2024. The Company provides earnings guidance on comparable profit before taxes for 2024. Earnings guidance is based on the forecast for the entire year, which takes into account the current market and business situation. Forecasts are based on the management's insight into the Group's business development. The Company estimated the Group's comparable profit before taxes to be EUR 80–100 million for the financial year 2024 (the comparable profit before taxes was EUR 143.6 million in the financial year 2023, and the previous outlook and guidance estimated that the comparable profit before taxes would be EUR 120–140 million for the financial year 2024).

Apart from the above, there have been no material adverse changes in the prospects of the Issuer or of the Issuer and its subsidiary taken as a whole since 31 December 2023. Furthermore, apart from the above, there have been no significant changes in the financial performance of the Issuer or of the Issuer and its subsidiary taken as a whole since 30 June 2024."

10. Board Committees

The following language will replace the information given in the second paragraph in section "*Board of Directors and Management – Board Committees*" on page 73 (amended information underlined):

“The Board of Directors established on 23 May 2024 an audit committee. The Audit Committee assists the Board of Directors in monitoring, supervising and preparing the following matters regarding financial reporting and auditing as well as sustainability reporting and its verification:

- Credit institution’s reporting system
- Effectiveness of internal control and audit and risk management systems
- Auditing
- Independence of the auditor and sustainability reporting auditor, in particular the provision of services other than auditing and sustainability reporting assurance by the auditor
- Preparation of the election of the auditor and sustainability reporting auditor.

In addition to these obligations under the Credit Institutions Act, the Audit Committee of OmaSp

- Prepares the accounting policies for the Company’s Financial Statements and Sustainability reporting
- Prepares the Company’s Financial Statements for approval by the Board of Directors
- Prepares the Corporate Governance Statement.

As at the date of this Supplement 2, the members of the audit committee are Jyrki Mäkynen, Jaakko Ossa and Jaana Sandström.”

11. CEO and the Management Team

The following language will replace the second paragraph under the heading “CEO” in section “*Board of Directors and Management – CEO and the Management Team*” on page 73 (amended information underlined):

“Sarianna Liiri (born 1981) has been the Issuer’s Interim CEO since 2024. She has been a member of OmaSp’s Management team since 2015 and the CFO since 2018 with responsibility for Finance, Treasury and HR. She has previously served as the Chief Administrative Officer between 2015 and 2018 and the Development Manager between 2014 and 2015 of OmaSp. In addition, Liiri has been a member of the Board of Directors of the South Karelia Chamber of Commerce since 2018 and a member of the Board of Directors of Figure Taloushallinto Oy since 2019. Liiri holds a Master of Economic Sciences and an eMBA.”

The following language will amend the first paragraph and the table below and the last paragraph, and the third paragraph is deleted under the heading “*Management Team*” in section “*Board of Directors and Management – CEO and the Management Team*” on page 73 (amended information underlined and overlined):

“The Group’s Management Team consists of the CEO and other members appointed by the Board of Directors. The management team’s purpose is to assist the CEO in managing the operations of the Issuer. At the date of this Supplement 2, the members of the Management Team are as follows:“

<u>Name</u>	<u>Year born</u>	<u>Position</u>	<u>Appointed</u>
Hanna Sirkiä	1972	Chief Legal Officer	2023
Sarianna Liiri	1984	Deputy CEO, Chief Financial and Administrative Officer	2015
Ville Rissanen	1971	Chief Digital Information Officer	2019
Minna Sillanpää	1970	Chief Communications Officer	2017
Pekka Pykäri	1987	Chief Risk Officer	2023
Markus Souru	1980	<u>Deputy CEO, Head of Service Network</u>	2024

~~Sarianna Liiri, Chief Financial and Administrative Officer and Deputy CEO, has previously served as Administrative Officer and held various expert and supervisory positions in OmaSp and Etelä-Karjalan Säästöpankki. She holds an eMBA and a Master’s Degree in Economic Sciences.~~

Markus Souru, Head of Service Network and Deputy CEO, has previously served as Regional Director of OmaSp, Director of Danske Bank’s Centre of Expertise and held other managerial positions at Danske Bank as well as at Lammin Osuuspankki. He holds a Business College Degree.”

12. Corporate Governance

The following language will amend the information given under the fourth paragraph in section “*Board of Directors and Management – Corporate Governance*” on page 73 (amended information underlined):

“The Issuer’s Board of Directors makes decisions on the Issuer’s business operations and strategic matters. Additionally, it is the Board of Director’s responsibility to make decisions on the most significant matters related to the Issuer’s operations and to select the Issuer’s CEO. The Issuer’s Board of Directors consists of six members. Jaakko Ossa is the Chairman and Jyrki Mäkynen the Vice Chairman.”

13. Share Capital and Ownership

The following language will replace the language under heading “*Share Capital and Ownership*” on page 75 (amended information underlined):

“As at the date of this Supplement 2, the Issuer’s share capital was EUR 24,000,000 and the total number of shares issued was 33,275,237. As at the date of this Supplement 2, the Issuer owns 136,647 of the Issuer’s own shares, which do not entitle to any voting rights at the General Meeting as long as the Issuer owns them.

The shares of the Issuer are listed on the main list of the Helsinki Stock Exchange. The following table sets forth the ten largest shareholders of the Issuer that appear on the shareholder register as of 31 July 2024:

Name	Number of Shares	% of Shares
Etelä-Karjalan Säästöpankkisäätiö	8,578,759	25.78
Parkanon Säästöpankkisäätiö	3,300,000	9.92
Liedon Säästöpankkisäätiö	3,125,049	9.39
Töysän Säästöpankkisäätiö	2,935,000	8.82
Kuortaneen Säästöpankkisäätiö	1,925,000	5.79
Hauhon Säästöpankkisäätiö	1,649,980	4.96
Rengon Säästöpankkisäätiö	1,065,661	3.20
Suodenniemen Säästöpankkisäätiö	800,000	2.40
Elo Mutual Pension Insurance Company	732,000	2.20
Savolainen Heikki Antero	<u>721,007</u>	<u>2.17</u>

To the extent known to the Issuer, it is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Securities Markets Act and the Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.”

14. Information incorporated by reference

The following document will be incorporated by reference into the Base Prospectus and added to the table on page 79:

Document	Information incorporated by reference	Hyperlinks
OmaSp’s Half-Year Financial Report 30 June 2024	OmaSp’s unaudited Interim Report 1 January 2024 – 30 June 2024	OmaSp’s Half-Year Financial Report 30 June 2024
OmaSp’s Pillar III – Disclosure Report on Capital Adequacy and Risk Management 30 June 2024	OmaSp’s Pillar III – Disclosure Report on Capital Adequacy and Risk Management 30 June 2024	OmaSp’s Pillar III – Disclosure Report on Capital Adequacy and Risk Management 30 June 2024