SUPPLEMENT 1 – 30 August 2024
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POP MORTGAGE BANK PLC

(*incorporated with limited liability in the Republic of Finland*)

EUR 1,500,000,000 Programme for the Issuance of Covered Bonds

This supplement (the "**Supplement 1**") comprises a supplement for POP Mortgage Bank Plc (the "**Issuer**" or the "**Company**") to the base prospectus dated 24 April 2024 (journal number FIVA/2024/616, the "**Base Prospectus**"). This Supplement 1 is part of the Base Prospectus and should be read in conjunction with the Base Prospectus.

The Finnish Financial Supervisory Authority (the "**FIN-FSA**"), which is the competent authority for the purposes of the Prospectus Regulation (EU) 2017/1129 (as amended) (the "**Prospectus Regulation**") in Finland, has approved this Supplement 1 on 30 August 2024 ((journal number FIVA/2024/1426). The FIN-FSA has only approved this Supplement 1 as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, but assumes no responsibility for the correctness of the information contained herein.

The terms defined elsewhere in the Base Prospectus have the same meanings as when used in this Supplement 1.

In this Supplement 1, the terms "**POP Mortgage Bank**", the "**Bank**" and the "**Issuer**" refer to POP Mortgage Bank Plc and the terms "**POP Bank Group**" or "**Group**" refer to POP Bank Centre coop (the "**POP Bank Centre**"), the member cooperative banks of the POP Bank Centre (the "**POP Banks**") and organisations under their control.

The purpose of this Supplement 1 is to incorporate new information into the Base Prospectus.

1. Risk Factors

The following language will replace the second paragraph under the subheading "***The Group is exposed to credit risk***" under the section "**Risk factors associated with the Group's operations**" under the heading "**RISK FACTORS**" on page 5 (amended text underlined and overlined).

"The POP Banks' combined loan portfolio increased by 2.6 per cent in 2023 compared to 2022 and amounted to EUR 4,562.3 (4,448.5) million. Under the first half of 2024, the Group's loan portfolio increased by 2.0 per cent to EUR 4,651.6 (4,562.3) million. In the current market environment, ~~rising~~ inflation, cost pressure, disruption of subcontracting chains, decrease in demand as well as slow increase in production prices, for example, could result in losses, if the POP Banks' customers are unable to meet their obligations. Unemployment and interest rate level are the most significant general economic factors, which could adversely affect retail customers' ability to repay their loans. Furthermore, fluctuations in housing prices and general activity in the housing market could adversely affect both customers' debt servicing ability as well as the realisation value of collateral."

The following language will replace the fourth paragraph under the subheading "***The Issuer and the Group's banking segment are exposed to interest rate risk and other market risks***" under the section "**Risks related to the Issuer's and the Group's financial position and financing**" under the heading "**RISK FACTORS**" on page 12 (amended text underlined and overlined).

"In the beginning of 2023, the inflation in Finland and in the eurozone area was rapidly increasing. The ECB continued to raise the key interest rates several times in 2023. By the second half of 2023, the increase in inflation started to slow down and ~~in October of 2023 the ECB decided to keep the key interest rates unchanged. The key interest rates were kept unchanged also in December of 2023 and in January of 2024 and~~ continued to do so in the first half of 2024. In June of 2024, the ECB cut its key interest rates by 0.25 percentage points, but in July 2024 the ECB decided to keep the three key ECB interest rates unchanged. Further interest rate cuts in 2024 are still uncertain. As at the date of this Supplement 1, inflation has continued to slow down, and the ECB seeks to ensure that inflation returns to its 2 per cent medium-term target in a timely manner.[1] Income generation in the Group's retail banking is significantly affected by changes in the interest rate level. Net interest income comprises a substantial part of the Group's total income. The recent increase in interest rates has been beneficial to the Group, since higher interest rate levels have a positive impact on the Group's net interest income. Although interest risk has been partially hedged via interest rate swaps, the expected decrease in interest rates would affect the Group's earnings negatively. Also, further rises in EURIBOR-rates might have an adverse effect on the liquidity of the Issuer's and the Group's customers and therefore result in credit losses in the Issuer's and the Group's operations."

The following language will replace the first paragraph under the subheading "***Minimum requirement for own funds and eligible liabilities***" under the section "**Risks associated with legal and regulatory environment**" under the heading "**RISK FACTORS**" on page 15 (amended text underlined).

"Items eligible for inclusion in MREL include institution's own funds (within the meaning of CRD IV), along with "Eligible Liabilities", meaning liabilities which inter alia, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year), and do not arise from derivatives. The MREL requirement may also have to be met partially through the issuance of contractual bail-in instruments, being instruments that are effectively subordinated to other eligible liabilities in a bail-in or insolvency of the relevant institution. On 17 April 2024, the Stability Authority updated the decision regarding minimum MREL requirement of the Amalgamation. The new requirement is 20.31 per cent (previous requirement 19.99 per cent) of the total risk exposure amount ("**TREA**") or 7.77 per cent (previous requirement 7.75 per cent) of the leverage ratio exposure ("**LRE**"). The new requirement took effect on 17 April 2024. In addition, according to the Stability Authority's decision in April 2024, the MREL requirement was set on the Issuer. The MREL requirement for the Issuer is 16.0 per cent of total risk-weighted assets (TREA) or 6.0 per cent of the leverage ratio exposures (LRE). The requirements will be covered by own funds and unsecured senior bonds. According to the Stability Authority's revised memorandum on the application of MREL requirement published on 5 July 2024, the senior bonds to be issued by Bonum Bank under its programme are likely to qualify as Eligible Liabilities."

2. Recent Events

The following language will be added to the end before the last paragraph in section "**Recent Events**" under the heading "**INFORMATION ON POP GROUP AND THE AMALGAMATION**" on page 81.

- "In April 2024, Bonum Bank Plc issued EUR 50 million senior and unsecured notes (ISIN: FI4000570874) under the EUR 750 million Programme for the Issuance of Senior Preferred MREL Eligible Notes. The notes have floating interest rate and are maturing 17 April 2027.

- On 13 August 2024, POP Bank Group published its Half-Year Financial Report 1 January – 30 June 2024. The Group continued its historically strong performance. The Group's profit before taxes for the first half of the year 2024 exceeded the previous year's record half-year result, and capital adequacy remained high. The Group's profit before taxes was EUR 46.5 million, which was EUR 4 million more than the profit from continuing operations in the corresponding period of the year 2023."

The following language will replace the last paragraph in section "**Recent Events**" under the heading "**INFORMATION ON POP GROUP AND THE AMALGAMATION**" on page 81 (amended information underlined).

"Other than mentioned above, as at the date of this Supplement 1, there are no recent events particular to the Group since the release of the unaudited Half-Year Financial Report for the period of 1 January 2024 – 30 June 2024, which are to a material extent relevant to the evaluation of the Group's solvency."

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

3. No Significant Changes

The following language will replace the information given in section "**No Significant Changes**" under the heading "**DESCRIPTION OF POP MORTGAGE BANK**" on page 71 (amended information underlined).

"There has been no significant change in the financial position or financial performance of the Issuer since the date of its Half-Year Financial Report for the period 1 January 2024 – 30 June 2024 and no material adverse change in the prospects of the Issuer since the date of its audited financial statements for the period 1 January 2023 – 31 December 2023."

The following language will replace the information given in section "**No Significant Changes**" under the heading "**INFORMATION ON POP GROUP AND THE AMALGAMATION**" on page 80 (amended information underlined).

"There has been no significant change in the financial position or financial performance of the Group since the date of its Half-Year Financial Report for the period 1 January 2024 – 30 June 2024 and no material adverse change in the prospects of the Group since the date of its audited financial statements for the financial year 2023."

4. Information Incorporated by Reference

The following documents will be incorporated by reference into the Base Prospectus and added to the table under the heading "**INFORMATION INCORPORATED BY REFERENCE**" on page 84.

Hyperlink	**Document**	**Referred information**
POP Mortgage Bank Plc Half-Year Financial Report 1 January – 30 June 2024	POP Mortgage Bank Plc Half-Year Financial Report 1 January – 30 June 2024	Unaudited Half-Year Financial Report of POP Mortgage Bank Plc for the period of 1 January – 30 June 2024
POP Bank Group Half-Year Financial Report 1 January – 30 June 2024	POP Bank Group Half-Year Financial Report 1 January – 30 June 2024	Unaudited Half-Year Financial Report of POP Bank Group for the period of 1 January – 30 June 2024
Amalgamation of POP Banks' Pillar III Report 30 June 2024	Amalgamation of POP Banks' Pillar III Report 30 June 2024	Amalgamation of POP Banks' Pillar III Report 30 June 2024