

Supplement dated and registered 30 August 2021 to the base prospectus approved by the Swedish Financial Supervisory Authority on 18 March 2021.

Bluestep.

SUPPLEMENT TO THE PROSPECTUS REGARDING BLUESTEP BANK AB'S (PUBL) SEK 5,000,000,000 MEDIUM TERM NOTE PROGRAMME

This supplement (Swedish FSA reference no. 21-21569) (the “**Supplement**”) is a supplement to, and shall be read together with, Bluestep Bank AB's (publ) (the “**Company**”) base prospectus dated 18 March 2021 (Swedish FSA reference no. 21-2418) (the “**Prospectus**”) and constitutes a supplement pursuant to Article 23 of Regulation (EU) 2017/1129. This Supplement was approved and registered by the Swedish FSA on 30 August 2021. Terms defined in the Prospectus shall have the same meaning when used in this Supplement. In case of conflicts between this Supplement and the Prospectus or documents incorporated by reference into the Prospectus, this Supplement shall prevail. The Supplement was made public on 30 August 2021 and is available on the Company's website www.bluestepbank.com (other than the documents incorporated by reference, no information on such website is part of this Supplement or the Prospectus and have therefore not been scrutinised or approved by the Swedish FSA).

This Supplement has been prepared due to (i) the Company's publication of its interim report for the period January to June 2021, (ii) update regarding analysis of competitors and market share in the Swedish and Norwegian markets, (iii) certain changes to the composition of the Company's senior management, and (iv) updated information regarding other assignments held by the Board Members of the Company.

At the time of publication of this Supplement, there are no outstanding offers to purchase or subscribe for Medium Term Notes and thus there is no right of revocation.

Amendments and supplements to the Prospectus

- On page 30, in the second sentence of the second paragraph a new footnote shall be included as follows:

“Final Terms for Medium Term Notes that are offered to the public will be published on the Issuer's website (www.bluestep.se)¹ and made available at the office of the Issuer.

¹ *The address to the website has changed since the date of these Terms and Conditions and the correct address is now www.bluestepbank.com.”*

- On page 61, the text in the second paragraph under the heading “*Competitors*” shall be replaced with the following:

“In 2020, the Company had, pursuant to the Company's own calculations, approximately 70% per cent market share in its niche in Sweden and is the only provider with specialist mortgages as its core business.² Marginalen Bank, Svea Ekonomi and Nordax Bank also offer specialist mortgages as part of their business model.

² *The calculation of market shares relates to the outstanding lending volumes for known specialised mortgage providers in the market (i.e. in addition to the Company - Marginalen Bank, Svea Ekonomi and Nordax Bank). The data used for the calculations are based on official year-end figures for 2020 where available and otherwise based on Bluestep's assessment.”*

- On page 61, the text in the fourth paragraph under the heading “Competitors” shall be replaced with the following:

“In 2020, the Company had, pursuant to the Company’s own calculations, approximately 50% per cent market share in its niche in Norway and is the only large provider with specialist mortgages as core business.³ The relevant Norwegian peers are Svea Ekonomi, Bank 2, Kraft Bank, MyBank, Instabank and Nordax Bank. In light of the foregoing, the Company believes that it holds a strong position within its niche in Norway.

³ *The calculation of market shares relates to the outstanding lending volumes for known specialised mortgage providers in the market (i.e. in addition to the Company - Svea Ekonomi, Bank 2, Kraft Bank, MyBank, Instabank and Nordax Bank). The data used for the calculations are based on official year-end figures for 2020 where available and otherwise based on Bluestep’s assessment, and the comparison is made as of year-end 2020.”*

- On pages 63-65, the text under the heading “Board of Directors, Senior Management and Auditors” shall be replaced in its entirety with the following:

“Board of Directors

Pursuant to the Company’s articles of association, the board of directors shall consist of no less than five and no more than ten members, with no more than three deputy members, elected by the general meeting of the shareholders. The board of directors was elected by the general meeting of the shareholders (elected until the annual general meeting in 2022). Below are the names and current positions of the members of the board of directors of the Company.

Per-Arne Blomquist

Born 1962. Board member and chairman of the board since 2018.

Principal education: B.Sc. in Business Administration and Economics from Stockholm School of Economics.

Other on-going principal assignments: Chairman of the board of Bluestep Holding AB, board member of Djurgården Hockey AB, board member of C-Rad AB, board member of BUFAB, CEO of Qarlbo AB.

Sofia Arhall Bergendorff

Born 1969. Board member since 2018.

Principal education: B.A. University of Oregon, MBA INSEAD.

Other on-going principal assignments: Director Platforms and Partnerships Northern Europe at Google, board member of TDC A/S, board member of Bluestep Holding AB.

Toby Franklin

Born 1972. Board member since 2008.

Principal education: University of Warwick, BSc Hons, First Class, Maths Operational Research Statistics and Economics. Tuck School of Business at Dartmouth College, NH USA, MBA.

Other on-going principal assignments: Partner, Acuity Investments LLP, UK, Chairman of the board of Tower Leasing Ltd, UK, board member of the board of Pro Global Holdings Ltd, UK, board member of Carfico Ltd, board member of Bluestep Holding AB.

Albert Gustafsson

Born 1977. Board member since 2017.

Principal education: B.Sc. Business Administration from University of Gothenburg, School of Economics and Law.

Other on-going principal assignments: Board member of Bluestep Holding AB, partner at EQT Partners AB, Chairman of the board of Green Water AB, board member of Eton Group AB, board member of Iver Holding AB, board member of Beijer Ref AB.

Rolf Stub

Born 1963. Board member since 2020.

Principal education: Bachelor of Business Administration from the University of San Francisco, Master of International Management from American Graduate School of International Management, Arizona – USA.

Other on-going principal assignments: Board member of Bluestep Holding AB, board member of Uno Finans AS, board member of Nystart Finans Sverige AB.

Simon Tillmo

Born 1991. Board member since 2020.

Principal education: B.Sc. in Economics from University of Gothenburg, Industrial Engineering and Management from Chalmers University of Technology, Master of Finance from University of Cambridge.

Other on-going principal assignments: Board member of Bluestep Holding AB, Director at EQT Partners GmbH.

Lars Wollung

Born 1961. Board member since 2018.

Principal education: M.Sc Royal Institute of Technology (KTH), B.Sc in Business Administration from Stockholm School of Economics.

Other on-going principal assignments: Chairman of the board of Dignisia AB, Chairman of the board of RaySearch Laboratories AB (publ), Chairman of the board of RRM AB, Chairman of the board of TPS Investment AB, Chairman of the board of MySafety AB, board member TPS Advisory AB, board member of Bluestep Holding AB.

Senior Management

The section below sets forth the name and current position of each member of the senior management of the Company.

Björn Lander, CEO

Born 1975. With Bluestep since 2019.

Other on-going principal assignments: Chairman of the board of Bluestep Finans Funding No 1 AB, chairman of the board of Bluestep Servicing AB.

Pontus Sardal, CFO

Born 1967. With Bluestep since 2021.

Other on-going principal assignments: Board member of Collectius AG.

Sarmad Jawady, CCO Sweden

Born 1984. With Bluestep since 2007.

Other on-going principal assignments: None.

Erik Walberg Olstad, Branch Manager and CCO Norway

Born 1987. With Bluestep since 2012.

Other on-going principal assignments: None.

Petri Matikainen, Branch Manager and CCO Finland

Born 1976. With Bluestep since 2019.

Other on-going principal assignments: None.

Christian Marker, Chief Legal Officer

Born 1979. With Bluestep since 2005.

Other on-going principal assignments: Board member of Bluestep Finans Funding No 1 AB and Bluestep Servicing AB.

Karin Jenner, Chief Human Resource Officer
Born 1982. With Bluestep since 2014.
Other on-going principal assignments: None.

Max Fischer, Chief Information Officer
Born 1974. With Bluestep since 2020.
Other on-going principal assignments: None.

Marie-Christine Lund Hanusek, Chief Marketing Officer
Born 1975. With Bluestep since 2020.
Other on-going principal assignments: None.

Business address

The address for all board members and members of the senior management is c/o Bluestep Bank AB (publ), Box 23138, 104 35 Stockholm, Sweden.

Conflicts of interest

No board member or member of senior management has any personal interests that could conflict with the interests of the Company. Several board members and members of the senior management have a long-term financial interest in the Group as indirect shareholders in the Company.

Auditors

The Company's auditor is currently the accounting firm Ernst & Young AB (P.O. Box 7850, 103 99 Stockholm, Sweden) with Daniel Eriksson, born 1973, as auditor in charge (the "Current Auditor"). The Current Auditor was re-elected at the annual general meeting 2021 for the time until the end of the annual general meeting 2022. The Current Auditor has audited the Company's annual report for the financial years 2020 and 2019 and is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden."

- On pages 66-67, the tables and text under the heading "Alternative performance measures" shall be replaced in its entirety with the following:

"Alternative performance measures, APMs, are financial measures other than those defined in the applicable financial reporting framework (International Financial Reporting Standards, IFRS) or in Regulation (EU) No 575/2013 (CRR). APMs are used by the Group as a complement to assess the financial performance of the Group. The Group's APMs may not be comparable to other similarly titled measures presented by other companies.

All alternative performance measures in this prospectus have been derived from the Company's annual report for 2019 and 2020 and the Company's interim report for 2021. The Company's interim report for 2021 has not been audited nor reviewed by Company's auditor.

Group	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020	Jan-Dec 2019
<i>Operating profit (SEKm)</i>	181.5	100.5	215.5	274.5

Net Credit Losses Sweden Mortgage Loans in %	-0.05	0.18	0.11	0.11
Net Credit Losses Norway Mortgage Loans in %	0.05	0.22	0.24	0.10
Net Credit Losses Finland Mortgage Loans in %	-0.03	-	0.21	-
Net Credit Losses Sweden Personal Loans in %	N/A	6.70	1.88	4.25
Return on Equity in %	16.3	9.8	10.1	14.1

Definitions

Measure	Definition	Reason for use
Operating profit in SEKm	Profit before taxes.	This measure shows the Group's profit earned from its ongoing core business, but before any tax and is used as an indicator of the business's profitability.
Net Credit Losses in %	Net credit losses (actual losses and net change in provisions, less recoveries) as a percentage of the closing balance of lending to the general public. Half-year figures adjusted to annual rate for comparison purposes.	This measure shows credit losses compared to the lending to the general public and is used to measure the Group's cost of risk.
Return on Equity in %	Operating profit after tax of 20.6% (21.4% for previous periods) in relation to average shareholders' equity (the average of the total equity at the beginning of the period and the total equity at the end of the period, with the average being calculated on a rolling 12-month basis for the periods ending 30 June 2021 and 2020. Operating profit has been adjusted to an annual rate for the periods ending 30 June 2021 and 2020).	This measure shows the Group's profitability in relation to the shareholders' equity and is used to assess the Group's ability to generate profits.

Reconciliation of Net Credit Losses

	<i>Sweden mortgage loans</i>	<i>Norway mortgage loans</i>	<i>Finland mortgage loans</i>	<i>Sweden personal loans</i>
Jan–Jun 2021				
<i>Net credit losses</i>	-2.4	1.9	-0.0	0.7
<i>Net credit losses adjusted to annual rate</i>	-4.9	3.7	-0.0	1.5
<i>Closing balance, lending to the general public⁴</i>	9832.3	7113.5	125.2	0.0
<i>Net credit losses in %</i>	-0.05	0.05	-0.03	N/A
Jan–Jun 2020				
<i>Net credit losses</i>	7.8	7.0	-	28.9
<i>Net credit losses adjusted to annual rate</i>	15.6	14.0	-	57.8
<i>Closing balance, lending to the general public</i>	8830.4	6447.3	-	862.6
<i>Net credit losses in %</i>	0.18	0.22	-	6.70
Jan–Dec 2020				
<i>Net credit losses</i>	10.6	16.0	0.1	13.4
<i>Closing balance, lending to the general public⁴</i>	9416.1	6651.7	47.7	714.6
<i>Net credit losses in %</i>	0.11	0.24	0.21	1.88
Jan–Dec 2019				
<i>Net credit losses</i>	9.6	7	-	43.1
<i>Closing balance, lending to the general public</i>	8394.5	6741.4	-	1014.1
<i>Net credit losses in %</i>	0.11	0.10	-	4.25

⁴ Sweden Personal loans-portfolio reported as "Assets held for sale" in Dec-2020 (instead of "Lending to the public" previously) but included in this table for comparison reasons. The divestment of the portfolio was completed on 1 January 2021."

- On page 69, the text under the heading “Trend information” shall be replaced in its entirety with the following:

“During the second half of 2021, the effects of the spread of COVID-19 is expected to continue. Economic uncertainty may follow as support measures abate, causing a dampening effect on the world economy, including the markets in which the Company operates. Except for the above, there has been no material adverse change in the prospects of the Company since 23 April 2021, being the date of the publication of the last audited financial statements. Furthermore, there has been no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published.”

- On page 70, the heading and text under the heading “Significant changes since 31 December 2020” shall be replaced in its entirety with the following.

“Significant changes since 30 June 2021

There have been no significant changes in the financial or trading position of the Company since 30 June 2021, being the end of the last financial period for which interim financial information has been published.”

- On page 69, the text under the heading “Incorporation by reference” shall be replaced in its entirety with the following.

“The following information has been incorporated into this Base Prospectus by reference and is available for the term of this Base Prospectus on the Company’s website at <https://www.bluestepbank.com/investor-relations/financial-reports/>. The incorporated information should be read as part of the Base Prospectus.

Annual report for the financial year 2019, in respect of the audited consolidated financial information and the audit report on the following pages:

- 23 (Consolidated income statement and the Company’s income statement)
- 24 (Consolidated balance sheet and the Company’s balance sheet)
- 25 (Consolidated statement of changes in equity and the Company’s statement of changes in equity)
- 26 (Consolidated statement of cash flows and the Company’s statement of cash flows)
- 27 - 89 (Notes to the financial statements)
- 101 - 105 (Auditor’s report)

Annual report for the financial year 2020, in respect of the audited consolidated financial information and the audit report on the following pages:

- 24 (Consolidated income statement)
- 25 (Consolidated balance sheet)
- 26 (Consolidated statement of changes in equity)
- 27 (Consolidated statement of cash flows)

- 33 - 100 (Notes to the financial statements)
- 130 - 136 (Auditor's report)

Interim report for the period January to June 2021, in respect of the unaudited consolidated financial information on the following pages:

- 14 (Consolidated income statement)
- 15 (Consolidated balance sheet)
- 16 (Consolidated statement of changes in equity)
- 17 (Consolidated statement of cash flows)
- 18 (The Company's income statement)
- 19 (The Company's balance sheet)
- 20 (The Company's statement of changes in equity)
- 21 (The Company's statement of cash flows)
- 23 - 54 (Notes to the interim report)

Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Medium Term Notes or is covered elsewhere in the Base Prospectus.

The Company's annual reports for the financial years 2019 and 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Swedish Annual Report Act (Sw. årsredovisningslag (1995:1554)). With the exception of the annual reports, no information in this Base Prospectus has been audited by the Company's auditor.

In addition to the above and in order to enable further tap issuances under previous prospectuses, the following information has been incorporated into this Base Prospectus by reference and is available for the term of this Base Prospectus on the Company's website at <https://www.bluestepbank.com/investor-relations/mtn-programme/base-prospectus/>, are incorporated in, and form part of this Base Prospectus.

Base prospectus dated 5 June 2020 (Swedish FSA reference no. 20-10749), in respect of the general terms and conditions as of 12 November 2018 (including the form of final terms) on the following pages:

- 30 – 50 (Terms and conditions)
- 51 – 55 (Form of final terms)."

- On page 70, the heading and text under the heading “*Financial information for the financial year 2020*” shall be replaced in its entirety the following.

“Financial information for the financial year 2021

All financial information in this Base Prospectus relating to the period 1 January to 30 June 2021 or with the reference date 30 June 2021 has been derived from the Company’s interim report for the period January to June 2021. The Company’s interim report for the period 1 January to 30 June 2021 has not been audited nor reviewed by Company’s auditor.”
