IMPORTANT: You must read the following before continuing. The following applies to the Base Prospectus (the "Base Prospectus") following this page, and you are therefore required to read this notice carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE BASE PROSPECTUS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES DESCRIBED IN THE BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Confirmation of your Representation: In order to be eligible to view the Base Prospectus or make an investment decision with respect to the securities described in the Base Prospectus, you must be a person other than a U.S. person (within the meaning of Regulation S under the Securities Act) who is outside the United States. By accepting the email and accessing the Base Prospectus, you shall be deemed to represent that you are not, and that any customer represented by you is not, a U.S. person; the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of the Base Prospectus by electronic transmission.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorised to, deliver the Base Prospectus to any other person.

Any materials relating to the potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any underwriter or any affiliate of any underwriter is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. The Base Prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently no responsibility whatsoever will be accepted in respect of any difference between the Base Prospectus distributed to you in electronic format and a hard copy version that may be made available to you.

BASE PROSPECTUS

LUMINOR BANK AS

(incorporated with limited liability in the Republic of Estonia)

EUR 5,000,000,000

Euro Medium Term Note and Covered Bond Programme

Under this EUR 5,000,000,000 Euro Medium Term Note and Covered Bond Programme (the "**Programme**"), Luminor Bank AS ("**Luminor**" or the "**Issuer**") may from time to time issue notes ("**Notes**") which may be unsubordinated notes ("**Senior Preferred Notes**", which may either be restricted senior preferred notes ("**Restricted Senior Preferred Notes**") or unrestricted senior preferred notes ("**Unrestricted Senior Preferred Notes**")), senior non-preferred notes ("**Senior Non-Preferred Notes**"), subordinated notes ("**Subordinated Notes**") or covered bonds (as defined in the Estonian Covered Bonds Act; the "**ECBA**") (the "**Covered Bonds**"). Notes may be issued in bearer and/or registered form (respectively "**Bearer Notes**" and "**Registered Notes**") each denominated in any currency agreed between the Issuer and the Dealers (as defined below).

This Base Prospectus has been approved by the Central Bank of Ireland, which is the Irish competent authority under Regulation (EU) No. 2017/1129, as amended (the "**EU Prospectus Regulation**"), as a base prospectus issued in compliance with the EU Prospectus Regulation for the purpose of giving information with regard to the issue of Notes issued under the Euro Medium Term Note and Covered Bond Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof. The Central Bank of Ireland has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU ("**EU MiFID II**") and/or which are to be offered to the public in any Member State of the European Economic Area ("**EEA**"). Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes issued under the Programme within twelve months after the date hereof. Application will be made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Programme within twelve months after the date hereof to be admitted to the official list (the "**Official List**") and to trading on the regulated market of Euronext Dublin. The regulated market of Euronext Dublin is a regulated market for the purposes of EU MiFID II.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Senior Preferred Notes to be issued under the Programme may be rated by Moody's Investors Service Limited ("**Moody's**"). Moody's is established in the United Kingdom ("**UK**") and registered under Regulation (EC) No. 1060/2009 on credit rating agencies as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**"). Moody's appears on the latest update of the list of registered credit rating agencies (as of 27 November 2024) published by the UK Financial Conduct Authority (the "**FCA**"). The rating which Moody's may give to the Senior Preferred Notes to be issued under the Programme may be endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**").

In addition, the Senior Non-Preferred Notes, Subordinated Notes and Covered Bonds issued under the Programme may be rated.

A 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.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain benchmarks. Details of the administrators of such benchmarks, including details of whether or not, as at the date of this Base Prospectus, each such administrator's name appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") are set out in the section entitled "***EU Benchmarks Regulation***" on page 179 of this Base Prospectus.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Arranger

Nordea

Dealers

Citigroup
DNB Carnegie
J.P. Morgan
Luminor Bank AS, Lithuanian Branch
Nordea
Commerzbank
Erste Group
LBBW
Morgan Stanley
UniCredit

Base Prospectus dated 8 May 2026

IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Final Terms/Drawdown Prospectus

Each Tranche of Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes and/or Covered Bonds will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to each such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*". Copies of Final Terms in relation to Notes to be listed on the Euronext Dublin will be published on the website of the Euronext Dublin (https://www.euronext.com/en/markets/dublin).

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

The Issuer confirms that any information sourced from third parties contained in this Base Prospectus has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial position or performance of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any

time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Bearer Notes are subject to U.S. tax law requirements. Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. The Dealers have not provided any financial or taxation advice in connection with the Programme or Notes issued thereunder.

Product Governance under EU MiFID II

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Final Terms or Drawdown Prospectus, as the case may be, in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under UK MiFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Final Terms or Drawdown Prospectus, as the case may be, in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11)

of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) No. 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**"). Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Notice to investors in Canada: The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offerings of the Notes contemplated in this Base Prospectus as completed by the Final Terms in relation thereto.

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area.

References to "**U.S.$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**", "**€**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended and references to "**NOK**" are to Norwegian kroner.

References to the "**Luminor Group**" or the "**Group**" are to Luminor Bank AS (together with its branches in Latvia and Lithuania) and its consolidated subsidiaries.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

References to a "**Mortgage Loan**" are to a loan or a credit issued to a natural person and secured by a mortgage or mortgages over residential property, in the meaning of Article 4 (1) (75) of the CRR (as defined below), located in the territory of a Contracting State of the EEA Agreement which comply with the conditions provided for in the ECBA.

Language

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche 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 Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

EU Benchmarks Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of the EU Benchmarks Regulation. If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Product classification pursuant to Section 309B of the Securities and Futures Act 2001

The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Issuer will make a determination and provide the appropriate written notification to "relevant persons" (as defined in Section 309A(1) of the SFA) in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the relevant Final Terms may over allot Notes or effect transactions with a view to supporting the market price

of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

PRESENTATION OF FINANCIAL INFORMATION

References in this Base Prospectus to the financial statements for 2024 and 2025 of the Issuer, are to the audited consolidated financial statements of the Issuer for the year ended 31 December 2024 (the "**2024 Financial Statements**") and to the audited consolidated financial statements of the Issuer for the year ended 31 December 2025 (the "**2025 Financial Statements**") respectively, each incorporated by reference in this Base Prospectus. Such financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). Unless stated otherwise, financial information presented in this Base Prospectus is derived from the 2024 Financial Statements and the 2025 Financial Statements.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Alternative Performance Measures

This Base Prospectus contains certain financial measures that are not defined or recognised under IFRS and which are considered to be "alternative performance measures" as defined in the "ESMA Guidelines on Alternative Performance Measures" issued by the European Securities and Markets Authority on 5 October 2015 (the "**Alternative Performance Measures**" or "**APMs**"). Such APMs are described in detail in "*Key Financial Ratios and Alternative Performance Measures of the Issuer"*.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms.

The overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980.

Issuer:	Luminor Bank AS
Programme Amount:	Up to €5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Arranger:	Nordea Bank Abp (the "**Arranger**")
Description:	Euro Medium Term Note and Covered Bond Programme
Dealers:	Citibank Europe plc, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, DNB Carnegie Investment Bank AB (publ), Erste Group Bank AG, J.P. Morgan SE, Landesbank Baden-Württemberg, Luminor Bank AS, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian Branch, Morgan Stanley Europe SE and UniCredit Bank GmbH (together with the Arranger, the "**Dealers**")
Fiscal Agent:	Citibank, N.A., London Branch (the "**Fiscal Agent**")
Registrar:	Citibank Europe Plc (the "**Registrar**")
Currencies:	Notes may be denominated in Euros or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Method of Issue:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Denominations:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) (subject to compliance with all applicable legal and/or regulatory and/or central bank requirements), save that the minimum denomination of each Note will be €100,000 (or the equivalent in any other currency).
Maturities:	Any maturity, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Listing and Trading:	Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on its regulated market.

Status of the Notes: Notes issued under the Programme may be issued as Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes or Covered Bonds, as specified in the relevant Final Terms or Drawdown Prospectus, as the case may be.

The rights of holders of Notes shall be subject to any present or future Estonian laws or regulations relating to the insolvency, recovery and resolution of credit institutions and investment firms in Estonia which are or will be applicable to the Notes only as a result of the operation of such laws or regulations.

Senior Preferred Notes

The Senior Preferred Notes constitute senior, unsecured, unsubordinated, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Senior Preferred Notes may be Restricted Senior Preferred Notes or Unrestricted Senior Preferred Notes as specified in the relevant Final Terms.

Senior Non-Preferred Notes

The Senior Non-Preferred Notes constitute direct, unconditional and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves.

In the event of the insolvency, bankruptcy, voluntary or involuntary liquidation or other form of winding-up of the Issuer, the rights and claims (if any) of holders of any Senior Non-Preferred Notes to payments of the outstanding principal amount and any other amounts in respect of the Senior Non-Preferred Notes (including any accrued but unpaid interest amount or damages or other payments awarded for breach of any obligations under the Conditions, if any are payable) shall:

(i) be subordinated to the claims of all depositors and other unsubordinated creditors of the Issuer which are accepted in the relevant proceedings, **provided that** in each case such claims are not by mandatory provisions of law ranked, or by their terms expressed to rank, *pari passu* with the claims of holders of Senior Non-Preferred Notes;

(ii) rank at least *pari passu* with the claims of all other creditors of the Issuer which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the claims of holders of Senior Non-Preferred Notes; and

(iii) rank senior to any Junior Securities of the Issuer.

Subordinated Notes

The Subordinated Notes that qualify as Tier 2 Capital and obligations in relation to any related Coupons resulting therefrom constitute direct and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves. The Subordinated Notes that do not qualify as Tier 2 Capital and obligations in relation to any related Coupons resulting therefrom constitute direct and unsecured

obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.

In the event of the insolvency, bankruptcy, voluntary or involuntary liquidation or other form of winding-up of the Issuer, the rights and claims (if any) of the holders of Subordinated Notes to payments of the outstanding principal amount and any other amounts in respect of the Subordinated Notes (including any accrued but unpaid interest amount or damages or other payments awarded for breach of any obligations under the Conditions (if payable)) shall:

(i) be subordinated to the claims of all Senior Creditors;

(ii) rank at least *pari passu* with the claims of all subordinated creditors of the Issuer which in each case by law rank, or by their terms are expressed to rank (to the extent such ranking is recognised by applicable law), *pari passu* with the Subordinated Notes; and

(iii) rank senior to any obligations of the Issuer which in each case by law rank, or by their terms are expressed to rank (to the extent such ranking is recognised by applicable law), junior to the Subordinated Notes.

Covered Bonds

The European Central Bank has granted to the Issuer an additional licence to issue covered bonds in accordance with the Estonian Covered Bonds Act, "**ECBA**", which is effective as of 19 December 2019. The Covered Bonds are issued as covered bonds under the ECBA and constitute direct and unsubordinated obligations of the Issuer. The Covered Bonds are covered by a cover pool comprising of the claims of the Issuer arising from Mortgage Loans and certain other types of assets which qualify as substitute cover assets under the ECBA and are registered in the cover register maintained by the Issuer in accordance with the ECBA ("**Cover Pool**"). The Covered Bonds rank *pari passu* among themselves and with Derivative Instruments (as defined in the Conditions) registered in the cover register in accordance with the ECBA. On declaration of the Issuer's bankruptcy and in certain other events stipulated in the ECBA the Covered Bonds together with the Cover Pool and the Derivative Instruments ("**Covered Bond Portfolio**") will be separated from other assets and liabilities of the Issuer and form an independent pool of designated assets to be managed in accordance with the ECBA and to be used solely to satisfy the claims of Covered Bondholders and of the counterparties to the Derivative Instrument and to cover the expenses related to the management of the Covered Bond Portfolio. Pursuant to Estonian law, the separation of the Covered Bonds Portfolio will not affect the liability of the Issuer for the claims arising from the Covered Bonds. Furthermore, the payment obligations arising from the Covered Bonds are not subject to automatic acceleration upon the separation of the Covered Bond Portfolio, except as otherwise provided by the ECBA. If the Covered Bond Portfolio becomes insolvent, to the extent that claims of the Covered Bondholders in relation to the Covered Bonds are not satisfied in the course of the bankruptcy proceedings of the Covered Bond Portfolio, the residual claims of the Covered Bondholders will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

	The statutory cover conferred on holders of the Covered Bonds by the ECBA extends to Mortgage Loans owned by the Issuer and certain other types of assets which qualify as substitute cover assets under the ECBA that are included in the Cover Pool (jointly "**Eligible Assets**"). The composition of the portfolio of Mortgage Loans and other Eligible Assets may change from time to time due to, for example, the inclusion and removal of Mortgage Loans and other Eligible Assets to and from the Cover Pool from time to time by the Issuer, subject to the fulfilment of the requirements of the ECBA. Claims of the Covered Bondholders will not be backed by assets of the Issuer which do not qualify for this purpose or which are not included in the Cover Pool, nor will any security be taken over the Issuer's rights under any agreements entered into by the Issuer in relation to the Programme or Notes issued thereunder.
Waiver of Set-Off:	***Senior Preferred Notes*** No holder of Restricted Senior Preferred Notes shall be entitled to exercise any right of set off, netting or counterclaim against moneys owed by the Issuer in respect of such Restricted Senior Preferred Notes. ***Senior Non-Preferred Notes or Subordinated Notes*** No holder of Senior Non-Preferred Notes or Subordinated Notes shall be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of such Senior Non-Preferred Notes or Subordinated Notes.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either: (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed by the relevant Final Terms or, as the case may be, as supplemented, amended and/or replaced by the relevant Drawdown Prospectus.
Issue Price:	Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Interest:	Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and may vary during the lifetime of the relevant series.
Forms of Notes:	Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes. Each Tranche of Bearer Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**") or a permanent global note (the "**Permanent Global Note**"), in each case as specified in the relevant Final Terms (each a "**Global Note**"). Each Global Note which is not intended to be issued in new global note form ("**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final

Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. Certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note.

Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be represented by either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms. Each Global Registered Note which is not intended to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), as specified in the relevant Final Terms, will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary. Each Global Registered Note intended to be held under the New Safekeeping Structure, as specified in the relevant Final Terms, will be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Redemption: Unless previously redeemed, or purchased and cancelled, Notes will be redeemed at their Final Redemption Amount (as specified in the relevant Final Terms or Drawdown Prospectus, as applicable) on the Maturity Date.

Optional Redemption: Subject to certain Conditions, Notes may be redeemed before the Maturity Date at the option of the Issuer (as described in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*)) or at the option of the Noteholders (as described in Condition 9(f) (*Redemption and Purchase – Redemption at the option of Noteholders*)), to the extent (if at all) specified in the relevant Final Terms or Drawdown Prospectus, as applicable.

No redemption at the option of the Noteholders is permitted for Covered Bonds.

There are additional restrictions on the optional redemption of Restricted Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes, as mentioned in Condition 9(m) (*Redemption and Purchase - Conditions to Redemption or Repurchase*).

Early Redemption: Except as described in "*Optional Redemption*" above (and subject to certain conditions), early redemption will only be permitted for tax reasons, as described in Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*).

In relation to Subordinated Notes, if specified as applicable in the relevant Final Terms, early redemption in whole (but not in part) is permitted as a result of a Capital Event as described in Condition 9(h) (*Redemption and Purchase - Early Redemption of Subordinated Notes*

as a result of a Capital Event), or as a result of a Withholding Tax Event or, if specified as applicable in the relevant Final Terms, a Tax Event, each as described in Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*), or if specified as applicable in the relevant Final Terms, following the MREL Disqualification Event Effective Date, an MREL Disqualification Event.

In relation to Restricted Senior Preferred Notes and Senior Non-Preferred Notes, redemption is permitted as a result of an MREL Disqualification Event (if specified as applicable in the relevant Final Terms), a Tax Event (if specified as applicable in the relevant Final Terms), a Withholding Tax Event or at the option of the Issuer, in each case subject to the Conditions to Redemption set out in Condition 9(m) (*Redemption and Purchase - Conditions to Redemption or Repurchase*), to the extent applicable. Early redemption will otherwise be permitted only to the extent specified in the relevant Final Terms. Notes denominated in Pounds Sterling may not be redeemed prior to one year and one day from the date of issue.

There are additional restrictions on the early redemption of Restricted Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes, as mentioned in Condition 9(m) (*Redemption and Purchase - Conditions to Redemption or Repurchase*).

Extended Maturity Date: The relevant Final Terms or Drawdown Prospectus, as the case may be, may provide that an Extended Maturity Date applies to the Covered Bonds.

If:

(a) an Extended Maturity Date is specified in the relevant Final Terms;

(b) a bankruptcy, compulsory dissolution or another event described in Condition 9(n)(i)(B) (*Redemption and Purchase – Extension of maturity to Extended Maturity Date*) has occurred in respect of the Issuer: and

(c) as a result of such an event, the Covered Bonds are not redeemed in full on the Maturity Date at their Final Redemption Amount or within three Business Days thereafter,

the maturity of the Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of the Conditions will be automatically extended to the Extended Maturity Date, subject as otherwise specified in the relevant Final Terms. In that event, the Issuer shall redeem the outstanding principal amount of such Covered Bonds at their Final Redemption Amount on the Extended Maturity Date. In addition, all or any part of the principal amount outstanding of the Covered Bonds may be redeemed on any Interest Payment Date falling after the Maturity Date up to and including the Extended Maturity Date or as otherwise specified in the relevant Final Terms or Drawdown Prospectus (as applicable). In each of the above scenarios, the Issuer shall give notice to the Covered Bondholders and to the Paying Agents in accordance with Condition 9(n)(i)(C) (*Redemption and Purchase – Extension of maturity to Extended Maturity Date*).

If an Extended Maturity Date is specified in the relevant Final Terms or Drawdown Prospectus (as applicable) and, as a result of any of the

events specified in Condition 9(n) (*Redemption and Purchase – Extension of maturity to Extended Maturity Date*) the Covered Bonds are not redeemed in full on the Maturity Date at their Final Redemption Amount or within three Business Days thereafter, the Covered Bonds will bear interest on the principal amount outstanding of such Covered Bonds from (and including) the Maturity Date to (but excluding) the date on which the Covered Bonds are redeemed and will be payable in arrear or as otherwise provided for in the relevant Final Terms on each Interest Payment Date after the Maturity Date at the rate specified in the relevant Final Terms.

In the case of Covered Bonds with an Extended Maturity Date, those Covered Bonds may be issued as fixed rate, floating rate, or zero coupon in respect of the period from (and including) the Issue Date to (but excluding) the Maturity Date and issued as fixed rate or floating rate in respect of the period from (and including) the Maturity Date to (but excluding) the Extended Maturity Date as set out in the relevant Final Terms.

In the case of Covered Bonds which are non-interest bearing to the Maturity Date and for which an Extended Maturity Date applies, the initial outstanding principal amount on the Maturity Date for the above purposes will be the total amount otherwise payable by the Issuer but unpaid on the applicable Covered Bonds on the Maturity Date.

Asset Monitor: KPMG Baltics OÜ has been appointed pursuant to the Asset Monitor Agreement as an independent monitor to perform the tasks of an asset monitor which are provided in the ECBA (including carry out required tests in respect of the Covered Bond Portfolio).

Substitution and Variation: The Issuer may substitute or vary the terms of all (but not some only) of the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or the Subordinated Notes as provided in Condition 23 (*Substitution and Variation*) (including changing the governing law of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*)) if so specified in the relevant Final Terms, without any requirement for the consent or approval of Noteholders.

Substitution of the Issuer: If so specified in the relevant Final Terms, subject to, and as provided in, Condition 24 (*Substitution of the Issuer*), the Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any other body corporate (including any Successor in Business or any Holding Company or subsidiary of the Issuer) as the debtor in respect of the Notes, any Coupons, the Agency Agreement and the Deed of Covenant, subject to certain conditions. Condition 24 (*Substitution of the Issuer*) is only applicable to Senior Non-Preferred Notes and Subordinated Notes.

Taxation: All payments (in the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or the Subordinated Notes: of interest only; and in the case of Unrestricted Senior Preferred Notes or Covered Bonds: of principal and/or interest) in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Estonia or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall

	pay such additional amounts as will result in receipt by the Noteholders and the Coupon holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in Condition 12 (*Taxation*).
Events of Default and Cross Acceleration:	The Unrestricted Senior Preferred Notes contain events of default entitling Noteholders to demand immediate redemption and provide for a cross-acceleration provision. The Restricted Senior Preferred Notes, the Senior Non-Preferred Notes and the Subordinated Notes provide for events of default in certain circumstances, but do not contain a cross-default or cross-acceleration provision. The Covered Bonds do not provide for events of default entitling Covered Bondholders to demand immediate redemption and will not provide for a cross-default or cross-acceleration provision.
Clearing Systems:	Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and together with Euroclear, the "**ICSDs**") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.
Governing Law:	The Notes shall be governed by English law except for: (a) Condition 4(b) (*Status - Status of the Senior Non-Preferred Notes*), Condition 4(c) (*Status - Status of the Subordinated Notes*) and 4(d) (*Status - Status of the Covered Bonds*), and the provisions relating to coverage of the Covered Bonds and the Coupons pursuant to the ECBA; (b) Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*); and (c) other provisions relating to the Covered Bonds where provisions of Estonian laws mandatorily apply to covered bonds issued by an issuer incorporated in Estonia, which shall be governed by Estonian law.
Ratings:	The Senior Preferred Notes issued under the Programme may be rated by Moody's. Moody's is established in the UK and registered under the UK CRA Regulation. The rating which Moody's may give to the Senior Preferred Notes to be issued under the Programme may be endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under the EU CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not

established in the EEA which is certified under the EU CRA Regulation.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

In addition, the Senior Non-Preferred Notes, the Subordinated Notes and the Covered Bonds issued under the Programme may be rated.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Japan and the Republic of Italy, see "*Subscription and Sale*" below.

Use of Proceeds: Unless otherwise specified in the relevant Final Terms, the net proceeds of the issue of each Series of Notes will be used for the general corporate purposes of the Issuer.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry(ies) in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. The below disclosure of risks only includes the risks the Issuer deems specific to the Issuer and to the Notes within the Programme, and which the Issuer believes to be the most essential for taking an informed investment decision. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that are currently deemed immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

Unless otherwise specified, the risks relating to the Issuer as discussed in this section below, apply to the Issuer together with its branches and subsidiaries operating in Estonia, Latvia and Lithuania.

Risks relating to the Issuer

Risks associated with credit portfolio

The quality of the assets in the Issuer's loan portfolio is affected by changes in the creditworthiness of its customers, their ability to repay loans on time or at all and the Issuer's ability to enforce its security interests on customers' collateral. Should the customers fail to repay their loans and the value of the relevant collateral proves to be insufficient for covering the full amount of the outstanding liabilities, the Issuer's financial position, and therefore the Issuer's ability to fulfil its obligations under the Notes, and the value of the Notes may be adversely affected.

The loans of most Baltic customers (including mortgage loans) have a floating rate of interest and increases in interest rates, in addition to higher living costs, could therefore adversely affect the liquidity of those borrowers. Increased living costs together with higher interest rates could reduce the credit quality of the Issuer's loan (including mortgage loan) portfolio and demand for the Issuer's financial products.

The Issuer's level of credit risk is sensitive to any general deterioration in economic conditions in the Baltic region, domestic unemployment, real estate price developments and other factors, such as geopolitical tensions due to the Russian invasion of Ukraine, the ongoing conflicts in the Middle East and related volatility in global oil markets, and trade wars between the United States and its trading partners, including in Europe, that can have an influence on customers' financing needs or consumer confidence. Despite the Issuer's conservative credit policy and process and a credit portfolio that is well-secured by residential and commercial real estate collateral, in times of economic crisis a decrease in customer credit solvency and collateral value may occur simultaneously and cause losses to the Issuer. The worsened macroeconomic outlook for Baltic countries may lead to lower success of problem customer recovery and the risk that future credit losses will be higher, triggering the need for additional impairments. Any future write-downs in the Issuer's loan portfolio attributed to loan losses may ultimately be due to many factors, such as the general economic situation, geopolitical risks, inflation, increased interest rates, negative changes in the credit rating of customers or counterparties, customers' servicing of loans and ability to pay, a reduction in property values, structural and technological changes in different sectors and external factors such as rules laid down in legislation and relevant regulations.

The assessment and pricing of credit risks, the real value and realisation times for collateral, the granting of lending powers and the following up of loan decisions are associated with uncertainty, which means that any value impairments realised in the loan portfolio could weaken the profitability of the Issuer's business operations and its financial position. There are no guarantees that any provisions made will be sufficient to cover the amount of loan losses as they occur. A significant increase in the size of the Issuer's allowance

for loan losses and loan losses not covered by allowances would have a material adverse effect on the Issuer's results of operations, business, financial condition and results of operations.

Operational risks associated with business activities

During the course of its operations, the Issuer is exposed to unexpected losses caused by the operational risk of inadequacy or failure of internal procedures, employees or systems or due to external risks including legal risk and reputational risk. This encompasses (i) internal risks including development and process failures, business interruptions or break-downs in information systems, particularly in the course of the technology transformation that the Issuer is undergoing, and (ii) external risk factors such as property damage and fraud.

The Issuer's business operations may be interrupted as a result of sudden and unforeseen events or vandalism, such as denial-of-service attacks against the Issuer's internet service, interruptions in the electricity supply and data communication systems, or fire and water damage. Risks to technology and cyber security evolve and change rapidly and require continued focus, monitoring and investment in preventative measures. These risks are also present when the Issuer relies on critical service providers (suppliers) or vendors or outsources certain activities, including with respect to the implementation of technologies and responding to regulatory and market changes.

The Issuer makes every reasonable effort to manage the operational risk level. The effective management of operational risks is critical to meeting customer service expectations and retaining and attracting customer business. Although the Issuer has implemented risk controls and mitigation actions and devoted resources to mitigating operational risk, such measures may not be effective in preventing operational risks from materialising. Ineffective management of such risks or any inadequate or failed internal or external risk-related processes could have a number of adverse effects on the Issuer's financial condition and on its reputation.

Risks associated with the implementation of IT systems

The Issuer's business operations are dependent on its ability to process a large number of transactions efficiently and accurately, with uninterrupted operation of numerous IT systems, including computer hardware and software systems, data centres, third party telecommunications networks and the systems of third parties, while complying with applicable regulations. Any critical IT system failure, instability, material loss of service availability, material breach of data security or any other serious error could reduce the Issuer's ability to serve its customers, which could result in reputational damage, compensation costs and regulatory sanctions.

Use of third-party vendors brings about the risk of vendor dependency, which the Issuer aims to manage by implementing a modular architecture approach, whereby interfaces between systems are built based on industry standard message exchange systems, implementation of widely used industry standard software solutions, and supported by long-term support contracts. Nonetheless, regardless of such risk mitigating measures, it is possible that third-party contractors may fail to deliver the specific products and services on time and on the terms agreed with the relevant contracting members of the Group which could adversely affect the Issuer's business operations, reputation, performance or financial position.

Risk associated with information security and risk of cybercrime attacks

The Issuer's operations rely on the correct and secure processing and communication of large amounts of information, which is often of a confidential nature. As part of its business operations, the Issuer records personal and banking details that it receives from its customers. Significant costs may be incurred if information security risks, such as illegal access to or distortion of information, are realised. Costs may also be incurred by the Issuer in protecting itself against breaches of data protection rules and in solving problems that have been caused as a result of such breaches.

The Issuer may be subject to cyber-attack, more so after the Russian invasion of Ukraine in 2022. The Issuer is reliant on technology, against which there is a constantly evolving series of attacks that are increasing in terms of frequency, sophistication, impact and severity in general. The Issuer is aware of the dangers posed by advanced persistent threats, sophisticated cyber-attacks that aim to stealthily infiltrate systems over extended periods. The Issuer is also aware of malicious Distributed Denial of Service (DDoS) attacks, whose primary goal is to disrupt banking services and activities provided to the general populace.

These state-sponsored or highly organised criminal activities are a growing concern, especially in light of geopolitical tensions. The Issuer's cybersecurity strategy includes advanced detection and defence mechanisms to identify and counteract these threats. The Issuer's focus is to manage the impact of the attacks and sustain availability of services for its customers. The Issuer recognises the potential cybersecurity risks associated with third-party vendors and supply chains. As financial operations increasingly intertwine with external service providers for critical services, a security breach in these third-party systems could indirectly compromise the Issuer's integrity and the confidentiality of sensitive information. The Issuer is committed to rigorous assessment and monitoring of these external partners to mitigate these risks and continues to invest significant resources in the development and evolution of cyber security controls that are designed to minimise the potential effect of such attacks.

As for all financial institutions, the Issuer's activities have been, and continue to be, subject to an increasing risk and the Issuer may continue to experience security breaches or unexpected disruptions to its systems and services in the future. Such events could in turn result in liability to the Issuer's customers and/or third parties and consequently have an adverse effect on the Issuer's business, reputation, financial condition and results of operations. Ransomware attacks have emerged as a formidable challenge, with attackers demanding ransom in exchange for decrypting data or ceasing disruption of operations. The Issuer prioritises robust defensive measures against such attacks and maintains a comprehensive backup and recovery strategy to ensure business continuity in the event of a ransomware incident however there can be no assurance that these measures will be effective. Failure to adequately manage cyber-security risk and continually monitor, review and update current processes in response to new threats could have a number of adverse effects on the Issuer, including disruption to the Issuer's business, unauthorised disclosure of confidential information, significant financial and/or legal exposure and damage to its reputation and results of operations.

The Issuer's digital transformation can make it a potential target for cybercrime attempts, primarily related to its internet bank users and may include physical identity theft, unauthorised access to privileged and sensitive customer information, including internet bank credentials, as well as payment and credit card information. Insider threats, whether intentional or accidental, present a significant security risk. Employees or contractors with access to sensitive systems and data may misuse or mishandle information, leading to severe security incidents. The Issuer has implemented stringent access controls and continuous monitoring of activities within its network to detect and prevent such insider threats.

As a result of current and future regulations which may introduce compliance challenges, the Issuer remains vigilant and proactive in adapting its cybersecurity policies and practices. This forward-looking approach is designed to ensure continued compliance with evolving regulatory requirements, safeguarding the Issuer's operations and its stakeholders' interests. The Digital Operational Resilience Act creates a regulatory framework for financial institutions on digital operational resilience to respond to and recover from all types of information communication technologies ("**ICT**") related disruptions and threats. These requirements are homogenous across all EU Member States and have come into force. Non-compliance by the Issuer or the relevant members of the Group with regulations could lead to administrative penalties or remedial measures, as well as criminal penalties under national law.

In accordance with the EU General Data Protection Regulation, the Issuer is required to ensure it implements timely, appropriate and effective organisational and technological safeguards against unauthorised or unlawful access to the data of the Issuer, its customers and its employees. In order to meet this requirement, the Issuer places a high priority on employee training and awareness programs to combat phishing and other forms of social engineering attacks. Recognising that a well-informed workforce is a critical defence layer, these programs aim to equip employees with the knowledge and tools necessary to identify and respond to cybersecurity threats effectively. The Issuer relies on the effectiveness of its internal policies, controls and procedures to protect the confidentiality, integrity and availability of information held on its IT systems, networks and devices as well as with third parties with whom the Issuer interacts. A failure to monitor and manage data in accordance with the requirements of the applicable legislation may result in financial losses, regulatory fines and investigations and associated reputational damage.

Risks associated with interest rates sensitivity

Interest rate risk is the risk of loss or reduction of future net income following changes in interest rates, including the price risk connected to the sale of assets or closing of positions. In the normal course of business, interest rate risk arises from core banking activities due to timing differences in the maturity (for fixed rate) and repricing (for floating rate) of the Issuer's assets, liabilities and off-balance sheet items.

Although the ECB has kept its key policy rates unchanged during recent meetings, the interest rate environment remains uncertain, particularly given geopolitical events. Changes in interest rates can affect the Issuer as such changes can have a disproportionate or unexpected impact on the return on interest-bearing assets or the cost of interest-bearing liabilities, or otherwise have a negative effect on the Issuer's financing costs. The Issuer has mostly floating-rate assets which are actively managed and partly hedged to reduce interest rate risk, either through matched funding or through interest rate swap agreements. Whilst the Issuer aims to mitigate interest rate risk, there can be no assurance that such hedging will be effective in eliminating substantially all interest rate risk.

The Issuer maintains a liquidity portfolio of fixed-income securities, which mainly include high quality government bonds and covered bonds. Market fluctuations (in interest rates and credit spreads) may adversely impact the fair value of these instruments. Credit-spread risk remains elevated amid geopolitical tensions, as markets adjust to the possibility of renewed inflation and higher financing costs. Sudden deterioration in the credit quality of securities held in the fixed-income portfolio may result in valuation losses that are not immediately reflected in the Issuer's financial statements due to applicable accounting rules.

It is difficult to anticipate changes in the market situation and to predict the impact that these changes could have. Material changes in interest rates and the Issuer's inability to maintain interest rate margins may result in lower net income and could have a material adverse effect on the business, financial condition and results of operations of the Issuer. While the Issuer manages and hedges interest-rate risk, there can be no assurance that such measures will be effective in substantially mitigating all interest-rate risk.

Risks associated with liquidity and dependence on external sources

The Issuer's business is reliant on its ability to finance its current operations at reasonable terms and meet its obligations as these fall due. Although the Issuer is primarily funded by customer deposits, which are generally considered a stable and diversified funding source, its loan portfolio has, on average, a longer maturity than the Issuer's funding base. This structural maturity mismatch exposes the Issuer to refinancing and liquidity risk, particularly in periods of market stress or reduced customer confidence. The Issuer considers that it has an appropriate funding structure to meet short-term and long-term requirements for liquidity management set by regulators; however, there can be no assurance that such measures will be sufficient under market stress circumstances.

In recent years, economic, financial-market and geopolitical uncertainties in Europe and globally have contributed to heightened volatility, increased risk aversion and widening credit spreads. As a banking group operating in the Baltic region, the Issuer may also be indirectly affected by geopolitical developments in neighbouring regions, which could negatively influence its debt investor sentiment and funding conditions.

The Issuer’s access to, and cost of, funding can be influenced by factors including general interest rate levels, monetary policy decisions of the European Central Bank ("**ECB**"), financial-market volatility, geopolitical risks, global supply disruptions, the Issuer’s capital position and its credit ratings. While the Issuer is primarily funded through customer deposits, it also relies on access to wholesale funding markets, including the issuance of covered bonds and to meet regulatory requirements also MREL-eligible instruments. Adverse developments in these areas may increase the Issuer’s funding costs or limit its ability to refinance maturing liabilities through wholesale funding markets

The Issuer seeks to maintain a conservative liquidity risk profile, including liquidity buffers that meet short-term and long-term regulatory requirements. However, the level of available liquidity depends on factors beyond the Issuer’s control, such as customer savings behaviour and deposit stability. The Issuer’s liquidity position may be adversely affected by significant or unexpected deposit outflows or by inaccuracies in behavioural assumptions used in liquidity stress scenarios, particularly regarding short-term deposits.

In addition to customer deposits, the Issuer accesses capital markets through the issuance of covered bonds, senior unsecured instruments and subordinated debt. Market volatility, heightened risk aversion or adverse geopolitical developments may negatively affect the availability and pricing of such funding.

Prolonged economic uncertainty, geopolitical tensions and changes in the ECB’s monetary policy, including periods of relatively restrictive interest rates, may increase the Issuer’s funding costs or limit its

ability to refinance maturing liabilities or access additional funding. There can be no assurance that funding will always be available on acceptable terms. If the Issuer is required to sell assets to meet its funding needs under stressed market conditions, it may incur material losses, which could adversely affect its liquidity position and ability to meet its obligations under the Notes.

Risks associated with changes in the Issuer's ownership and with possible company or portfolio acquisitions

The Issuer is ultimately controlled by BCP VII (an investment fund managed by an affiliate of Blackstone Group Inc), which is owned by a consortium led by private equity funds managed by Blackstone (80.05 per cent.) and DNB Bank ASA (19.95 per cent.). Any future change in ownership could impact the Issuer in a variety of ways which are difficult to predict but may include (without limitation) changes to the strategy, management, governance and/or risk profile of the Issuer. As a result, a change in ownership could have a material adverse effect on the Issuer's business, revenues, results of operations, financial position and prospects.

Furthermore, to compete effectively, the Issuer may decide to acquire or merge with companies or their portfolios in the future, to expand its business operations, for example, or to have new resources at its disposal. Growth built on company or portfolio acquisitions is associated with certain risks, such as assessing the feasibility of planned investments, the risk of incurring unexpected liabilities and the integration of the business operations and new employees acquired. If the Issuer fails in implementing such measures, future company acquisitions may have an adverse effect on the Issuer's business operations, its performance or its financial position.

Risks related to applicable legal regimes

Risks associated with regulatory requirements and the Issuer's legal obligations

The Issuer is subject to a large number of constantly changing laws and regulations concerning banking operations and financial services and the Issuer is subject to stringent supervision, which means that the Issuer may be subject to intervention from the regulatory authorities and there is no assurance that the Issuer will be found fully compliant with all applicable laws and regulations.

The regulation applicable to banks and in the financial sector generally has been constantly tightening and the powers of the regulators have been widening since the economic crises of 2008-2009. Further regulatory changes are expected in 2026, both known and currently undetermined, including in areas such as prevention of money laundering, payment and settlement systems, the EU's Savings and Investments Union initiative, digital resilience, artificial intelligence, and supervision. These changes can have an impact on capital and liquidity requirements for banking operations, for example, and can lead to further costs and obligations for the Issuer. Changes may also be imposed on rules governing how the Issuer runs its business. New regulation may force the Issuer to reduce its level of risk, its volume of business and the lending ratio in some operations. New regulation also generally increases the administrative burden, resulting in increased costs and lower profitability.

In recent years, an array of environmental, social and governance ("**ESG**") related legislation has entered into force and will enter into force in the coming years, affecting the Issuer's activities and the volume of applicable requirements. Given the complexity of new ESG-related laws and regulations, and their continuous evolution, there is a risk that the Issuer may fail to comply with all such ESG-related regulatory requirements on time. Failure to comply with such ESG requirements may have an adverse impact on the Issuer through the imposition of fines and other regulatory sanctions as well as through reputational damage.

Measures taken by the authorities or unfavourable decisions in disputes with the authorities could also result in fines or restrictions and limits being imposed on the Issuer's business operations and give cause for negative publicity. Breaches against competition or data protection laws can also result in severe monetary sanctions.

Retail banking being a significant business segment of the Issuer, any tightening of consumer protection laws or the interpretation thereof by courts or other competent authorities could result in lower profitability of certain of its products and services, which may impair the Issuer's ability to offer certain products and

services or to enforce certain clauses and thus have an adverse effect on the results of operations or its competitive position.

Likewise, limitations imposed by, and the cost of compliance with the rules imposed by MiFID II, its recent amendments and related legislation, and further future regulatory changes may result in further limitations, increased cost and lower profitability of the Issuer's retail banking business involving financial instruments. This may have a negative impact on the ability of the Issuer to fulfil its obligations in relation to the Notes.

Furthermore, banking activities are largely dependent on contractual relationships. Customers and counterparties to agreements that any member of the Group has entered into may submit claims against the Issuer or its subsidiaries that can lead to disputes and legal action. Such demands may, for example, concern liability towards customers with regard to the sale of unsuitable products or with regard to incorrect advice. If the Issuer or any of its subsidiaries is deemed to have neglected its duties, it may be liable to pay damages.

Any legal action against any member of the Group can also have a negative impact on the Issuer's reputation, which in turn could have a material adverse effect on its business, financial condition and results of operations.

If any of the risks set out above were realised, this could have a significant adverse effect on the Issuer's business operations, its performance or its financial position.

Risks associated with tax regulation

The Issuer is exposed to tax risks associated with changes in tax rates or tax legislation or the incorrect interpretation of the rules and regulations in force. If tax risks are realised, this could lead to an increase in taxes or penalties which, in turn, could cause financial losses for the Issuer.

Since 2018, Estonia has enforced a taxation system for the profits of credit institutions. Under this regime, the taxation of credit institutions' profits has changed significantly, with profits now being taxed quarterly at a rate of 18 per cent. (increased from the earlier rate of 14 per cent.) as of 1 January 2025. This measure only affects credit institutions that are profitable, and advance payments of corporate income tax will be credited when calculating an institution's tax liability from dividend distributions.

From 1 January 2025, the standard corporate income tax rate on dividends and other profit distributions increased from 20 per cent. to 22 per cent., which may adversely impact the Issuer's corporate income tax related costs. Additionally, from 1 July 2025, the value added tax rate increased by 2 per cent., rising from 22 per cent. to 24 per cent. This change could also adversely impact the Issuer's tax costs and overall profitability.

Estonia will not implement the global minimum tax pursuant to Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the EU (the "**Global Minimum Tax Directive**") until 2030. Until then, companies subject to the global minimum tax will only be required to fulfil reporting obligations in Estonia.

In Latvia, corporate income tax ("**CIT**") is only applicable to distributed profits (actual or deemed), while retained and reinvested profits are not subject to tax. However, following amendments to the Latvian Corporate Income Tax Law (passed on 7 December 2023, effective from 1 January 2024), Latvian credit institutions and branches of foreign credit institutions are required to pay a CIT surcharge at a rate of 20 per cent. This surcharge is applied to the profit (excluding flow-through dividends, profits from the sale of shares held for at least 36 months, and profit distributed and taxed as interim dividends) earned in the pre-tax year (for example, in 2024 the surcharge was payable from the 2023 profit), regardless of profit distribution. The CIT due upon profit distributions can be reduced by the surcharge paid. Latvia has also introduced a temporary solidarity contribution for the years 2025, 2026 and 2027 on the selected income of credit institutions and branches of foreign credit institutions from 2025. According to the Solidarity Contribution Law (passed on 4 December 2024, effective from 1 January 2025), the solidarity contribution would be calculated in the amount of 60 per cent. on the basis of net interest income exceeding 50 per cent. of the average of the years from 2018 to 2022.

Latvia has chosen to postpone the application of the main global minimum tax rules under the Global Minimum Tax Directive until 31 December 2029. During this period, companies within the scope of the global minimum tax will only need to comply with reporting requirements in Latvia.

In Lithuania, the CIT rate was increased from 16 per cent. to 17 per cent. on 1 January 2026. Therefore from such date, a 22 per cent. corporate income tax rate (consisting of the 17 per cent. corporate income tax rate plus an additional 5 per cent. rate for credit institutions) shall be applied on taxable profits of credit institutions exceeding the threshold of EUR 2 million for the 2026 financial year and subsequent tax periods.

On 16 May 2023, the Lithuanian Parliament passed the Law on Temporary Solidarity Contribution (valid until 16 June 2026), which stipulates an agreement to channel part of banks' windfall net interest income to finance projects of military mobility and military transport infrastructure. According to the new law, this contribution shall be paid by banks established in the Republic of Lithuania in accordance with the Law on Banks, branches of banks licensed in the EU Member States and member states of the EEA and foreign banks, and financial groups of central credit unions operating in accordance with the Law on Central Credit Unions. The base of the solidarity contribution is 50 per cent. of the net interest income (calculated by applying a special coefficient) which exceeds the average net interest income of the previous four years (i.e., 2018-2021 for FY2023, 2019-2022 for FY2024 and 2020-2023 for FY2025). The contribution is levied at a rate of 60 per cent. and shall be paid for the years 2023, 2024 and 2025.

In addition, the reform introduces a "full income aggregation" principle, whereby income from employment, self-employment, royalties, management remuneration and certain other sources is combined for the purposes of determining the applicable progressive rate.

Furthermore, certain categories of income that were previously taxed separately at flat rates (e.g. some individual activity income or specific non-employment income exceeding defined thresholds) are included in the aggregated annual income base and may therefore be subject to higher progressive taxation.

The amendments apply in calculating personal income tax for the 2026 tax period and subsequent years.

In addition, the Global Minimum Tax Directive has been partially transposed in Lithuania by the Law on Ensuring the Minimum Level of Taxation of Groups of Entities, which entered into force on 1 July 2024. Lithuania has elected to apply the exemption provided in Article 50 of the Global Minimum Tax Directive and to defer, for up to six years, the application of the income inclusion rule and the undertaxed profits rule.

The Issuer is unable to predict future changes to any of the laws or regulations applicable to its businesses or their interpretation and the level of the tax payable by the Issuer. The introduction of any such changes in taxation or new regulatory requirements may adversely impact the Issuer's business, prospects, financial condition and profitability.

Risks associated with regulatory requirements with respect to sanctions

International sanctions have continued to grow in complexity in recent years, particularly as a result of ongoing developments following Russia's invasion of Ukraine and other escalating geopolitical conflicts (for example, the recent U.S.–Israel military operations against Iran) which have prompted additional sanctions and adjustments.

As a Baltic bank, this has brought a number of challenges for the Issuer to ensure effective and timely compliance with sanctions laws and regulations.

The principal challenges remain centred around the risk of sanctions circumvention as a high number of industries continue to be impacted by economic sanctions. The Issuer remains vulnerable to such risks because of its geographical footprint the proximity of the Baltic countries to Russia and Belarus, as well as historical trade links and dependencies that have made the region a focal point for sanctions evasion attempts. Regulatory focus remains on the implementation of existing sanctions (in addition to new measures) to ensure that controls are sufficiently strong to mitigate any risks, exemplified by the EU's adoption of Directive (EU) 2024/1226, which sets minimum EU-wide rules on the definitions of criminal offences and penalties for the violation and circumvention of the EU restrictive measures. This requires the Issuer to continue addressing sanctions risks on multiple levels: from technical expertise on the movement of certain goods, complex due diligence of control and ownership structures and following swift changes in the geopolitical landscape that drive changes to sanctions regimes. In practice, this means developing

capabilities to detect hidden sanctioned parties behind shell companies and to scrutinise unusual trade routes or goods flows (for instance, identifying dual-use goods being re-exported via third countries). The Issuer must also keep pace with emerging evasion typologies, such as the misuse of digital assets, clandestine shipping networks and front companies in intermediary jurisdictions.

The risks associated with sanctions are expected to intensify in the future as the European Union continues to implement additional restrictive measures by implementing new sanctions packages and enhance enforcement efforts in response to ongoing geopolitical tensions and increasingly sophisticated methods of circumvention. For example, the EU's 19th and proposed 20th sanctions packages (adopted in late 2025 and under discussion in early 2026) have introduced further trade and financial restrictions – including targeting third-country banks, crypto-asset transactions and even a new "anti-circumvention" tool to sanction transit through countries that facilitate evasion. National regulatory authorities are anticipated to further strengthen cross-border cooperation and increase enforcement activities, thereby making compliance more complex and demanding for financial institutions. Considering this continued evolution of sanctions regimes and evasion strategies, a persistent risk remains that the Issuer may not always be able to respond promptly to new developments or detect emerging forms of sanctions evasion/circumvention. As a result, the Issuer could be exposed to potential fines for breaches of sanctions, heightened regulatory scrutiny and reputational harm.

Risks associated with abuse of the financial system

The regulations applicable to the financial sector on the prevention of money laundering ("**ML**"), corruption and terrorism financing ("**TF**") have been and are subject to ongoing tightening. For example, the European Union has recently adopted a comprehensive AML/CFT legislative package – including a new single Anti-Money Laundering Regulation, the sixth Anti-Money Laundering Directive, and the establishment of a European Anti-Money Laundering Authority – to further strengthen its anti-financial crime framework.

In global terms, the risk that banks may become the subject of or be exploited for the purposes of TF has further increased. The risk of future incidents involving ML or TF is always on the agenda for financial institutions. Any breach of the rules that aim to prevent the illegal exploitation of the financial system or even the suspicion of such infringements could have grave legal consequences for the Issuer and its reputation, which, in turn, could have a significant adverse effect on the Issuer.

Regardless of the risk mitigation measures that the Issuer is taking, there can be no assurance that the anti-money laundering ("**AML**") and combating the financing of terrorism ("**CFT**") and sanctions compliance measures of the Issuer are, and have in the past been, at all times sufficient and there will be no proceedings, investigations or allegations involving the Issuer. Even with robust controls, regulators note that institutions can struggle with fully implementing AML, CFT and sanctions requirements in practice.

The Issuer is committed to continuously applying sufficient enhancement and maintenance operations on supporting systems. However, there is a risk that the Issuer's screening and monitoring approach, supporting processes and systems may not fully prevent the execution or facilitation of transaction(s) which have exposure to ML, TF, sanctions evasion or other financial crime risks, particularly in the context of cross-border and digital transactions.

The Issuer monitors transactions according to predefined scenarios and thresholds, however, there is a risk that the Issuer may not be able to detect all the patterns and deviations in a customer's behaviour, including complex or evolving typologies, which could indicate a criminal activity on the part of the customer.

The Issuer has developed a regular reporting routine and has defined additional need-based escalation topics to the Issuer's management containing both qualitative and quantitative components. Nevertheless, risks may arise where the Issuer has not sufficiently defined the content of reporting principles. The occurrence and realisation of the above-mentioned risks could have a severely negative impact on the Issuer, its financial standing, reputation and business due to the enforcement activities of supervisory authorities and adverse public opinion.

Regulatory scrutiny has intensified with supervisors in the EU and internationally expecting the implementation of clear and comprehensive AML/CFT reporting to senior management. Institutions that have not met the relevant requirements have faced public enforcement actions and reputational damage. As a result, the Issuer could be exposed to potential fines for breaches of sanctions, heightened regulatory

scrutiny and reputational harm in the event it does not meet the current or future relevant regulatory requirements.

General business risks

Risks associated with business development initiatives and digital innovation

The banking markets in the Baltics are competitive and the Issuer continuously seeks to develop its operations, enhance customer experience and improve its financial performance. Many of the Issuer's existing and future products and services are increasingly technology-intensive, driven by ongoing digitalisation and the growing use of artificial intelligence in banking.

During 2025, the Issuer launched new Retail Banking products, including a new instant consumer loan product in Latvia, and enhanced its value proposition for customers in the mortgage and consumer lending segments. In Corporate Banking, new financing products were launched, which experienced strong demand from small and medium-sized enterprises. The Issuer is also currently undergoing the significant ICT modernisation and digital transformation initiatives, including the development of a new digital platform, the upgrading of key ICT assets, and the insourcing of previously outsourced ICT services. Such initiatives involve execution, transition and integration risks. The Issuer may experience delays, cost overruns, operational disruption, or challenges in achieving expected efficiencies. The Issuer has reported increased operating expenses linked to these transformation projects in 2025 and which may continue to affect cost efficiency in 2026 also.

There can be no certainty that the Issuer's innovation and digitalisation strategy, will be successful or that it will maintain or grow customer usage of its online and mobile services. Competitors may introduce more attractive or more efficient digital products, adversely affecting the Issuer's ability to attract and retain customers. The Issuer's ability to deliver high-quality, data-driven digital products also depends on its capacity to generate and process accurate, reliable and secure data.

Although the Issuer invests in new technologies process and product improvements, such investments may be insufficient, delayed or ineffective. These factors may limit the Issuer's ability to deploy innovative digital products or services, enhance its systems, or maintain pace with technological advances in the Baltic financial sector. Furthermore, the success of new digital or automated products depends on the availability of high-quality data and reliable systems; shortcomings in these areas may impair the Issuer's ability to deliver new products or maintain service quality.

Operational disruptions, inefficiencies, or customer dissatisfaction arising from the implementation of digitalisation initiatives, ICT platform changes or new product rollouts could negatively impact the Issuer's reputation, brand perception, and customer loyalty. There is no assurance that the Issuer's business development and innovation initiatives will deliver anticipated cost savings, efficiency gains or revenue growth, and any such failure could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Risks associated with the Issuer's human resources

The Issuer's performance is dependent on the talents and efforts of skilled individuals. The employees have a high workload and planning of resources is required with a need to prioritise both business and regulatory-driven developments while simultaneously managing day-to-day operations. Increased staff-related risks could materially adversely affect the Issuer's business, financial condition and results of operations.

The Issuer's ability to compete effectively depends on its ability to attract and retain employees. Competition from within and outside the financial services industry is intense. This may impact the Issuer's ability to take advantage of business opportunities, potential efficiencies, or profitably manage its existing or new assets.

Risks associated with counterparty credit risk and the presence of derivatives in the portfolio

The Issuer's counterparty credit risk represents the potential cost to replace derivative contracts if counterparties fail to meet their obligations. The Issuer manages counterparty credit risk through internal exposure limits, collateral arrangements and daily valuation of exposures. Nevertheless, there can be no assurance that these measures will prevent losses in stressed market conditions or in the event of unexpected counterparty failure

There is, however, no guarantee that the Issuer will succeed in correctly estimating the risk that occurs in relation to derivative contracts, which may mean that the security arrangements entered into between the Issuer and its counterparties to hedge against counterparty risk are insufficient. Errors can also occur in relation to valuation of transactions and the managing of collateral arrangements, which can lead to the outcome of the arrangement being different than intended. If these risks are realised, this could have a significant adverse effect on the Issuer's business operations, its performance or its financial position.

The Issuer also offers to its customers market risk hedging instruments (such as FX and IR derivative instruments). As a result, the Issuer is exposed to settlement risk, which arises where the Issuer has irrevocably committed to transfer cash or securities, but final receipt of the corresponding asset or payment from the counterparty has not yet been confirmed. A counterparty default during this window may result in the loss of the full principal amount involved, which could give rise to settlement risk, i.e. the risk of losing the principal on a financial contract due to default by the counterparty after the Issuer has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of the corresponding payment or security has been finally confirmed.

Any failure in the future by a material counterparty could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

Litigation and disputes

In the ordinary course of its business, the Issuer is exposed to a significant risk of claims, disputes and legal proceedings. In many cases, the Issuer will be the plaintiff, typically seeking to recover money advanced and it may not always be successful in this endeavour and, even where it is successful, the costs involved in the litigation will reduce its recoveries. In cases where entities of the Group are defendants, in addition to the cost of defending the claim, the Issuer may be required to pay significant damages and the dispute could also negatively affect the Issuer's reputation. Any such damages or reputational harm, or any associated fines or other penalties, could have a material adverse effect on the Issuer's business and financial position.

Risks associated with regulatory capital requirements

The Issuer is supervised by the ECB and subject to the European Single Supervisory Mechanism and the European Single Resolution Mechanism

The Issuer is subject to supervision by the ECB through the Single Supervisory Mechanism ("**SSM**"), which provides for minimum levels of regulatory capital, which are comparable with those of other significant banks in the European Union (regulatory capital requirements applicable to the Issuer must be met on the highest consolidation level). If the Issuer were to fail to maintain its ratios, this may result in administrative actions or sanctions against it which may impact the Issuer's ability to fulfil its obligations under the Notes.

The Issuer is subject to prudential requirements under the Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (as amended from time to time including by Regulation (EU) No. 2024/2987 of the European Parliament and of the Council, the "**CRR**") and the Directive of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions (as amended from time to time, including by Directive (EU) No. 2024/2994 of the European Parliament and of the Council, the "**CRD**"). Each of the CRR and the CRD (together with any CRD and CRR implementing measures, the "**CRD Package**") covers a wide range of prudential requirements for banks and their consolidation groups across EU Member States, including capital requirements, determination of risk exposure, leverage ratio, large exposure framework, and liquidity and funding requirements. The CRD Package covers the overall supervisory framework for banks and their consolidation groups (including the individual risk assessment) and other measures such as the combined capital buffer requirement, governance and remuneration requirements.

The European Banking Authority (the "**EBA**") has published and is expected to continue to publish detailed rules through binding technical standards for many areas regulated by the CRD Package, including, inter alia, liquidity requirements and certain aspects of capital requirements.

In addition to the so-called minimum own funds Pillar 1 requirements (the "**minimum own funds requirement**"), the CRD also regulates capital buffer requirements, which must be met with Common

Equity Tier 1 Capital. For the Issuer, the capital buffer requirement is comprised of two elements (referred to collectively as the "**combined buffer**"): (i) the capital conservation buffer; and (ii) the institution-specific countercyclical buffer. In addition, where a bank or its consolidation group is deemed systemically important either globally or in its domestic jurisdiction, the CRD permits national competent authorities to set additional buffers, like systemic risk buffer, Globally Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer.

In addition to the minimum own funds requirements, the CRD contemplates that competent authorities may require additional "**Pillar 2**" capital to be maintained by a credit institution relating to elements of risks which are not fully captured by the minimum own funds requirements (the "**additional own funds requirements**") or to address other institution-specific issues such as those related to internal controls or governance.

The EBA has published and may continue to publish guidelines addressed to national supervisors on common procedures and methodologies for the supervisory review and evaluation process ("**SREP**") including guidelines proposing a common approach to determining the amount and composition of additional own funds requirements. Under these guidelines, national supervisors should set a composition requirement for the additional own funds requirements to cover certain risks, of at least 56 per cent. of Common Equity Tier 1 Capital and at least 75 per cent. of Tier 1 capital. Typically, the ECB has mandated that all SSM-supervised credit institutions must meet the additional capital requirements (known as the "**Pillar 2 requirement**" or "**P2R**") entirely through the use of CET1 resources.

In 2016, SREP development introduced the so-called Pillar 2 guidance (that should be covered from CET1). The capital demand resulting from the SREP since then consists of two parts:

- Pillar 2 requirement or P2R, which covers risks underestimated or not covered by Pillar 1.
- Pillar 2 guidance or P2G, which indicates to banks the adequate level of capital to be maintained in order to have sufficient capital as a buffer to withstand stressed situations, in particular as assessed on the basis of the adverse scenario in the supervisory stress tests.

While P2R is binding and breaches can have direct legal consequences for banks, P2G is not legally binding. Nevertheless, the ECB expects banks to comply with P2G as well.

The CRD Package has been subject to several reforms intended to increase the resilience of EU banks, including, among others, the reform of the CRR and the CRD to further strengthen the prudential framework for banks (together the "**CRR III** and **CRD VI Package**"). The law transposing CRD VI into Estonian law has not been adopted by the Estonian Parliament yet, and has therefore not met the deadline of 11 January 2026 for the implementation of national transposing measures. The delay in national implementation may create legal uncertainty and additional regulatory burden for the Issuer during the period until CRD VI is fully transposed into national law.

Once fully implemented, the CRR III and CRD VI Package will bring new requirements for, among others, the calculation of risk weighted assets for credit risk, operational risk, CVA (Credit Valuation Adjustment) risk and partly also market risk. The application date of the various requirements introduced under the CRR III and CRD VI Package ranges from 2025-2027. The amendments introduced under the CRR III and CRD VI Package may result in higher capital requirements as well as high implementation costs.

The Issuer structures and plans its activities to ensure compliance with regulatory requirements up to the highest consolidation level with sufficient buffers to cover stressed conditions but the realisation of a single risk factor, or a combination of multiple risk factors, beyond expectations could result in a larger shock than expected and then lead to deterioration of either (or both) the capital and liquidity positions of the Issuer and failure to satisfy prudential regulatory requirements. The Issuer may or may not be able to raise any necessary capital, decrease leverage or improve its liquidity position in order to cure the relevant breach of regulatory requirements but, if it is able to do so, it may not be able to do so on commercially attractive terms. For further information, see "*Key Financial Ratios and Alternative Performance Measures of the Issuer*".

Any failure by the Issuer to satisfy the applicable regulatory capital requirements, liquidity requirements and other requirements applied to the Issuer, and any further increases in such requirements, could result in

regulatory intervention or sanctions or significant reputational harm, which may have a material adverse effect on the Issuer's financial condition, results of operation and prospects.

Risks associated with the market environment and macroeconomic conditions

Risks associated with the general market environment and economic conditions in the Baltic countries

The Issuer's financial performance is influenced by macroeconomic and financial-market conditions. Adverse developments may reduce demand for loans, increase funding costs, compress net interest margins and fee income, deteriorate credit quality, increase loan-loss provisioning, reduce collateral values (including real estate), and lead to volatility in the value of the Issuer's financial assets, which may negatively affect profitability.

The economies of Estonia, Latvia and Lithuania are small, open economies closely linked to the Eurozone, Nordic countries and global economic conditions, as well as to geopolitical developments in the surrounding region. Deterioration in economic conditions in the Baltic countries or in markets where the Issuer's customers operate could adversely affect the Issuer's growth prospects, margins and overall financial performance.

Although the direct impact of the war in Ukraine has been relatively contained, the Baltic economies remain exposed to indirect effects, including sanctions regimes, energy and commodity-price volatility, higher defence-related fiscal spending and renewed inflation risks. Macroeconomic conditions also remain sensitive to external shocks, including geopolitical tensions affecting global energy markets and supply chains (such as those driven by Russia's invasion of Ukraine and the ongoing conflicts in the Middle East).

Changes in the monetary policy of the ECB, including periods of restrictive interest rates aimed at containing inflation, may tighten financing conditions and adversely affect economic activity in the Baltic region. Given the high proportion of variable-rate loans, borrowers may be particularly sensitive to interest-rate increases.

While Baltic real estate markets showed recovery during 2025, they remain vulnerable to economic downturns, higher unemployment, renewed inflation, rising interest rates or reduced household purchasing power. Weaker economic conditions may impair borrowers' ability to service debt, leading to higher arrears, loan losses and reduced consumer demand. Fiscal pressures may also affect regional economic conditions. Although sovereign debt levels remain relatively low, budget deficits and increased defence spending may require fiscal consolidation measures that could weaken economic growth.

Adverse developments in the general operating environment are beyond the Issuer's control and may result in reduced business activity, higher funding costs, lower liquidity, reduced access to wholesale funding markets, declines in asset and real estate values, increased credit impairment losses and lower revenues, which could have a material adverse effect on the Issuer's business, financial condition and results of operations. Increased risk aversion among investors may further increase refinancing costs and limit refinancing options.

Risks associated with the reputation of the Baltic countries

Being a pan-Baltic bank, the Issuer is impacted by the international reputation and perception of the Baltics and how companies (especially financial institutions) from Baltic countries are generally perceived in other regions.

A Fifth Round Mutual Evaluation Report on Estonia by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism ("**MONEYVAL**") published in December 2022 highlighted significant ML/TF vulnerabilities associated, in particular, with the e-Residency program (an Estonian government-issued digital identity solution for foreign citizens), company service providers ("**CSPs**") and virtual asset service providers ("**VASPs**"). In December 2025, MONEYVAL adopted its second Enhanced Follow-up Report on Estonia, which noted Estonia's improvements in ML/TF measures. For example, the number of licensed VASPs had declined significantly, the authorisation and supervision of crypto-asset service providers ("**CASPs**") has been made the responsibility of Estonian Financial Supervision and Resolution Authority (the "**EFSA**") and its legal and institutional framework for the implementation of targeted financial sanctions has been significantly

strengthened. Estonia remains under MONEYVAL's enhanced follow-up assessment as part of a standard follow-up process. The most material and vulnerable sectors based on the recently published Estonian National Risk Assessment of 2025 continue to be credit institutions, VASPs, CSPs and more recently, fund management companies and gambling operator service providers.

In February 2026, MONEYVAL published its Sixth Round Mutual Evaluation Report for Latvia (the "**Sixth Round Report**"), assessing the effectiveness of Latvia's measures against money laundering, countering terrorist financing and proliferation financing. The assessment highlights Latvia's strong overall performance in preventing and combating money laundering, terrorist financing, and proliferation financing, while also identifying areas for further improvement, particularly in the supervision of certain non-financial sectors. According to the latest national risk assessment of Latvia which was published in 2023 prior to the Sixth Round Report, services with above average risk are related with trade in free zones, crypto assets, real estate, construction and temporary residence permits. Sanctions risk is related with the proximity to Russia and Belarus and payment flows with Western and Central Asian jurisdictions. Future risks are related with IBANs, Central Bank Digital Currency, de-risking side-effects, artificial intelligence and hybrid warfare.

In early 2019, MONEYVAL issued an evaluation report on Lithuania. This report highlighted threats related to ML, including increased corruption, a significant shadow economy, evidence of organised crime and widespread use of cash. Since then, Lithuania has made progress in strengthening its AML/CFT framework. According to the most recent MONEYVAL assessment (Fourth Enhanced Follow-up Report adopted in December 2023 (the "**Fourth Enhanced Follow-up Report**")), Lithuania achieved an upgrade to "compliant" with respect to Recommendation 2 on national co-operation and co-ordination, following the establishment of a two-tier AML/CFT co-ordination framework that incorporates proliferation financing.

However, deficiencies remain and Lithuania continues under enhanced follow-up, with ongoing monitoring of its progress. In February 2025, the Financial Crimes Investigation Service under the Ministry of the Interior of the Republic of Lithuania announced that the latest MONEYVAL report gave Lithuania a favourable assessment, recognising progress in addressing deficiencies under Recommendation 6 on targeted financial sanctions related to terrorism and terrorist financing. The Fourth Enhanced Follow-up Report and Technical Compliance Re-Rating on Lithuania was adopted in December 2023. In addition, the National Money Laundering and Terrorist Financing Risk Assessment of Lithuanian published in 2024 confirmed that key risks remain in sectors such as virtual asset service provides, cross-border financial flows and sanctions evasion, particularly in the context of geopolitical developments. More recently, the Lithuanian Financial Crime Investigation Unit publicly reported that, among obliged entities, some sectors have not submitted a single suspicious transaction report ("**STR**") for several years (including lawyers and real estate agents/brokers), despite elevated risks, and that sanctions circumvention-related STRs increased in 2024. Overall, low reporting intensity in high risk sectors reduces visibility of illicit activity and weakens the risk-based AML/CFT framework.

According to the IMF in 2022, Republic of Lithuania: Selected Issues, IMF Country Report, the rapid expansion of the fintech sector in Lithuania has increased the transnational illicit financial flows risks facing the country. Fintech industry at the time of the said report included payment service providers, E-money institutions and VASPs that rely heavily on non-residents and cross-border activity. Due to introduction of the Markets in Crypto-Assets Regulation ("**MiCA**"), the number of VASPs has significantly reduced as they will not be able to operate in the market without a MiCA licence. Newer IMF reports update the overall economic and financial sector assessment, but they do not repeat or replace in detail the same fintech ML/TF risk analysis from 2022.

On 4 September 2023 the IMF released its Regional Nordic-Baltic Technical Assistance Report on "Financial Flows Analysis, AML/CFT Supervision, and Financial Stability", which analyses selected aspects of the Nordic-Baltic region's AML/CFT regimes.

Most of the financial flows within and between Baltic countries and third countries are explained by economic fundamentals. Financial flows insufficiently explained by fundamentals are with Commonwealth of Independent States ("**CIS**") countries and International Financial Centers ("**IFCs**") countries. International payment flows in the Baltic States have shifted significantly. The share of payment flows with EU and G7 countries have increased in line with the cross-border economic linkages, while the share of payments with "CIS" and "**IFCs**" countries have decreased. Supervisory activities are generally adequate with minor deficiencies.

No allegations related to ML have been made against the Issuer. However, even where the Issuer is not accused of any breach of AML requirements, allegations regarding other Baltic financial institutions may still affect the Issuer, as far as these affect the reputation of the Baltics and Baltic financial institutions in general. This may pose the risk that the Issuer may not be able to raise funding from international markets or may only be able to raise funding on less favourable terms. There is also a risk that some of the Issuer's direct or indirect counterparties (e.g. correspondent banks) and/or customers may wish to terminate or limit the scope of their business relationships with Baltic financial institutions, including the Issuer, or subject Baltic financial institutions, including the Issuer, to more rigorous control. Furthermore, it is possible that the Issuer's business partners or public authorities may apply mandatory enhanced due diligence measures against financial institutions established and/or operating in any or all of the Baltic countries, thus affecting business operations of the Issuer.

Risks associated with competition in the Issuer's business areas

The Baltic financial market is competitive. The Issuer primarily faces competition in its universal banking activities, where its competitors include large Scandinavian banking groups. In particular, considering the large investments made by other banks in new technologies, the Issuer faces increasing competition in digital solutions and mobile banking.

High levels of competition in the banking industry could also lead to increased pricing pressure on the Issuer's products and services, which would have a material adverse effect on the business, financial condition and results of operations of the Issuer. Increased competition for deposits may lead to a higher loans-to-deposit ratio and an increase of the Issuer's cost of funding.

Moreover, new entrants such as FinTech companies are also increasingly competing for customers and market share. The developing relationships between FinTech companies and traditional banks is a significant trend and may have a great impact on the existing market structure for banking services.

There is no guarantee that the Issuer's strategies will be sufficiently competitive or that such strategies will meet customer needs and expectations in the future as competition increases, or that they will otherwise be successful. Additionally, changes in business strategy entail risks of their own, including in relation to operational risks, risks of insufficient training of personnel and IT risks.

The Issuer's business plan is reviewed and updated regularly. Furthermore, if a future sale of the Issuer were to take place, the strategy of the Issuer may then change, depending on who the (new) acquirer(s) might be.

If the Issuer fails to respond to the competitive environment in its target markets by offering attractive and profitable products and services, it may affect the Issuer's competitiveness, its market shares, its growth potential, its customer base and, consequently, could have a material adverse effect on its business, financial condition and results of operations.

Risks associated with the Notes

Modification and waivers

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting, or as the case may be, did not sign the written resolution including those Noteholders who voted in a manner contrary to the majority.

Furthermore, the Conditions of the Notes provide that the Notes, the Conditions of the Notes and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or to comply with any amendments, updates and/or modifications to the ECBA or any other applicable legislation passed after the date hereof by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority therein or thereof having power to make such amendment, update and/or modification, which impacts the Issuer's obligations in relation to the Notes or the Covered Bond Portfolio. The Issuer cannot foresee, as at the date of this Base Prospectus, what such changes may entail, however, any changes made will be binding on Noteholders.

In addition, pursuant to Condition 9(n)(i)(C) (*Redemption and Purchase – Extension of maturity to Extended Maturity Date*), the Issuer may amend, by a notice to the Covered Bondholders, the circumstances in which such automatic extension can apply if it determines that such circumstances qualify as permitted conditions for automatic extension of maturity under the ECBA (as in force at the relevant time). See the risk factor entitled "*Extended Maturity of the Covered Bonds*" below for further information.

If so specified in the relevant Final Terms, the Conditions of the Notes may also provide that the Issuer may, without the consent of the Noteholders or the Couponholders, substitute any other body corporate incorporated in any country in the world (including any Successor in Business or any Holding Company of the Issuer or Luminor Holding AS) as principal debtor under the Notes, any Coupons, the Agency Agreement and the Deed of Covenant in its place as the Issuer, in the circumstances and subject to the Issuer obtaining prior written consent of the Competent Authority (if such approval is then required under the Applicable Banking Regulations), complying with the rules of any competent authority and the additional conditions described in Condition 24 (*Substitution of the Issuer*). No assurance can be given as to the impact of any substitution of the Issuer as described above, and any such substitution could materially adversely impact the value of any Notes.

There can be no assurance as to whether any substitution of the Issuer will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding Notes following such substitution could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution.

Credit risk of the Issuer

An investment in the Notes is subject to credit risk, which means that the Issuer may fail to meet its obligations arising from the Notes duly and in a timely manner. The Issuer's ability to meet its obligations arising from the Notes and the ability of the holders of the Notes to receive payments arising from the Notes depends on the financial position and the results of operations of the Issuer, which are subject to other risks described in this Base Prospectus. The Notes are not bank deposits in the Issuer and are not guaranteed by the Deposit Guarantee Fund (in Estonian: *Tagatisfond*).

No ownership rights

An investment into the Notes is an investment into debt instruments, which does not confer any legal or beneficial interest in the equity of the Issuer or any of the subsidiaries thereof or any voting rights or rights to receive dividends or other rights which may arise from equity instruments. The Notes represent an unsecured debt obligation of the Issuer (or, with respect to the Covered Bonds, a debt obligation covered by the assets in the Cover Pool), granting the Noteholders only such rights as set forth in the Note Terms. The value of the Notes might be affected by the actions of the shareholder of the Issuer over which the investors do not have control.

There is no active trading market for the Notes

There can be no assurance that a liquid market for the Notes will be maintained. The investors may find it difficult to sell their Notes or to sell them at prices producing a return comparable to returns on similar investments in the secondary market.

Notes issued under the Programme are new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If a market does develop, it may not be very liquid. Therefore, no liquidity of any market in the Notes can be assured; nor the ability of the holders of the Notes to sell their Notes or the prices at which they would be able to sell their Notes.

If any Notes are traded after their initial issuance, they may be traded at a discount or at a premium to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. It is possible that the market for the Notes will be subject to disruptions or volatility. Any such disruption or volatility may have a negative effect on holders of any series of Notes, regardless of the Issuer's prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, investors may not be able to resell their holdings of the Notes at a fair value, if at all.

Although an application has been made for the Notes issued under the Programme to be admitted to listing on Euronext Dublin there can be no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

Exchange rates and exchange controls

The Issuer will predominantly pay principal and interest on the Notes in Euro (the "**Specified Currency**"). This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, holders of the Notes may receive less interest or principal than expected, or no interest or principal.

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Senior Non-Preferred Notes or Subordinated Notes

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to the Senior Non-Preferred Notes or Subordinated Notes or on the amount of securities that it may issue that rank *pari passu* with the Senior Non-Preferred Notes or Subordinated Notes. The issue of any such debt or securities may reduce the amount recoverable by Noteholders in the event of voluntary or involuntary liquidation or bankruptcy of the Issuer.

Interest rate risks

An investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Particularly long-term fixed-rate Notes involve a high risk of a material decline in value if the market rate exceeds the rate paid in accordance with the fixed-rate Notes. On the other hand, if the Notes are subject to redemption at the option of the Issuer, Noteholders should not expect, in case of falling market rates, that the price would substantially exceed the redemption price. The yield to maturity on the Notes is affected by a number of factors that cannot be predicted at the time of the investment.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer is, or will be, subject to additional taxes, duties or other governmental charges with respect to such Notes, or the Issuer is not, or will not, be entitled to claim a deduction in respect of payments in respect of such Notes as the case may be in computing its taxation liabilities (or the value of such deduction would be materially reduced), in either case as a result of any Change in Tax Law of the Taxing Jurisdiction which becomes effective or is announced on or after the Issue Date of the first Tranche of the relevant Series of Notes, the Issuer may redeem all outstanding Notes in accordance with the Conditions and (in the case of Subordinated Notes, Senior Non-Preferred Notes and Restricted Senior Preferred Notes), subject to compliance with certain regulatory conditions and approval by the Competent Authority or Resolution Authority, as applicable (each as defined below).

In the event that the Issuer is, has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any Change in Tax Law, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all outstanding Notes in accordance with the Conditions and (in the case of Subordinated Notes, Senior Non-Preferred Notes and Restricted Senior Preferred Notes), subject to compliance with certain regulatory conditions and approval by the Competent Authority or Resolution Authority, as applicable (each as defined below).

The Issuer may also be entitled to redeem in whole (but not in part) Subordinated Notes if a Capital Event or an MREL Disqualification Event occurs and the Restricted Senior Preferred Notes or the Senior Non-Preferred Notes if an MREL Disqualification Event occurs.

In respect of Subordinated Notes, Restricted Senior Preferred Notes and Senior Non-Preferred Notes, an early redemption is subject to regulatory conditions. There can therefore be no assurances that such Notes will not be called for tax or regulatory reasons prior to any specified optional call date. See also "*Under certain circumstances, the Issuer's ability to redeem or repurchase the Subordinated Notes, the Restricted Senior Preferred Notes and the Senior Non-Preferred Notes may be limited*".

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes (subject, in the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes and the Subordinated Notes to certain regulatory conditions and approvals) at times when prevailing interest rates may be relatively low. In such circumstances a holder of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes and may only be able to do so at a significantly lower rate. The exercise of any optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may, or is perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

There may be no rights of set-off, netting or counterclaim

Holders of Subordinated Notes, Senior Non-Preferred Notes and Restricted Senior Preferred Notes, shall not be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of such Notes. Therefore, such Noteholders will not be entitled (subject to applicable law) to set off the Issuer's obligations under such Notes against obligations owed by them to the Issuer.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, holders of the Notes will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, holders of the Notes will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, holders of the Notes will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Regulation of benchmarks may lead to future reforms or discontinuation

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the

"**EU Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of indices as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds. The EU Benchmarks Regulation applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU.

The EU Benchmarks Regulation could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation, or if a critical benchmark is discontinued or is determined to be by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks", or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form or whether it will be further reformed or replaced with the Euro Short Term Rate ("**€STR**") or an alternative benchmark.

The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 6(h) (*Floating Rate Note Provisions - Benchmark Replacement*)) or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks, investigations and licencing issues arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Interest rate "fallback" may lead to Notes performing differently or the effective application of a "fixed rate"

If a relevant benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable or a Benchmark Event (as defined in the Conditions) occurs, the Conditions of the Notes provide for certain fallback arrangements. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to align with prevailing market practice, or otherwise produce a rate which is reasonably comparable to the original benchmark.

Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. Moreover, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time. Additionally, in certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used, which may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

In respect of any Subordinated Notes that qualify as Tier 2 Capital, notwithstanding any provision of Condition 6(h) (*Floating Rate Note Provisions - Benchmark Replacement*), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Subordinated Notes as Tier 2 Capital.

In respect of Restricted Senior Preferred Notes or Senior Non-Preferred Notes, notwithstanding any provision of Condition 6(h) (*Floating Rate Note Provisions - Benchmark Replacement*), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice such Notes being MREL Eligible Liabilities (in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations) or in the determination of the Issuer, the same could reasonably be expected to result in the Resolution Authority treating a future Interest Payment Date as the effective maturity of such Notes, rather than the relevant Maturity Date for the purposes of qualification as eligible liabilities and/or loss absorbing capacity of the Issuer.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to Floating Rate Notes and consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation, any of the international or national reforms and the possible application of the benchmarks replacement provisions on Notes in making any investment decision with respect to any Notes referencing a benchmark.

The value of the Notes may be adversely affected by a negative change to an applicable Credit Rating

Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

Credit Rating may not reflect all risks

One or more independent credit rating agencies may assign a credit rating to the issue of Notes. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. 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. In addition, other rating agencies may assign unsolicited ratings to the Notes. In such circumstances there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes, which could adversely affect the market value and liquidity of the Notes.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended.

If the status of the rating agency rating the Notes changes, for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

The Issuer may be subject to statutory resolution

The Issuer as a credit institution falls under the scope of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"), as amended from time to time, including by the Directive (EU) No. 2019/879 of the European Parliament and of the Council ("**BRRD II**") and Directive (EU) No. 2024/1174 of the European Parliament and of the Council. The BRRD sets out the necessary steps and powers to ensure that bank failures across the EU are managed in a way which mitigates the risk of financial instability and minimises costs for taxpayers. The BRRD is designed to provide authorities with a harmonised set of tools and powers to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

For this purpose, the BRRD grants supervisory authorities various rights including, but not limited to, a statutory "**write-down and conversion power**" (exercisable in relation to Tier 1 capital instruments and Tier 2 capital instruments) and a 'bail-in and loss absorption' power (exercisable in relation to other securities that are not Tier 1 or Tier 2 capital instruments), which gives the recovery and resolution authority under the BRRD and Regulation (EU) No. 806/2014 (the "**Relevant Resolution Authority**"), the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution and/or to convert certain debt claims (which could include the Notes) into another security, including equity instruments of the surviving issuer entity, if any. However, such power to cancel liabilities under the bail-in and loss absorption mechanism cannot be applied to Covered Bonds issued in accordance with the ECBA and structured finance arrangements, including to securitisations and instruments which are used for hedging purposes which form an integral part of the Cover Pool and which are secured in a way similar to Covered Bonds. The BRRD is implemented into Estonian law by the Estonian Financial Crisis Prevention and Resolution Act (the "**FCPRA**"). For more information on the implementation of the BRRD in Estonia, see "*The Estonian resolution legislation implementing the BRRD Directive*" below.

As well as a "write-down and conversion power" and a "bail-in and loss absorption" power described above, the powers granted to the Relevant Resolution Authority under the BRRD include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge bank" (a publicly controlled entity) and (iii) transfer assets of the relevant financial institution to an asset management vehicle to allow them to be managed over time. In addition, among the broader powers granted to the Relevant Resolution Authority under the BRRD, the BRRD provides powers to the Relevant Resolution Authority to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments.

The write-down and conversion power can be used to ensure that Tier 1 and Tier 2 Capital instruments fully absorb losses at the point of non-viability of an institution (or, if applicable, its group) and before any other resolution action is taken.

The general bail-in and loss absorption powers set out in the BRRD are not intended to apply to secured debt (such as the Covered Bonds to the extent they are secured) and accordingly, the FCPRA provides that: (i) the bail-in and loss absorption tool may not be applied to, *inter alia*, covered bonds and financial instruments included in a covered bond portfolio and used for hedging purposes that are secured in a way similar to covered bonds; and (ii) the application of the bail-in and loss absorption tool may not affect the cover pool and upon the application of the bail-in and loss absorption tool, the cover pool shall remain segregated and with enough funding. However, to the extent that claims in relation to the Covered Bonds and Derivative Instruments are not met out of the assets comprising the Cover Pool (and the relevant residual claims arising from the Covered Bonds and Derivative Instruments subsequently rank *pari passu* with unsecured debt), the relevant claims arising from the Covered Bonds and Derivative Instruments may be subject to write-down or conversion into equity on any application of the general bail-in and loss absorption powers, which may result in the Covered Bondholders losing some or all of their investment. Further, while the legal framework established under the BRRD has been implemented in Estonia for some time now, there remains significant uncertainty regarding the ultimate nature and scope of the bail-in and loss absorption powers under the BRRD and how they could affect the Issuer, the Group or the Covered

Bondholders, and there can be no assurance that the manner in which it is implemented or the taking of any actions by the Relevant Resolution Authority contemplated in the BRRD would not adversely affect the rights of the Covered Bondholders, the price or value of the Covered Bonds and/or the Issuer's ability to satisfy its obligations under the Covered Bonds.

While the BRRD (and the FCPRA implementing the BRRD) lists certain general principles applicable to resolution, including the principle that no creditor of the institution subject to resolution shall incur greater losses than would have been incurred thereby if the institution had been wound up under hypothetical insolvency proceedings (so-called "**NCWO safeguard**"), the operation of this principle in various circumstances is not clear on the basis of the manner of transposition of this principle into the FCPRA. While EBA has explained that the NCWO safeguard serves as a fundamental right of creditors, and several amendments were introduced by the BRRD II to clarify the application of the said principle, it is not entirely clear from the FCPRA whether this principle will be strictly applied in all circumstances, particularly, in case write-down and conversion powers are used independently without the application of any other resolution tools and outside of resolution proceedings. Provided the provisions of the FCPRA are applied and interpreted in conformity with the objectives of the BRRD, the NCWO safeguard should also apply equally to the scenario where write-down and conversion powers are exercised outside of resolution proceedings, but no assurances can be given to this respect.

Pursuant to Condition 26 (*Acknowledgment of Bail-in and Loss Absorption Powers*), each Noteholder acknowledges and accepts that any liability of the Issuer arising under the Notes may be subject to the exercise of Bail-in and Loss Absorption Powers by the Relevant Resolution Authority. The Bail-in and Loss Absorption Powers that may be exercised in respect of Covered Bonds are more limited, as further described below. The exercise of any such power or any suggestion of such exercise could materially adversely affect the value of any Notes subject to the BRRD and could lead to the Noteholders losing some or all of their investment in the Notes. Prospective investors in the Notes should consult their own advisers as to the consequences of the implementation of the BRRD.

In addition to the BRRD, the EU has adopted a directly applicable regulation governing the resolution of the most significant financial institutions in the Eurozone, *i.e.* a regulation establishing a Single Resolution Mechanism for them (Regulation (EU) No. 806/2014, "**SRM Regulation**", as amended from time to time, including by Regulation (EU) No. 2019/877 of the European Parliament and of the Council). The SRM Regulation establishes a single European resolution board (consisting of representatives from the ECB, the European Commission and the relevant national resolution authorities) (the "**Resolution Board**") having resolution powers over the entities that are subject to the SRM Regulation, thus replacing or exceeding the powers of the national resolution authorities. On 10 February 2018 the ECB determined the Issuer to be a significant financial institution and as such, the Issuer became subject to the SRM Regulation.

Under the SRM Regulation, the Resolution Board has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the Resolution Board is able to apply the same powers (including the bail-in and loss absorption tool and the mandatory write-down and conversion power described above) that would otherwise be available to the relevant national resolution authority. The use of one or more of these tools will be included in a resolution scheme to be adopted by the Resolution Board. National resolution authorities will remain responsible for the execution of the resolution scheme according to the instructions of the Resolution Board.

The Resolution Board is responsible for preparing and adopting a resolution plan for the entities subject to its powers, including the Issuer. It also determines, after consulting competent authorities including the ECB, the Minimum Requirement for own funds and Eligible Liabilities (the "**MREL**"), which the Issuer is expected to meet at all times. The Resolution Board also has the powers of early intervention as set forth in the SRM Regulation, including the power to require the Issuer to contact potential purchasers in order to prepare for resolution of the Issuer. The Resolution Board has the authority to exercise the specific resolution powers under the SRM Regulation. These will be launched if the Resolution Board assesses that the following conditions are met: (i) the Issuer is failing or is likely to fail; (ii) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action or the write-down or conversion of relevant capital instruments, taken in respect of the Issuer, would prevent its failure within a reasonable timeframe; and (iii) a resolution action is necessary in the public interest.

In April 2023, the European Commission made a legislative proposal to adjust and further strengthen the existing European Union bank crisis management and deposit insurance framework ("**CMDI**") which is envisaged to encompass amendments to, *inter alia*, the BRRD, the SRM Regulation and the Directive 2014/49 (the "**Deposit Guarantee Scheme Directive**"). The purpose of the developments is to give resolution authorities even more effective tools to ensure the depositors of the relevant financial institution (e.g. depositors) can continue access to their accounts and, more broadly, to facilitate the use of industry-funded safeguards to enable authorities to shield the depositors in bank crisis. In June 2025, the Council and the European Parliament announced that they had reached a political agreement on the CMDI proposed in April 2023.

On 26 March 2026, the European Parliament adopted the legislative package referred to as the Crisis Management and Deposit Insurance framework, which will modify the BRRD, the SRM Regulation and the Deposit Guarantee Scheme Directive. Senior preferred debt instruments (such as the Senior Preferred Notes) will no longer rank *pari passu* with any non-covered non-preferred deposits of the Issuer; instead, senior preferred debt instruments (such as the Senior Preferred Notes) would rank junior in right of payment to the claims of all depositors. The new rules are expected to be implemented in Member States by the second quarter of 2028. As such, this legislative package may increase the risk of an investor in the Notes losing all or some of its investment, including in the context of the exercise of the Bail-in and Loss Absorption Powers.

The exercise of any resolution powers or early intervention measures by the Resolution Board or any powers pursuant to BRRD with respect to the Issuer or any suggestion of such exercise will likely materially adversely affect the price or value of an investment in Notes and/or the ability of the Issuer to satisfy its obligations under such Notes and could lead to the holders of the Notes losing some or all of their investment in the Notes.

The Estonian resolution legislation implementing the BRRD Directive

The BRRD is implemented in Estonia by the FCPRA. Under the FCPRA, the Relevant Resolution Authority is the EFSA. The FCPRA provides for certain resolution measures, including the power to impose in certain circumstances a suspension of activities. Any suspension of activities can, to the extent determined by the EFSA, result in the partial or complete suspension of the performance of agreements entered into by the Issuer. The FCPRA also grants the power to the EFSA to take a number of resolution measures which may apply to the Issuer, including, without limitation, the application of the general bail-in and loss absorption tool (and other tools as described under the risk factor "*The Issuer may be subject to statutory resolution*"). In addition, the FCPRA sets forth that all credit institutions must at all times meet the MREL determined by the EFSA for each credit institution. The FCPRA recently received several amendments, transposing the requirements of Directive (EU) 2024/1174 of the European Parliament and of the Council amending Directive 2014/59/EU and Regulation (EU) No 806/2014 as regards certain aspects of the minimum requirement for own funds and eligible liabilities ("**BRRD III**"), that took effect in November 2025. Among others, the FCPRA was amended in respect of bail-in and contractual recognition clauses, technical specifications with regard to defining "eligible liabilities" and "convertible liabilities", the setting of MREL, regulatory reporting on MREL and other refinements The powers set out in the resolution legislation will impact how credit institutions are managed as well as, in certain circumstances, the rights of creditors. The bail-in and loss absorption tool is not intended to apply to secured debt, and hence should apply to Covered Bonds only to the extent that the amounts payable in respect of the Covered Bonds exceed the value of the Cover Pool against which payment of those amounts is secured. However, there remains significant uncertainty as to the ultimate nature and scope of the bail-in and loss absorption tool and how it would affect the Covered Bondholders and the Issuer.

If the debt bail-in and loss absorption tool and the statutory write-down and conversion power become applicable to the Issuer, the Notes may be subject to write-down or conversion into equity on any application of the bail-in and loss absorption tool, which may result in Noteholders losing some or all of their investment. Subject to certain conditions, the terms of the obligations owed by the Issuer may also be varied by the Relevant Resolution Authority (*e.g.* as to maturity, interest and interest payment dates). The exercise of any power under the resolution legislation or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

There remains uncertainty regarding how the FCPRA would affect the Issuer, the price or value of an investment in the Covered Bonds and/or the Issuer's ability to satisfy its obligations under the Covered

Bonds. Accordingly, it is not possible to assess the full potential impact of the FCPRA. The Covered Bonds may under certain circumstances described above be part of the claims and debts in respect of which the EFSA could use the bail-in and loss absorption powers to write-down or convert the principal of the Covered Bonds. There can be no assurances that the FCPRA could not adversely affect the price or value of an investment in Covered Bonds subject to the provisions of the FCPRA and/or the ability of the Issuer to satisfy its obligations under such Covered Bonds. Prospective investors in the Covered Bonds should consult their own advisors as to the consequences of the implementation of the FCPRA.

Any Notes issued under the Programme may be subjected in the future to the bail-in and loss absorption resolution tool by the Relevant Resolution Authority and to the mandatory burden sharing measures for the provision of precautionary capital support which may result into their write-down in full

Under the FCPRA, powers have been granted to the Relevant Resolution Authority which include the bail-in and loss absorption tool through which a credit institution subjected to resolution may be recapitalised either by way of write-down or conversion of liabilities into ordinary shares. The bail-in and loss absorption tool may be imposed either as a sole resolution measure or in combination with the rest of the resolution tools that may be imposed by the Relevant Resolution Authority in case of the resolution of a failing credit institution.

Any Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes that will be issued under the Programme may be subjected to the said bail-in and loss absorption tool. So, if the Issuer is subjected to resolution measures in the future, then the value of such Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes may be written down (up to zero) as a result of the imposition of the bail-in and loss absorption tool by the EFSA. Furthermore, the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes may be subject to modifications or the disapplication of provisions in the Conditions of the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, including alteration of the principal amount or any interest payable on the Notes, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period.

The BRRD and, accordingly, the FCPRA, contemplates a statutory sequence for the application of the bail-in tool towards the liabilities of the failing credit institution. According to this sequence, first, the common equity Tier 1 items are reduced in the proportion and in accordance with the terms outlined under the BRRD. If the reduction pursuant to these rules is less than the aggregate necessary amount of write-down, next the amounts of additional Tier 1 items and Tier 2 items are reduced to the extent required. If the total reduction of the own funds items is not sufficient to cover the aggregate necessary amount of write-down, the principal amount of other subordinated liabilities that do not constitute additional Tier 1 or Tier 2 capital of the institution are reduced to the extent required in accordance with the ranking of claims in bankruptcy proceedings. Further, if (and only if) the total reduction of the foregoing liabilities of the institution is less than the aggregate necessary amount of write-down, the Relevant Resolution Authority will apply the bail-in tool (to the extent required) to the rest of the liabilities of the institution, reducing the principal amount of or outstanding amount of the respective liabilities in the order of ranking of claims in bankruptcy proceedings.

The BRRD (as transposed into Estonian law by the FCPRA) further contemplates the statutory preference in the insolvency proceedings of credit institutions (such as the Issuer), ascribing deposits that are covered under deposit guarantee schemes set up and implemented in accordance with Directive 2014/49/EU on deposit guarantee schemes ("**covered deposits**") and certain other deposits of individuals and micro, small and medium sized enterprises priority ranking over other unsecured senior creditors of the institution in insolvency proceedings, including holders of Subordinated Notes, Senior Non-Preferred Notes and Senior Notes. Furthermore, unlike the liabilities arising from the Notes (save for the Covered Bonds as described further below), covered deposits are excluded from the scope of application of the bail-in tool. As a result, any such Notes issued by the Issuer will be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuer (such as covered deposits and other deposits of individuals and micro, small and medium sized enterprises). In addition, in March 2026 the European Parliament adopted the legislative package of CMDI, which modifies the BRRD, the SRM Regulation and the Deposit Guarantee Scheme Directive. The CMDI legislative package includes changes which would, once implemented, amend the hierarchy of claims towards credit institutions in a manner so that all depositors rank *pari passu* among themselves and senior to other unsecured and unsubordinated claims towards the relevant credit institution (such as claims arising from, *inter alia*, the Senior Preferred Notes). The amendments, once implemented in Estonia (the transposition deadline being in the second quarter of 2028), may also lead to a rating

downgrade of the Senior Preferred Notes, which could have an adverse effect on the liquidity or value of such Notes.

The bail-in and loss absorption tool is not intended to apply to secured debt, and hence should apply to Covered Bonds only to the extent that the amounts payable in respect of the Covered Bonds exceed the value of the Cover Pool against which payment of those amounts is secured. However, there remains significant uncertainty as to the ultimate nature and scope of the bail-in and loss absorption tool and how it would affect the Covered Bondholders and the Issuer.

Pursuant to Condition 26 (*Acknowledgment of Bail-in and Loss Absorption Powers*), each Holder of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes acknowledges and accepts that any liability of the Issuer arising under the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes may be subject to the exercise of Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

Certain rights of the Noteholders under the conditions of the Notes would not be enforceable upon commencement of resolution proceedings or declaration of a moratorium

The provision of the conditions of the Notes allowing the Notes to be declared immediately due and payable on the grounds of commencement of resolution proceedings and declaration of a moratorium would not be effective and enforceable pursuant to Estonian law. Pursuant to the FCPRA, the fact of taking a crisis prevention measure or a crisis management measure, suspending certain obligations or making a decision on the commencement of resolution proceedings shall not under a contract entered into by a credit institution be deemed to be an enforcement event or initiation of insolvency proceedings. Furthermore, the FCPRA provides that where the obligations under the contract, including payment and delivery obligations, and provision of collateral, continue to be performed by a credit institution under resolution proceedings, a decision on the application of a crisis prevention measure, the suspension of certain obligations or the commencement of the resolution proceedings or the occurrence of any event directly linked to such application shall not serve as basis for exercising any termination, suspension, modification or set off or close out netting rights.

In addition, pursuant to the Estonian Credit Institutions Act during a moratorium, a credit institution may not perform financial and other proprietary obligations assumed before establishment of the moratorium and the obligation of the Issuer to pay a debt pursuant to a principal or accessory financial obligation shall be suspended from the date of establishment of a moratorium until termination thereof. Payment of debts may be resumed immediately after termination of the moratorium if the Issuer has restored its solvency. Fines and interest on arrears shall not be imposed, calculated or paid during a moratorium. However, calculation of interest may continue but the payment thereof shall be commenced pursuant to contracts, on the date following the date of termination of the moratorium.

Therefore, in order to be effective pursuant to Estonian law, a declaration of an Event of Default and demand for payment under the conditions of the Notes would have to (i) be made before commencement of resolution proceedings and declaration of a moratorium in respect of the Issuer, or (ii) otherwise be an Event of Default that is not triggered, as of itself, by commencement of resolution proceedings or upon declaration of a moratorium (such as non-payment).

The exercise of any power under the resolution legislation or declaration of a moratorium in respect of the Issuer could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes. Further, BRRD II (as transposed by the FCPRA), includes the power of the resolution authorities to suspend, for a limited time period, certain contractual obligations of a credit institution in the circumstances where the credit institution is failing or likely to fail, if applicable private sector measures that would prevent the failure of the credit institution are not immediately available, the suspension is necessary to avoid further deterioration of the credit institution or an entity belonging to the consolidation group of the credit institution and the suspension measure is necessary due to public interest or for the purposes of determination of appropriate resolution measures or the effective application of resolution measures by the relevant resolution authority. The scope and time limit for the suspension (which may not, however, exceed two business days pursuant to the FCPRA) shall be determined by the Relevant Resolution Authority (please see the risk factor "*The Issuer may be subject to statutory resolution*" below) on a case-by-case basis, and the right of suspension may be exercised prior to the adoption of a resolution decision by the Relevant Resolution Authority.

Therefore, the exercise of the right to suspend contractual obligations of the Issuer could affect the rights of Noteholders prior to the official initiation of resolution proceedings with respect to the Issuer.

Changes in laws or administrative practices could entail risks

The conditions of the Notes are based on the laws of England in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Base Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in Estonia, Latvia and Lithuania (the Issuer operates in Latvia and Lithuania through its branches and subsidiaries). No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices or certain regulatory developments of Estonia, Latvia and Lithuania after the date of this Base Prospectus.

On 11 December 2025, the ECB task force on banking simplification recommended potential future simplifications to the EU bank capital stack in order to assist transparency and aid competitiveness. The recommendations include the consolidation of certain buffer requirements and simplifying the leverage ratio requirement and related buffers. The proposals also recommended that policymakers consider either improving the loss absorbing characteristics of additional tier 1 instruments, or alternatively removing additional tier 1 and tier 2 instruments from the capital framework. The ECB task force's recommendations are yet to be implemented into any formal legislative policy by either the European Commission or national banking authorities, but any potential move to adopt these, or similar, recommendations in the future could have a material effect on the efficiency and effectiveness of capital instruments such as the Subordinated Notes, or the ability of the Issuer to make payments on the Subordinated Notes.

Denominations of the Definitive Notes may be illiquid

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive Definitive Notes in respect of such holding (should Definitive Notes be printed) and may need to purchase a principal amount of Notes such that its holding amounts to the minimum Specified Denomination.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the larger the remaining term of such securities the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Conflicts may arise between the interests of the Calculation Agent and the interests of the Noteholders

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders, including with respect to certain determinations and judgements that such Calculation Agent makes pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Recognition of choice of court agreements and enforcement of foreign judgments in Estonia

In accordance with Condition 25(b) (*Governing Law and Jurisdiction - English courts*), the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes). In accordance with Condition 25(d) (*Governing Law and Jurisdiction - Rights of the Noteholders to take proceedings outside England*), notwithstanding Condition 25(b) (*Governing Law and Jurisdiction - English courts*), any Noteholder may take proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent proceedings in any number of jurisdictions.

The recognition of the choice of jurisdiction of English courts and the recognition and enforcement of judgments of English courts would be assessed and carried out in Estonia in accordance with Hague Convention of 30 June 2005 on Choice of Court Agreements ("**Hague 2005**") and the Estonian Code of Civil Procedure, if and as applicable. On 12 January 2024, the UK signed the Hague Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters ("**Hague 2019**"), which came into force in the UK on 1 July 2025. Hague 2019 provides for the mutual enforcement of judgments between the UK and the other contracting states, including EU member states, in proceedings commenced after 1 July 2025. Asymmetric and non-exclusive jurisdiction clauses are covered by Hague 2019 and apply to judgments given in proceedings initiated after Hague 2019 had come into effect in the UK, regardless of when the agreement was made.

The validity of the parties' agreement on jurisdiction, including as stipulated by Condition 25(b) (*Governing Law and Jurisdiction - English courts*) would be assessed by Estonian courts in accordance with, firstly, Hague 2005, and, secondly, the Estonian Code of Civil Procedure. The Estonian Code of Civil Procedure would also apply to recognition of choice of court and enforcement of judgments of courts of other countries which are not subject to Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), Hague 2019, or other international agreements or conventions that regulate the recognition of choice of court and/or enforcement of judgments of courts.

The Estonian Code of Civil Procedure stipulates that parties are generally free to contractually agree on a jurisdiction of their choice, **provided that**, among others, the contract is concluded in the course of their business activities, in writing or in a format which can be reproduced in writing and does not relate to a matter in respect of which the exclusive jurisdiction of Estonian courts is stipulated by the Estonian Code of Civil Procedure. In order to be valid, the relevant agreement concerning applicable jurisdiction should not in bad faith exclude a party's right to use Estonian jurisdiction. The validity of asymmetric jurisdiction clauses is not expressly regulated in the Estonian Code of Civil Procedure and is untested in the practice of the Estonian Supreme Court. Furthermore, the Estonian Code of Civil Procedure provides with respect to the recognition of judgments of foreign courts that, a court may refuse, on the application of an interested party, to recognise the judgment based on the grounds stipulated in the Estonian Code of Civil Procedure. Such grounds include, above all, conflict with public policy, failure to deliver the action and procedural documents to the defendant, existence of the conflicting court decisions and inappropriate jurisdiction, amongst others.

Thus, the ability of Noteholders to bring proceedings against the Issuer in English courts or other foreign courts and the recognition and enforcement of the judgments of English courts and other foreign courts in Estonia may be subject to limitations and conditions arising from, as applicable in each particular situation, the international agreements or conventions or the Estonian Code of Civil Procedure.

Recognition and enforcement of choice of English law to govern the Notes and procedural rules applied in court proceedings in Estonia

Recognition of choice of law to govern any contractual obligations would, in a situation where a relevant dispute is brought before an Estonian court (and **provided that** such Estonian court has jurisdiction over the dispute instead of the English courts due to the limitations and conditions applicable under any of the legislative acts, as applicable, described under "*Recognition of choice of court agreements and enforcement of foreign judgments in Estonia"* above) be decided by the Estonian court in accordance with the Estonian conflicts of laws rules (including Regulation (EC) 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations and the Estonian Private International Law Act, if and as applicable). In accordance with such rules, as a general principle, an agreement shall be governed by the law chosen by the parties and, by their choice, parties may select the law applicable to the

whole or part of the agreement. However, a foreign law chosen by the parties shall not be applied by Estonian courts in certain circumstances, above all, if: (i) application of a provision of foreign law is manifestly incompatible with the public policy ("**order public**") of Estonia; (ii) provisions of foreign law allow the parties to deviate from the provisions of Estonian law that have extraterritorial application or overriding mandatory provisions; or (iii) the substance of the applicable foreign law cannot be established by the Estonian court, regardless of all reasonable efforts, within a reasonable time. In such circumstances Estonian courts may apply Estonian law instead.

Further to the above, in any proceedings taken in Estonian courts or other authorities for the enforcement of the Notes, the courts and the authorities would apply procedural rules of Estonian law, and the enforcement would thus be subject to the limitations arising from Estonian law. Such limitations include, *inter alia*, that the enforcement of the Notes in Estonian courts may be subject to restrictions based upon principles of reasonableness and fairness, statutory limitations for filing of claims and the general discretionary authority of the courts to mitigate damages. In addition, restrictions on the enforcement of the Notes could (depending on the circumstances) arise from applicable bankruptcy, insolvency, moratorium and other laws of general application relating to or affecting generally the enforcement of creditors' rights and remedies from time to time in effect.

Any of the above may adversely affect the enforcement by Noteholders of their claims against the Issuer arising from the Notes.

Risks related to the Subordinated Notes, Senior Non-Preferred Notes and the Restricted Senior Preferred Notes

Under certain circumstances, the Issuer's ability to redeem or repurchase the Subordinated Notes, the Restricted Senior Preferred Notes and the Senior Non-Preferred Notes may be limited

The rules under the CRD Package prescribe certain conditions for the granting of permission by the Competent Authority or the Relevant Resolution Authority (as applicable) to a request by the Issuer to redeem or repurchase Subordinated Notes, Senior Non-Preferred Notes or Restricted Senior Preferred Notes. The Issuer may redeem or repurchase Subordinated Notes, Senior Non-Preferred Notes or Restricted Senior Preferred Notes only if such redemption or repurchase is in accordance with applicable provisions of the Applicable Banking Regulations, and, where necessary, has been granted the approval of or permission from (in the case of the Subordinated Notes) the Competent Authority or (in the case of Senior Non-Preferred Notes or Restricted Senior Preferred Notes) the Resolution Authority (in each such case, to the extent such approval is then required under the Applicable Banking Regulations) and, in addition if:

(i) on or before such redemption or repurchase of the Notes, the Issuer replaces the Notes with own funds instruments or eligible liabilities instruments (as applicable) of an equal or higher quality on terms that are sustainable for its income capacity;

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority (in the case of Subordinated Notes) or (in the case of Restricted Senior Preferred Notes or Senior Non-Preferred Notes) the Resolution Authority that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements under the Applicable Banking Regulations by a margin that (in the case of Subordinated Notes) the Competent Authority or (in the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes to the extent that such Subordinated Notes have ceased to qualify, in whole but not in part, as Tier 2 Capital the Resolution Authority may consider necessary; or

(iii) (in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes only) the Issuer has demonstrated to the satisfaction of the Competent Authority and/or the Resolution Authority that the partial or full replacement (as applicable) of its eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements set out in the CRD Package for continuing authorisation.

In addition, the rules under the CRD Package provide that the Competent Authority may only permit the Issuer to redeem Subordinated Notes that qualify as Tier 2 Capital before five years after the issue date of the last Tranche of any Series of such Subordinated Notes if:

(a) either of the conditions listed in paragraphs (i) and (ii) above is met; and

(b) in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Subordinated Notes; or

(c) in the case of redemption for taxation reasons pursuant to Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*), the Issuer demonstrates to the satisfaction of the Competent Authority that the change in tax treatment is material and was not reasonably foreseeable at the time of issuance of the Subordinated Notes; or

(d) before or at the same time of such redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Competent Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(e) the Subordinated Notes are repurchased for market making purposes.

The rules under the CRD Package may be modified from time to time after the Issue Date of Subordinated Notes.

The Subordinated Notes and the Senior Non-Preferred Notes are subordinated to most of the Issuer's liabilities

If the Issuer is declared bankrupt and a winding-up is initiated, the claims of the holders of its senior debt and its obligations to most of its other creditors (including unsecured creditors but excluding any obligations in respect of more subordinated debt or other obligations that by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the holders of the Subordinated Notes or the Senior Non-Preferred Notes, as applicable) will be satisfied (after covering the costs of and other payments relating to bankruptcy proceedings) before any payments on the relevant Subordinated Notes or Senior Non-Preferred Notes, as applicable. Furthermore, pursuant to the amendments introduced by BRRD II (which was transposed into Estonian law in 2021), all claims resulting from own funds items shall have, in relevant insolvency proceedings, a lower priority ranking than any claim that does not result from an own funds item. For the purposes of the previous sentence, to the extent that an instrument is only partly recognised as an own funds item, the whole instrument shall be treated as a claim resulting from an own funds item and shall rank lower than any claim that does not result from an own funds item. This means that, regardless of their contractual ranking, liabilities that are no longer at least partially recognised as an own funds instrument for the purpose of the CRR shall rank senior to any liabilities fully or partially recognised as an own funds instrument. Accordingly, claims of the holders of the Subordinated Notes that qualify as Tier 2 Capital will have, in the bankruptcy proceedings carried out in respect of the Issuer, a lower priority ranking than any claims that do not result from own funds items in accordance with the provisions of BRRD II, even if the Subordinated Notes are only partly recognised as an own funds item of the Issuer. In any of the above situations, the Issuer may not have enough assets remaining after these payments to pay amounts due under the relevant Subordinated Notes or Senior Non-Preferred Notes, as applicable. Although the Subordinated Notes or the Senior Non-Preferred Notes, as applicable, may pay a higher rate of interest than notes which are not subordinated, there is a substantial risk that investors in the Subordinated Notes or the Senior Non-Preferred Notes will lose all or some of the value of their investment should the Issuer become insolvent. See also "*The Issuer may be subject to statutory resolution*", above.

Remedies in case of default on Senior Non-Preferred Notes, Subordinated Notes and Restricted Senior Preferred Notes are severely limited

The Senior Non-Preferred Notes, the Subordinated Notes and Restricted Senior Preferred Notes will contain limited enforcement events relating to (a) non-payment by the Issuer of any amounts due and (b) the winding-up, insolvency or bankruptcy of the Issuer, whether in Estonia or elsewhere.

In such circumstances, as described in more detail in Condition 13.2 (*Events of Default – Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes*) of the Conditions, a Noteholder may declare its Notes to be due and payable at their principal amount, and prove or claim in the winding-up, insolvency or bankruptcy of the Issuer.

In each case, however, the holder of such Senior Non-Preferred Notes, Subordinated Notes and Restricted Senior Preferred Notes may claim payment in respect of such Notes only in the winding-up, insolvency or bankruptcy proceedings of the Issuer.

The Issuer could, in certain circumstances, substitute or vary the terms of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes

To the extent that any Series of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes contains provisions relating to the substitution or variation of such Notes, in certain circumstances (such as if a Capital Event, Withholding Tax Event, Tax Event or MREL Disqualification Event has occurred and is continuing, or in order to ensure the effectiveness of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*)), the Issuer may, in accordance with Applicable Banking Regulations and without the consent or approval of the Noteholders, substitute or vary the terms of such Notes (including changing the governing law of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*)) to ensure that, if applicable, they continue to qualify as, in the case of Subordinated Notes (save to the extent provided below), Tier 2 Capital or in the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes that have ceased to qualify in whole but not in part, as Tier 2 Capital eligible liabilities, in accordance with the Conditions, or in order to ensure the effectiveness and enforceability of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*).

While the Issuer cannot make changes to the terms of such Notes that are materially less favourable to a holder of such Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, the governing law of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*) may be changed in order to ensure the effectiveness and enforceability of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*).

There can be no assurance as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution or variation.

The Issuer's gross-up obligation under the Restricted Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes is limited

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of any Series of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes applies only to payments of interest due and payable under such Notes and not to payments of principal (which term, for these purposes, includes any premium, final redemption amount, early redemption amount, optional redemption amount and any other amount (other than interest) which may from time to time be payable in respect of such Notes).

As such, the Issuer would not be required to pay any additional amounts under the terms of any Series of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under any Series of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, such Noteholders would, upon repayment or redemption of such Notes, be entitled to receive only the net amount of such redemption or repayment proceeds after deduction of the amount required to be withheld. Therefore, Noteholders may receive less than the full amount due under such Notes, and the market value of such Notes may be adversely affected as a result.

Risks related to the Covered Bonds

Default of Issuer's Assets or an inability to supplement the Cover Pool with Eligible Assets and Insolvency of the Covered Bond Portfolio

Default of the Issuer's assets (in particular assets in the Cover Pool) or an inability to supplement the Cover Pool with Eligible Assets could jeopardise the Issuer's ability to make payments on the Covered Bonds in full or on a timely basis.

Under the ECBA in force as at the date of this Base Prospectus, to comply with the statutory requirements, the Issuer must ensure that (i) the nominal value of the total amount of the Cover Pool continuously exceeds the liabilities covered by at least five per cent. and (ii) if the known redemption value of Covered Bonds is higher than their nominal value at the time of issue, the Cover Pool must, in addition to meeting the requirement set out in item (i), have a nominal value at least equal to the redemption value of the Covered Bonds. Where assets included in the Cover Pool no longer satisfy this criterion, the Issuer is required to supplement the Cover Pool with additional Eligible Assets. Should the Issuer not have sufficient Eligible Assets to add to the Cover Pool, the Issuer may be unable to meet the referred statutory requirement. Furthermore, after the separation of the Covered Bond Portfolio from the Issuer's assets, the Issuer is not permitted under the ECBA to make any transactions with the assets in the Covered Bond Portfolio and therefore, no addition of assets to the Cover Pool can be expected following the occurrence of a separation event which may occur due to, among other things, a declaration of bankruptcy or a moratorium in respect of the Issuer; termination of the validity of the credit institution licence or additional authorisation for issuing covered bonds held by the Issuer; the entering into force of a court ruling providing for compulsory dissolution of the Issuer; receiving an authorisation from the EFSA for voluntary dissolution or discontinuation of the issuance of Covered Bonds; or where the EFSA resolves that the Covered Bond Portfolio should be separated from the Issuer's assets on the grounds provided in the ECBA.

If: (i) the present value of the Cover Pool does not cover the present value of the liabilities arising from Covered Bonds and from the Derivative Instruments entered in the cover register and the expenses of management of the Covered Bond Portfolio or (ii) the Cover Pool or the income receivable from the Cover Pool is not sufficient to settle a rightful claim of at least one Covered Bondholder or at least one counterparty to a Derivative Instrument entered in the cover register and the situation is not temporary due to the financial standing of the Covered Bond Portfolio, the Covered Bond portfolio will be deemed insolvent and the EFSA may apply to court for the initiation of bankruptcy proceedings with respect to the Covered Bond Portfolio. To the extent that claims of the Covered Bondholders in respect of the Covered Bonds and counterparties to the Derivative Instruments included in the Cover Pool are not met out of the Cover Pool in the bankruptcy proceedings carried out in respect of the Covered Bond Portfolio, the Covered Bondholders and counterparties to the Derivative Instruments included in the Cover Pool may submit their claims arising from the Covered Bonds and Derivative Instruments against the Issuer or its bankruptcy estate, but such residual claims of the Covered Bondholders and counterparties to the Derivative Instruments included in the Cover Pool will not be preferred claims, will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer (save for such obligations as may be preferred by provisions of law that are both mandatory and of general application) and may thus not be satisfied in full.

Extended Maturity of the Covered Bonds

If a bankruptcy, compulsory dissolution or another event described in Condition 9(n)(i)(B) (*Redemption and Purchase – Extension of maturity to Extended Maturity Date*) has occurred in respect of the Issuer and, as a result of such an event the Covered Bonds are not redeemed in full on the Maturity Date at their Final Redemption Amount or within three Business Days thereafter, the maturity of the outstanding principal amount of such Covered Bonds on the Maturity Date will be automatically extended to the Extended Maturity Date in accordance with Condition 9(n) (*Redemption and Purchase – Extension of maturity to Extended Maturity Date*) and notification of such shall be delivered to the relevant Covered Bondholders and to the Paying Agents. In the event of such extension, the Issuer shall redeem the outstanding principal amount of such Covered Bonds at their Final Redemption Amount on the Extended Maturity Date. In addition, all or any part of the outstanding principal amount of such Covered Bonds may be redeemed on any extended Interest Payment Date, occurring during the period up to and including the Extended Maturity Date. The terms and conditions of the Covered Bonds do not provide for events of default entitling Covered Bondholders to demand immediate redemption and do not include a cross-default or cross-acceleration provision (see further – *Risk Factors - Risks related to the Covered Bonds - No Events of Default*). The extension of the maturity of the outstanding principal amount of the Covered Bonds to the Extended Maturity Date will not result in any right of the Covered Bondholders to accelerate payments on such Covered Bonds and no payment will be payable to the Covered Bondholders in that event other than as set out in the Conditions.

Furthermore, pursuant to Condition 9(n)(i) (*Redemption and Purchase – Extension of maturity to Extended Maturity Date*), the Issuer may amend, by a notice to the Covered Bondholders, the circumstances in which such automatic extension can apply if it determines that such circumstances qualify as permitted conditions for automatic extension of maturity under the ECBA (as in force at the relevant time). By virtue of this Condition the Issuer is entitled to unilaterally specify other circumstances that are not known at the date of

this Base Prospectus in which the maturity of the outstanding principal amount of the Covered Bonds will be automatically extended to the Extended Maturity Date in accordance with Condition 9(n) (*Redemption and Purchase – Extension of maturity to Extended Maturity Date*), **provided that** the addition of such other circumstances are permitted by the ECBA as then in force.

Under Estonian law, after the separation of the Covered Bond Portfolio from the Issuer's assets which may arise due to declaration of bankruptcy or a moratorium in respect of the Issuer; the entering into force of a court ruling providing for compulsory dissolution of the Issuer or other circumstances described in subsection "*Separation of the covered bond portfolio*" in the section titled "*Overview of Estonian Regulation Regarding Covered Bonds*", the Issuer will then not be permitted to make any transactions with the assets in the Covered Bond Portfolio. As such, unlike the period prior to occurrence of such events (see further – *Risk Factors - Risks related to the Covered Bonds – Limited Description of the Cover Pool*) the Covered Bond Portfolio will not be dynamic and, as such, no enhancement of the credit quality of the assets in the Cover Pool can be expected.

Therefore, investors investing in Covered Bonds with an Extended Maturity Date should be aware of the possibility that their Covered Bonds will not be paid on the Maturity Date and that the interest basis, interest rates and interest periods for the period from the Maturity Date to the Extended Maturity Date may be different to those applicable for the period from the Issue Date to the Maturity Date, as specified in the relevant Final Terms.

Risks associated with the insufficient legal framework in Lithuania for covered bonds issued under the laws of Estonia and covered by Lithuanian assets

As at the date of this Base Prospectus, the Cover Pool includes Mortgage Loans secured by mortgages over Properties located in Estonia, Latvia and Lithuania. Since the mortgages related to Latvian and Lithuanian assets are governed by Latvian and Lithuanian laws and are located and enforceable in Latvia and Lithuania, respectively, such laws may affect the rights of the Covered Bondholders.

As at the date of this Base Prospectus, the laws of Lithuania do not expressly regulate the situation where Lithuanian assets form part of the on-balance sheet cover pool of covered bonds issued under the laws of another jurisdiction, nor do they expressly provide for the recognition of the protection afforded to such assets by the laws of that jurisdiction. The lack of such express recognition primarily affects the rights of the Covered Bondholders before the time at which bankruptcy or other winding-up proceedings are commenced against the Issuer. Bankruptcy and other winding-up proceedings in respect of the Issuer will be governed (in accordance with the provisions of Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions, as transposed into Estonian, Latvian and Lithuanian laws) by the laws of Estonia, which shall, among other things, determine the effect of the bankruptcy and winding-up proceedings on proceedings brought by individual creditors and as such, would allow the application of the ring-fencing regime set out in the ECBA with respect to the assets included in the Cover Pool which are located in Lithuania.

On 30 June 2022, the Law on Securitisation and Covered Bonds of the Republic of Lithuania (No XIV-1329) was adopted in Lithuania. This law governs the issue of covered bonds in Lithuania as well as the transfer of assets comprising the cover pool to other credit institutions or special purpose vehicles. However, it does not expressly provide protection to assets located in Lithuania comprising the cover pool in case of an on-balance sheet issue of covered bonds under the law of Estonia (for more information on the described regulation, see "*Covered Bond Legislation Untested and Subject to Modification*" below). This means that the Lithuanian assets in the Cover Pool may not always be subject to the same level of ring-fencing prior to any bankruptcy and winding-up proceedings in respect of the Issuer, and the rights of Covered Bondholders in respect of Lithuanian assets may not always be subject to the same regime as is provided under the ECBA, and the enforcement of such rights may be uncertain due to a lack of relevant precedents. Furthermore, the exercise of certain rights related to separation, administration and enforcement of the Covered Bond Portfolio in Lithuania may be subject to additional formalities and requirements.

The main risks relating to the addition of Lithuanian assets to the Cover Pool arising from the laws of Lithuania in force as at the date of this Base Prospectus, are the following:

(i) As at the date of this Base Prospectus there are no express provisions under Lithuanian laws that would restrict third-party creditors having a claim against the Issuer from enforcing that claim against the Lithuanian assets included in the Cover Pool or recognising the provisions of the ECBA

restricting such third party creditor's enforcement claims, including after the separation of the Cover Pool from the Issuer's other assets in accordance with the ECBA, other than in the event where bankruptcy or winding up proceedings are carried out in respect of the Issuer (where bankruptcy or winding up proceedings are carried out in respect of the Issuer, Estonian laws and consequently, the ring-fencing regime set out in the ECBA, would apply, as explained in more detail above). In such circumstances, it cannot be excluded that Lithuanian assets included in the Cover Pool may be sold to discharge the Issuer's obligations to third party creditors and/or become subject to various provisional measures with respect to third party claims, including the possibility that they could be seized or attached, or restrictions may be established by Lithuanian courts for the collection or enforcement, or otherwise dealing with such assets.

If any third-party enforcement claim is made before the separation of the Covered Bond Portfolio, the Issuer will be under a continuous obligation to top up the Cover Pool or to replace the affected assets so as to maintain compliance with the requirements of the ECBA.

However, if third party creditor's enforcement action is taken before the commencement of the Issuer's bankruptcy or winding up proceedings, but after the Covered Bond Portfolio is separated from the Issuer (which may be due to reasons other than the bankruptcy or winding-up of the Issuer, which have been described in subsection "*Separation of the covered bond portfolio*" in the section titled "*Overview of Estonian Regulation Regarding Covered Bonds*"), the Issuer would no longer be permitted to deal with the Cover Pool, and may not be able to add any additional assets to the Cover Pool and this could result in the reduction of the Cover Pool and its value, and affect the proceeds Covered Bondholders receive from the Cover Pool. Furthermore, bailiffs conducting enforcement proceedings in Lithuania, other than in the course of any bankruptcy or winding up proceedings in respect of the Issuer, may disregard the order of distribution of the enforcement proceeds stipulated in the ECBA and the priority of the Covered Bondholders in respect of such proceeds.

(ii) Pursuant to the ECBA, if after the separation of the Covered Bond Portfolio it becomes evident that the Cover Pool or proceeds therefrom are insufficient to discharge all liabilities arising from the Covered Bonds and Derivative Instruments recorded in the cover register and such situation is not temporary or the present value of the Cover Pool does not cover the present value of the relevant liabilities, the Covered Bond Portfolio will be deemed insolvent and the EFSA may apply to court for the initiation of bankruptcy proceedings with respect to the Covered Bond Portfolio. Such bankruptcy proceedings may not necessarily always run in parallel with the bankruptcy proceedings against the Issuer. However, Lithuanian law does not provide legal grounds to recognise bankruptcy proceedings commenced with respect to the Covered Bond Portfolio in Estonia as insolvency proceedings in the meaning of local laws. As a consequence, if the bankruptcy proceedings are commenced in respect of the Covered Bond Portfolio in Estonia, Lithuanian bailiffs conducting enforcement proceedings against Lithuanian assets included in the Cover Pool could reject the Covered Bond Portfolio bankruptcy administrator's request to terminate the enforcement proceedings due to such ongoing bankruptcy proceedings of the Covered Bond Portfolio in Estonia, unless bankruptcy or winding-up proceedings are carried out in respect of the Issuer.

(iii) Lithuanian courts and authorities could refuse to start proceedings or take another action requested by the administrator of the separated Cover Pool or by the bankruptcy administrator appointed with respect to the insolvent Covered Bond Portfolio, unless they recognise the power and capacity of a person to take the relevant action on behalf of the Cover Pool or Covered Bond Portfolio. Furthermore, certain authorities and third parties may require a power of attorney from the Issuer or its Lithuanian branch to accept the authorisation of the Cover Pool administrator or bankruptcy administrator.

(iv) The statutory waivers of the notification or consent obligations provided in the ECBA would not be effective in Lithuania, and therefore, the separation of the Cover Pool and the Covered Bond Portfolio from the Issuer and the possible transfer of the Covered Bond Portfolio as a whole (which, pursuant to the ECBA, could be carried out by the Cover Pool administrator upon the consent of the EFSA) would be subject to all contractual and statutory consent and notification obligations required under Lithuanian law. In particular, there might be certain obstacles which would prevent the entire Covered Bond Portfolio and the Lithuanian Mortgage Loans forming part thereof from

being transferred to another credit institution without the consent of other parties (e.g. the debtor or a third-party collateral provider) or local financial supervisory authorities.

Laws applicable to assets included in the Cover Pool

The claims under the Mortgage Loans and the mortgages that secure such claims, which form part of the assets contained in the Cover Pool, are governed by their contractual terms and various mandatory legal requirements and limitations arising from applicable laws, including mandatory consumer protection requirements, as well as rules and requirements relating to the right to enforce mortgages and dispose of the relevant property. To the extent that such requirements may restrict, limit, hinder or even prohibit certain actions in respect of the enforcement of the claims under the Mortgage Loans and the mortgages that secure such claims, there is a risk that the ability of the Issuer to realise the assets in the relevant Cover Pool may be delayed or may result in an increase in the costs of enforcement, that may ultimately lead to a reduced return to the relevant Covered Bondholders.

Set-off by debtors of claims included in the Cover Pool

The ECBA restricts the rights of debtors and third parties to set off their deposits or other claims towards the Issuer against the Issuer's claims arising from the mortgage loans which form part of the assets in the Cover Pool as further described in the sub-section titled "*Assignment and acquisition of claims for formation of cover pool*" under the section titled "*Overview of Estonian Regulation Regarding Covered Bonds*". Similarly, the Latvian Covered Bonds Law (as defined below) expressly prohibits set-off of debtors' and third-party collateral providers' claims related to the assets in the Cover Pool.

However, there are currently no equivalent provisions under Lithuanian laws in effect as at the date of this Base Prospectus.

In Lithuania, mandatorily applicable laws in effect as at the date of this Base Prospectus prohibit precluding or restricting a consumer's right to plead defences arising from a consumer credit contract against third parties to whom the obligee assigns the claims arising from the consumer credit contract. This means that, until such time when explicit prohibition on set-off is introduced in Lithuania, if the Covered Bond Portfolio or claims belonging to the Cover Pool are transferred to a third-party buyer, the Lithuanian debtors of claims which form part of the assets in the Cover Pool may be entitled to offset the relevant claims so transferred to the third-party buyer against their claims against the Issuer. To the extent set-off is permitted, a set-off by the borrower against the Issuer before the separation of the Covered Bond Portfolio from the Issuer would require the Issuer to add additional assets to the Cover Pool, unless the Cover Pool satisfies the requirements of the ECBA regardless of such set-off. If such set-off is carried out by the borrower after the separation of the Covered Bond Portfolio from the Issuer, then the Issuer may no longer be permitted to add assets to the Cover Pool but shall be under obligation to transfer any proceeds or assets received (including by way of set-off) on account of the performance of any Mortgage Loans included in the Cover Pool to the disposal of the Cover Pool administrator. Should the Issuer be unable to fulfil such obligations, a set-off by debtors of claims which form part of the assets in the Cover Pool may reduce the amounts receivable from the assets in the Cover Pool, which may reduce the amounts receivable by the Covered Bondholders.

Sharing of the Cover Pool

Under the ECBA, Covered Bondholders (along with counterparties to Derivative Instruments) are given a statutory priority in the liquidation or bankruptcy of the Issuer in relation to the assets entered into the cover register as collateral in respect of the Covered Bonds. Accordingly, notwithstanding that the Issuer has entered into liquidation or bankruptcy proceedings (as well as upon certain other events prescribed in the ECBA), the Cover Pool shall separate from the Issuer and will form an independent pool of designated assets and the Covered Bondholders (along with counterparties to Derivative Instruments and persons entitled to satisfy their claims for the account of the Cover Pool by operation of law) have the right to receive payment out of the proceeds of the Cover Pool before all other claims against the Issuer. As described in more detail under the risk factor "*Default of Issuer's Assets*", if the Covered Bond Portfolio becomes insolvent, to the extent that claims of the Covered Bondholders in respect of the Covered Bonds are not met out of the Cover Pool, in the bankruptcy proceedings carried out in relation to the Covered Bond Portfolio the residual claims of the Covered Bondholders will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer. Covered Bondholders will not have any preferential right to the Issuer's assets other than those entered into the cover register as collateral in respect of the Covered Bonds.

Given the *pari passu* ranking of the Covered Bonds and Derivative Instruments under the ECBA, in the event of the Issuer's liquidation or bankruptcy, the amount available to be paid to Covered Bondholders out of the Cover Pool on a prioritised basis may be affected by the amounts payable at the relevant time to counterparties of Derivative Instruments.

The funds accrued from the assets entered in the Cover Pool of the Covered Bonds after the separation of the Covered Bond Portfolio are repaid in accordance with the terms and conditions of the Covered Bonds and Derivative Instruments and in accordance with provisions of the ECBA.

Transfer of the Covered Bonds and the Cover Pool after the separation of the Covered Bond Portfolio

In case the Covered Bond Portfolio (consisting of the Covered Bonds, the Cover Pool and the Derivative Instruments entered into the Register) is separated from the Issuer, the Cover Pool administrator may, upon the permission of the EFSA, transfer the separated Covered Bond Portfolio in its entirety to another Estonian credit institution that has obtained the additional authorisation to issue covered bonds or to a credit institution of a Contracting State of the European Economic Area Agreement which is permitted to issue, in the country where it is established, covered bonds meeting the conditions provided for in Directive (EU) No. 2019/2162 of the European Parliament and of the Council (the "**Covered Bond Directive**"). Upon such transfer, all rights and obligations related to the Covered Bond Portfolio being transferred, including the liabilities arising from the Covered Bond Portfolio before the transfer of the rights and obligations, shall be transferred to the acquirer. The proceeds received from transfer of the Covered Bond Portfolio in its entirety shall be used to cover the expenses of management of the Covered Bond Portfolio. The funds remaining after all expenses are covered shall be included by the Cover Pool administrator in the Issuer's bankruptcy estate or other assets. Following such transfer, whether the Covered Bondholders receive all amounts to which they are entitled under the Covered Bonds and the value of the Covered Bonds shall be dependent on, among other things, the financial standing of the acquirer of the Covered Bond Portfolio.

No market for collateral

There is no assurance as to whether there will be a trading market for the collateral in the Cover Pool or an eligible transferee to take over the obligations relating to the Covered Bonds and the corresponding collateral after the insolvency of the Issuer or separation of the Covered Bond Portfolio.

Failure of the Cover Pool to meet the requirements of the ECBA

The Issuer will be required under the ECBA to comply with certain requirements of the ECBA as long as there is any Covered Bond outstanding. Under the ECBA, if the Cover Pool does not fulfil the requirements provided for in the ECBA, then the EFSA may (depending on the circumstances and the EFSA's discretion): (i) issue a precept requiring the Issuer to add additional Eligible Assets to the Cover Pool; (ii) decide the separation of the Covered Bond Portfolio from the Issuer; (iii) submit a bankruptcy petition with respect to the Covered Bond Portfolio; and/or (iv) revoke the Issuer's additional authorisation for the issuing of Covered Bonds.

While there have been several covered bond issuances by the Issuer and also another Estonian credit institution under the ECBA, it must be noted that the Estonian covered bond law is relatively new and it may take some time for practice in regard to the ECBA (including the amendments made thereto in November 2021, June 2024 and January 2026) and consistent interpretation of the requirements thereunder to emerge. Meanwhile, as at the date of this Base Prospectus, there have been no investigations or proceedings towards the Issuer (nor any publicly disclosed investigations or proceedings towards any other Estonian issuer) for any breaches of or any non-compliance with the ECBA.

To be able to fulfil the requirements of the ECBA continuously, the Issuer currently uses a third-party IT system for the management and monitoring of the Covered Bond Portfolio and related aspects (e.g. the fulfilment of the insurance requirements prescribed under the ECBA (please see the sub-section titled "*Eligible cover pool assets*" under the section titled "*Overview of Estonian Regulation Regarding Covered Bonds*" below)). This creates the risk of dependency on third parties and could have a negative impact if the vendor's systems are not fully suitable for the Issuer or in case there are any technical issues with the vendor's systems. Furthermore, the system has been developed based on the current interpretation of the requirements of the ECBA. Therefore, there is the risk that the system is not fully suitable for the Issuer or that technical issues with the system may occur. The materialisation of such risks could potentially affect the ability of the Issuer to fulfil the requirements of the ECBA.

Any of the above risks could result in the holders of Covered Bonds receiving payment according to a schedule that is different than that contemplated by the terms of the Covered Bonds (with accelerations as well as delays) or that the holders of Covered Bonds are not paid in full, in part, due to the statutory limit to the priority of holders of Covered Bonds.

Ability of Supervisor to declare Covered Bonds due and payable

If the Covered Bond Portfolio is separated from the Issuer and the Cover Pool administrator is appointed for the Cover Pool and the Covered Bond Portfolio appears to be insolvent, the Cover Pool administrator is, under the ECBA, obliged to notify the EFSA promptly thereof. On the basis of such notification or in case the EFSA itself finds that the Covered Bond Portfolio is insolvent, the EFSA may apply to court for the initiation of bankruptcy proceedings with respect to the Covered Bond Portfolio. Under the Estonian Bankruptcy Act (which applies to the bankruptcy proceedings of the Covered Bond Portfolio, with certain exceptions provided in the ECBA), as of the declaration of bankruptcy, with respect to the Covered Bond Portfolio, all the claims of the creditors against the debtor are deemed to have fallen due unless otherwise provided by law. Covered Bondholders should be aware therefore that their Covered Bonds may be declared forthwith due and payable prior to their Maturity Date.

Collection of Mortgage Loans and Default by Borrowers

The Mortgage Loans which secure the Covered Bonds will comprise loans secured on property. The Issuer will be under an obligation to substitute any assets that are, for any reason, no longer eligible for collateral with Eligible Assets in accordance with the ECBA. If the Issuer does not have sufficient Eligible Assets to add to the Cover Pool, the Issuer would breach its statutory obligations as stipulated by the ECBA. This could lead to the separation of the Covered Bond Portfolio and possibly to bankruptcy proceedings in respect of the Covered Bond Portfolio. Under the ECBA, following the separation of the Covered Bond Portfolio from the Issuer's assets, the Issuer is no longer entitled to enter into any transactions in respect of assets in the Covered Bond Portfolio, which would, among other things, restrict the ability of the Issuer to top up the Cover Pool.

A borrower may default on its obligations under its Mortgage Loan. Defaults may occur for a variety of reasons. Defaults under Mortgage Loans are subject to credit, liquidity and interest rate risks and rental yield reduction (in the case of investment Properties). Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. In addition, other factors in borrowers' individual, personal or financial circumstances may affect the ability of the borrowers to repay the Mortgage Loans. Loss of earnings, illness, divorce, weakening of financial conditions or results of business operations and other similar factors may lead to an increase in delinquencies by and bankruptcies of borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay the Mortgage Loans. In addition, an individual's obligation to repay a Mortgage Loan may in certain circumstances be discharged in part in their personal bankruptcy proceedings if the value of the collateral does not cover the entire loan and the borrower does not have sufficient other assets and earnings to discharge in the relevant procedure, or as a result of discharge of the borrower from obligations under proceedings for release from obligations. In addition, the ability of a borrower to sell a Property given as security for a Mortgage Loan at a price sufficient to repay the amounts outstanding under that Mortgage Loan will depend upon a number of factors, including the availability of buyers for that Property, the value of that Property and property values in general at the time. Any of the above circumstance may affect the level of proceeds receivable to the Covered Bondholders from the Cover Pool.

Value of Security over Property

The security for a Mortgage Loan included in the Cover Pool consists of, amongst other things, the Issuer's interest in security over a Property. The value of such security and, accordingly, the level of recoveries on an enforcement of such security, may be affected by, among other things, a decline in the value of Property and the priority of such security. No assurance can be given that the values of relevant Properties will not decline or have not declined since the Mortgage Loan was originated. Although Estonian and Lithuanian laws, in conjunction with the Estonian and Lithuanian mortgage agreements, allow the mortgagee to commence enforcement of the mortgage without having to obtain a court ruling for such purpose, it is still possible that depending on the circumstances, the enforcement of the security may require obtaining a court

decision or may be affected by court proceedings initiated by the debtor or the pledgor to delay or restrict the enforcement of the security. In the case of Latvian mortgage agreements, a court decision is always required to commence enforcement of the mortgage. The ability of the Issuer to enforce a security interest, including disposal of a Property will depend on, *inter alia*: (i) the potential need to obtain a court ruling for the enforcement process and the specifics of the relevant court proceedings; (ii) the housing market or commercial property market conditions at the relevant time; (iii) the availability of buyers for the relevant Property; and (iv) the results of the specific enforcement process.

Concentration of Location of Properties

All Mortgage Loans contained in the Cover Pool will be secured on Property located or incorporated in Estonia, Latvia and/or Lithuania. The value of the Cover Pool may decline sharply and rapidly in the event of a general downturn in the value of Property in Estonia, Latvia and/or Lithuania. Any such downturn may hence have an adverse effect on the Issuer's ability to satisfy its obligations under the Covered Bonds and/or the price or value of the Covered Bonds.

No Due Diligence

The Dealers have not undertaken and will not undertake any investigations, searches or other actions in respect of any Mortgage Loans or Supplementary Collateral contained or to be contained in the Cover Pool but will instead rely on representations and warranties provided by the Issuer in the Dealer Agreement. The Issuer is obliged to ensure the Cover Pool fulfils the requirements of the ECBA.

Proceeds receivable to Covered Bondholders from the Cover Pool may be reduced by the payment of mandatory costs, expenses and preferred claims from the proceeds of the Cover Pool

In accordance with the ECBA, after the separation of the Covered Bond portfolio, the Cover Pool and the proceeds received from it can be used only to satisfy the claims of the holders of the respective type of Covered Bonds and of the counterparties to the Derivative Instrument and to cover the expenses related to the management of the Covered Bond portfolio. The expenses related to the management of the Covered Bond portfolio would likely mainly consist of the remuneration of the Cover Pool administrator and the expenses he or she incurs in the performance of his or her duties. The remuneration of the Cover Pool administrator shall be decided by a court, on the proposal of the EFSA, which corresponds to the qualification of the Cover Pool administrator and the scope and complexity of his or her assignments. Pursuant to the ECBA in effect as at the date of this Base Prospectus, the yearly remuneration of the Cover Pool administrator may not exceed 0.5 per cent. of the value of the cover assets included in the Cover Pool. There is no fixed limit on the reimbursement of the Cover Pool administrator's expenses but the ECBA provides that the Cover Pool administrator is only entitled to demand reimbursement of necessary expenses, on the basis of an application to the EFSA. The EFSA is obliged to verify whether the expenses incurred in the performance of the Cover Pool administrator's duties were justified and approve the amount of the necessary and justified expenses.

In the event that the Covered Bond portfolio is declared bankrupt, the use and distribution of proceeds received from the Covered Bond portfolio shall be carried out in accordance with the Estonian Bankruptcy Act, among others, with the following specification provided in the ECBA:

- only the Covered Bondholders, the counterparties to the Derivative Instruments who have a claim under section 48 of the Bankruptcy Act, and other persons whose claims may be satisfied at the expense of the Cover Pool or proceeds received from it according to law, can be creditors in bankruptcy proceedings concerning the Covered Bond Portfolio; and

- claims arising from Derivative Instruments and Covered Bonds shall have the same ranking and shall be satisfied before the claims of other creditors.

In accordance with the above, the following payments may be made from the proceeds of the Covered Bond Portfolio prior to the satisfaction of the claims arising from Derivative Instruments and Covered Bonds:

- claims arising from the consequences of exclusion or recovery of assets;

- maintenance support paid to the debtor and his or her dependants (which would not be relevant in case of a legal entity);

- consolidated obligations; and
- the costs of the bankruptcy proceedings.

Consolidated obligations are: (i) obligations arising from transactions and other acts performed by a trustee in the performance of his or her duties in the bankruptcy proceedings; (ii) obligations arising from contracts which the debtor has failed to perform, if the trustee has continued performance of the obligations or given notification that he or she intends to require performance of the contract; (iii) taxes relating to continuation of the business activities of the debtor; (iv) obligations to compensate for the damage caused during the bankruptcy proceedings by an unlawful action of a debtor who is a legal person; and/or (v) other obligations deemed to be consolidated obligations pursuant to the Estonian Bankruptcy Act.

In the event that any of the above described costs or expenses arise, such costs and expenses would be satisfied before the claims of the Covered Bondholders and the counterparties to the Derivative Instruments, meaning that that proceeds receivable by the Covered Bondholders and the counterparties to the Derivative Instruments on the account of the Cover Pool may be reduced.

Covered Bond Legislation Untested and Subject to Modification

The ECBA originally came into effect in 2019. In 2021, various amendments, including amendments resulting from the implementation of the Covered Bond Directive came into effect. The ECBA received further minor amendments in July 2024.

While the legislative framework relating to covered bonds has been developing in recent years, the protection afforded to the holders of the Covered Bonds by means of a preference on the Cover Pool is based only on the ECBA and as at the date of this Base Prospectus, there is no practical experience in relation to the operation of the ECBA and its interpretation by Estonian courts. Furthermore, the provisions of the ECBA may be modified from time to time after the Issue Date of the Covered Bonds.

On 23 June 2021, the Latvian Parliament adopted a new covered bonds law (the "**Latvian Covered Bonds Law**") which implements the requirements set out by the Covered Bond Directive into Latvian law, as well as, among other things, expressly recognising the possibility of establishing covered bond programmes with a cross-border cover pool (including situations where Latvian assets form part of a cover pool of covered bonds issued under the laws of another jurisdiction). Pursuant to the Latvian Covered Bonds Law, inclusion by an issuer of an EU/EEA member state of assets of a Latvian branch of that issuer in its cover pool is permitted without the formation of a specific covered bond company, provided that the Latvian branch of the issuer ensures the management of Latvian assets included in the cover pool. The Latvian Covered Bonds Law provides for the following specific safeguards to the rights of the covered bondholders where the covered bonds are secured with a cross-border cover pool which is established (as is the case for the Cover Pool of the Issuer) without the formation of a specific covered bond company:

- the Latvian Covered Bonds Law explicitly provides for the protection of Latvian assets included in the cover pool against claims of third parties and stipulates that underlying assets included in the cover pool may not be subject to enforcement, nor may any action be brought against the issuer, the disposer, the covered bond company or the manager in relation to the underlying assets, except where action arises from the covered bond claims;
- the Latvian Covered Bonds Law further provides that any liquidation of the cover pool and insolvency proceedings or an equivalent procedure within the meaning of the law of the country under which the programme has been established shall be carried out in accordance with the laws and regulations of that EU/EEA member state, regardless of whether the collateral is located or registered in Latvia. If the laws and regulations applicable to the programme provide liquidation of the cover portfolio as an aggregation of property, bankruptcy (within the meaning of the regulatory enactments of an EU/EEA member state) or similar procedures in accordance with the said regulatory enactments, the relevant process in Latvia is considered to be an insolvency process of a credit institution of a member state. It therefore follows from the Latvian Covered Bonds Law that bankruptcy proceedings of the Covered Bond Portfolio in Estonia should be recognised in Latvia in respect to Latvian assets;
- pursuant to the Latvian Covered Bonds Law, no notification or consent of the debtor or third-party collateral provider is required for the alienation of assets. Moreover, the Latvian Covered Bonds

Law invalidates any agreement between a debtor and issuer by which the alienation or transfer of assets to another person is prohibited or restricted if the alienation of assets is performed by the issuer or the transferor in accordance with the Latvian Covered Bonds Law;

- the Latvian Covered Bonds Law provides for the protection of undisclosed information and the principles of processing of personal data in relation to the assets included in the cross-border cover pool.

- However, as at the date of this Base Prospectus, there is no practical experience in relation to the operation of the Latvian Covered Bonds Law and its interpretation by Latvian courts. There is a possibility that the protections and safeguards for covered bondholders provided by the Latvian Covered Bonds Law will not be effective in practice (including due to the possible conflict between the laws of the jurisdiction under which the covered bond programme has been established and Latvian law). Furthermore, the provisions of the Latvian Covered Bonds Law may be modified from time to time after the issue date of any Covered Bonds.

On 30 June 2022, the Lithuanian Parliament adopted a new law on securitisation and covered bonds of the Republic of Lithuania (the "**Lithuanian Law on Securitisation and Covered Bonds**") which, *inter alia*, implements the requirements set out by the Covered Bond Directive into Lithuanian law. The Lithuanian Law on Securitisation and Covered Bonds regulates the issue of covered bonds in Lithuania as well as the transfer of cover pool assets from the originator to another credit institution or special purpose vehicle, however it does not deal with situations where Lithuanian assets form part of a cover pool of covered bonds issued according to the on-balance sheet model under the laws of another jurisdiction. Therefore, adoption of this law has not eliminated or changed the impact of the issues described under the risk factor entitled "*Risks associated with the insufficient legal framework in Lithuania for covered bonds issued under the laws of Estonia and covered by Lithuanian assets*" above.

Lithuanian laws currently in force do not contain any specific provisions on the inclusion of Lithuanian assets to the cover pool of covered bonds issued under the laws of another jurisdiction when covered bonds are issued without the transfer of cover pool assets to a separate special purpose entity, nor on the recognition in Lithuania of the protection afforded to such assets by the laws of other jurisdiction (see further – "*Risks associated with the insufficient legal framework in Lithuania for covered bonds issued under the laws of Estonia and covered by Lithuanian assets"* above).

There is a possibility that any change to the existing legislation in Estonia, Latvia or Lithuania, may have an additional negative impact on the Covered Bonds, the treatment of Latvian and Lithuanian assets in the Cover Pool and the rights of Covered Bondholders in respect of Latvian and Lithuanian assets, as well as the potential to add Latvian and/or Lithuanian assets to the Cover Pool.

No Events of Default

The terms and conditions of the Covered Bonds do not include any events of default relating to the Issuer, and therefore the terms and conditions of the Covered Bonds do not entitle Covered Bondholders to accelerate the Covered Bonds. As such, it is envisaged that Covered Bondholders will only be paid the scheduled interest payments under the Covered Bonds as and when they fall due under the terms and conditions of the Covered Bonds. As an exception to the above, under the ECBA, the Covered Bonds would become due and payable upon the declaration of the bankruptcy of the separated Covered Bond Portfolio - in such case, the Covered Bonds would become due and payable automatically, without entitling the Covered Bondholders to decide whether or not to accelerate the Covered Bonds. The absence of any events of default from the Terms and Conditions may make it less likely that the Covered Bondholders will recoup their investment in full in the event that the Issuer experiences financial distress.

Limited Description of the Cover Pool

Covered Bondholders will not receive detailed statistics or information in relation to the Mortgage Loans and other Eligible Assets covering the Covered Bonds as it is expected that the composition of the portfolio of such Mortgage Loans and other Eligible Assets may change from time to time due to, for example, the inclusion and removal of Mortgage Loans to the Cover Pool from time to time. The Issuer does, however, have an obligation under the ECBA to publish certain prescribed information set out in the ECBA every quarter on its website relating to, *inter alia*, (i) the nominal value of outstanding covered bonds and of the cover pool; (ii) a list of all covered bonds under that covered bond programme with the International

Securities Identification Numbers (ISINs), if any; (iii) the maturity structure of the covered bonds and the cover pool; (iv) the geographical distribution of the value of cover assets, at least to the accuracy of the country, based on the location of the property standing as security for a mortgage credit or commercial mortgage credit, and the location of the debtor or issuer in the case of other cover assets; (v) the type of property included in the cover pool, the total size and valuation method of the loans included in the cover pool; (vi) the distribution of substitute collateral, in terms of its value, between the types specified in subsection 20 (1) of the ECBA; (vii) the level of the liquidity buffer and information about the ratio between the total liquidity buffer and the payment obligations of the next 180 days; (viii) the percentage of the amount of substitute collateral, which has been in default for over 90 days or which the issuer estimates to be doubtful, in the cover pool; (ix) details in relation to market risk, including interest rate risk and currency risk, and credit and liquidity risks; (x) a list of the conditions suspending the maturity of a payment obligation; (xi) the amount of the main collateral, mandatory overcollateral and voluntary overcollateral; (xii) information about counterparties of derivative contracts; and (xiii) the methodology for calculating the ratio between credit and the value of the property standing as security for the credit.

As the composition of the Cover Pool may change from time to time, there are no assurances that the credit quality of the assets in the Cover Pool will remain the same as at the date of this Base Prospectus or on or after the issue date of any Covered Bonds.

Reliance on Derivative Transaction Providers

The Issuer may from time to time enter into one or more Derivative Instruments in order to hedge against risks relating to the Covered Bonds or Mortgage Loans or other Eligible Assets placed as collateral for such Covered Bonds.

To provide a hedge against possible variances in the rates of interest receivable on the Mortgage Loans and other Eligible Assets from time to time included in the Cover Pool as cover assets for the Covered Bonds (which may, for instance, include variable rates of interest, discounted rates of interest, fixed rates of interest or interest rate caps or collars) and the interest rate(s) under the Covered Bonds, the Issuer may from time to time enter into one or more interest rate derivative transactions, and to provide a hedge against possible variances in the currency in which payments will be made to the Issuer in respect of the Mortgage Loans and other assets from time to time held by the Issuer as collateral for the Covered Bonds and the currencies in which the Issuer will be required to make payments in respect of the Covered Bonds, the Issuer may from time to time enter into currency swap transactions. If the Issuer enters into a relevant Derivative Transaction at the time of an issuance of Covered Bonds, the Issuer shall disclose in the Final Terms the nature of the hedge (for example, an interest rate swap transaction or a currency swap transaction) and the identity of the Derivative Transaction counterparty.

If the Issuer does not enter into any relevant Derivative Transaction or any Derivative Transaction counterparty defaults on its obligations to make payments in the relevant currency and/or at the relevant rate of interest under the relevant Derivative Transaction, the Issuer and the Covered Bond Portfolio will be exposed to changes in the relevant rates of interest and/or the relevant currency exchange rates. Unless one or more new or replacement Derivative Instruments are entered into, the Issuer may not have sufficient funds to make payments under all Covered Bonds then outstanding and the Covered Bond Portfolio may not be sufficient to satisfy all the claims of the Covered Bondholders.

Risks relating to the ratings of the Covered Bonds

The ratings assigned to the Covered Bonds to be issued under the Programme by one or more independent credit rating agencies express a relative ranking of creditworthiness.

The expected ratings of the Covered Bonds will be set out in the relevant Final Terms for each Tranche of Covered Bonds. A rating agency may lower its rating or withdraw its rating if, in the sole judgment of a rating agency if the credit quality of the Covered Bonds has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may be reduced.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. A rating may not reflect the potential impact of all of the risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the Covered Bonds.

In general, European (including United Kingdom) regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU (which, for these purposes, includes the United Kingdom) and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restrictions will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK registered credit rating agency or the relevant non-EU or non-UK rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of the rating agency rating the Covered Bonds changes, European (including United Kingdom) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including United Kingdom) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Covered Bondholders should note that at any time a rating agency may revise its relevant rating methodology or revise its current ratings criteria with result that, among other things, any rating assigned to the Covered Bonds may be lowered and/or in order to comply with any such revised criteria or rating methodology, amendments may be made to the transaction documents.

Any changes to the methodology applied for rating covered bonds or the expectations a rating agency with regards to the nature of counterparty contracts and ratings of Cover Pool counterparties might lead to a downgrade of the Covered Bonds or re-affirmation of the Covered Bond rating and might require that certain amendments are made to the transaction documents to be able to satisfy the revised criteria.

For the avoidance of doubt, the Issuer will not be obliged, following a change in rating methodology by a rating agency to amend any of the Conditions of a relevant Series to maintain the then ratings of the Covered Bonds.

The Issuer may make modifications to the Conditions without the Covered Bondholders' prior consent

The parties to the Agency Agreement are required to, without the consent or sanction of any of the holders of any Series of Covered Bonds, the related Couponholders, concur with the Issuer in making any modifications to the transaction documents and/or the Conditions that are requested by the Issuer to comply with any criteria of the rating agencies which may be published after the date of this Base Prospectus and which the Issuer certifies in writing are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a rating agency to any Series of Covered Bonds.

In addition, the parties to the Agency Agreement are required to, and the Issuer may also agree to EMIR Related Modifications (as defined below), without the consent of the holders of Covered Bonds or Couponholders of any Series subject to the Issuer certifying that the requested modifications of the terms and conditions applying to Covered Bonds of any one or more Series (including the Conditions), the related Coupons and/or any relevant Conditions are to be made solely for the purpose of enabling the Issuer to comply with any requirements which apply to it under Regulation (EU) No. 648/2012 (the "**European Market Infrastructure Regulation**" or "**EMIR**") ("**EMIR Related Modifications**") and such EMIR Related Modifications do not relate to a Series Reserved Matter.

INFORMATION INCORPORATED BY REFERENCE

The documents set out below that are incorporated by reference in this Base Prospectus are, where indicated, direct translations into English from the original languages of the parties documents. To the extent that there are any inconsistencies between the original language versions and the translations, the original language versions shall prevail. The information set out shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. ***Luminor Group 2025***: the 2025 annual report of the Issuer (the "**Annual Report 2025**") (excluding page 3, pages 18 – 28 (inclusive), pages 36 to 115 (inclusive) and pages 182-184 (inclusive)), which includes at pages 116 to 181 (inclusive) the 2025 Financial Statements and the auditors' report thereon; available at: https://luminor.ee/s3fs-public/documents/luminor-bank-annual-report-2025.pdf;

2. ***Luminor Bank Alternative Performance Measures 4Q 2025***: the Issuer's alternative performance measures 4Q 2025 document; available at https://luminor.ee/s3fs-public/documents/luminor-bank-alternative-performance-measures-4q25.pdf;

3. ***Luminor Group 2024***: the 2024 annual report of the Issuer (the "**Annual Report 2024**") (excluding page 3, pages 26 to 183 (inclusive), pages 248-250 (inclusive) and pages 248-250 (inclusive)), which includes at pages 184 to 247 (inclusive) the 2024 Financial Statements and the auditors' report thereon; available at: https://luminor.ee/s3fs-public/documents/luminor-bank-annual-report-2024.pdf;

4. Any future audited consolidated annual financial statements (including the auditors' report thereon and notes thereto) of the Issuer, once published by the Issuer on the Issuer's website at: www.luminor.ee;

5. Any future consolidated interim quarterly financial statements of the Issuer (including the auditors' review report thereon (if applicable) and notes thereto), once published by the Issuer on the Issuer's website at: www.luminor.ee;

6. The 2019 terms and conditions set out on pages 52-91 in the Base Prospectus dated 9 April 2019 (as supplemented by supplements thereto dated 10 June 2019 and 20 February 2020) available at: https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_36a00cb3-c943-45fc-8067-8a3e6828d2a5.PDF;

7. The 2020 terms and conditions set out on pages 55-100 in the Base Prospectus dated 17 April 2020 available at: https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_30e49bdc-0e76-4e1d-9ff8-fd4a533632aa.pdf;

8. The 2021 terms and conditions set out on pages 63-109 in the Base Prospectus dated 6 May 2021 available at: https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202105/e9125778-50dd-41c8-aae9-c4dd2e5d866e.PDF;

9. The 2022 terms and conditions set out on pages 59-105 in the Base Prospectus dated 28 April 2022 available at: https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202204/76ba27d3-de70-48f0-982a-7f86075be942.PDF;

10. The 2023 terms and conditions set out on pages 56-102 in the Base Prospectus dated 28 April 2023 available at: https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202304/4cd8d0c5-46d3-4c2f-bc89-51dc58a6741d.pdf;

11. The 2024 terms and conditions set out on pages 58-104 in the Base Prospectus dated 25 April 2024 available at: https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202404/6ac8d04f-92de-4932-8870-3aa725190216.pdf; and

12. The 2025 terms and conditions set out on pages 58-106 in the Base Prospectus dated 19 May 2025 available at: https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202505/7c23c0d8-b0ef-4bcc-a014-05b2aec8b273.pdf.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may also be inspected, as of their date of publication, free of charge, at Luminor Bank AS, Liivalaia 45, 10145, Tallinn, Estonia.

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus and for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus. In particular, the Annual Report 2025 and the Annual Report 2024 mentioned above, as well as any future annual or interim consolidated financial statements, contain, or will contain, references to a "Chief executive's statement". Any such "Chief executive's statement" does not, and will not, form part of this Base Prospectus.

Any future consolidated annual financial statements and consolidated interim quarterly financial statements published or to be published by the Issuer, will constitute the Group's statutory financial statements prepared in accordance with relevant financial reporting regulations applicable to the Issuer from time to time, and will not be prepared specifically for purposes of this Base Prospectus. Any audit or review reports, if applicable, on such financial statements will also be prepared in accordance with statutory obligations and not specifically for purposes of the Base Prospectus.

Supplements

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the EU Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus (or any earlier supplement) or in a document which is incorporated by reference in this Base Prospectus as at the date of the relevant supplement. Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information which is necessary to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses, financial position and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus in order to obtain all relevant information. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document containing the necessary information relating to the Issuer, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes issued under this Programme in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the ECB announced that Notes in NGN form are in compliance with the "***Standards for the use of EU securities settlement systems in ESCB credit operations***" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will indicate whether such Bearer Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "**Temporary Global Note exchangeable for a Permanent Global Note**", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided, however,**

that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

(a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred (taking into consideration any applicable Extended Maturity Date in the case of any Covered Bonds represented by such Temporary Global Note) and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of paragraph (a) above) or at 5.00 p.m. (London time) on such due date (in the case of paragraph (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the Final Terms; or

(c) if the relevant Final Terms specifies "**in the limited circumstances described in the Permanent Global Note**", then if either of the following events occurs:

(i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

(ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

(c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred (taking into consideration any applicable Extended Maturity Date in the case of any Covered Bonds represented by such Permanent Global Note) and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made

to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of paragraph (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of paragraph (b) above) or at 5.00 p.m. (London time) on such due date (paragraph (c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "**Temporary Global Note exchangeable for Definitive Notes**" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "**Temporary Global Note exchangeable for Definitive Notes**" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred (taking into consideration any applicable Extended Maturity Date in the case of any Covered Bonds represented by such Temporary Global Note) and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of paragraph (a) above) or at 5.00 p.m. (London time) on such due date (in the case of paragraph (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "**Permanent Global Note exchangeable for Definitive Notes**", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "**in the limited circumstances described in the Permanent Global Note**", then if either of the following events occurs:

(i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

(ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred (taking into consideration any applicable Extended Maturity Date in the case of any Covered Bonds represented by such Permanent Global Note) and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of paragraph (a) above) or at 5.00 p.m. (London time) on such due date (paragraph (a) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "***Terms and Conditions of the Notes***" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"***Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.***"

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

The relevant Final Terms will indicate whether such Registered Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Notes are to be so held does not necessarily mean that the Registered Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

If the relevant Final Terms specifies the form of Notes as being "**Individual Note Certificates**", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "**Global Registered Note exchangeable for Individual Note Certificates**", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "**in the limited circumstances described in the Global Registered Note**", then if either of the following events occurs:

(i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or

(ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect

of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or

(b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred (taking into consideration any applicable Extended Maturity Date in the case of any Covered Bonds represented by such Global Registered Note) and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of paragraph (a) above) or at 5.00 p.m. (London time) on such due date (in the case of paragraph (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "**Terms and Conditions of the Notes**" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State or in the United Kingdom, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" above.

1. **Introduction**

(a) ***Programme***: Luminor Bank AS (the "**Issuer**") has established a Euro Medium Term Note and Covered Bond Programme (the "**Programme**") for the issuance of up to EUR 5,000,000,000 in aggregate principal amount of notes (the "**Notes**").

(b) ***Final Terms***: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) ***Agency Agreement***: The Notes are the subject of an issue and paying agency agreement dated 19 May 2025 (the "**Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citibank Europe Plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(d) ***Deed of Covenant****:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 8 May 2026 (the "**Deed of Covenant**") entered into by the Issuer.

(e) ***The Notes***: All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Notes may be Unrestricted Senior Preferred Notes, Restricted Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes or Covered Bonds, as specified in the relevant Final Terms. Copies of the relevant Final Terms are available for viewing and copies may be obtained from Luminor Bank AS, at Liivalaia 45, Tallinn 10145, Estonia.

(f) ***Summaries***: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below, upon prior written request to any

Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Agent).

2. **Interpretation**

(a) ***Definitions***: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)** " means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Tier 1 Capital**" means additional tier 1 capital for the purposes of the Applicable Banking Regulations;

"**Applicable Banking Regulations**" means at any time the laws, regulations, delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity then in effect in Estonia including, without limitation to the generality of the foregoing, CRD, the SRM Regulation, BRRD, the Creditor Hierarchy Directive and those regulations, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liability and/or loss absorbing capacity and/or the implementation of the Creditor Hierarchy Directive adopted by the Competent Authority, the Resolution Authority or any other national or European authority from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer, the Group and/or the Luminor Holding Group);

"**Broken Amount**" has the meaning given in the relevant Final Terms;

"**BRRD**" means Directive 2014/59/EU as the same may be amended or replaced from time to time, including without limitation, by the Creditor Hierarchy Directive and Directive (EU) No. 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms such that, if so specified in the relevant Final Terms, if any date would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified in the relevant Final Terms is:

(a) "**Following Business Day Convention**" the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" the relevant date shall be postponed to the first following day that

is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Capital Event**" means the determination by the Issuer, after consultation with the Competent Authority, that a change in Estonian law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date (including as a result of the implementation or applicability in Estonia of CRD on or after the Issue Date) which change was not reasonably foreseeable by the Issuer as at Issue Date, has resulted or would be likely to result in the outstanding aggregate principal amount of the Subordinated Notes being fully, or partially, excluded from inclusion in the Tier 2 Capital of the Issuer and/or the Luminor Holding Group (on a solo or consolidated basis, as the case may be), other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer and/or the Luminor Holding Group;

"**CIBOR**" means, in respect of Danish Kroner and for any specified period, the interest rate benchmark known as the Copenhagen interbank offered rate which is calculated and published by a designated distributor (currently NASDAQ Copenhagen) in accordance with the requirements from time to time of the Danish Bankers' Association based on estimated interbank borrowing rates for Danish Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic CIBOR rates can be obtained from the designated distributor);

"**Competent Authority**" means any authority having primary responsibility for the prudential supervision of the Issuer, the Group and/or the Luminor Holding Group at the relevant time;

"**Conditions to Redemption**" means the Conditions to Redemption set out in Condition 9(m) (*Redemption and Purchase - Conditions to Redemption or Repurchase*) or as otherwise specified in the relevant Final Terms;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Covered Bondholders**" means the holders of Covered Bonds;

"**Covered Bonds**" means the Notes specified in the relevant Final Terms as Covered Bonds;

"**CRD**" means the legislative package consisting of the CRD Directive, the CRR and any CRD Implementing Measures;

"**CRD Directive**" means Directive 2013/36/EU, as the same may be amended or replaced from time to time, including without limitation as amended by Directive (EU) No. 2019/878 of the European Parliament and of the Council of 20 May 2019;

"**CRD Implementing Measures**" means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer, the Group and/or the Luminor Holding Group and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer, the Group and/or the Luminor Holding Group (on a solo or consolidated basis, as the case may be) to the extent required by the CRD Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof);

"**CRD Package**" means the CRR and the CRD (together with any CRD implementing measures);

"**Credit Institutions Act**" means the Estonian Credit Institutions Act;

"**Creditor Hierarchy Directive**" means Directive 2017/2399/EU or any equivalent legislation that supersedes or replaces it;

"**CRR**" means Regulation 575/2013, as the same may be amended or replaced from time to time (including as amended by Regulation (EU) No. 2019/876 of the European Parliament and of the Council of May 20, 2019 and Regulation (EU) No. 2024/1623 of the European Parliament and of the Council of 31 May 2024 or similar laws in Estonia);

"**DA Selected Bond**" means the selected government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "Actual/Actual (ISDA) " is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "Actual/365 (Fixed) " is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "30/360" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction = $\frac{[360\times(Y_2-Y_1)][30\times(M_2-M_1)](D_2-D_1)}{360}$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30";

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =$\frac{[360\times(Y_2-Y_1)][30\times(M_2-M_1)](D_2-D_1)}{360}$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(g) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)][30 \times (M_2 - M_1)](D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Agent**" means an investment bank or financial institution of international standing selected by the Issuer after consultation with the relevant Dealer(s);

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

"**EURIBOR**" means, the Euro wholesale funding rate known as the Euro Interbank Offered Rate administered by European Money Markets Institute (or any other successor administrator);

"**Extended Maturity Date**" has the meaning given in the relevant Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**First Margin**" means the margin specified as such in the relevant Final Terms;

"**First Reset Date**" means the date specified in the relevant Final Terms;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date or date of any final redemption;

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 5(e) (*Fixed Rate Note Provisions - Reset Note Provisions*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Gross Redemption Yield**" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

"**Group**" means the Issuer and its consolidated Subsidiaries, taken as a whole;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Initial Rate of Interest**" means the initial rate of interest specified in the relevant Final Terms;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Luminor Holding Group**" means Luminor Holding AS and its consolidated Subsidiaries, taken as a whole;

"**Junior Securities**" means any (i) subordinated debt instruments or securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with the Tier 2 Capital of the Issuer or other subordinated debt instruments or securities of the Issuer which are recognised as Tier 2 Capital of the Issuer from time to time by the Competent Authority, (ii) instruments, securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with the Additional Tier 1 Capital of the Issuer or other subordinated and undated debt instruments or securities of the Issuer which are recognised as Additional Tier 1 Capital of the Issuer from time to time by the Competent Authority, (iii) share capital of the Issuer and (iv) any other subordinated security or obligation which ranks, or is expressed to rank, junior to the Senior Non-Preferred Notes;

"**Make Whole Redemption Price**" has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

"**Mandatory Provision of Law**" means any amendments, updates and/or modifications to the ECBA or any other applicable legislation passed after the date hereof by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority therein or thereof having power to make such amendment, update and/or modification, which impacts the Issuer's obligations in relation to the Notes or the Covered Bond Portfolio;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Material Subsidiary**" means:

(a) on the basis of the most recent audited consolidated accounts of the Issuer, any Subsidiary whose total consolidated assets represent at least 10 per cent. of the total consolidated assets of the Issuer; or

(b) on the basis of the most recent audited consolidated accounts of the Issuer, any Subsidiary whose total consolidated revenues represent at least 10 per cent. of the total consolidated revenues of the Issuer; or

(c) any other Subsidiary of the Issuer to which is transferred either (A) all or substantially all of the assets of another Subsidiary of the Issuer which immediately prior to the transfer was a Material Subsidiary or (B) sufficient assets of the Issuer that such Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the date of the most recent audited consolidated accounts of the Issuer, and

a report by the independent auditors to the Issuer that in their opinion a Subsidiary is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with (and converted if necessary to) a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency);

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"**Mid-Swap Floating Leg Benchmark Rate**" means the rate as specified in the relevant Final Terms;

"**Mid-Swap Maturity**" has the meaning given in the relevant Final Terms;

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 5(e) (*Fixed Rate Note Provisions - Reset Note Provisions*), either:

(i) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page, adjusted as necessary to match the frequency with which scheduled interest payments are payable on the Notes; or

(ii) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page, adjusted as necessary to match the frequency with which scheduled interest payments are payable on the Notes,

in either case, as at approximately 11.00 a.m. in the Relevant Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent, **provided however that**, if there is no such rate appearing on the Relevant Screen Page for a term equal to the relevant Reset Period, then the Mid-Swap Rate shall be determined through the use of straight–line interpolation by reference to two rates, one of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next shorter than the length of the actual Reset Period and the other of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next longer than the length of the actual Reset Period;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**MREL Disqualification Event**" means, in respect of a Series of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, the whole or any part of the outstanding aggregate principal amount of such Series at any time ceases or (in the opinion of the Issuer) will cease to count towards the Issuer's or the Group's eligible liabilities and/or loss absorbing capacity (in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations); **provided that** an MREL Disqualification Event shall not occur if such whole or part of the outstanding aggregate principal amount of the relevant Series of Notes ceases or (in the opinion of the Issuer) will cease to count towards such eligible liabilities, and/or loss absorbing capacity due to the remaining effective maturity of such Notes being less than the minimum period prescribed by the relevant Applicable Banking Regulations and/or as a result of reaching or exceeding an applicable limit in respect of eligible liabilities that may count towards the MREL requirements as applicable to the Issuer and/or the Group);

"**MREL Disqualification Event Effective Date**" means the Issue Date of the first Tranche of the Notes or such other date as may be specified in the relevant Final Terms;

"**MREL Eligible Liabilities"** means, in relation to Restricted Senior Preferred Notes and Senior Non-Preferred Notes, "eligible liabilities" (or any equivalent or successor term) which are available to count towards the Issuer's and/or the Group's eligible liabilities and/or loss absorbing capacity;

"**NIBOR**" means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Norwegian association for banks, insurance companies and financial institutions, Finance Norway – FNO based on estimated interbank borrowing rates for Norwegian Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic NIBOR rates can be obtained from the designated distributor);

"**Non-Sterling Make Whole Redemption Amount**" has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Residual Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Union or the United Kingdom as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Quotation Time**" has the meaning given in the relevant Final Terms;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Sterling Make Whole Redemption Amount, the Non-Sterling Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Early Termination Amount, the Optional Redemption Amount (Residual Call) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"**Redemption Margin**" has the meaning given in the relevant Final Terms;

"**Reference Banks**" means four major banks selected by the Issuer in the market that is most closely connected with the Mid-Swap Floating Leg Benchmark Rate or Reference Rate;

"**Reference Bond**" has the meaning given in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

"**Reference Bond Price**" means, with respect to any Reference Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, (ii) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations, (iii) if the Determination Agent obtains only one such Reference Government Bond Dealer Quotation, such quotation so obtained, or (iv) if no Reference Government Bond Dealer Quotations are provided, the price determined by the Determination Agent (or failing which the Issuer, in consultation with the Determination Agent), acting in a commercially reasonable manner, at such time and by reference to such sources as it deems appropriate;

"**Reference Bond Rate**" means, with respect to any Reference Date, the rate per annum equal to the annual or semi-annual yield to maturity (as the case may be) or interpolated yield to maturity (on the relevant day count basis, as determined by the Determination Agent) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

"**Reference Date**" has the meaning given in the relevant notice of redemption;

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Rate**" means CIBOR or EURIBOR, NIBOR or STIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

"**Register**" has the meaning given in the Agency Agreement;

"**Regular Period**" means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Mid-Swap Floating Leg Benchmark Rate or Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Reset Date**" means the First Reset Date, the Second Reset Date and any Subsequent Reset Date, as may be specified in the relevant Final Terms;

"**Reset Determination Date**" means: in respect of the First Reset Period, no later than the second Business Day prior to the First Reset Date; in respect of the first Subsequent Reset Period, no later than the second Business Day prior to the Second Reset Date; and, in respect of each Subsequent Reset Period thereafter, no later than the second Business Day prior to the first day of each such Subsequent Reset Period, or in each case as specified in the relevant Final Terms;

"**Reset Note**" means a Note on which interest is calculated at reset rates payable in arrear on a fixed date or dates in each year and/or at intervals of one, two, three, six or 12 months or at such other date or intervals as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"**Resolution Authority**" means the resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer and/or the Group;

"**Restricted Senior Preferred Notes**" means Senior Preferred Notes specified in the relevant Final Term as being Restricted Senior Preferred Notes.

"**Second Reset Date**" means the date specified in the relevant Final Terms;

"**Senior Creditors**" means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer and whose claims by law rank senior to the claims of the holders of the Subordinated Notes; or (ii) who are subordinated creditors of the Issuer (whether in the event of the winding-up, insolvency or bankruptcy of the Issuer or otherwise, including holders of Senior Non-Preferred Notes) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the holders of the Subordinated Notes;

"**Set-off**" means set-off, netting, counterclaim, abatement or other similar remedy and, if "**Set Off**" is used as a verb in these Conditions, it shall be construed accordingly;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)** " has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**SRM Regulation**" means Regulation No. 806/2014, as the same may be amended or replaced from time to time;

"**STIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently the Swedish Financial Benchmark Facility) in accordance with the requirements from time to time of the Swedish Financial Benchmark Facility (or any other Person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor);

"**Sterling Make Whole Redemption Amount**" has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

"**Subsequent Margin**" means the margin specified as such in the relevant Final Terms;

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 5(e) (*Fixed Rate Note Provisions - Reset Note Provisions*), the

rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**T2**" means the Trans-European Automated Real Time Gross Settlement Express Transfer System operated by the Eurosystem, or any successor or replacement for that system;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**Tier 2 Capital**" means tier 2 capital for the purposes of the Applicable Banking Regulations;

"**Treaty**" means the Treaty of the Functioning of the European Union, as amended;

"**Unrestricted Senior Preferred Notes**" means Senior Preferred Notes specified in the relevant Final Terms as being Unrestricted Senior Preferred Notes;

"**Zero Coupon Covered Bond**" means a Covered Bond specified as Zero Coupon in the relevant Final Terms; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) ***Interpretation***: In these Conditions:

(i) if the Notes are Zero Coupon Notes or are Registered Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such

meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes; and

(viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

(a) ***Bearer Notes****:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) ***Title to Bearer Notes****:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" **and "Couponholder" shall be construed accordingly.**

(c) ***Registered Notes****:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(d) ***Title to Registered Notes****:* The Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "Holder" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "Noteholder" shall be construed accordingly.

(e) ***Ownership****:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) ***Transfers of Registered Notes****:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) ***Registration and delivery of Note Certificates****:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail

(airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph (g), "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) ***No charge****:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) ***Closed periods****:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) ***Regulations concerning transfers and registration****:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status**

(a) ***Status of the Senior Preferred Notes:***

(i) This Condition 4(a) is applicable in relation to Notes specified in the relevant Final Terms as being Unrestricted Senior Preferred Notes or Restricted Senior Preferred Notes (the "**Senior Preferred Notes**").

(ii) The Senior Preferred Notes and obligations in relation to any related Coupons resulting therefrom constitute senior, unsecured, unsubordinated, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(iii) No Holder of the Restricted Senior Preferred Notes or related Coupons shall be entitled to exercise any right of Set-off against moneys owed by the Issuer in respect of such Restricted Senior Preferred Notes or Coupons. Notwithstanding the provision of the foregoing sentence, if any amounts owed by the Issuer to any holder in connection with the Restricted Senior Preferred Notes is discharged by Set-off, such holder shall, where permitted by applicable law, immediately pay an amount equal to the amount discharged to the Issuer (or, in the event of its winding-up, insolvency and/or bankruptcy, to the liquidator or other relevant insolvency official (as the case may be and to the extent applicable)) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Issuer (or the liquidator or other relevant insolvency official of the Issuer) and accordingly not deem any such discharge to have taken place.

(iv) The rights of holders of Senior Preferred Notes shall be subject to any present or future Estonian laws or regulations relating to the insolvency, recovery and resolution of credit institutions and investment firms in Estonia which are or will be applicable to the Senior Preferred Notes only as a result of the operation of such laws or regulations.

(b) ***Status of the Senior Non-Preferred Notes:***

(i) This Condition 4(b) is applicable in relation to Notes specified in the Final Terms as being Senior Non-Preferred Notes (the "**Senior Non-Preferred Notes**").

(ii) The Senior Non-Preferred Notes and obligations in relation to any related Coupons resulting therefrom constitute direct, unconditional and unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.

(iii) In the event of the insolvency, bankruptcy, voluntary or involuntary liquidation or other form of winding-up of the Issuer, the rights and claims (if any) of holders of any Senior Non-Preferred Notes to payments of the outstanding principal amount and any other amounts in respect of the Senior Non-Preferred Notes (including any accrued but unpaid interest amount or damages or other payments awarded for breach of any obligations under these Conditions, if any are payable) shall:

(A) be subordinated to the claims of all depositors and other unsubordinated creditors of the Issuer which are accepted in the relevant proceedings, **provided that** in each case such claims are not by mandatory provisions of law ranked, or by their terms expressed to rank, *pari passu* with the claims of holders of Senior Non-Preferred Notes;

(B) rank at least *pari passu* with claims of all other creditors of the Issuer which by law rank, or by their terms, are expressed to rank *pari passu* with the claims of holders of Senior Non-Preferred Notes; and

(C) rank senior to any Junior Securities of the Issuer.

(iv) No holder of Senior Non-Preferred Notes or related Coupons shall be entitled to exercise any right of Set-off against moneys owed by the Issuer in respect of such Senior Non-Preferred Notes or Coupons. Notwithstanding the provision of the foregoing sentence, if any amounts owed by the Issuer to any holder in connection with the Senior Non-Preferred Notes is discharged by Set-off, such holder shall, where permitted by applicable law, immediately pay an amount equal to the amount discharged to the Issuer (or, in the event of its winding-up, insolvency and/or bankruptcy, to the liquidator or other relevant insolvency official (as the case may be and to the extent applicable)) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Issuer (or the liquidator or other relevant insolvency official of the Issuer) and accordingly not deem any such discharge to have taken place.

(v) The rights of holders of Senior Non-Preferred Notes shall be subject to any present or future Estonian laws or regulations relating to the insolvency, recovery and resolution of credit institutions and investment firms in Estonia which are or will be applicable to the Senior Non-Preferred Notes only as a result of the operation of such laws or regulations

(c) ***Status of the Subordinated Notes:***

(i) This Condition 4(c) is applicable in relation to Notes specified in the relevant Final Terms as being Subordinated Notes (the "**Subordinated Notes**").

(ii) The Subordinated Notes that qualify as Tier 2 Capital and obligations in relation to any related Coupons resulting therefrom constitute direct and unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves. The Subordinated Notes that do not qualify as Tier 2 Capital and obligations in relation to any related Coupons resulting therefrom constitute direct and unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.

(iii) In the event of the insolvency, bankruptcy, voluntary or involuntary liquidation or other form of winding-up of the Issuer, the rights and claims (if any) of holders of any Subordinated Notes to payments of the outstanding principal amount and any other amounts in respect of the Subordinated Notes (including any accrued

but unpaid interest amount or damages or other payments awarded for breach of any obligations under these Conditions, if any are payable) shall:

(A) be subordinated to the claims of all Senior Creditors of the Issuer;

(B) rank at least *pari passu* with the claims of all subordinated creditors of the Issuer which in each case by law rank, or by their terms are expressed to rank (to the extent such ranking is recognised by applicable law), *pari passu* with the Subordinated Notes; and

(C) rank senior to any obligations of the Issuer which in each case by law rank, or by their terms are expressed to rank (to the extent such ranking is recognised by applicable law), junior to the Subordinated Notes of the Issuer (if any).

(iv) The rights of holders of Subordinated Notes shall be subject to any present or future Estonian laws or regulations relating to the insolvency, recovery and resolution of credit institutions and investment firms in Estonia which are or will be applicable to the Subordinated Notes only as a result of the operation of such laws or regulations.

(v) No holder of Subordinated Notes or related Coupons shall be entitled to exercise any right of Set-off against moneys owed by the Issuer in respect of such Subordinated Notes or Coupons. Notwithstanding the provision of the foregoing sentence, if any amounts owed by the Issuer to any holder in connection with the Subordinated Notes is discharged by Set-off, such holder shall, where permitted by applicable law, immediately pay an amount equal to the amount discharged to the Issuer (or, in the event of its winding-up, insolvency and/or bankruptcy, to the liquidator or other relevant insolvency official (as the case may be and to the extent applicable)) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Issuer (or the liquidator or other relevant insolvency official of the Issuer) and accordingly not deem any such discharge to have taken place.

(d) ***Status of the Covered Bonds*:**

(i) Covered Bonds constitute unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The Covered Bonds are obligations issued in accordance with the Estonian Covered Bonds Act (as amended from time to time), "**ECBA**" and rank *pari passu* among themselves and with Derivative Instruments entered into the Cover Pool in accordance with the ECBA. On declaration of the Issuer's bankruptcy and in certain other events stipulated in the ECBA, the Covered Bonds, together with the Cover Pool and the Derivative Instruments (the "**Covered Bond Portfolio**") will be separated from other assets and liabilities of the Issuer and form an independent pool of designated assets to be managed in accordance with the ECBA and to be used solely to satisfy the claims of Covered Bondholders and of the counterparties to the Derivative Instrument and to cover the expenses related to the management of the Covered Bond Portfolio.

(ii) Pursuant to the ECBA, the separation of the Covered Bond Portfolio will not affect the liability of the Issuer for the claims arising from the Covered Bonds. Furthermore, the payment obligations arising from the Covered Bonds are not subject to automatic acceleration upon the separation of the Covered Bond Portfolio, except as otherwise provided by mandatory provisions of the ECBA. If the Covered Bond Portfolio becomes insolvent, to the extent that claims of the Covered Bondholders in relation to the Covered Bonds are not satisfied in the course of the bankruptcy proceedings of the Covered Bond Portfolio, the residual claims of the Covered Bondholders will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

For the purposes of this Condition 4(d):

(A) "**Derivative Instruments**" means derivative instruments included in the Cover Pool in accordance with the ECBA to hedge against risks relating to Covered Bonds and recorded, in accordance with the ECBA, in the cover register maintained by the Issuer.

(B) The rights of Covered Bondholders shall be subject to any present or future Estonian laws or regulations relating to the insolvency, recovery and resolution of credit institutions and investment firms in Estonia which are or will be applicable to the Covered Bonds only as a result of the operation of such laws or regulations.

5. **Fixed Rate Note Provisions**

(a) ***Application****:* This Condition 5 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest****:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 8 (*Covered Bond Extended Maturity Date*) and Condition 10 (*Payments – Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the Fiscal Agent would only notify the Issuer once it has been directed to do so by the Issuer.

(c) ***Fixed Coupon Amount or Broken Amount****:* Other than if the Notes are redeemed on any date that is not an Interest Payment Date, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount or Broken Amount, as the case may be and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount or Broken Amount, as the case may be, in respect of the relevant Specified Denomination.

(d) ***Calculation of interest amount****:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount or Broken Amount, as the case may be, is not specified or if the Notes are redeemed on any day that is not an Interest Payment Date shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) ***Reset Note Provisions****:* This Condition 5(e) is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable. Such Notes shall bear interest on their outstanding principal amount:

(i) from (and including) the Interest Commencement Date specified in the relevant Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;

(ii) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the Interest Payment Date(s) so specified in the relevant Final Terms (subject to adjustment as described in this Condition 5) and on the Maturity Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 5.

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer or an agent appointed by it shall request each of the Reference Banks to provide its Mid-Market Swap Rate Quotation as at approximately 12 (noon) in the Relevant Financial Centre of the Specified Currency on the Reset Determination Date in question and the Issuer or an agent appointed by it shall notify the Calculation Agent of all quotations received by it.

If two or more of the Reference Banks provide the Issuer or an agent appointed by it with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Issuer or an agent appointed by it with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph (e), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

6. **Floating Rate Note Provisions**

(a) ***Application****:* This Condition 6 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, save that Condition 8 (*Covered Bond Extended Maturity* Date) is always applicable to Covered Bonds (to which, for the avoidance of doubt, Condition 5 (*Fixed Rate Note Provisions*) may also be applicable) where an Extended Maturity Date is specified in the relevant Final Terms.

(b) ***Accrual of interest****:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 8 (*Covered Bond Extended Maturity Date*) and Condition 10 (*Payments – Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6(b) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the Fiscal Agent would only notify the Issuer once it has been directed to do so by the Issuer.

(c) ***Screen Rate Determination****:* The Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by

reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of paragraph (i) above, such rate does not appear on that page or, in the case of paragraph (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:

(A) the Issuer or an agent appointed by it will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) the Calculation Agent will determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested by the Issuer or an agent appointed by it, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted to the Issuer or an agent appointed by it upon request (and notified to the Calculation Agent by the Issuer) by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however**, subject to Condition 6(h) (*Benchmark Replacement*), that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) ***Maximum or Minimum Rate of Interest****:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(e) ***Calculation of Interest Amount****:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(f) ***Publication****:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination (if required by the rules of the relevant competent authority, stock exchange and/or quotation system (if any)) but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(g) ***Notifications etc****:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Issuer or, if applicable, the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(h) ***Benchmark Replacement***: In respect of any Notes, notwithstanding the provisions above in this Condition 6, if, after the issue date of the first Tranche of the relevant Series of Notes, the Issuer (in consultation, to the extent practicable, with an Independent Adviser) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Floating Leg Benchmark Rate or Reference Rate (which, for the purposes of this Condition 6(h), shall also include any Mid-Swap Rate), as applicable, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser and shall, to the extent practicable, consult with such Independent Adviser to determine a Successor Rate or, alternatively, if the Issuer, (in consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner) determines that there is no Successor Rate, an Alternative Reference Rate, and, in each case, an Adjustment Spread no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 6(h));

(ii) if the Issuer is unable to appoint an Independent Adviser prior to the Determination Cut-off Date in accordance with sub-paragraph (i) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for the purposes of determining the Rate of

Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 6(h)); provided, however, that if this sub-paragraph (ii) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (ii), the Rate of Interest applicable to such Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period);

(iii) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate shall be the Mid-Swap Floating Leg Benchmark Rate or Reference Rate for all future Interest Periods (subject to the subsequent operation of this Condition 6(h));

(iv) If a Successor Rate or Alternative Reference Rate is determined in accordance with Condition 6(h)(i) above, the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread, which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread, and which Adjustment Spread may be positive, negative or zero and shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) for each subsequent determination of the Rate(s) of Interest (or the relevant component(s) thereof) by reference to such Successor Rate or Alternative Reference Rate, as applicable;

(v) if the Issuer determines a Successor Rate or an Alternative Reference Rate and, in each case, any Adjustment Spread in accordance with the above provisions, the Issuer (in consultation with the Independent Adviser) may also specify changes to the Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Payment Date, Relevant Screen Page, and/or the definition of Mid-Swap Floating Leg Benchmark Rate or Reference Rate or the Adjustment Spread applicable to the Notes (and, in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to such Successor Rate or Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6(h)). An Independent Adviser appointed pursuant to this Condition 6(h) shall (in the absence of bad faith, gross negligence and wilful misconduct) have no liability whatsoever to the Issuer, the Fiscal Agent, the Calculation Agent or Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 6(h). No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable) and, in each case, the Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or Fiscal Agent (if required); and

(vi) the Issuer shall promptly following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread give notice thereof and of any changes pursuant to sub-paragraph (v) above to the Calculation Agent, the Fiscal Agent and the Noteholders.

Notwithstanding any other provision of this Condition 6(h), no Successor Rate or Alternative Benchmark Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6(h), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of (i) in the case of Subordinated Notes, the relevant Series of Subordinated Notes as Tier 2 Capital of the Issuer and/or the Luminor Holding Group (on a solo or consolidated basis, as

the case may be) or (ii) in the case of Restricted Senior Preferred Notes or Senior Non-Preferred Notes, such Notes being MREL Eligible Liabilities (in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations) (iii) or, in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes only, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Resolution Authority treating a future Interest Payment Date as the effective maturity of such Notes, rather than the relevant Maturity Date for the purposes of qualification as eligible liabilities and/or loss absorbing capacity of the Issuer.

For the purposes of this Condition 6(h):

"**Adjustment Spread**" means a spread (which may be positive, negative or zero) or formula or methodology for calculating a spread, which the Issuer (in consultation with the Independent Adviser) determines should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), as a result of the replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate with the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is recommended in relation to the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer (in consultation with the Independent Adviser) determines is recognised or acknowledged as being in customary market usage in international debt capital market transactions for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency, where such rate has been replaced by such Successor Rate or Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Issuer (acting in good faith and in a commercially reasonable manner) in its discretion determines would (when added to or subtracted from the Successor Rate or Alternative Reference Rate, as applicable) result in a rate that is reasonably comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate.

"**Alternative Reference Rate**" means the reference rate (and related alternative screen page or source, if available) that the Issuer determines has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency or, if the Issuer determines that there is no such rate, such other rate as the Issuer in its discretion (in consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner) in its discretion determines is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate;

"**Benchmark Event**" means:

(i) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to exist or to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(ii) the later of (A) the making of a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate that it will, on or before a specified date, cease publishing such Mid-Swap Floating Leg Benchmark Rate or Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate) and (B) the date falling six months prior to the specified date referred to in (ii)(A); or

(iii) the making of a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate that such Mid-Swap Floating

Leg Benchmark Rate or Reference Rate has been permanently or indefinitely discontinued; or

(iv) the later of (A) the making of a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate that the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the specified date referred to in (iv)(A); or

(v) the later of (A) the making of a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate that means that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (B) the date falling six months prior to the specified date referred to in (v)(A); or

(vi) the later of (A) the making of a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate that, in the view of such supervisor, such Mid-Swap Floating Leg Benchmark Rate or Reference Rate is or will, on or before a specified date, be no longer representative of an underlying market and (B) the date falling six months prior to the specified date referred to in (vi)(A); or

(vii) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (including, without limitation, under Regulation (EU) No. 2016/1011, if applicable).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

"**Relevant Nominating Body**" means, in respect of a reference rate:

(i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and Derivatives Association, Inc. or any part thereof, or (e) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the reference rate (and related alternative screen page or source, if available) that the Issuer (in consultation with the Independent Adviser, and acting in good faith and in a commercially reasonable manner) determines is a successor to, or replacement of, the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (for the avoidance of doubt, whether or not such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has ceased to be available) which is recommended by any Relevant Nominating Body.

7. **Zero Coupon Note Provisions and Zero Coupon Covered Bond Provisions**

(a) ***Application****:* This Condition 7 is (i) applicable to the Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable, and (ii) applicable to the Covered Bonds only if the Zero Coupon Covered Bond Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Notes****:* If the Redemption Amount payable in respect of any Zero Coupon Note or any Zero Coupon Covered Bond is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

8. **Covered Bond Extended Maturity Date**

(a) If an Extended Maturity Date is specified in the relevant Final Terms and the maturity of the Covered Bonds is extended beyond the Maturity Date in accordance with Condition 9(n) (*Redemption and Purchase - Extension of maturity to Extended Maturity Date*) then:

(i) such Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed in full and the Extended Maturity Date. Interest shall be payable on such Covered Bonds at the rate specified in the relevant Final Terms on the principal amount outstanding of the Covered Bonds in arrear on each monthly Interest Payment Date after the Maturity Date in respect of the interest period beginning on (and including) the Maturity Date and ending on (but excluding) the first Interest Payment Date after the Maturity Date and each subsequent interest period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. The final Interest Payment Date shall fall no later than the Extended Maturity Date;

(ii) the rate of interest payable from time to time under Condition 8(a)(i) above will be as specified in the relevant Final Terms and, where applicable, determined by the Calculation Agent, three Business Days after the Maturity Date in respect of the first such interest period and thereafter as specified in the relevant Final Terms; and

(iii) in the case of Zero Coupon Covered Bonds to (and including) the Maturity Date, for the purposes of this Condition 8 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

9. **Redemption and Purchase**

(a) ***Scheduled redemption***: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject (i) as provided in Condition 10 (*Payments – Bearer Notes*) and (ii), in respect of Covered Bonds only, to Condition 9(n) (*Redemption and Purchase - Extension of maturity to Extended Maturity Date*).

(b) ***Redemption for tax reasons****:* The Notes may be redeemed at the option of the Issuer (but, in the case of the Restricted Senior Preferred Notes, the Senior Non-Preferred Notes and the Subordinated Notes, subject to Condition 9(m) (*Redemption and Purchase – Conditions to Redemption or Repurchase*) in whole, but not in part:

(i) at any time (unless the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 15 nor more than 30 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) (i) in relation to any Series of Notes, a Withholding Tax Event occurs; or

(ii) in relation to any Series of Restricted Senior Preferred Notes Senior Non-Preferred Notes or Subordinated Notes where "Tax Event" is specified as being applicable in the relevant Final Terms, a Tax Event occurs;

and

(B) both a Tax Certificate and a Tax Opinion have been delivered to the Fiscal Agent by the Issuer.

However, where the Issuer would be obliged to pay additional amounts, no such notice of redemption shall be given earlier than: (i) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant final terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or (ii) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant final terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(C) For the purpose of this Condition 9(b):

"**Change in Tax Law**" means any:

(i) amendment to, clarification of, or change in, the laws or regulations of any Taxing Jurisdiction; or

(ii) governmental action in the Taxing Jurisdiction; or

(iii) amendment to, clarification of, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known;

"**Relevant Jurisdiction**" means the jurisdiction in which the Issuer is incorporated at the relevant time;

"**Tax Certificate**" means a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred;

"**Tax Event**" shall occur if, as a result of any Change in Tax Law of the Taxing Jurisdiction, which becomes effective or is announced on or after the Issue Date of the first Tranche of the relevant Series of Notes:

(i) the Issuer is, or will be, subject to additional taxes, duties or other governmental charges with respect to such Notes as the case may be; or

(ii) the Issuer is not, or will not, be entitled to claim a deduction in respect of payments in respect of such Notes as the case may be in computing its taxation liabilities (or the value of such deduction would be materially reduced);

"**Taxing Jurisdiction**" means the Relevant Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction;

"**Tax Opinion**" means an opinion of independent legal advisers (experienced in such matters and of recognised standing) in the relevant Taxing Jurisdiction stating that the circumstances constituting the Tax Event or Withholding Tax Event (as the case may be) are prevailing; and

"**Withholding Tax Event**" shall occur if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any Change in Tax Law, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

(c) ***Redemption at the option of the Issuer****:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer (but, in the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes, subject to the Conditions to Redemption in Condition 9(m) (*Redemption and Purchase - Conditions to Redemption or Repurchase*) in whole or, if so specified in the relevant Final Terms, in part. Such Notes may be redeemed on any Optional Redemption Date (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable). Such notice shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:

(i) the Optional Redemption Amount (Call); or

(ii) the Make Whole Redemption Price.

The "**Make Whole Redemption Price**" will, in respect of Notes to be redeemed, be:

(i) if "**Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the Gross Redemption

Yield to maturity on such Notes on the Reference Date is equal to the Gross Redemption Yield (as determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin, as determined by the Determination Agent; or

(ii) if "**Non-Sterling Make Whole Redemption Amount**" is specified in the relevant Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the yield to maturity on such Notes on the Reference Date is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin, as determined by the Determination Agent.

(d) ***Partial redemption****:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) ***Issuer residual call****:* If "*Issuer Residual Call*" is specified in the relevant Final Terms as being applicable (but, in the case of the Restricted Senior Preferred Notes, the Senior Non-Preferred Notes and the Subordinated Notes, subject to Condition 9(m) (*Redemption and Purchase - Conditions to Redemption or Repurchase*)), and if, at any time (other than as a direct result of a redemption of some, but not all, of the Notes at the Make Whole Redemption Price at the Issuer's option pursuant to Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*), the outstanding aggregate nominal amount of the Notes is 25 per cent. or less of the aggregate nominal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 19 (*Further Issues*) and consolidated with the Notes as part of the same Series shall be deemed to have been originally issued), the Issuer may redeem all (but not some only) of the remaining outstanding Notes on any date upon giving not less than 15 nor more than 30 days' notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) in accordance with Condition 20 (*Notices*) (which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount (Residual Call) together with any accrued and unpaid interest up to (but excluding) the date of redemption.

(f) ***Redemption at the option of Noteholders****:* If the Put Option is specified in the relevant Final Terms as being applicable to Unrestricted Senior Preferred Notes, the Issuer shall, at the option of the Holder of any Unrestricted Senior Preferred Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly

completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes. No redemption at the option of Noteholders is permitted for Restricted Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes or Covered Bonds.

(g) ***Early Redemption of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes as a result of an MREL Disqualification Event:*** If "Early redemption following an MREL Disqualification Event" is specified in the relevant Final Terms as being applicable to a Series of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, upon the occurrence of an MREL Disqualification Event in respect of any such Notes (but subject to Condition 9(m) (*Redemption and Purchase - Conditions to Redemption or Repurchase*)), the Issuer may at any time after the MREL Disqualification Event Effective Date, at its option having given not less than 15 days' nor more than 30 days' notice (ending, in the case of such Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable and delivery thereof shall oblige the Issuer to make the redemption therein specified), redeem all (but not some only) of the relevant Series of such Notes at their outstanding aggregate principal amount (or such other redemption amount as may be specified in the relevant Final Terms or at the redemption amount referred to in Condition 9(j) (*Redemption and Purchase - Early redemption of Zero Coupon Notes or Zero Coupon Covered Bonds*)) together with interest (accrued to but excluding the date of redemption, subject to these Conditions).

(h) ***Early Redemption of Subordinated Notes as a result of a Capital Event****:* If "Early redemption following a Capital Event" is specified in the relevant Final Terms as being applicable to a Series of Subordinated Notes, upon the occurrence of a Capital Event in respect of such Series of Subordinated Notes (but subject to the Conditions to Redemption), the Issuer may, at its option, having given not less than 15 days' nor more than 30 days' notice (ending, in the case of Subordinated Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable and delivery thereof shall oblige the Issuer to make the redemption therein specified) redeem all (but not some only) of the relevant Series of Subordinated Notes at any time at a redemption amount equal to their outstanding aggregate principal amount (or such other redemption amount as may be specified in the relevant Final Terms or at the redemption amount referred to in Condition 9(j) (*Redemption and Purchase - Early redemption of Zero Coupon Notes or Zero Coupon Covered Bonds*)) together with interest accrued to but excluding the date of redemption, subject to these Conditions.

(i) ***No other redemption****:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (h) (*Early Redemption of Subordinated Notes as a result of a Capital Event*) above.

(j) ***Early redemption of Zero Coupon Notes or Zero Coupon Covered Bonds****:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note or a Zero Coupon Covered Bond at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date

fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(j) or, if none is so specified, a Day Count Fraction of 30E/360.

(k) ***Purchase****:* The Issuer, or any of its Subsidiaries, may purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith, and **provided that** any such purchases will be subject to Condition 9(m) (*Redemption and Purchase - Conditions to Redemption or Repurchase*) and made in accordance with the Applicable Banking Regulations. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or, in the case of Registered Notes, the Registrar for cancellation.

Any refusal (in the case of the Subordinated Notes) by the Competent Authority or (in the case of Restricted Senior Preferred Notes or Senior Non-Preferred Notes) the Competent Authority and/or the Resolution Authority (if required) to grant its approval or permission as described above will not constitute an event of default under the relevant Notes.

(l) ***Cancellation****:* All Notes that are redeemed and surrendered for cancellation by the Issuer or any of its Subsidiaries (along with any unmatured Coupons attached to or surrendered with them) shall be cancelled and may not be reissued or resold.

(m) ***Conditions to Redemption or Repurchase****:* In the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, other than in the case of a redemption at maturity in accordance with paragraph (a) (*Scheduled redemption*) above, the Issuer may redeem or repurchase relevant Notes (and give notice thereof to the Holders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Competent Authority (in the case of Subordinated Notes) or (in the case of Restricted Senior Preferred Notes or Senior Non-Preferred Notes) the Resolution Authority, and in addition if:

(i) on or before such redemption or repurchase of the Notes, the Issuer replaces the Notes with own funds instruments or eligible liabilities instruments (as applicable) of an equal or higher quality on terms that are sustainable for its income capacity; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority (in the case of Subordinated Notes) or (in the case of Restricted Senior Preferred Notes or Senior Non-Preferred Notes) the Resolution Authority that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements under the Applicable Banking Regulations by a margin that (in the case of Subordinated Notes, save as provided below) the Competent Authority or (in the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes to the extent such Subordinated Notes have ceased to qualify, in whole but not in part, as Tier 2 Capital) the Resolution Authority may consider necessary; or

(iii) (in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes only) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the partial or full replacement (as applicable) of its eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements set out in the CRD Package for continuing authorisation; and

(iv) (in the case of Subordinated Notes that qualify as Tier 2 Capital) in the case of redemption before five years after the issue date of the last Tranche of any Series of such Subordinated Notes:

(A) the conditions listed in sub-paragraph (i) or (ii) above are met; and

(B) in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Notes; or

(C) in the case of redemption due to the occurrence of a taxation reason pursuant to Condition 9(b) (*Redemption for tax reasons*), the Issuer demonstrates to the satisfaction of the Competent Authority that such change in tax treatment is material and was not reasonably foreseeable at the time of issuance of the Notes; or

(D) before or at the same time of such redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Competent Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(E) the Subordinated Notes are repurchased for market making purposes,

(the "**Conditions to Redemption**").

Any refusal by (in the case of the Subordinated Notes) the Competent Authority or (in case of Restricted Senior Preferred or Senior Non-Preferred Notes) the Resolution Authority (if required) to grant its approval or permission as described above will not constitute an event of default under the relevant Notes.

(n) ***Extension of maturity to Extended Maturity Date:***

(i) In respect of Covered Bonds only, if:

(A) an Extended Maturity Date is specified in the relevant Final Terms as being applicable; and

(B) any of the following events has occurred:

(1) the Issuer is declared bankrupt or a moratorium is declared in respect of the Issuer;

(2) a court order made for the compulsory dissolution of the Issuer enters into force;

(3) authorisation for voluntary dissolution of the Issuer as credit institution is obtained from the Estonian Financial Supervision Authority (the "**EFSA**");

(4) early intervention measures are implemented in respect of the Issuer on the basis of § 36 of the Financial Crisis Prevention and Resolution Act of Estonia, provided that the ("**EFSA**") grants permission therefor;

(5) the additional authorisation for issuing covered bonds or credit institution licence held by the Issuer ceases to be in force; or

(6) the EFSA resolves the separation of the Covered Bond Portfolio from the Issuer on the grounds stipulated in the ECBA and such resolution takes effect; and

(C) as a result of such an event the Covered Bonds are not redeemed in full on the Maturity Date at their Final Redemption Amount or within three Business Days thereafter, then the maturity of the Covered Bonds and

the date on which the Covered Bonds will be due and repayable for the purposes of these Conditions will be automatically extended to the Extended Maturity Date.

The Issuer may impose restrictions (which restrictions shall be effective upon notice being given to the Covered Bondholders as described below) on the circumstances in which such automatic extension can apply if it determines that such restrictions are required to ensure that the relevant Covered Bonds remain compliant with the ECBA. If the Issuer imposes restrictions on the circumstances in which such automatic extension can apply as described above, the Issuer shall give notice (which notice shall be irrevocable) to the Covered Bondholders (in accordance with Condition 20 (*Notices*)) and the Paying Agents as soon as reasonably practicable and, in any event, at least five Business Days prior to the Maturity Date.

In addition, the Issuer may amend (which amendments shall be effective upon notice being given to the Covered Bondholders as described below) the circumstances in which such automatic extension can apply if it determines that such circumstances qualify as permitted conditions for automatic extension of maturity under the ECBA (as in force at the relevant time). If the Issuer amends the circumstances in which such automatic extension can apply as described above, the Issuer shall give notice (which notice shall be irrevocable) to the Covered Bondholders (in accordance with Condition 20 (*Notices*)) and the Paying Agents as soon as reasonably practicable.

In the event the maturity of the Covered Bonds is extended, the Issuer shall redeem the outstanding principal amount of such Covered Bonds at their Final Redemption Amount on the Extended Maturity Date. The Issuer shall give notice to the Covered Bondholders in accordance with Condition 20 (*Notices*) and the Paying Agents as soon as reasonably practicable stating the basis on which an event under this sub-paragraph (n) above has occurred, and confirming that the Maturity Date has been extended to the Extended Maturity Date (subject to the expiry of the three Business Day period mentioned in paragraph (C) above). In addition, all or any part of the principal amount outstanding of such Covered Bonds may be redeemed on an Interest Payment Date falling after the Maturity Date to and including the Extended Maturity Date. In such a scenario, the Issuer shall give notice to the Covered Bondholders (in accordance with Condition 20 (*Notices*)) and the Paying Agents stating its intention to redeem all or any of the principal amount outstanding of the Covered Bonds at least five Business Days prior to the relevant Interest Payment Date or, as applicable, the Extended Maturity Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date or, as applicable, the Extended Maturity Date, or give rise to rights to any such person.

If the relevant Final Terms do not specify an Extended Maturity Date, the events specified in Condition 9(n) (*Extension of maturity to Extended Maturity Date*) shall not trigger an extension of the Maturity Date and the Covered Bonds will be due and repayable in accordance with these Conditions, subject to mandatory provisions of Estonian laws applicable in relation to the events specified in Condition 9(n) (*Extension of maturity to Extended Maturity Date*).

(ii) In the case of a Zero Coupon Covered Bonds to (and including) the Maturity Date to which an Extended Maturity Date is specified in the relevant Final Terms as being applicable, for the purposes of this Condition 9(n) the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the

Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

(iii) Any extension of the maturity of the Covered Bonds under this Condition 9(n) shall be irrevocable. Where this Condition 9(n) applies, any failure to redeem the relevant Covered Bonds on the Maturity Date or any extension of the maturity of such Covered Bonds under this Condition 9(n), shall not constitute a default, an event of default or acceleration of payment or other similar condition or event (however described) for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the Covered Bonds other than as expressly set out in these Conditions.

(iv) In the event of the extension of the maturity of the Covered Bonds under this Condition 9(n), rates of interest, interest periods and interest payment dates on such Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the relevant Final Terms and Condition 8 (*Covered Bond Extended Maturity Date*).

(v) If the Issuer redeems part and not all of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling after the Maturity Date, the redemption proceeds shall be applied rateably across such Covered Bonds and the principal amount outstanding on the Covered Bonds shall be reduced by the level of that redemption.

(vi) If the maturity of the Covered Bonds is extended to the Extended Maturity Date in accordance with this Condition 9(n) for so long as any of those Covered Bonds remains outstanding, the Issuer shall not issue any further Series of Covered Bonds, unless the proceeds of issue of such further Series of Covered Bonds are applied by the Issuer on issue to redeem in whole or in part the relevant Covered Bonds in accordance with the terms hereof.

10. **Payments - Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

(a) ***Principal****:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) ***Interest****:* Payments of interest shall, subject to paragraph (i) (*Partial Payments*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) ***Payments in New York City****:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) ***Payments subject to fiscal laws****:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections

1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) ***Deductions for unmatured Coupons****:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable (unless the relevant Final Terms also specify that Condition 10(f) (*Unmatured coupons void*) is applicable) and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph (A) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(f) ***Unmatured Coupons void***: If the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9 (*Redemption and Purchase*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) ***Payments on business days****:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) ***Payments other than in respect of matured Coupons****:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) (*Payments in New York City*) above).

(i) ***Partial payments****:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) ***Exchange of Talons****:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments - Registered Notes**

This Condition 11 is only applicable to Registered Notes.

(a) ***Principal****:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) ***Interest****:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) ***Payments subject to fiscal laws****:* All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) ***Payments on business days****:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.

(e) ***Partial payments**:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) ***Record date**:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. **Taxation**

***Gross up**:* All payments (in the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes: of interest only; or in the case of Unrestricted Senior Preferred Notes or Covered Bonds: of principal and interest) in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Estonia or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, in respect of interest (for all Notes and Covered Bonds) and in relation to principal (for Unrestricted Senior Preferred Notes and Covered Bonds only), the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

(b) ***Taxing jurisdiction**:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Estonia, references in these Conditions to the Republic of Estonia shall be construed as references to the Republic of Estonia and/or such other jurisdiction.

13. **Events of Default**

This Condition 13 does not apply to Covered Bonds.

13.1 *Unrestricted Events of Default – Unrestricted Senior Preferred Notes*

This Condition 13.1 is applicable to any Series of Senior Preferred Notes specified in the relevant Final Terms as being Unrestricted Senior Preferred Notes.

If any of the following events occurs and is continuing:

(a) ***Non-payment**:* the Issuer fails to pay any amount of principal in respect of the Notes, or fails to pay any amount of interest in respect of the Notes, within seven days in the case

of principal, or 14 days in the case of interest, in each case of the due date for payment thereof; or

(b) ***Breach of other obligations****:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

(c) ***Cross-acceleration of Issuer or Material Subsidiary****:*

(i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than: (a) due to a mandatory repayment requirement, in accordance with its terms; (b) at the option of the Issuer or (as the case may be) the relevant Material Subsidiary; or (c) (**provided that** no event of default, howsoever described, has occurred) at the option of any Person entitled to such Indebtedness; or

(iii) the Issuer or its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness,

provided that the amount of Indebtedness not paid when due referred to in sub-paragraph (i) above and/or the amount of Indebtedness becoming due and payable prior to its stated maturity referred to in sub-paragraph (ii) above and/or the amount which has not been paid when due under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate exceeds EUR 25,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgment***: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of any amount/an aggregate amount in excess of EUR 25,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) ***Insolvency etc****:* (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed in respect of the Issuer or any of its Material Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries, (iii) the Issuer or any of its Material Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer or any of its Material Subsidiaries ceases to carry on all or substantially all of its business. Insolvency under this paragraph (e) does not include the cases when any of the above specified actions are taken in regard to a Material Subsidiary of the Issuer for the purposes of or pursuant to an amalgamation, reorganisation, restructuring or liquidation whilst solvent; or

(f) ***Winding up etc****:* an order is made, or an effective resolution is passed, for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation, restructuring or liquidation whilst solvent); or

(g) ***Analogous event****:* any event occurs which under the laws of the Republic of Estonia has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (f) (*Winding up etc*) above,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and

payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

13.2 *Events of Default – Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes*

This Condition 13.2 is applicable in relation to any Series of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes only.

(a) If any of the following events occur:

(i) *Non-payment:* the Issuer fails to pay any amount of principal or other redemption amount due in respect of the Notes for more than ten Business Days or fails to pay any amount of interest in respect of the Notes for more than ten Business Days; or

(ii) *Winding-up, etc.:* if any order is made by any competent court or resolution passed for the voluntary or involuntary liquidation, bankruptcy or other form of winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution (a "**Winding-Up**"),

the Holder of any Note may:

(x) (in the case of paragraph (i) above) institute proceedings (subject to applicable laws of Estonia) for the Winding-Up of the Issuer, in each case, in Estonia and not elsewhere, and prove or claim in the Winding-Up of the Issuer; and/or

(y) (in the case of paragraph (ii) above) prove or claim in the Winding-Up of the Issuer, whether in Estonia or elsewhere and instituted by the Issuer itself or by a third party,

but (in either case) the Holder of such Note may claim payment in respect of the Note only in the Winding-Up of the Issuer.

(b) In any of the events or circumstances described in Condition 13.2(a)(ii) (*Winding-up, etc.*) above, the Holder of any Note may, by notice to the Issuer, declare such Note to be due and payable, and such Note shall accordingly become due and payable at its outstanding principal amount together with accrued interest to the date of payment but subject to such Holder only being able to claim payment in respect of the Note in the Winding-Up of the Issuer.

(c) The Holder of any Note may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Conditions 13.2(a) and 13.2(b) any obligation for the payment of any principal or interest in respect of the Notes, including any damages for breach of obligation) ***provided that*** the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except with the prior approval of the Competent Authority (in case of Subordinated Notes) or (in case of Restricted Senior Preferred Notes or Senior Non-Preferred Notes) the Competent Authority and/or the Resolution Authority (in either case, if such approval is then required under the Applicable Banking Regulations).

(d) No remedy against the Issuer, other than as provided in Conditions 13.2(a), 13.2(b) and 13.2(c) above, shall be available to the Holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes.

14. **Undertaking of the Issuer**

This Condition 14 applies in respect of Covered Bonds only.

On declaration of the Issuer's bankruptcy and in certain other events stipulated in the ECBA, the Covered Bond Portfolio will be separated from other assets and liabilities of the Issuer and form an independent pool of designated assets to be managed in accordance with the ECBA and to be used solely to satisfy the claims of Covered Bondholders and of the counterparties to the Derivative Instrument and to cover the expenses related to the management of the Covered Bond Portfolio. In such a scenario, the Issuer undertakes to fully co-operate with the Cover Pool Administrator or the bankruptcy administrator appointed with respect to the insolvent Covered Bond Portfolio ("**Relevant Authority**") to facilitate such Relevant Authority's ability to carry out its rights and obligations under the ECBA in Latvia and Lithuania, including the providing of any powers of attorney in the form required by such Relevant Authority (and procuring that the Latvian and Lithuanian branches of the Issuer provide the same, whenever required) in such Relevant Authority's favour authorising such Relevant Authority to act on behalf of the Issuer.

15. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that***:*

(a) the Issuer shall at all times maintain a fiscal agent and a registrar;

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

18. **Meetings of Noteholders; Modification and Waiver**

(a) ***Meetings of Noteholders***: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

Any such meeting of the Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference).

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) ***Modification****:* The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or is to comply with Mandatory Provision of Law. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

(c) ***Modification of Restricted Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes****:* Any modification or waiver of these Conditions which affects Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes will, in each case, be effected only in accordance with Applicable Banking Regulations.

(d) ***Meetings of Covered Bondholders and Modification of Covered Bonds****:*

In addition to the modification provisions set out at paragraphs (a) (*Meetings of Noteholders*) and (b) (*Modification*) above and in Condition 9(m) (*Redemption and Purchase – Conditions to Redemption or Repurchase*), the Issuer may without the consent of any of the Covered Bondholders or Couponholders of any Series at any time make:

(i) any modifications to the Conditions (in relation to the relevant Series of Covered Bonds) that are necessary (as determined by the Issuer acting reasonably) to comply with any criteria of the rating agencies which may be published after the Issue Date and which the Issuer certifies in writing (to the Agent and to the holders of the relevant Series of Covered Bonds) are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a rating agency to such Series of the Covered Bonds; and

(ii) EMIR Related Modifications (as defined below), and which the Issuer certifies (to the Agent and to the holders of the relevant Series of Covered Bonds) are to be made solely for the purpose of enabling the Issuer to comply with any requirements which apply to it under Regulation (EU) No. 648/2012 (the

"**European Market Infrastructure Regulation**" or "**EMIR**") ("**EMIR Related Modifications**") and such EMIR Related Modifications do not relate to a Series Reserved Matter.

(e) "***Series Reserved Matter***" in relation to Covered Bonds of a Series means:

(i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds of such Series other than in accordance with the terms thereof (except any such reduction, cancellation or modification made in accordance with Condition 6(h) (*Floating Rate Note Provisions – Benchmark Replacement*));

(ii) alteration of the currency in which payments under the Covered Bonds and Coupons of such Series are to be made;

(iii) alteration of the quorum or majority required to pass an Extraordinary Resolution;

(iv) the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds of such Series for or the conversion of the Covered Bonds of such Series into, or the cancellation of the Covered Bonds of such Series in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations; and

(v) alteration of this definition of Series Reserved Matter.

(f) ***Limitations on Modification of Covered Bonds:*** Any modification or waiver of these Conditions which affects Covered Bonds may not be effected to the extent such modification would contradict mandatory provisions of the ECBA.

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

20. **Notices**

(a) ***Bearer Notes****:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) ***Registered Notes****:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

21. **Currency Indemnity**

This Condition 21 applies in respect of Covered Bonds and Unrestricted Senior Preferred Notes only. If any sum due from the Issuer in respect of the Notes or the Coupons or any order or

judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Substitution and Variation**

This Condition 23 is only applicable to Restricted Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes.

If "Substitution and Variation pursuant to Condition 23" is specified as applicable in the relevant Final Terms, if at any time an MREL Disqualification Event, a Capital Event, Withholding Tax Event or Tax Event occurs, or to ensure the effectiveness or enforceability of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*), the Issuer may, subject to the Applicable Banking Regulations (without any requirement for the consent or approval of the Holders) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent (in accordance with the Agency Agreement) and the Holders in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable), at any time either:

(a) substitute all (but not some only) of the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable) for new Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable), which are Qualifying Securities; or

(b) vary the terms of the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable) so that they remain or, as appropriate, become, Qualifying Securities,

provided that, in each case:

(i) such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities; and

(ii) the solicited credit ratings of the Qualifying Securities would be at least equal to the solicited credit ratings of the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable) as assigned to such Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable) by any Rating Agency immediately prior to such variation or substitution (unless any such difference is solely attributable to the

effectiveness and enforceability of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*); and

(iii) such variation or substitution is not materially less favourable to holders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*)).

For the avoidance of doubt, any such substitution or variation shall not be deemed to be a modification or amendment for the purposes of Condition 18 (*Meetings of Noteholders; Modification and Waiver*).

Any substitution or variation in accordance with this Condition 23 is subject to the Issuer obtaining prior written consent of (in the case of the Subordinated Notes) the Competent Authority or (in the case of Restricted Senior Preferred Notes or Senior Non-Preferred Notes) the Resolution Authority and/or the Competent Authority (if such approval is then required under the Applicable Banking Regulations) and complying with the rules of any competent authority, stock exchange and/or quotation system by or on which the Notes are, for the time being, listed, traded and/or quoted.

For the purpose of this Condition 23 a variation or substitution shall be "**materially less favourable to holders**" if such varied or substituted securities do not:

(i) include a ranking at least equal to that of the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable) pursuant to Condition 4 (*Status*), as applicable;

(ii) have the same interest rate and the same interest payment dates as those from time to time applying to the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable);

(iii) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable), including as to timing and amounts payable in respect of any such redemption;

(iv) have the same currency of payment, maturity, denomination and original aggregate outstanding nominal amount as the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable) prior to such variation or substitution;

(v) preserve any existing rights under the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable) to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of substitution or variation; or

(vi) have a listing on a recognised stock exchange if the Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (as applicable) were listed immediately prior to such variation or substitution; and

"**Qualifying Securities**" means securities issued directly or indirectly by the Issuer that contain terms which at such time result in such securities being eligible to qualify towards the Issuer's eligible liabilities and/or loss absorbing capacity (in the case of Restricted Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes to the extent that such Subordinated Notes have ceased to qualify, in whole but not in part, as Tier 2 Capital) or Tier 2 Capital (in the case of all other Subordinated Notes), in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations to at least the same extent as the Notes prior to the relevant MREL Disqualification Event, Capital Event, Withholding Tax Event or Tax Event.

24. **Substitution of the Issuer**

(a) This Condition 24 is only applicable to Senior Non-Preferred Notes and Subordinated Notes. If "Substitution of the Issuer pursuant to Condition 24" is specified as applicable in the relevant Final Terms in respect of any Series of Senior Non-Preferred Notes or

Subordinated Notes, subject to, and as provided in, this Condition 24, the Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any other body corporate incorporated in any country in the world (including any Successor in Business or any Holding Company of the Issuer or Luminor Holding AS) as the debtor in respect of the Notes, any Coupons, the Agency Agreement and the Deed of Covenant (the "**Substituted Debtor**") upon notice by the Issuer to be given in accordance with Condition 20 (*Notices*), provided that:

(i) the Issuer is not in default in respect of any amount payable under the Notes;

(ii) the Issuer and the Substituted Debtor have entered into such documents (the "**Documents**") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder to be bound by these Conditions and the provisions of the Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 24);

(iii) except if the Substituted Debtor is an Excluded Entity in relation to the Issuer, the Issuer shall unconditionally and irrevocably guarantee (such guarantee, the "**Guarantee**" and such guarantor, the "**Guarantor**") in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor, with the obligations of the Guarantor under the Guarantee ranking *pari passu* with the Issuer's obligations under the Notes prior to the substitution becoming effective;

(iv) the Substituted Debtor shall enter into a deed of covenant in favour of the Noteholders on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;

(v) if the Substituted Debtor is resident for tax purposes in a territory (the "**New Residence**") other than that in which the Issuer prior to such substitution was resident for tax purposes (the "**Former Residence**"), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of an undertaking in terms corresponding to the provisions of Condition 12 (*Taxation*), with the substitution of references to the Former Residence with references to the New Residence;

(vi) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents (if such approval or consent is then required under the Applicable Banking Regulations);

(vii) each stock exchange and/or quotation system by or on which the Notes are, for the time being, listed, traded and/or quoted shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed, traded and/or quoted on such stock exchange and/or quotation system; and

(viii) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and any related Coupons.

(b) Any substitution or variation in accordance with this Condition 24 is subject to the Issuer obtaining prior written consent of the Competent Authority (if such approval is then required under the Applicable Banking Regulations) and complying with the rules of any competent authority.

(c) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes, any Coupons, the Deed of Covenant and the Agency Agreement with the same effect as if the Substituted Debtor

had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Coupons, the Deed of Covenant and the Agency Agreement.

(d) After a substitution pursuant to paragraph (a) the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in paragraphs (a), (b) and (c) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

(e) After a substitution pursuant to paragraph (a) or paragraph (d) any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.

(f) The Documents shall be delivered to, and kept by, the Fiscal Agent. Copies of the Documents will be available free of charge during normal business hours at the Specified Office of the Fiscal Agent.

For the purposes of this Condition 24:

"**Excluded Entity**" in relation to the Issuer means Luminor Holding AS, any Successor in Business of Luminor Holding AS, any Successor in Business of the Issuer or any Holding Company of the Issuer;

"**Holding Company**" means (in relation to another body corporate ("**Company B**")) a body corporate which:

(a) holds a majority of the voting rights in Company B; or

(b) is a member of Company B and has the right to appoint or remove a majority of its board of directors; or

(c) is a member of Company B and controls alone, under an agreement with other shareholders and members, a majority of the voting rights in Company B; and

"**Successor in Business**" shall mean, in relation to the Issuer, any company which:

(a) owns beneficially the whole or substantially the whole of the property and assets owned by the Issuer immediately prior thereto; and

(b) carries on, as successor to the Issuer, the whole or substantially the whole of the business carried on by the Issuer immediately prior thereto.

25. **Governing Law and Jurisdiction**

(a) ***Governing law***: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, except for:

(i) Condition 4(b) (*Status - Status of the Senior Non-Preferred Notes*), Condition 4(c) (*Status - Status of the Subordinated Notes*) and Condition 4(d) (*Status - Status of the Covered Bonds*), and the provisions relating to coverage of the Covered Bonds and the Coupons pursuant to the ECBA;

(ii) Condition 26 (*Acknowledgement of Bail-in and Loss Absorption Powers*);

(iii) other provisions relating to the Covered Bonds, where provisions of Estonian laws mandatorily apply to covered bonds issued by an issuer incorporated in Estonia,

which shall be governed by Estonian law.

(b) ***English courts***: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).

(c) ***Appropriate forum***: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) ***Rights of the Noteholders to take proceedings outside England***: Notwithstanding paragraph (b) (*English courts*), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in any other court of member states of the European Union in accordance with the Brussels Ia Regulation or of states that are party to the Lugano II Convention. To the extent allowed by law, any Noteholder may take concurrent Proceedings in any number of the jurisdictions identified in this Condition 25 that are competent to hear those Proceedings.

In this sub-condition 25(d): "**Brussels Ia Regulation**" means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended; and "**Lugano II Convention**" means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007.

(e) ***Service of process***: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at its registered office at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph (e) shall affect the right of any Noteholder to serve process in any other manner permitted by law. This paragraph (e) applies to Proceedings in England and to Proceedings elsewhere.

26. **Acknowledgement of Bail-in and Loss Absorption Powers**

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 26, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in some or any of the following, or a combination thereof:

(i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(iii) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

"**Bail-in and Loss Absorption Powers**" means any loss absorption, write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, the SRM Regulation, or any laws, regulations, rules or requirements in effect in the Republic of Estonia, relating to (i) the transposition of the BRRD and (ii) the instruments, rules and standards created thereunder, as applicable, pursuant to which any obligation of the Issuer or any member of the Group (or any affiliate of the Issuer or any member of the Group) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

"**Relevant Amounts**" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer and/or the Group.

The exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority will not constitute an Event of Default for any purposes in respect of the Notes or the Covered Bonds.

FORM OF FINAL TERMS OF THE NOTES

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("EU MiFID II"); or (ii) a customer within the meaning of Directive (EU) No. 2016/97 (the "EU Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("EUWA"). Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[EU MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "EU MiFID II")][EU MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018][EUWA] ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

Final Terms dated [•]

LUMINOR BANK AS
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

EUR 5,000,000,000

Euro Medium Term Note and Covered Bond Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in the Base Prospectus dated 8 May 2026 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes of the EU Prospectus Regulation. [This document constitutes the Final Terms of the Notes described herein for the purposes of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all relevant information.][1]]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Base Prospectus dated [2 October 2018] / [9 April 2019] / [17 April 2020] / [6 May 2021] / [28 April 2022] / [23 April 2023] / [25 April 2024] / [19 May 2025]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 8 May 2026 [and the supplemental Base Prospectus dated [*date*]] in order to obtain all the relevant information which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes of the EU Prospectus Regulation, save in respect of the Conditions which are set forth in the base prospectus dated [2 October 2018] / [9 April 2019]/[17 April 2020] / [6 May 2021] / [28 April 2022] / [23 April 2023] / [25 April 2024] / [19 May 2025] and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of the EU Prospectus Regulation.]

The Base Prospectus [is] [are] available for viewing on the website of The Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin") ([https://live.euronext.com/]) and is also available at the Luminor Bank AS website https://luminor.ee/investors#prospectuses. Copies may also be obtained from the registered office of Luminor Bank AS.

The expression "EU Prospectus Regulation" means Regulation (EU) No. 2017/1129.

[In accordance with the EU Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.][2]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

1.	(i)	Issuer:	[•]
2.	[(i)	Series Number:]	[•]
	[(ii)	Tranche Number:	[•]

[1] Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the EU Prospectus Regulation.

[2] Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area or the UK nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the EU Prospectus Regulation.

	[(iii)	Date on which the Notes become fungible:	[Not Applicable] / [The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below [which is expected to occur on or about [•]].]
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Nominal Amount:		[•]
	[(i)]	[Series]:	[•]
	[(ii)	Tranche:	[•]]
5.	Issue Price:		[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6.	(i)	Specified Denominations:	[•]
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[•] / [Issue Date] / [Not Applicable]
8.	(i)	Maturity Date:	[•][, subject to adjustment in accordance with the Business Day Convention specified below]
	(ii)	Extended Maturity Date:	[•] / [Not Applicable][3]
9.	Interest Basis:		[In respect of the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date:] [•] per cent. Fixed Rate [CIBOR/EURIBOR/NIBOR/STIBOR] [+/–] [•] per cent. Floating Rate] [Zero Coupon] [Reset Notes] (*see paragraph 14/15/16/17/20 below*) [In respect of the period from (and including) the Maturity Date to (but excluding) the Extended Maturity Date (if applicable): [•] per cent. Fixed Rate [CIBOR/EURIBOR/NIBOR/STIBOR] [+/–] [•] per cent. Floating Rate] [Zero Coupon] [Reset Notes]

[3] Only applies to Covered Bonds.

			(*see paragraph 18/19 below*)
10.	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.]
11.	Change of Interest or Redemption/Payment Basis:		[*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14, 15, 18 and 19 below and identify there*] / [Not Applicable]
12.	Put/Call Options:		[Investor Put] [Issuer Call] (*See paragraph 21/22/23 below*)
13.	(i)	Status of the Notes:	[Unrestricted Senior Preferred Notes] [Restricted Senior Preferred Notes] [Senior Non-Preferred Notes] [Subordinated Notes] [Covered Bonds]
	(ii)	Date Board approval for issuance of Notes obtained:	[[•] and [•], respectively] / [Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		[Applicable] / [Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate(s) of Interest:	The Initial Rate of Interest is [•] per cent. per annum payable in arrear on each Interest Payment Date.
	(ii)	Interest Payment Date(s):	[•] in each year, commencing on [•]
	(iii)	Fixed Coupon Amount(s):	[[•] per Calculation Amount]
	(iv)	Broken Amount(s):	[[•] per Calculation Amount, payable on the Interest Payment Date falling in/on [•] / [Not Applicable]
	(v)	Day Count Fraction:	[30/360] / [Actual] / [Actual (ICMA/ISDA)]
	(vi)	Unmatured Coupons void:	Condition 10(f) (*Unmatured Coupons void*) is [Applicable] / [Not Applicable]
15.	**Floating Rate Note Provisions**		[Applicable] / [Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
	(i)	Specified Period:	[•]

(ii)	Specified Interest Payment Dates:	[•][, subject to adjustment in accordance with the Business Day Convention specified below]
(iii)	First Interest Payment Date:	[•][, subject to adjustment in accordance with the Business Day Convention specified below]
(iv)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
(v)	Additional Business Centre(s):	[Not Applicable] / [•]
(vi)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):	[[•] shall be the Calculation Agent/Not Applicable]
(vii)	Provisions relating to Screen Rate Determination:	
	• Reference Rate:	[CIBOR]/[EURIBOR]/[NIBOR]/[STIBOR]
	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[•]
	• Relevant Time:	[•]
	• Relevant Financial Centre:	[•]
(viii)	Linear interpolation:	[Not Applicable] / [Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(ix)	Margin(s):	[+/-] [•] per cent. per annum
(x)	Minimum Rate of Interest:	[•] per cent. per annum
(xi)	Maximum Rate of Interest:	[•] per cent. per annum
(xii)	Day Count Fraction:	[•]
(xiii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):	[[•] shall be the Calculation Agent/Not Applicable]

16.	**Zero Coupon Note Provisions**		[Applicable] / [Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[•] per cent. per annum
	(ii)	Reference Price:	[•]
	(iii)	Day Count Fraction in relation to Early Redemption Amount:	[30/360] / [Actual / Actual (ICMA/ISDA/other)]
17.	**Zero Coupon Covered Bond Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[•] per cent. per annum
	(ii)	Reference Price:	[•] in each year
	(iii)	Day Count Fraction in relation to Early Redemption Amount:	[30/360] / [Actual/Actual (ICMA/ISDA/other)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE FROM THE MATURITY DATE TO THE EXTENDED MATURITY DATE

18.	**Fixed Rate Covered Bond Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[•] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[•] in each year, commencing on [•]
	(iii)	Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv)	Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] / [Not Applicable]
	(v)	Day Count Fraction:	[30/360] / [Actual] / [Actual (ICMA/ISDA)]
19.	**Floating Rate Covered Bond Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Specified Period:	[•]
	(ii)	Specified Interest Payment Dates:	[•]
	(iii)	First Interest Payment Date:	[•]

(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
(v)	Additional Business Centre(s):	[[•]/Not Applicable]
(vi)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):	[[•] shall be the Calculation Agent/Not Applicable]
(vii)	Provisions relating to Screen Rate Determination:	
	• Reference Rate:	
	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[•]
	• Relevant Time:	[•]
	• Relevant Financial Centre:	[•]
(viii)	Linear interpolation:	[Not Applicable/ Applicable - the rate of interest for the [long]/[short] [first]/[last] Interest Period shall be calculated using Linear Interpolation]
(ix)	Margin(s):	[+/-] [•] per cent. per annum
(x)	Minimum Rate of Interest:	[•] per cent. per annum
(xi)	Maximum Rate of Interest:	[•] per cent. per annum
(xii)	Day Count Fraction:	[•]
(xiii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):	[[•] shall be the Calculation Agent/Not Applicable]

20. **Reset Note Provisions** [Applicable] / [Not Applicable]

(*If not applicable, delete the remaining sub paragraphs of this paragraph*)

(i)	Initial Rate of Interest:	[•] per cent. per annum payable in arrear [on each Interest Payment Date]
(ii)	First Margin:	[±] [•] per cent. per annum
(iii)	Subsequent Margin:	[[±] [•] per cent. per annum] / [Not Applicable]

(iv)	Interest Payment Date(s):	[•] [and [•]] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(xv)]
(v)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[•] per Calculation Amount]
(vi)	Broken Amount(s):	[[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]] / [Not Applicable]
(vii)	First Reset Date:	[•] [subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(xv)]
(viii)	Second Reset Date:	[Not Applicable] / [•] [subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(xv)]
(ix)	Subsequent Reset Date(s):	[Not Applicable] / [•] [and [•]] [subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(xv)]
(x)	Relevant Screen Page:	[•]
(xi)	Mid-Swap Rate:	[Single Mid-Swap Rate] / [Mean Mid-Swap Rate] / [Not Applicable]
(xii)	Mid-Swap Maturity:	[•]
(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]
(xiv)	Reset Determination Dates:	[[•] in each year] / [The provisions in the Conditions apply]
(xv)	Business Day Convention:	[Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention] / [Floating Rate Convention] / [Eurodollar Convention] / [No Adjustment]
(xvi)	Relevant Financial Centre:	[•]
(xvii)	Determination Agent:	[•]
(xviii)	Mid-Swap Floating Leg Benchmark Rate:	[EURIBOR / CIBOR / NIBOR / STIBOR]
(xix)	Other terms relating to Reset Notes:	Not Applicable / [•]

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option**	[Applicable] / [Not Applicable]
(i)	Optional Redemption Date(s) (Call):	[•]

(ii)	Optional Redemption Amount(s) of each Note:	[Optional Redemption Amount (Call)] / [Make Whole Redemption Price in the case of the Optional Redemption Date(s) falling [on] / [in the period from and including [*date*] to but excluding] [*date*]
(iii)	Optional Redemption Amount (Call)	[Not Applicable]/ [[•] per Calculation Amount]
(iv)	Optional Redemption Amount (Residual Call):	[Not Applicable]/ [[•] per Calculation Amount]
(v)	Make Whole Redemption Price:	[Non-Sterling Make Whole Redemption Amount] / [Sterling Make Whole Redemption Amount] / [Not Applicable] (*If not applicable delete the remaining sub paragraphs(a) – (c) of this paragraph*)
	(a) Redemption Margin:	[•] per cent.
	(b) Reference Bond:	[•]
	(c) Quotation Time:	[•]
(vi)	Redemption in part:	[Applicable]/[Not Applicable]
	[(a) Minimum Redemption Amount:	[•] per Calculation Amount]
	[(b) Maximum Redemption Amount:	[•] per Calculation Amount]
(vii)	Notice period:	[•]
(viii)	Early redemption following a Capital Event:	[Applicable] / [Not Applicable]
(ix)	Early redemption following a Tax Event:	[Applicable] / [Not Applicable]
(x)	Early redemption following an MREL Disqualification Event:	[Applicable] / [Not Applicable]
(xi)	MREL Disqualification Event Effective Date:	[•] / [Not Applicable]
(xii)	Issuer Residual Call:	[Applicable] / [Not Applicable]

22. **Put Option** [Applicable] / [Not Applicable]

(Not to be included for any issue of Restricted Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes or Covered Bonds)

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

	(i)	Optional Redemption Date(s) (Put):	[•]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii)	Notice period:	[•]
23.	**Final Redemption Amount of each Note**		[•] per Calculation Amount
24.	**Early Redemption Amount (Tax) and Early Termination Amount**		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:		[The Early Termination Amount is]/[The Early Redemption Amount (Tax) is] [•] / [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes**:	**[Bearer Notes**: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]] *Where the exchange to Definitive Notes is permitted at the option of the Noteholder ensure that the specified denominations do not permit a smaller integral amount.* (*The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000".* *Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Bearer Global Notes exchangeable for Definitive Notes.)* **[Registered Notes**: [Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note]

		and [Global Registered Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).]
26.	**New Global Note / New Safekeeping Structure**:	[Yes] / [No]
27.	**Additional Financial Centre(s) or other special provisions relating to payment dates**:	[Not Applicable] / [*give details*]. *Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(v) and 19(v) relate*
28.	**Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature)**:	[Yes]/[No]. [As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]
29.	**Substitution and Variation pursuant to Condition 23:**	[Applicable following a [Capital Event / MREL Disqualification Event / Withholding Tax Event / Tax Event]] / [Not Applicable]
30.	**Substitution of the Issuer pursuant to Condition 24:**	[Applicable] / [Not Applicable] *(Not to be included for any issue of Covered Bonds and Senior Preferred Notes)*

Signed on behalf of Luminor Bank AS:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Admission to Trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [•]. Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [•]. [Not Applicable.] (*When documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
(ii)	Estimate of total expenses related to admission to trading:	[•]

2. **RATINGS**

[The Notes to be issued [have been/are expected] to be rated] / [The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [Moody's Investors Service Limited: [•]]

[•]

Option 1 - CRA established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). [*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website http://www.esma.europa.eu. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]/[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation** ").]/[[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for

registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]/[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]/[[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]/[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]/[[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). [*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the FCA website: https://data.fca.org.uk/#/cra/crasearch. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").]/[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").]/[[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the EU CRA Regulation AND/OR under the UK CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but the rating it has given to the Notes is endorsed by [[*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**")][and][[*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation but CRA is certified under the EU CRA Regulation AND/OR under the UK CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but is certified under [Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**")] [and] [Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")**]**.

Option 7 - CRA neither established in the EEA or the UK nor certified under the EU CRA Regulation or the UK CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK and is not certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") or Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation.

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

(*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:*)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its] affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

[*(When adding any other description, consideration should be given as to whether such matters described constitute "**significant new factors**" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the EU Prospectus Regulation.)*]

4. **[*Fixed Rate Notes / Reset Notes only* – YIELD**

Indication of yield:	[•]
	[*The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.*]

5. **OPERATIONAL INFORMATION**

ISIN:	[•]
Common Code:	[•]
[FISN:	[[See / [[*include code*], as updated as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
[CFI Code:	[[See / [[*include code*], as updated as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

	Any clearing system(s) other than Euroclear and Clearstream. Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
	Delivery:	Delivery [against/free] of payment
	Names and addresses of additional Paying Agent(s) (if any):	[Yes. Note that the designation "**yes**" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper [*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
	Intended to be held in a manner which would allow Eurosystem eligibility:	[No. Whilst the designation is specified as "**no**" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper *include this text for registered notes*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
6.	**DERIVATIVE INSTRUMENTS**	*(to be completed in respect of an issuance of Covered Bonds)*
	Derivative Instruments applicable to issuance of Covered Bonds:	[Yes]/[No] *(If "No" delete the remaining sub-paragraphs of this paragraph)*
	(i) Type of Derivative Instruments:	Interest Rate Swap Transaction/ Currency Swap Transaction
	(ii) Description of Derivative Instruments:	[•]
	(iii) Derivative Instruments as specific collateral for this issuance:	[Yes]/[No]
	(iv) Swap counterparty:	[•]
	(v) Collateral posting requirements:	[•]
7.	**DISTRIBUTION**	
	(i) Method of Distribution:	[Syndicated/Non-syndicated]

(ii)	If syndicated:		
	(A)	Names of Dealers:	[Not Applicable/*give names*]
	(B)	Stabilisation Manager(s), if any:	[Not Applicable/*give names*]
(iii)	If non-syndicated, name of Dealer:		[Not Applicable/*give names*]
(iv)	U.S. Selling Restrictions:		[Reg S Compliance Category [2]; (*In the case of Bearer Notes*) TEFRA C/TEFRA D]
(v)	Prohibition of Sales to EEA Retail Investors:		[Applicable] / [Not Applicable] *(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)*
(vi)	Prohibition of Sales to UK Retail Investors:		[Applicable] / [Not Applicable] *(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)*
(vii)	Relevant Benchmarks:		[CIBOR]/[EURIBOR]/[NIBOR]/[STIBOR] is provided by administrator [*legal name, repeat as necessary*]. As at the date hereof, administrator [*legal name*] [appears/does not appear] [*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks)* of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [CIBOR] / [EURIBOR] / [NIBOR] / [STIBOR] does not fall within the scope of the EU Benchmarks Regulation]/[Not Applicable]

8. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS:**

(i)	Reasons for the offer:	[See "*Use of Proceeds*" wording in the Base Prospectus.]/ [_____]
(ii)	Estimated net proceeds:	[ ]

9. **EUROPEAN COVERED BOND (PREMIUM)**

Eriti kvaliteetne Euroopa pandikiri (European Covered Bond (Premium)):	[Yes/No/Not Applicable]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments*:* All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

***Exercise of put option**:* In order to exercise the option contained in Condition 9(f) (*Redemption and Purchase - Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note give notice of such exercise to the Fiscal Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

***Partial exercise of call option**:* In connection with an exercise of the option contained in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

***Notices**:* Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Similarly, the provisions for meetings of Noteholders in the Agency Agreement contain provisions that apply while the Notes are represented by a Global Note or a Global Registered Note. The following is a summary of certain of those provisions:

***Electronic Consent and Written Resolution**:* While any Notes are represented by a Global Note or a Global Registered Note and the Global Note or the Global Registered Note is held on behalf of a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or a Global Registered Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or EasyWay or Clearstream, Luxembourg's CreationOnline or Xact

WebPortal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding.

KEY FINANCIAL RATIOS AND ALTERNATIVE PERFORMANCE MEASURES OF THE ISSUER

*This document includes certain data which the Issuer considers to constitute alternative performance measures ("**APMs**") for the purposes of the "ESMA Guidelines on Alternative Performance Measures" issued by the European Securities and Markets Authority on 5 October 2015.*

These include: Return on Equity (ROE), Cost/income ratio; Cost of risk; Non-performing loans ratio; Net interest margin (NIM); Average spread for Loans to customers; Average spread for Deposits from customers; Combined weighted total average spread, loans and deposits; Common Equity Tier 1 (CET 1), including profit to be retained, ratio; and Return on Equity, assuming a CET 1 ratio of 15%.

These APMs are not defined by, or presented in accordance with, IFRS. The APMs are unaudited and are not measurements of the Issuer's operating performance under IFRS and should not be considered as alternatives to any measures of performance under IFRS or as measures of the Issuer's liquidity.

The Issuer believes that the below measures provide useful information to investors for the purposes of evaluating the financial condition and results of operations of the Issuer, the quality of its assets and the fundamentals of its business. However, the Issuer's use and method of calculation of APMs may vary from other companies' use and calculation of such measures. During the preparation of the Annual Report 2025, the Issuer revised the list of APMs which are used by management to monitor the business on an ongoing basis and as a result the number of APMs was increased. The decision was made in order to ensure greater transparency and enhancement of communication to investors.

The Issuer believes that the APMs provide useful information to investors for the purposes of evaluating the financial condition and results of operations of the Issuer, the quality of its assets and the fundamentals of its business. It is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. Accordingly, these alternative performance measures should not be considered in isolation or as a substitute for measures defined according to IFRS.

In particular:

(i) the ratios presented by the Issuer are aimed at quantifying certain aspects of the Issuer's business and its strengths within the context of the Estonian banking system;

(ii) the APMs, although not required by law in the preparation of financial statements, allow for comparisons with other banks, over different periods of time and between the Issuer and the average industry standards; and

(iii) the ratios represent the way management measures the business on a regular basis.

The table below shows selected unaudited consolidated ratios for the Issuer as at, and for the years ended, 31 December 2024 and 31 December 2025.

Unless stated otherwise, the below figures are extracted from the Annual Report 2025.

	31 December 2024	**31 December 2025**
	per cent.	
Return on Equity	11.7	8.6
Cost / income ratio	54.5	64.2
Cost of risk	0.01	0.01
Non-performing loans ratio	1.8	2.0
Net interest margin	3.33	2.71
Average spread for Loans to customers	2.67	2.52
Average spread for Deposits from customers	2.06	1.24
Combined weighted total average spread, loans and deposits	2.35	1.86
Common Equity Tier 1, including profit to be retained, ratio	20.1	20.2
Return on Equity, assuming a CET1 ratio of 15%	11.3*	11.6*

	31 December 2024	31 December 2025
	per cent.	
Reference money market rate used in the above – Average 3m Euribor	3.572	2.177

***** Figure corresponds to that set out in the Issuer's Alternative Performance Measures 4Q 2025 document.

Alternative Performance Measures Definitions

The Issuer's alternative performance measures definitions are set out on page 3 of the Issuer's Alternative Performance Measures 4Q 2025 document which is incorporated by reference herein.

USE OF PROCEEDS

Unless otherwise specified in the relevant Final Terms, the net proceeds of the issue of each Series of Notes will be used for the general corporate purposes of the Issuer.

DESCRIPTION OF THE ISSUER

Background

The Issuer is a pan-Baltic credit institution headquartered in Tallinn owned by Luminor Holding AS. The Issuer was created in 2017 when DNB and Nordea joined their Baltic operations. Luminor Holding AS, which is ultimately controlled by BCP VII (an investment fund managed by an affiliate of Blackstone Group Inc), is owned by a consortium led by private equity funds managed by Blackstone (80.05 per cent.) and DNB Bank ASA (19.95 per cent.). Loans to customers are the Issuer's largest asset, while deposits from customers are its largest liability.

The share capital of the Issuer shall not be less than EUR 30 million and not more than EUR 120 million, and may be increased or reduced within such limits without amending the Articles of Association. As of the date of this Base Prospectus, the Issuer's share capital is EUR 34.9 million.

The Issuer is incorporated under the laws of Estonia, in accordance with the requirements of the Estonian Commercial Code and is registered in the Estonian Commercial Register with registration number 11315936. The registered address of the Issuer is Liivalaia 45, 10145 Tallinn, Estonia, and its telephone number is +372 628 3300.

The Issuer's Organisational Structure

For information on the organisational structure of the Issuer please refer to "*Organisation Structure*" on page 16 of the Annual Report 2025 which is incorporated by reference herein.

Core Business and Customer Segments

The Issuer manages its business by customer segment – Retail Banking and Corporate Banking – on a pan-Baltic basis from its headquarters in Estonia and branches in Latvia and Lithuania. Based on market data available as at 31 December 2025, the Issuer had a lending market share in the Baltic market of approximately 13.6 per cent.

Luminor's subsidiaries provide leasing, manage pension funds and offer e-commerce payments. Luminor operates only in the Baltic countries and target its services at residents of the Baltic countries, or individuals and companies with a strong connection to the Baltic countries.

Retail Banking serves all of the Issuer's customers and is directly responsible for all private individuals and small companies who do not have dedicated relationship managers.

The Issuer's Corporate Banking segment services medium-sized and large corporates with a full spectrum of banking products. Tailored financial products and services allow customers to operate their businesses efficiently and grow.

For further information on the Issuer's core business and customer segments and on the economic environment in which the Issuer operates please refer to page 4, "We are Luminor", page 12, "Retail Banking", page 13 "Corporate Banking" and page 14, "*Supplementary information - Economic Environment*" of the Annual Report 2025 which is incorporated by reference herein.

Strategic priorities

Luminor is the leading independent bank in the Baltics and the third-largest provider of financial services in the region. Luminor's purpose is to improve the financial health of its customers and its home countries of Estonia, Latvia, and Lithuania, and to support their growth. Luminor refreshed its strategy in 2025 to realise its ambition to further strengthen its position as a universal, pan-Baltic bank by the end of 2027, with a digital-first operating model, with a demonstrated track record and a modern scalable ICT platform.

To achieve this ambition, Luminor is focusing on the following three areas:

- Growing its customer franchise;
- Improving the efficiency of its ICT systems and digitalising its operating model; and
- Ensuring it remains compliant with evolving regulations.

For further information on the Issuer's strategy please refer to on page 5 of the Annual Report 2025 which is incorporated by reference herein.

The Issuer's Credit Rating

The Issuer has been rated by Moody's since 2018.

In March 2020, Moody's assigned an "Aa1" rating to the mortgage covered bonds issued by the Issuer under the Programme, which was upgraded to "Aaa" in June 2024.

In October 2024, Moody's updated the Issuer's long-term senior unsecured credit rating to "A2".

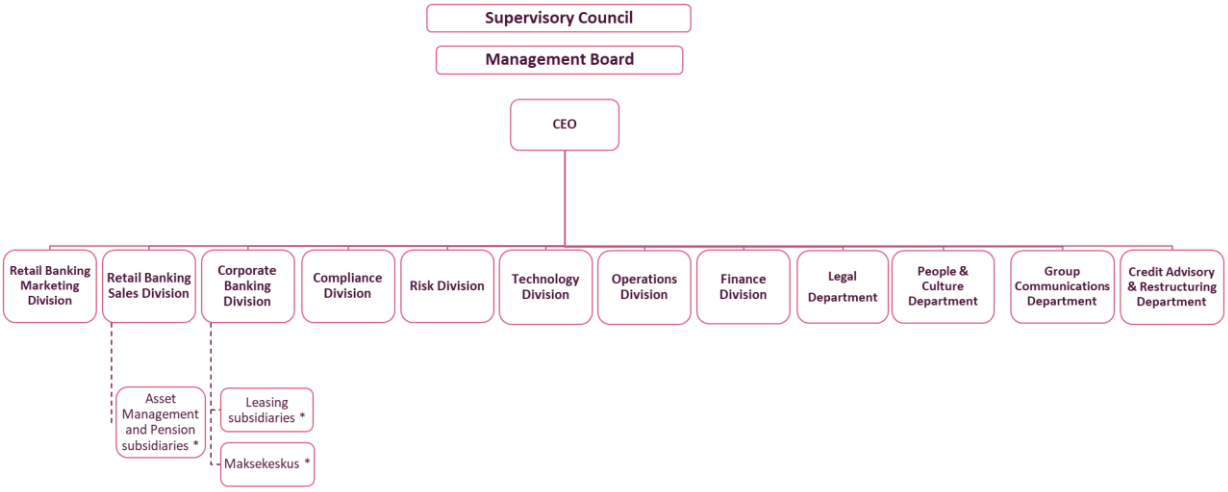
In February 2025, Moody's assigned a "Ba2(hyb)" rating to the additional tier 1 securities issued by the Issuer.

In May 2025, Moody's affirmed the Issuer's "A2" credit rating, but changed the outlook to negative from stable. The negative outlook on the long-term deposit and senior unsecured ratings reflects Moody's concerns about the Issuer risk management processes and oversight, which led to a miscalculation in the group's risk-weighted assets and an overreporting of capital position.

Supervision of the Issuer

Luminor Holding AS and the Issuer are a significant supervised group within the meaning of point (22) of Article 2 of Regulation (EU) No. 468/2014 of the ECB, subject to ECB supervision, as of 2021. Luminor Holding AS is the entity at the highest level of prudential consolidation within the supervised group. Ongoing supervision of the Issuer is carried out by a dedicated Joint Supervisory Team comprising staff of the ECB and the EFSA. In addition, certain subsidiaries of the Issuer are under the supervision of relevant Estonian, Latvian and Lithuanian financial supervision authorities.

The Issuer's organisational units



** Separate legal entities that each have their own Management Board and Supervisory Council*

Principles of Corporate Governance

For information on the Issuer's Principles of Corporate Governance please refer to "*Corporate Governance Report*" on pages 27-37 of the Annual Report 2025 which is incorporated by reference herein.

Supervisory Council

As of the date of this Base Prospectus, the Supervisory Council consists of ten members. The following table sets forth, for each member of the Supervisory Council, the year of their initial appointment to the Supervisory Council as well as their committee memberships and their principal activities outside the Issuer:

Name	Joined	Committee memberships	Status	Principal activities outside of the Group
Nils Melngailis, Chair	2 January 2019	Nomination (Chair), Remuneration	Independent	Chairman, Supervisory Board, PrivatBank; Vice-Chairman, Supervisory Council, PQH SA; Director, Printful Inc.
Mark Ashton-Rigby	3 December 2024	Risk	Independent	Non-Executive Director, Sentiance NV
Maria Elena Cappello	1 July 2020	Remuneration (Chair), Nomination,	Independent	Director, BPER Banca; Director, Fibonacci Holding; Senior Advisor, Igneo Ltd
Tanvi Prafulchandra Davda	1 November 2024	Audit, Remuneration	Blackstone	Non-Executive Director, Chair of Remuneration Committee, Paragon Banking Group PLC
Ottar Ertzeid	1 January 2022	Audit, Remuneration, Risk	DNB	Director, DNB Livsforsikring AS; Chair, Entra ASA; Vice Chair, Argentum Fondsinvesteringer AS; Director, Telenor ASA
Mathias Patrick Laurent Favetto	26 August 2020	Audit	Blackstone	Member, Supervisory Councils, NIBC Holding N.V. and NIBC Bank N.V.
Bjørn Erik Næss	2 January 2019	Audit, Nomination	DNB	Chairman, Argentum Fondsinvesteringer AS; Director, Hafslund AS
Peter Alexander Kleinschmidt	18 November 2025	Audit (Chair) Risk	Independent	Member, Supervisory Board, N26, Chair of the Risk and Audit Committee (to March 2026)
Petra van Hoeken	1 April 2026	Risk (Chair), Audit, Remuneration	Independent	Member of the Supervisory Board and Chair of Key Risk and Compliance Committees, Nordea Bank Group; Member of the Supervisory Board and Chair of Key Risk and Compliance Committees, ASN Bank; Chair of the Audit Committee, NSI N.V.
Karl von Rohr	1 January 2026	Chairman of the Supervisory Council,	Independent	Member of the Management Deutsche Bank, Board; President of the Management Board and Chief Executive of

Name	Joined	Committee memberships	Status	Principal activities outside of the Group
		Nomination and Governance (Chair), Remuneration		Deutsche Bank's Private Bank; Chairman of the Supervisory Board of DWS Group

For further information on the Supervisory Council, please refer to "Supervisory Council" on pages 30-31 of the Annual Report 2025 which is incorporated by reference herein.

The business address of each of the Supervisory Council members is Liivalaia 45, 10145 Tallinn, Estonia.

There are no potential conflicts of interest between any of the Supervisory Council members' duties owed to the Issuer and their private interests or other duties.

Management Board

As of the date of this Base Prospectus, the Management Board consists of nine members. The following table sets forth, for each member of the Management Board, the year of their initial appointment to the Management Board.

Name	First Appointed	Title
Wojciech Maria Sass, Chair	18 March 2024	Chief Executive Officer
Ossi Henrik Leikola	15 December 2023	Deputy Chief Executive Officer and Chief Operating Officer
Diego Biondo	1 October 2023	Chief Risk Officer
Mari Mõis	1 August 2021	Chief Compliance Officer
Johannes Proksch	2 July 2024	Chief Financial Officer
Jonas Urbonas	31 December 2024	Head of Corporate Banking
Enkelejd Zotaj	14 October 2024	Chief Information Officer
Jonna Pechter	1 June 2025	Chief Marketing Officer for Retail Banking
Tanel Rebane	1 June 2025	Chief Sales Officer for Retail Banking

The Management Board of the Issuer is the Issuer's executive body which directs, manages, represents, and ensures effective and prudent management. It directs day-to-day activities pursuant to the strategies and general principles of activities approved by the Supervisory Council of Luminor Bank. The Management Board of the Issuer reviews proposals and explanations presented to it, takes sound decisions, and reports appropriately to the Supervisory Council of the Issuer.

For further information on the Management Board, please refer to "*Management Board*" on pages 32-33 of the Annual Report 2025 which is incorporated by reference herein.

The business address of each member of the Management Board is Liivalaia 45, 10145 Tallinn, Estonia.

There are no potential conflicts of interest between any Management Board members' duties owed to the Issuer and their private interests or other duties.

Funding, Capital and Liquidity

For information on the Issuer's funding, capital and liquidity please refer to "*Financial Review*" on pages 8-9 and to Note 2 to the 2025 Financial Statements ("*General Risk Management Policies – Liquidity Risk"* and *"- Capital Management*") on pages 133-134, of the Annual Report 2025 which is incorporated by reference herein.

General Risk Management

For information on the Issuer's general risk management policies please refer to Note 2 to the 2025 Financial Statements ("*General Risk Management Policies*") on page 125 of the Annual Report 2025 which is incorporated by reference herein.

Credit Risk Management

For information on the Issuer's credit risk management please refer to Note 2 to the 2025 Financial Statements ("*General Risk Management Policies – Credit Risk*") on pages 125-131 and Note 24 to the 2025 Financial Statements ("*Maximum exposure to credit risk*") on page 163 of the Annual Report 2025 which is incorporated by reference herein.

Operational Risk and Market Risk Management

For information on the Issuer's operational risk management please refer to Note 2 to the 2025 Financial Statements ("*General Risk Management Policies – Operational Risk*" and *"- Market Risk*") on pages 132-133 of the Annual Report 2025 which is incorporated by reference herein.

THE ESTONIAN MORTGAGE MARKET

Lending for apartments and houses takes the form typically of one mortgage loan with an aggregated Loan-to-Value Ratio of up to 85 per cent., or up to 95 per cent. if the borrower receives a state guarantee from the Estonian Business and Innovation Agency (an Estonian state sponsored foundation which offers housing loan guarantees).

Interest payable on mortgage loans in Estonia is generally floating rate, expressed as a fixed margin over 6-month Euribor.

There are currently no specific rules under Estonian law limiting rates of interest (other than in respect of default interest), though the general principles of equity apply.

Commercial lenders are the principal originators of residential mortgage loans and provide a range of financing for single family homes. As at 31 December 2025 the total balance of mortgage loans was EUR 13.0 billion, an increase of EUR 1.2 billion, or 10 per cent. versus the prior year. At 31 December 2025 the Issuer held an 8 per cent. share of the total mortgage market according to the estimates of management and calculated on the basis of public data published by the Estonian Central Bank.

Material Legal Aspects of the Mortgage Loans

The below summary provides a brief overview of the material legal aspects of mortgage loans and does not purport to be a complete analysis of all legal considerations relating to mortgage loans. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Establishment of a Mortgage

Real estate property located in Estonia can be pledged by way of a mortgage, which must be established under a mortgage agreement authenticated by a notary and which is registered in the Estonian Land Register. The entering into a mortgage agreement and registration of the mortgage in the Estonian Land Register is sufficient evidence regarding the establishment of the mortgage and no further certificates (either physical or electronic) are issued with respect to the mortgage under Estonian law. The Estonian Land Register is a public register and, subject to the payment of a processing fee, information regarding real estate properties and mortgages encumbering such real estate properties can be accessed publicly. An entry concerning the mortgage in the Estonian Land Register sets out: (i) the mortgagee; (ii) the monetary amount of the mortgage (sum of mortgage); and (iii) the agreement according to which the owner of the real estate property has consented to be subject to immediate compulsory enforcement (if applicable). Real estate property that may be subject to a mortgage comprises: (i) immovable, i.e. delimited part of land and (ii) right of superficies, which is defined as a transferable and inheritable real right which encumbers an immovable such that the person for whose benefit a right of superficies is constituted is entitled to own a construction permanently attached to the immovable for a specified term. For the sake of clarity, registered apartment ownership is considered as equivalent to immovable property, thus may be subject to a mortgage.

Under Estonian law, a mortgage usually encumbers a real estate property in its entirety. In the case of a real estate property co-owned by several owners, a legal share of a real estate property belonging to a co-owner may also be encumbered with a mortgage. A mortgage cannot be established only on a physical share of a real estate property or a part of the legal share of a co-owner. An exception to this rule is a mortgage on apartment ownership, which by definition is a type of property of a physical share of a building.

A mortgage established under Estonian law extends to the parts, accessories and fruits of the real estate property. A mortgage does not extend to the accessories of the real estate property which are not in the ownership of the owner of the real estate property. Furthermore, a mortgage does not extend to accessories, parts and natural fruits which before the seizure of the real estate property are transferred according to regular management or permanently severed from the real estate property. If real estate property encumbered with a mortgage is leased, the mortgage also extends to a claim under the lease which arises within the period between seizure of the real estate property or declaration of bankruptcy of the debtor and sale of the real estate property, or which arises within one year before seizure of the real estate property or declaration of bankruptcy of the debtor and is uncollected. If a real estate property encumbered with a mortgage is insured, the mortgage also extends to a claim for insurance proceeds.

A mortgage, to the extent of the amount of the mortgage, secures a claim, interests (including the fine for delay) for up to three years before sale of the real estate property in enforcement proceedings, expenses for the collection of the debt, including the costs of the enforcement proceeding and bailiff's fees, and the insurance premiums paid by the mortgagee on behalf of the owner of the immovable.

Enforcement Procedures

Introduction and general principles of Estonian law in respect of enforcement

If a borrower fails to fulfil its obligations under a mortgage loan agreement, the creditor may generally (i) seek general enforcement of its claims against the borrower and collection of the debt arising from the mortgage loan and (ii) seek enforcement of a mortgage (and other security, if any) securing the mortgage loan to be able to satisfy the claims arising from the mortgage loans for the account of proceeds from the enforcement of such mortgage (or other security).

General enforcement by a creditor of claims against a defaulting borrower under a mortgage loan typically requires under Estonian law that the creditor first obtains a judgment the relevant claims to be satisfied (for example, for a debt to be paid) after which the actual enforcement may be carried out by a bailiff in a formal enforcement procedure against the assets of the borrower regulated by Estonian law.

Alternatively, a creditor holding a mortgage over real estate or a borrower or a third party as a security for the borrower's obligations under a mortgage loan may initiate enforcement of the mortgage, which is carried out (outside of bankruptcy proceedings of the mortgagor) by way of sale of the mortgaged real estate at a compulsory auction conducted by a bailiff or by way of compulsory administration by a bailiff. This presupposes the existence of an enforcement agreement entered in the Estonian land register. If, after the collateral has been sold, there is still an outstanding debt left, the creditor has rights to bring a separate claim to the court.

Enforcement of a claim against the debtor

To enforce a claim against the debtor arising from a mortgage loan, the creditor must typically submit its claim to a court having jurisdiction over the mortgage loan. In such court proceedings, the creditor would need to prove its claim against the debtor in order to obtain a court ruling ordering the payment of the relevant claim. Upon such court ruling entering into force, the creditor may apply to a bailiff, who shall carry out enforcement proceedings with respect to the debtor and its assets. In enforcement proceedings, if the debtor fails to pay the debt voluntarily, the debtor's property is seized and sold to the extent necessary to satisfy the claim and the claim of the creditor shall be satisfied from the proceeds received from such sale.

The enforcement proceedings, including the seizure and sale of the debtor's property, are carried out by a bailiff in accordance with the Estonian Code of Enforcement Procedure. The Estonian Code of Enforcement Procedure provides, *inter alia,* a list of items of the debtor which cannot be seized and sold in enforcement proceedings, which mainly consist of property which is essential for the debtor to satisfy his or her needs or the seizure and sale of which would be contrary to law or good morals. The Estonian Code of Enforcement Procedure further provides a number of forms of income of the debtor which cannot be used to satisfy claims in enforcement proceedings, which mainly consists of benefits payable in accordance with laws.

Enforcement of a mortgage

The process of enforcement of mortgages depends on whether or not the mortgagor and the mortgagee have agreed in the agreement authenticated by a notary that the mortgagor agrees to submit to immediate compulsory execution proceedings in order to satisfy the claims secured with the mortgage. If such agreement has been made, the mortgagee may enforce the mortgage without obtaining a court ruling for enforcement. Otherwise the mortgagee would need to submit a claim to court to recognise its right to enforce the mortgage, on the basis of which the mortgagee could then turn to a bailiff to enforce the mortgage.

The enforcement of a mortgage is carried out by a bailiff by selling the mortgaged property at an auction or by subjecting the mortgaged property to compulsory administration. In the case of a compulsory auction, the mortgaged property is sold at an auction and the proceeds of the sale are applied towards the satisfaction of the secured obligations. In the case of a compulsory administration, the mortgaged property is

administered by a bailiff and the proceeds of the management of the real estate (e.g. rental income) are applied towards the satisfaction of the secured obligations. In case the enforcement of a mortgage is carried out by way of selling the mortgaged property, the bailiff will seize the mortgaged property, by recording the property and its accessories and other objects to which a mortgage extends, prohibiting disposal thereof and applying for a notation concerning prohibition of the disposal of the property to be entered in the Estonian Land Register. The bailiff will announce the auction process in the Estonian Official Gazette and on at least one commonly used website for the sale of real estate at least 20 days in advance of the auction. After at least 20 days have passed from the announcement, the auction will be carried out by the bailiff and the proceeds of the auction will be applied towards the satisfaction of the secured obligations.

As an exception to the above-described process, at the request of the mortgagor and with the consent of the mortgagee, the bailiff may permit the mortgagor to sell the mortgaged property under the supervision of the bailiff. The bailiff may permit the mortgagor to sell the property also regardless of the consent of the mortgagee: (i) if an auction for the sale of the property has failed or it can be presumed that the property cannot be sold at an auction or the revenue expected to be received from the property at an auction would be significantly lower than the revenue expected to be received from the sale of the property organised by the mortgagor or (ii) if an auction has failed due failure by the winning bidder to pay the purchase price and a repeated auction is also unsuccessful.

Cost of enforcement

If the enforcement process requires submitting a claim to court, a state fee would need to be paid to initiate the court proceedings. The amount of such state fee would depend on the amount of the claim. Furthermore, court proceedings often entail other legal costs such as legal aid, which may not be compensated in full even if the court rules in favour of the party. If the court rules in favour of the other party, it is possible that the legal costs incurred by the other party may need to be compensated.

The enforcement procedure by a bailiff would entail the bailiff's fee and costs necessary for enforcement proceedings. In the case of a monetary claim, the bailiff's fee depends on the amount of the claim. The enforcement costs would be borne by the debtor and would be collected by the bailiff. The enforcement costs would be collected from the debtor by the bailiff on the basis of the decision on enforcement costs (such document is immediately enforceable).

Treatment of the mortgage and mortgagee in the mortgagor's bankruptcy proceedings

Should the mortgagor be declared bankrupt, the mortgage ensures a priority position of the mortgagee with respect to the proceeds from the sale of the mortgaged real estate property.

In the mortgagor's bankruptcy proceedings, claims secured by the mortgage are satisfied as first priority claims for the account (and to the extent) of the money received from the sale of the mortgaged real estate property, from which the payments relating to the bankruptcy proceedings (as listed below) in proportion to the ratio of the amount of money received from the sale of the pledged object to the total amount of money received from the sale of the bankruptcy estate are deducted. The deduction will be in proportion to the ratio of the amount of money received from the sale of the pledged object to the total amount of money received from the sale of the bankruptcy estate, but no more than one-tenth of the amount of money received from the sale of the pledged object. If a claim secured by the mortgage is not satisfied in full out of the money received from the sale of the mortgaged real estate property, the rest of the claim shall be satisfied together with all other accepted claims which were filed within the term specified by law.

The following are regarded as payments relating to the bankruptcy proceedings and have priority over and are satisfied before the claims secured by specific assets of the debtor:

- claims arising from the consequences of exclusion or recovery of assets;
- maintenance support paid to the debtor and his or her dependants;
- in bankruptcy proceedings regarding an estate, the expenses paid for the bequeather's funeral, maintenance of their family members, administration of the estate and conducting the inventory of the obligations related to the estate;
- consolidated obligations; and

- the costs of the bankruptcy proceedings.

Consolidated obligations are: (i) obligations arising from transactions and other acts performed by a trustee in the performance of his or her duties in the bankruptcy proceedings; (ii) expenses of administration of the bankruptcy estate by the trustee during the bankruptcy proceedings regarding the estate; (iii) obligations arising from contracts which the debtor has failed to perform, if the trustee has continued performance of the obligations or given notification that he or she intends to require performance of the contract; (iv) taxes relating to continuation of the business activities of the debtor; (v) obligations to compensate for the damage caused during the bankruptcy proceedings by an unlawful action of a debtor who is a legal person; (vi) other obligations deemed to be consolidated obligations pursuant to the Estonian Bankruptcy Act.

After the above listed claims have been satisfied, claims secured by the mortgage which have been accepted in the bankruptcy proceedings and were filed within the term specified by law, are satisfied before unsecured claims.

Treatment of the mortgage and mortgagee in enforcement proceedings carried out with respect to the mortgagor's assets

If the mortgaged real estate property is sold in enforcement proceedings conducted by other creditors through the bailiff on the basis of an execution document, the mortgagee may before the distribution of proceeds, submit an application to the bailiff, in which the mortgagee applies for the preferred satisfaction of the mortgagee's claim from the proceeds of the sale of the mortgaged real estate property, regardless of whether or not the mortgagee's claim has fallen due. The bailiff must take the claim of the mortgagee into account upon distribution of the proceeds from the sale of the mortgaged real estate property and preparation of a distribution plan on the basis of the ranking of the mortgage as evident from the Estonian Land Register or a notarised mortgage agreement.

Contesting of claims and reversal

An insolvency administrator and all other creditors of the bankrupt grantor of a mortgage may in the course of the bankruptcy proceedings contest the claims submitted against the debtor. If contested, the dispute will be finally settled by the court who will determine whether such claim against the debtor exists and is sufficiently proven.

Furthermore, an insolvency administrator may submit a claim to the court for recovering a security interest granted by the debtor or security agreement concluded by the debtor. In recovery, the court will revoke transactions, subject to the grounds specified below, which were concluded by the debtor before the declaration of bankruptcy and which damage the interests of other creditors and which meets other criteria for revocation set out in the Estonian Bankruptcy Act.

In addition to general grounds applicable to all transactions, the Estonian Bankruptcy Act sets out specific grounds for revoking the grant of security. Under such provisions, a court will revoke the grant of a mortgage if the mortgage damages the interests of the creditors of the mortgagor and was granted:

- during the period from the appointment of the interim trustee or trusted practitioner until the declaration of bankruptcy;

- in order to secure an obligation which had arisen within six months before the appointment of the interim trustee or trusted practitioner, if the debtor was not required to grant the mortgage at the time when the obligation arose or if the debtor was insolvent at the time of granting the mortgage and the person in whose favour the mortgage was granted was or should have been aware of the insolvency; or

- within two years before the appointment of the interim trustee or trusted practitioner if the security was granted in favour of a person connected with the debtor unless the person or the debtor proves that the debtor was solvent at the time of granting the mortgage.

Granting of a mortgage cannot be recovered if the mortgage was granted in order to secure a loan or any other credit agreement and after granting the security the debtor came into possession of the amount of money corresponding to the value of the mortgage pursuant to the secured agreement (except in case the mortgage was granted within two years before the appointment of the interim trustee or trusted practitioner

in favour of a person connected with the debtor unless the person or the debtor proves that the debtor was solvent at the time of granting the mortgage).

In addition to reversal (recovery) of the transactions in bankruptcy proceedings, Estonian law also enables creditors to apply for reversal of certain transactions in pre-bankruptcy situation. The grounds for and procedure for relevant reversal of transactions are stipulated in the Estonian Code of Enforcement Procedure.

Insolvency proceedings of natural persons

In June 2022, the Estonian Natural Person Insolvency Act was adopted which governs the insolvency proceedings of natural persons. Under the referred act, a natural person may submit an application to the court to declare bankruptcy or to declare bankruptcy and initiate proceedings to release the debtor from their obligations or to initiate debt restructuring proceedings in respect of the debts of the natural person. The creditor of the natural person may also submit an application to the court against the debtor to declare bankruptcy or to initiate debt restructuring proceedings. After the submission of the application by the debtor or the creditor, the court discusses the prospects of paying the debts of the debtor and the trusted practitioner of the debtor with the aim of choosing the most appropriate type of procedure for overcoming the debtor′s payment difficulties.

Following assessment of the application, the court shall:

(i) declare the debtor′s bankruptcy;

(ii) declare the debtor′s bankruptcy and initiate proceedings for release of the debtor from their obligations;

(iii) initiate debt restructuring proceedings; or

(iv) reject or terminate the proceedings.

Throughout insolvency proceedings, the debtor will be advised by a professional adviser (trusted practitioner).

The debt restructuring proceedings allow the debtor to apply for restructuring of their debts by way of either extending term of payment of the debts, allowing payment in instalments or reducing the total amount of the debts.

Upon appointment of the adviser of the debtor:

(i) the calculation of default interest or a contractual penalty that increases over time shall be suspended until the restructuring plan is approved or the debt restructuring proceedings are completed. This does not apply to claims which the debtor does not request to be restructured or if the debtor is declared bankrupt;

(ii) a creditor may not terminate the contract entered into with the debtor on the grounds of a breach of a financial obligation which occurred before the filing of the insolvency application or refuse to perform his or her obligations on that basis. An agreement according to which the creditor may terminate the contract upon filing for insolvency or approving the restructuring plan is void. If the continuation of the contract is unfair to the creditor and unnecessary for the debtor, in particular if the initiation of debt restructuring proceedings is unlikely or the continuation of the contract is not necessary for the debt restructuring proceedings, the court may, on the creditor′s application, allow the creditor to terminate the contract;

(iii) the court shall suspend any and all pending enforcement proceedings or other enforcement measures against the debtor′s assets until declaration of bankruptcy, the approval of the restructuring plan or until the insolvency proceedings have ended; *and*

(iv) the court may also suspend court proceedings in which a pecuniary claim is pending against the debtor; annul the measures for securing an action against the debtor, including the seizure of a payment account; prohibit creditors from exercising their rights arising from security interests

provided by the debtor, inter alia, to sell the object of pledge or apply for the sale thereof; and apply other measures of preliminary legal protection, including measures securing a bankruptcy petition.

Nevertheless, a creditor may file an application to the court requesting, while taking into consideration the justified interests of the creditor, the continuation of the suspended enforcement proceedings and also to allow the creditor to exercise its rights arising from the security interests granted by the debtor, prior to the declaration of bankruptcy, approval of the reorganisation plan or termination of the proceedings.

When the debtor is unable to adhere the terms and conditions of the restructuring plan, the restructuring proceedings will be terminated and all restructured claims will be restored in their initial amount.

Consumer protection

The Estonian Law of Obligations Act (the "**Law of Obligations Act**") and Estonian Creditors and Credit Intermediaries Act (the "**Creditors and Credit Intermediaries Act**") provide a legal framework applicable to consumer credit contracts, including consumer credit contracts relating to residential immovable property (mortgage credit contracts), which includes consumer credit contracts secured by a mortgage or another comparable security or consumer credit contract which objective is the acquirement of a registered immovable membership in a building association or an existing or planned building, or preservation of the specified rights. These provisions apply to consumer credit contracts entered into with a consumer residing in Estonia or in a Member State of the European Union or if the contract is essentially linked to the territory of Estonia for any other reason, regardless of the governing law of the contract.

Prior to conclusion of the consumer credit contract, the creditor must provide to a consumer certain specific information using relevant standard information sheets as adopted under respective EU directives and Estonian law (Standard European Consumer Credit Information form for (ordinary) consumer credit and European Standardised Information Sheet for mortgage credit), give certain explanations and assess the consumer's creditworthiness. Additionally, the creditors must also adhere to certain more specific requirements for creditworthiness assessment stipulated in Creditors and Credit Intermediaries Act.

The creditor may enter into a consumer credit contract with the consumer only if the creditor is convinced that, as result of analysing of information and data used for the creditworthiness assessment as a whole, the consumer is creditworthy, thus able the repay the credit according to the conditions of contemplated credit contract. Where the creditor and the consumer agree to increase the amount issued or credit limit allocated to the consumer or other changes considered as increasing the credit obligation of the consumer (for example, extension of a repayment term), the creditor must conduct a renewed creditworthiness assessment and comply with other relevant pre-contractual consumer credit requirements (for example, provision of information) each time before such change.

The Law of Obligations Act sets out a mandatory catalogue of information a consumer credit contract must include. If any information required to be provided to the consumer is missing from the appropriate documentation or is not provided in the form required by law, the contract is deemed void, unless the consumer receives the loan or starts utilising the credit. However, in case the creditor has failed to properly inform the customer about the interest rate, annual percentage rate or total cost of the credit, a statutory interest rate will be applied to such credit contract retroactively, in case such rate is lower than the contractual interest rate.

A consumer credit contract is also deemed void, if the annual percentage rate payable by the consumer exceeds at the time of granting the credit the past six months' average annual rate of consumer credits granted by credit institutions to private individuals and last published by the Bank of Estonia (*Eesti Pank*) more than three times. If a consumer credit contract is void, the consumer must repay the amount received on the basis of the void consumer credit contract by the date by which the consumer had to repay the whole credit according to the void consumer credit contract with the interest equal to the last interest rate applicable to the main refinancing operations of the ECB before 1 January or 1 July of each year.

A consumer may withdraw from a consumer credit contract within 14 days and from a mortgage credit contract within 7 days from the date of entering into the contract or receiving from the creditor all statutorily required information, whichever is later, without giving a reason. Upon withdrawal, the consumer must repay the outstanding credit and accrued interest no later than 30 days after submitting a withdrawal application, and the creditor is not entitled to any compensation from the consumer other than the non-returnable state charges paid by the creditor. Contract terms which restrict the withdrawal right, in particular

agreements pursuant to which withdrawal is subject to payment of retainer or a contractual penalty, are void. A consumer has the right to repay the credit in part or in full before maturity, without being obliged to pay any interest or other charges for the period when the credit is not utilised.

If a consumer is late with payments, any penalty for late payment may not exceed the last interest rate applicable to the main refinancing operations of the ECB before 1 January or 1 July of each year plus eight per cent. per year or the interest rate agreed under the credit contract, if the latter is higher. This does not preclude or restrict the right of the creditor to demand compensation for damages in an amount which exceeds the penalty for late payment. Agreements for the payment of a retainer or contractual penalty from the consumer in the case of late payments are void.

If, on the basis of a consumer credit contract, a consumer has made a payment which is insufficient for the performance of all obligations which have fallen due, the payment shall cover: (i) firstly, the expenses incurred for collection of the debt; (ii) secondly, the principal sum owed; (iii) thirdly, interest; (iv) fourthly, other obligations. A creditor may not refuse insufficient payments.

Where credit is repayable in tranches, the creditor may cancel the consumer credit contract due to late payment only if the consumer is wholly or partly late with payment for at least three consecutive repayments and if the creditor has, without success, granted an additional term of at least two weeks to the consumer for the payment of the remaining amount together with notification that the creditor will cancel the credit contract and demand repayment of the whole outstanding debt, in case the consumer fails to pay the amounts due within such additional term. In case of cancellation by the creditor, the total outstanding amount of all the payments made by the consumer for repayment of the credit and the payments made to cover the total cost of the credit will be respectively reduced by the interest and the costs calculated for the period when the credit is not used. The creditor may cancel the contract also in case of a fundamental breach by the consumer.

In 2024, the Law of Obligations Act was amended, *inter alia*, to codify the debt restructuring measures for consumer and mortgage credit. A statutory obligation of creditors was introduced to at least assess and, where appropriate, offer the consumer, in unambiguous terms, the possibility of an out-of-court adjustment or other form of partial or total refinancing of the claim (debt restructuring) before initiating any judicial or enforcement proceedings in respect of a credit contract in delay. The law henceforth stipulates the following (non-exhaustive list) of debt restructuring measures:

1) extension of the term of the credit contract;

2) postponement of repayments in full or in part for a certain period of time;

3) change of the type of credit contract;

4) waiver of the claims arising from different consumer credit contracts;

5) interest rate change; or

6) currency conversion.

Agreements which derogate from the provisions of the Law of Obligations Act to the detriment of the consumer are void.

The EFSA and Consumer Protection and Technical Regulatory Authority may, pursuant to the procedure provided by law, require a creditor who has breached the mandatory legal provisions to terminate such breach and refrain from future breach.

THE LATVIAN MORTGAGE MARKET

Lending for apartments and houses takes the form typically of one mortgage loan with an aggregated Loan-to-Value Ratio of up to 85 per cent., or up to 95 per cent. if the borrower receives a guarantee from Altum (a Latvian state-owned institution offering housing loan guarantees to private individuals).

Altum also offers a subsidy programme to families for reducing the first payment for purchase or construction of housing. At the date of this Base Prospectus, the loans interest payable on mortgage loans is generally floating rate, expressed as a fixed margin over 6-month Euribor, as most common.

Under Latvian law, the costs of credit to a consumer must be reasonable and comply with fair business practices. Furthermore, the total costs of consumer loans (which includes the interest) provided after 1 July 2019 is subject to statutory limitation (cap) of 0.07 per cent. per day from the principal amount of the credit.

Commercial lenders are the principal originators of residential mortgage loans and provide a range of financing for single family homes in Latvia.

As at 31 December 2025 the total market balance of mortgage loans was EUR 5.6 billion, an increase of EUR 0.48 billion, or 9 per cent. as compared to the prior year. At 31 December 2025, the Issuer held a 26 per cent. share of the total mortgage market according to the estimate of management and calculated based on public data published by the Bank of Latvia.

Material Legal Aspects of the Mortgage Loans

The below summary provides a brief overview of the material legal aspects of mortgage loans in Latvia and does not purport to be complete analysis of all legal considerations relating to mortgage loans. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Establishment of a Mortgage

Real estate property located in Latvia may be pledged only as a mortgage. A mortgage is established pursuant to a written mortgage agreement and is perfected by registration in the Latvian Land Register. Latvian law does not require that the mortgage agreement or the obligation document secured by it are notarised or made as a deed by a notary public, however (unless the mortgage is established pursuant to a notarised deed) the registration application must be attested by notary public.

The Latvian Land Register is a public register and, subject to the payment of a state and processing fee, information regarding real estate properties and mortgages encumbering such real estate properties can be accessed publicly, including electronically. An entry concerning the mortgage in the Land Register sets out: (i) the mortgagee; (ii) the mortgagor, if the real estate property is co-owned; (iii) the monetary amount up to which the mortgage secures the secured claim; (iv) the agreement or other document pursuant to which the mortgage is established and, if applicable, the document claims under which are secured by mortgage.

Real estate property that may be subject to a mortgage comprises of: (i) the immovable, i.e. delimited part of land, or one or multiple buildings or constructions title to which exist separately from the title to underlying land, or a separate apartment (condominium) property, and (ii) the right of superficies, which is defined as a transferable and inheritable real right which encumbers an immovable such that the person for whose benefit a right of superficies is constituted is entitled to own a construction permanently attached to the immovable for a specified term. A mortgage established under Latvian law extends to additions, accessories and fruits (i.e. both the income generated by the real estate, and natural crop) of the real estate property. A mortgage does not extend to fruits which have been separated from the real estate prior to enforcement of the mortgage, or to the additions and accessories which have been lawfully separated from the real estate prior to enforcement of the mortgage. If a real estate property encumbered with a mortgage is insured, the mortgage extends to claim for insurance proceeds.

Under Latvian law, a mortgage usually encumbers a real estate property in its entirety. In case of a real estate property co-owned by several owners, a legal share of a real estate property belonging to a co-owner may also be encumbered with a mortgage. A mortgage cannot be established only on a physical share of a real estate property or part of the legal share of a co-owner.

A mortgage, to the extent of the amount of the mortgage agreed in the mortgage agreement, secures the principal obligation, all ancillary claims related to the principal claim, including interest and default interest, other claims incurred pursuant to the obligation document, expenses for the collection of the debt, including the costs of the enforcement proceeding and bailiff's fees, and other claims agreed in the mortgage agreement. The claims for interest are limited to the period of three years prior to the date of sale of the mortgaged property in enforcement of the mortgage.

Enforcement Procedures

Introduction and general principles of Latvian law in respect of enforcement

If a borrower fails to fulfil its obligations under a mortgage loan, the creditor may generally (i) seek general enforcement of its claims against the borrower and collection of the debt arising from the mortgage or (ii) seek enforcement of a mortgage (and other security, if any) securing the mortgage loan to be able to satisfy the claims arising from the mortgage loans for the account of proceeds from the enforcement of such mortgage (or other security). Under the Latvian law, a mortgage can only be enforced in court proceedings. Two alternative mortgage enforcement proceedings are available: (i) voluntary sale of the mortgaged real estate property in an auction through a court ("**Voluntary sale**") and (ii) non-adversary enforcement of the obligation secured by the mortgage ("**Non-adversary enforcement**").

General enforcement by a creditor of claims against a defaulting borrower under a mortgage loan typically requires that the creditor first obtains a judgment ordering the relevant claims to be satisfied (for example, for a debt recovery) after which the actual enforcement may be carried out by a bailiff in a formal enforcement procedure against the assets of the borrower regulated by Latvian law.

Voluntary sale and Non-adversary enforcement proceedings allow the creditor to enforce the secured claim without an obligation to obtain a full judgement in respect of the secured claim. However, in both proceedings the creditor may enforce and recover the secured claim only up to the mortgage enforcement proceeds. If the mortgage enforcement proceeds are not sufficient to satisfy the entire outstanding claim, the creditor will need to enforce other security or commence the general litigation proceeding to recover the remaining claim.

Enforcement of a claim against the debtor

To enforce a claim against the debtor arising from a mortgage loan, the creditor must submit its claim to a court having a jurisdiction over the mortgage loan. In such court proceedings, the creditor would need to prove its claim against the debtor in order to obtain a court ruling ordering the payment of the relevant claim. Upon such court ruling entering into force, the creditor may apply to a bailiff, who shall carry out enforcement proceedings with respect to debtor and its assets. In enforcement proceedings, if the debtor fails to pay the debt voluntarily, the debtor's property is seized and sold to the extent necessary to satisfy the claim and the claim of the creditor shall be satisfied from the proceeds received from such sale.

The enforcement proceedings, including the seizure and sale of the debtor's property, would be carried out by a bailiff in accordance with the Civil Procedure Law. This law provides, *inter alia*, a list of items of the debtor which cannot be seized and sold in enforcement proceedings, which mainly consist of property which is essential for the debtor to satisfy his or her needs or the seizure and sale of which would be contrary to the law. The Civil Procedure Law further provides certain forms of income of the debtor which cannot be used to satisfy claims in enforcement proceedings, which mainly consists of benefits payable in accordance with the law, and certain restrictions regarding enforcement against debtor's salary and similar remuneration.

Enforcement of a mortgage

In a Voluntary sale procedure the creditor requests the court to allow the sale of the mortgaged real estate property (collateral) in an auction on the terms and conditions of the sale proposed by the creditor (mortgagee). The creditor may invoke this enforcement procedure if the creditor and the mortgagee have agreed in writing (including electronic documents) that the creditor is permitted to invoke the procedure. Such an agreement may be (and generally is) included in the agreement for the establishment of the mortgage but may be made later as well, including after the claims secured by the mortgage have fallen due. Latvian law does not require that the relevant agreement is notarised. The terms of the sale of the real estate must specify the opening price of the auction, which the creditor may set at its discretion, and may

include such other terms and conditions as the creditor deems necessary. The terms and conditions of the sale are approved by a judge in *ex-parte* proceedings. The court decision has an immediate effect, i.e. it has the status of an enforcement decision and it serves as authorisation to commence the sale of the real estate on the approved terms and conditions. The sale is organised by a bailiff in accordance with the provisions of the Civil Procedure Law and the Civil Law and is carried out in the electronic auctioning system.

The Non-adversary enforcement proceeding is an *ex-parte* proceeding in which a court declares an obligation secured by a mortgage as enforceable without examining the creditor's claim on its merits. The proceeding may be invoked by a creditor whose claim is secured by a duly registered mortgage in Latvia. If the judge finds that the application is unfounded or the amount of penalty indicated in the application is disproportionate to the principal debt, or the document to be enforced contains unfair contractual provisions breaching consumer rights, the judge shall take a decision on dismissal thereof. A court decision in Non-adversary enforcement proceedings will declare which obligation and to what extent is enforceable. The court decision has an immediate effect, is non-appealable and has the status of an enforcement document. The court decision is enforceable by a court bailiff in accordance with the judgement enforcement provisions of the Latvian Civil Procedure Law.

A court decision in the mortgage enforcement proceedings does not preclude the debtor or the mortgagor from contesting the enforcement of the mortgage. This can be done by the commencement of a general litigation proceeding against the creditor. Enforcement of the mortgage may be suspended by a court order on request of the debtor or the mortgagor. If the enforcement of the mortgage has been suspended, the general litigation proceedings may need to be carried out and completed prior to enforcement of the mortgage.

The actual enforcement of the mortgage is carried out by a bailiff in an auction in accordance with the Civil Procedure Law. Prior to the auction, the real estate will be valued by a certified appraiser who will determine the forced sale value of the real estate (the valuation is not required in a Voluntary sale procedure). The mortgagor and the creditor may request a repeated valuation at their own cost, in which case the highest of the valuations would serve as the starting price of the auction. The auction is carried out in the electronic auction system. Each person willing to participate in the auction must pay a security deposit equal to 10 per cent. of the value of the real estate. The debtor, mortgagor, the appraiser and the bailiff itself may not participate in the auction. Size of the auction bid is specified by the bailiff. All bids are made and accepted electronically. The auction period is 30 days long.

The auction results are subject to court approval which will only be made after the auction price has been paid in full. The person which has acquired the real estate in the auction obtains title to the real estate pursuant to the court decision approving the auction results. The mortgagee has the right to acquire the mortgaged real estate at the auction starting price if there were no bidders or none of the bidders offered more than the starting price of the auction.

Costs of enforcement

Various state fees would need to be paid to initiate the mortgage enforcement proceedings or request any protective measure in the proceedings. The amount of such state fees would depend on the amount of the claim and the enforcement proceedings chosen. Furthermore, court proceedings often entail other legal costs such as lawyers' fees, which due to the limits set by the law may not be compensated in full even if the court rules in favour of the party. If the court rules in favour of the other party, it is possible that the legal costs incurred by the other party may need to be compensated.

Enforcement procedure by bailiff would entail state fees, bailiff's fee and various costs necessary for enforcement proceedings. In case of a monetary claim, bailiff's fee is split into a fixed and variable part the latter depending on the amount of the enforcement proceeds received. The enforcement costs would be borne by the debtor, however, in certain cases the creditor is obliged to pay the enforcement costs in advance.

Distribution of mortgage enforcement proceeds

Distribution of the mortgage enforcement proceeds is mandatorily governed by the Civil Procedure Law and cannot be varied by contract. According to the Civil Procedure Law, the mortgage enforcement costs are paid in the following sequence of priority: (i) the enforcement costs, including the remuneration of the court bailiff, the auction costs, costs of valuation of the collateral for enforcement purposes, and other

related costs; (ii) salary and social security claims of the employees that were involved in the maintenance of the mortgaged real estate (if applicable); (iii) claims for past due real estate taxes on the mortgaged real estate; (iv) claims for payments for management activities in an apartment building (management expenses), claims for payments for services necessary for the maintenance of the building (utilities) and claims for payments into the community savings fund of apartment owners (savings) payable for this immovable property, but not more than 5 per cent. from the auction price; (v) dues and other obligations attached to the real estate and recorded in respect of the real estate in the Land Register (this does not include mortgages); (vi) the claims secured by the mortgage, provided that the ancillary claims thereof (interest for the last three years up to the day of end of an auction, adjudged court expenses and litigation expenses) do not exceed the amount of the mortgage entered in the Land Register shall also be satisfied; and (vii) other claims in the order specified in Civil Procedure Law, including the claims specified in (iv) or (vi) in their unsatisfied part.

Treatment of the mortgage and mortgagee in the mortgagor's insolvency proceedings

Should the mortgagor be declared bankrupt, the mortgage ensures a priority position of the mortgagee with respect to the proceeds from the sale of the mortgaged real estate property. The priority is ensured subject to the conditions that (i) the secured creditor has filed its claim to the administrator of the mortgagor's insolvency proceedings within the period specified by the law and (ii) the claim has been recognised by the administrator.

In the mortgagor's bankruptcy proceedings, claims secured by the mortgage are satisfied as first priority claims from the money received from the sale of the mortgaged real estate property. However, the enforcement costs and insolvency administrator's remuneration for the enforcement are paid before the secured claim. If a claim secured by the mortgage is not satisfied in full from the money received from the sale of the mortgaged real estate property, the rest of the claim shall be satisfied together with all other recognised unsecured claims which were filed within the term specified by law. All waterfall provisions agreed in the loan and security documentation are disregarded in the insolvency proceedings. The proceeds received in the sale of mortgaged real estate in insolvency proceedings are first applied in satisfaction of the principal claim, then interest, and finally in towards payment of penalties. All claims are paid if and to the extent they have been recognised by the insolvency administrator (or, in case of dispute, awarded pursuant to a court judgement).

Enforcement of mortgages in insolvency proceedings is carried out by the insolvency administrator in accordance with the provisions of the Civil Procedure Law and the Insolvency Law. However, the mortgagee and the insolvency administrator are permitted to agree on enforcement of mortgage in a private sale carried out by the administrator or the mortgagee itself.

If a debtor's dependants are living with him or her in a dwelling with a cadastral value not exceeding EUR 142,287 and the dwelling is the declared place of residence of the debtor's dependants who are living together with him or her, the sale of this dwelling in an auction can be postponed for a period of up to one year from the proclamation date of insolvency proceedings of a natural person, to allow the debtor to find another dwelling.

A secured creditor and the debtor may enter into an agreement that the dwelling owned by the debtor which has been pledged in favour of the secured creditor is not sold during insolvency proceedings of a natural person. In this case a payment which shall not exceed the amount which would be payable to a debtor when hiring the debtor's property serving as security during insolvency proceedings of a natural person shall be made to the secured creditor during insolvency proceedings of a natural person.

Treatment of the mortgage and mortgagee in enforcement proceedings carried out with respect to the mortgagor's assets

If the mortgaged real estate property is sold in enforcement proceedings conducted by another creditors, the mortgagee, if it holds an enforcement document, may no later than 7 days before the completion of the enforcement auction, join the enforcement proceedings by submitting the enforcement document to the bailiff conducting the proceedings. If the mortgagee has joined the proceedings, the mortgagee's claim will be satisfied from the proceeds of the sale of the mortgaged real estate property (subject to limitations stated above under "*Distribution of mortgage enforcement proceeds*"). The bailiff must take the claim of the mortgagee into account upon distribution of the proceeds from the sale of the mortgaged real estate property.

If the mortgagee does not hold an enforcement document or has not joined the enforcement proceedings as specified above, and his or her claim has a higher ranking over the claim enforced by the bailiff, the bailiff must reserve in the bailiff's deposit account the enforcement proceeds in the amount of the secured claim stated in the Land Register or notified by the mortgagee. In this case the enforcement proceeds are paid to the mortgagee once the enforcement document in respect of the secured claim has been obtained and submitted to the bailiff.

Contesting of claims and reversal

In the mortgagor's insolvency proceedings only the claims that have been submitted by the creditors within the period specified in the Insolvency Law and have been recognised by the insolvency administrator are paid. A creditor is entitled to contest the decision of the insolvency administrator on non-recognition or partial recognition of his or her claim in the court. In addition, each creditor, as well as debtor may contest the administrator's decision to recognised of a claim of another creditor. If contested, the dispute will be finally settled by the court.

Furthermore, the insolvency administrator has the duty to evaluate all insolvent debtor's transactions and bring an action before a court to invalidate the transaction if the transaction has been concluded after the date of proclamation of the debtor's insolvency or within three years prior to it and it meets the transaction avoidance criteria set out in the Insolvency Law (related to causing losses to the debtor).

A mortgage contract shall be recognised as invalid if the mortgage rights have been founded after making of the entry in the Insolvency Register on the proclamation of insolvency proceedings of the debtor. A mortgage may also be invalidated, if the agreement establishing the mortgage or the obligation secured by it is invalidated on general transaction invalidation grounds.

Release of debtor who is a natural person from obligations

Under the Insolvency Law, natural person's insolvency proceedings involve a bankruptcy proceeding where the person's property shall be sold and a subsequent procedure for extinguishing obligations where the person shall direct a certain part of the person's income for covering of the claims of the creditors. If the debtor has performed the activities specified in the plan for extinguishing obligations, after expiry of the plan the debtor is released from the outstanding obligations, except for those obligations referred to in the Insolvency Law.

The debtor must prepare a plan for extinguishing obligations and submit it to their creditors and the court for approval. A creditor may object to the proposed plan or propose amendments to the plan. Only the principal obligations and interest agreed and accrued prior to insolvency proceedings and capped at 6 per cent. per annum are payable during the procedure for extinguishing obligations pursuant to the plan for extinguishing obligations.

The duration of the procedure for extinguishing obligations may last from one to three years depending on the aggregate amount of the income forecast to be earned by the debtor and the aggregate amount of the obligations that have to be paid by the debtor during the proceeding.

If the debtor is not able to earn income corresponding to their abilities or has lost the ability to work, the court may grant, once within the proceedings for the extinguishing obligations, a reduction in the amount of the debtor's payments payable within a certain period not exceeding one year and extend the duration of the procedure for extinguishing obligations accordingly. The court may also extend the duration of the procedure for extinguishing obligations by one year if the debtor has not performed the actions provided in the plan, but it has not significantly affected the plan's execution. The debtor shall not be released from the remaining obligations specified in the plan for extinguishing obligations if he or she has failed to perform the activities specified in the plan, significantly affecting the implementation thereof, or if the plan has been extended and the debtor has failed to perform the activities specified therein.

If the debtor's income during the performance of the plan for extinguishing obligations changes, the debtor has an obligation to prepare amendments to the plan in line with the change. If the debtor fails to meet obligations insignificantly impacting execution thereof or is unable to find a paid job or has become incapacitated during the procedure for extinguishing obligations, the court may extend the plan once by one

year. In addition, the courts are mandated to consider extending the obligation extinguishment plan due to the debtor's actions and the possibility of revoking the obligation extinguishment as necessary.

A court shall take a decision to terminate insolvency proceedings of a natural person without releasing from the outstanding obligations, if restrictions on the application of the insolvency proceedings or restrictions on the application of the procedure for extinguishing of obligations are found.

Consumer protection

General requirements

The Consumer Rights Protection Law sets out specific legal framework applicable to consumer credit contracts relating to residential immovable property. Loans to consumers may only be granted by credit institutions authorised in Latvia or another EEA member state or by consumer lenders authorised (licensed) in Latvia.

The creditor may enter into a consumer credit contract with the consumer only if the creditor is convinced that the consumer is creditworthy and the credit obligations are likely to be met under the terms of the contract, and the documentary proof of income mandatorily required by the Latvian law has been obtained.

If the creditor has failed to assess the consumer's creditworthiness, the interest rate applicable in respect of the relevant credit would, on the request of the consumer and subject to applicable statute of limitations, be capped at the rate of the statutory interest rate (which currently is 6 per cent. per annum) and creditor shall not be allowed to charge late payment penalties, interest or fees.

The creditor that has received a request for credit from the consumer is obliged to offer him or her at least two different terms of the consumer's lending agreement – one of which provides that the real estate serves as sufficient collateral to enable the obligation on the creditor to be extinguished in full.

Requirements for consumer credit contracts

The substance of the consumer loan contracts is regulated by the government of Latvia. The contracts must contain clear and concise information regarding the key elements of the consumer loan, including the type of credit, the term, the amount of the loan, applicable interest rate, the annual percentage rate of charge and total amount payable by consumer, and certain other information mandatorily required by the government regulations.

The costs of credit to a consumer must be reasonable and comply with fair business practices. Furthermore, the total costs of consumer loans provided after 1 July 2019 are subject to statutory limitation (caps). Failure to disclose the consumer credit cost related information in the loan documentation as required by the applicable regulations may restrict the lender to claim the costs not disclosed, or may have other unfavourable consequences to the lender.

Specific limitations apply to consumer mortgage loans where the amount of the loan is equal to or greater than 100 minimum monthly wages (in 2026, EUR 780 per month). These loans may not exceed (i) more than 90 per cent. of the market value of the real estate collateral securing them or (ii) more than 95 per cent. of the amount of the relevant real estate purchase transaction or the planned construction costs, if the repayment is secured by a real estate mortgage and a guarantee of the Latvian state granted under a specific governmental housing development assistance programme.

Changes of interest rates enter into force if the creditor has notified the consumer beforehand, on a durable medium, of the change in the interest rate, in the amount of payments due after the entry into force of the new interest rate and in the number or frequency of the payments, if any.

A consumer has the right to repay the credit in part or in full before maturity, without being obliged to pay any interest or other charges for the period when the credit is not used. In variable interest rate contracts, the lender may not claim any prepayment related fees or costs. However, if the contract is a fixed borrowing rate contract or the repayment is made at the time the interest rate is fixed, the creditor has the right to receive reasonable compensation for the amount repaid early if that amount exceeds EUR 9,960, unless, *inter alia*, the repayment has been made under an insurance contract intended to provide a credit repayment guarantee. The compensation may not exceed the lowest of: (i) 1 per cent. of the amount of credit repaid early, if the period of time between the day of early repayment and the expiry of the consumer credit contract

exceeds one year; or (ii) 0.5 per cent. of the amount of credit repaid early if the period of time between the early repayment and the expiry of the consumer credit contract does not exceed one year, or (iii) the sum of the interest which the consumer would have paid in the period between the day of performing the early repayment and the agreed day of the expiry of the concluded consumer credit contract.

If, on the basis of a consumer credit contract, a debtor, including a consumer, has made a payment which is insufficient for the performance of all obligations which have fallen due, the payment shall cover: (i) firstly, interest; (ii) secondly, the main debt; (iii) thirdly, any contractual penalty; (iv) fourthly, other obligations. A creditor may not refuse insufficient payments.

The Latvian Consumer Rights Protection Law provides a simplified and standardised procedure for refinancing of mortgage loans to consumers. The procedure allows mortgagors to refinance the mortgage loans with another lender transferring the mortgage established to secure the refinanced loan for the benefit of the refinancing lender to secure the refinancing loan. This saves the mortgagor the time, effort and costs to enter into and perfect a new mortgage and release the existing one. In addition, the amendments prohibit the mortgagee to charge the mortgagor any prepayment or refinancing fees or costs related to refinancing, other than a fair compensation for the potential break costs directly related to prepayment of a fixed rate mortgage loan. The law also caps the refinancing fees of the new lender to not more than 1 per cent. of the refinancing loan. The mortgagor may elect to pay these fees in one or three instalments.

Breach of a consumer credit contract

In general, unless otherwise expressly permitted pursuant to the law, a creditor does not have the right to request from a consumer who has not committed a material breach of the consumer credit contract: (i) additional security for the granted credit, on the basis that the value of real estate (initial collateral) has decreased due to changes in the real estate market; (ii) any costs for the revaluation of mortgage collateral during the duration of the contract, unless the credit has been granted on the basis of the assumption that the value of the real estate (collateral) will increase; (iii) early repayment of the issued credit.

Where a consumer who has not committed a material breach of the contract so requests, the creditor shall be obliged to consider the consumer's proposal for extending the period of repayment of the loan or changing the loan currency. In the event of a refusal, the creditor shall provide the consumer with a reasoned response within 30 days.

A material breach of the contract shall be regarded as: (i) delaying the repayment of the loan or interest payment payments for more than 60 days or more than three times during the year, each time for more than 30 days; (ii) use of the loan contrary to the purpose specified in the consumer credit contract; (iii) the provision of false information for the receipt of the loan.

Before the termination of the consumer credit contract and the commencement of the disposal of real estate, the creditor shall, if possible, offer to the consumer solutions that would allow the consumer to continue to fulfil the obligations, as well as inform the guarantor on the possibility to pay the debt or to take over the consumer's obligations.

Lending for apartments, cottages and houses takes the form typically of one mortgage loan with an aggregated Loan-to-Value Ratio of up to 85 per cent. or up to 100 per cent. if the borrower receives a state subsidy from the Ministry of Social Security and Labour of Lithuania.

Due to a change in legislation, as of 1 May 2025 all banks in Lithuania are required to offer mortgage loans not only with floating, but also with fixed interest rates. Banks must provide two European Standardised Information Sheet (ESIS) documents: one detailing a floating rate mortgage and another outlining a fixed rate mortgage for a five-year period. Despite having the option to select fixed interest rates, as at the date of this Base Prospectus customers continued to prefer floating rates, expressed as a fixed margin over 6-month Euribor. There are no specific rules limiting the interest rate (other than in respect of default interest rate).

Commercial lenders are the principal originators of residential mortgage loans and provide a range of financing for single family homes in Lithuania. As at 31 December 2025 the total market balance of mortgage loans was EUR 15 billion, an increase of EUR 1.9 billion, or 15 per cent. versus the prior year. As at 31 December 2025, the Issuer held a 21 per cent. share of the total mortgage market according to the estimates of management and calculated on the basis of public data published by the Lithuanian Central Bank.

Material Legal Aspects of the Mortgage Loans

The summary below provides a brief overview of the material legal aspects of mortgage loans and does not purport to be complete analysis of all legal considerations relating to mortgage loans. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Establishment of a Mortgage

Real estate property located in Lithuania can be provided as a security by way of a mortgage, which must be established under a mortgage agreement attested by a notary and which is registered with the Lithuanian Real Property Register. The entering into a mortgage agreement and registration of the mortgage in the Lithuanian Real Property Register is a sufficient evidence regarding the establishment of the mortgage and no further certificates (neither physical nor electronic) are issued with respect to the mortgage under Lithuanian law. The Lithuanian Real Property Register is a public register and, subject to the payment of a processing fee, information regarding real estate properties and mortgages encumbering such real estate properties can be accessed publicly (for natural persons – by submitting a request electronically, in person or by post; for legal entities – by concluding an agreement with the registers and subsequently accessing register data electronically). An entry concerning the mortgage in the Lithuanian Real Property Register sets out: (i) the mortgagee; (ii) the mortgagor; (iii) the debtor; (iv) details of the collateral; (v) details of the secured obligation (agreement); (vi) amount of the secured obligation and/or maximum amount of secured obligation; and (vii) other information indicated in the regulations of the Lithuanian Real Property Register.

Unless the mortgage agreement establishes otherwise, the mortgage covers: (i) the principal object (real estate); and (ii) all current and future auxiliary objects (essential parts of the principal object, fruit and production obtained from principal object, appurtenances) belonging to such real estate, except for income from real estate. If a real estate property encumbered with a mortgage is insured, the mortgage also extends to a claim for the insurance proceeds.

An immovable object belonging by the right of common ownership may be mortgaged only upon the consent of all co-owners. When a part of common divided ownership is mortgaged, the consent of other co-owners is not necessary, however, the mortgaged part must be accurately defined in the contract on the manner of the use of the thing (object) concluded among co-owners and certified by the notary.

A mortgage secures the principal amount and interest arising therefrom. The parties to the mortgage agreement may agree that penalties and losses of the mortgagee in relation to failure to perform the secured obligation are secured by maximum mortgage.

Enforcement Procedures

Introduction and general principles of Lithuanian law in respect of enforcement

If a borrower fails to fulfil its obligations under a mortgage loan, the creditor may generally seek enforcement of a mortgage (and other security, if any) securing the mortgage loan to be able to satisfy the claims arising from the mortgage loans for the account of proceeds from the enforcement of such mortgage (or other security).

The enforcement of a mortgage is carried out through a notary public and a bailiff. In the event funds received from the enforcement of the collateral do not entirely cover the creditor's claim, a creditor is entitled to initiate the general debt recovery proceedings by submitting a claim to a court having a jurisdiction over the mortgaged loan.

Enforcement of a mortgage

Enforcement is carried out through a notary and a bailiff.

A payment default is not the only ground required for commencement of enforcement action. In accordance with Lithuanian law, a creditor may start the enforcement proceedings if: (i) within the time period indicated in the mortgage agreement a debtor fails to discharge the secured obligation; (ii) other creditors start enforcement of the collateral; (iii) a debtor dies (in case of a natural person) or bankruptcy proceedings are commenced against a debtor or a mortgagor or a decision to liquidate a debtor or a mortgagor is passed (in the case of legal entities); (iv) the value of the collateral decreases by 30 per cent. and a debtor has failed to cover such reduction or such reduction is not covered by insurance; (v) insurance agreement is terminated or not renewed; or (vi) other grounds for starting the enforcement procedures as described in the mortgage agreement exist (e.g. where the mortgage agreement indicates that other grounds for starting enforcement procedures include any event of default as set out in the facility agreement).

If the above grounds exist, a creditor may apply to a notary with the request to make an enforcement record, on the basis of which a bailiff starts the forced execution procedure. When a creditor (mortgagee) applies with a request to make an enforcement record, the notary, having received a request of the mortgagee to make an enforcement record, firstly verifies whether: (i) the person submitting the request is the mortgagee; (ii) the data provided in the mortgagee's request (mortgage identification code, claim amount, details of the debtor, mortgagor and their addresses) conforms to the data provided in the Lithuanian Real Property Register; (iii) whether the maturity date of the secured obligation has expired or, if the mortgagee wishes to enforce the mortgage before expiration of maturity date, whether other grounds for enforcement exist. After verification of the latter data and prior to making an enforcement record, a notary sends a notice to a debtor proposing to pay the debt within 20 days from the date of the dispatch of the notice or to submit information evidencing invalidity of the creditor's claim. A notary makes an enforcement record or refuses to make it, considering the information provided by a creditor and a debtor. The decision to reject the creditor's request to make an enforcement record must be motivated (e.g. where no ground for enforcement exists or where the person providing a request is not the mortgagee, etc.).

If the notary makes an enforcement record, such notary promptly informs the Lithuanian Real Property Register thereof. From the date an enforcement record is registered with the Lithuanian Real Property Register, a debtor has no right to dispose of the collateral without the creditor's consent. After the notary issues an enforcement record and in case the debtor does not cover the debt voluntarily, it has to be transmitted to a bailiff for execution during five years from the date of issuance.

In the case of the mortgage, a creditor may choose from the following options of the enforcement: (i) to sell the collateral in forced auction; or (ii) to request transferring the collateral (except for the enterprise mortgage and mortgage of collateral owned by a person other than a debtor) to a creditor for administration (in such case a creditor is entitled to cover its claim from proceeds received during the administration).

In case of forced auction, the initial price in the forced auction is established as 80 per cent. from the value determined by the bailiff upon seizure of the property (following submission of the enforcement record to the bailiff for enforcement). This value is determined as the market value taking into account wear and tear of the property and opinions of the mortgagee and the debtor. If the bailiff has doubts as to the value of the property, an expert valuation of the forced sale asset by an expert may be ordered. If the forced auction is not successful (e.g. if no bidders participate), the mortgagee may be offered to take over the ownership of

the property for the initial price (if the initial price is higher than the claim amount, the difference between these amounts has to be transferred to the bailiff). If the mortgagee refuses to take over the ownership of the property, further auctions may be organised, where the initial price of the property is gradually reduced. The mortgagee may bid in the auction as well.

In the event funds received from selling the collateral do not entirely cover the creditor's claim, a creditor is entitled to initiate the general debt recovery proceedings by submitting a claim to a court having a jurisdiction over the mortgaged loan.

Usually, realisation of the collateral takes 6-12 months provided no dispute arises (such as challenging the underlying agreements or foreclosure process) and all actions are taken in an expeditious manner. Otherwise, the process may take a couple of years.

Cost of enforcement

If the enforcement process requires submitting a claim to court, a state fee would need to be paid to initiate the court proceedings. The amount of such state fee would depend on the amount of the claim. Furthermore, court proceedings often entail other legal costs such as lawyers' fees, which may not be recovered in full even if the court rules in favour of the party. The party which lost the litigation dispute pays the justified and necessary legal expenses of the opposing party (covers paid stamp duty and legal costs if the party was represented by attorney).

Enforcement procedure by a bailiff would entail a bailiff's fee and costs necessary for enforcement proceedings. In case of a monetary claim, the bailiff's fee depends on the amount of the claim and the recovered amount. The enforcement costs would be borne by the debtor and would be collected by the bailiff.

Treatment of the mortgage and mortgagee in the mortgagor's bankruptcy proceedings

If the bankruptcy proceedings have been opened in the debtor company, a creditor must submit its claim against the debtor to the bankruptcy administrator together with the necessary documentation (evidencing the claim). As a general rule, secured creditors have a priority to settle their debt from the proceeds of the sale of mortgaged assets. Notably, the bankruptcy process administration expenses directly related to the enforcement of the specific mortgaged asset, as well as a proportionate share of the remaining bankruptcy process administration expenses and a proportionate part of the variable remuneration for bankruptcy process administration results (in each case as determined by the meeting of creditors and subject to a cap for bankruptcy process administration expenses and results of 15 per cent. of the net proceeds of the mortgaged asset), are deducted from the proceeds of the sale of that mortgaged asset before distribution to the secured creditor.

In case the debtor is subject to bankruptcy proceedings, the claims of the creditors will be satisfied in two tiers. The first tier will include: (i) claims of creditors, who provided new or interim financing to the debtor; (ii) claims of employees; (iii) claims regarding social security and health insurance taxes, payments to Guarantee fund and Long Term Employment Payments Fund; (iv) claims that arose from economic commercial activities of the debtor during the insolvency procedure. The second tier will include the claims of all other creditors.

Claims of the lower tier creditors are only satisfied once the claims of all higher tier creditors have been satisfied in full. These preferred groups of claims do not, however, have priority over secured creditors. Secured creditors are treated apart and can recover their claims from the collateral (secured asset), i.e. should the mortgagor be declared bankrupt, the mortgage ensures a priority position of the mortgagee with respect to the proceeds from the sale of the mortgaged real estate property. If the claim is not fully covered from the foreclosure of mortgaged assets, the creditor will satisfy the remaining part of the claim in accordance with the order indicated above (i.e. the creditor with the remaining part of claim would be in the second tier among other creditors).

Assets or the proceeds of the sale of the assets are distributed *pro rata* to satisfy the claims of the same ranking. The claims are also satisfied in two stages: first of all, principal amounts of debts are covered, and only then interest, including penalty interest and fines, are satisfied.

Treatment of the mortgage and mortgagee in enforcement proceedings carried out with respect to the mortgagor's assets

If the mortgagor's assets are subject to enforcement in enforcement proceedings by other creditors via bailiff, the bailiff should invite the mortgagee to join the enforcement, regardless of whether or not the mortgagee's claim has fallen due. If the mortgagee decides to join the enforcement, the bailiff must take the claim of the mortgagee into account upon distribution of the proceeds from the sale of the mortgaged real estate property.

Contesting of claims

A bankruptcy administrator and all other creditors of the bankrupt grantor of a mortgage may in the course of the bankruptcy proceedings contest the claims submitted against the debtor. If contested, the dispute will be finally settled by the court who will determine whether such claim against the debtor exists and is sufficiently proven.

According to the Lithuanian Law on Insolvency of Legal Entities, the bankruptcy administrator is obliged to examine the transactions entered into by the insolvent entity within a period of at least 3 years before the initiation of bankruptcy proceedings. The bankruptcy administrator has an obligation to bring actions in court for the invalidation of the transactions which are contrary to the objectives of the insolvent company's activities and which could have led to its inability to settle with the creditors. If a bankruptcy is recognised as intentional, the bankruptcy administrator has a term of 6 months from the date the court ruling recognising the bankruptcy as intentional enters into force to bring actions in court for the invalidation of the transactions which are contrary to the objectives of the insolvent company's activities and (or) which could have led to its inability to settle with the creditors.

Bankruptcy of a natural person

The bankruptcy of natural persons is governed under the Law of Natural Persons' Bankruptcy of the Republic of Lithuania. In case of commencement of bankruptcy proceedings of a natural person, the bankruptcy plan is prepared by the debtor, reviewed and opined upon by the bankruptcy administrator, approved by the meeting of creditors and submitted to the court for the final approval. The duration of the plan is 3 years, during which the claims of the approved creditors are being satisfied in accordance with the terms and timeline indicated in the approved bankruptcy plan.

As of the effect day of a court decision to open personal bankruptcy proceedings, all time limits of debt payment by a natural person shall be deemed to have expired. This provision shall become invalid as of the effect day of a court decision to discontinue personal bankruptcy proceedings. Where the natural person and the collateral holders and/or mortgagees agree to retain the mortgaged property during the natural person's bankruptcy proceedings, these natural person's debts, which have given rise to the claims of the collateral holders and/or mortgagees, shall not be considered to be due.

As soon as the last payment is made according to the plan, a bankruptcy administrator must, no later than within ten working days of such payment, draw up a certificate of plan implementation. The bankruptcy administrator shall, no later than within 5 working days of signing thereof, deliver the certificate to a court and a copy thereof to the bankrupt natural person and chairperson of the meeting of creditors. Upon the receipt of the aforementioned certificate, a court shall take a decision to close or discontinue personal bankruptcy proceedings. In addition to the above, a court shall also take a decision to close personal bankruptcy proceedings provided that at least one of the following conditions is met: (i) all creditors' claims approved by the court are satisfied by a natural person earlier than set in the plan, and a bankruptcy administrator submits to the court supporting documents; (ii) a bankruptcy administrator submits to the court documents evidencing that a natural person is able and will be able to discharge his liabilities in the future; (iii) all creditors waive their claims, and the court decides to accept the waivers. Upon completion of the bankruptcy process, the remaining unsatisfied creditors' claims set out in the plan, including claims secured by pledge and/or mortgage, are written off, save for the following claims which may not be written off: (i) claims for damages caused by a criminal act; (ii) claims for child maintenance (*alimentai*); (iii) claims arising from the natural person's obligation to pay state fines imposed for administrative offences or criminal acts or other statutory violations; and (iv) claims secured by pledge and/or mortgage, where the creditor and the natural person agreed to retain the pledged asset during the bankruptcy process, unless the relevant agreement provides otherwise.

Consumer protection

The Lithuanian Law on Real Estate Related Credit sets out the specific legal framework applicable, *inter alia*, to consumer credit agreements under which implementation of the borrower's duties is secured by mortgages on real estate or titles related to real estate.

Prior to conclusion of the consumer credit contract, the creditor must provide to a consumer certain specific information using the standard consumer credit information form approved by the supervisory authority, give certain explanations and assess the consumer's creditworthiness. Where the creditor fails to properly follow the procedure for assessment of the consumer's creditworthiness through no fault of the borrower, no penalties shall be applicable to the borrower in case of default. Where the creditor and the consumer agree to change the amount of credit drawn down by the consumer or the upper credit limit, the creditor must update information regarding the creditworthiness of the consumer and assess the creditworthiness each time before such change.

The Lithuanian Law on Real Estate Related Credit sets out in detail the information that must be included in the consumer credit agreement (details of the parties, duration of the agreement, amount of credit, calculation of credit interest, etc.).

If the credit agreement does not contain all of the mandatory information specified in the laws or if the information specified in the credit agreement is misleading and this had a major impact on the borrower's decision to conclude the credit agreement, which he/ she would not have concluded under different circumstances or he/ she would have had concluded it under different essential conditions, the borrower shall repay the loan by paying credit premiums established in the credit agreement, however, he/ she shall not be obliged to pay the interest and other costs established in the credit agreement.

In case of substantial breaches of the provisions of the credit agreement, except for default in the financial obligations under the credit agreement, the margin specified in the credit agreement may be increased only to the extent specified in the credit agreement and only for duration of the breach of the provisions of the credit agreement. In the event of a default in the financial obligations under the credit agreement, the margin specified in the credit agreement may not be increased.

In cases of default in financial obligations, the penalties imposed on the borrower shall not exceed 0.05 per cent. of the overdue sum for each day of delay (except as otherwise indicated below) and shall not be calculated for a period exceeding 180 days. No other penalties and payments shall be imposed on the borrower for failure to implement the financial obligations assumed under the credit agreement.

In the event of termination of the credit agreement or demand for full repayment of the credit prior to the expiry of the credit agreement without termination thereof, the borrower may be liable for default interest, which may not exceed 0.015 per cent. of the amount due for each day of delay.

A consumer may withdraw from a consumer credit contract within 14 days from the date of entering into the contract, without giving a reason. Upon withdrawal, the consumer must repay the outstanding credit and accrued interest no later than within 30 days after submitting a withdrawal application, and the creditor is not entitled to any compensation from the consumer other than a compensation for fees for administration services paid to the public administration entities.

The borrower shall be entitled to repay the credit or a part thereof prior to expiry of the validity period of the credit agreement. If the borrower exercises this right on a date other than the date the variable interest rate changes or a date the fixed interest rate applicable for a partial period changes, the lender shall be entitled to a compensation of potential losses directly associated with repayment of the credit or a part thereof prior to expiry of the validity period of the loan agreement, which shall not exceed 3 per cent. of the amount of the credit or a part thereof prior to expiry of the validity period of the credit agreement.

The lender shall be entitled to transfer the rights and obligations under active credit agreements concluded with borrowers only to an entity included in the public list of lenders managed by the supervisory authority. In accordance with Lithuanian law, in order to assign the claim, the assignor and assignee have to enter into the claim assignment agreement. The fact of transfer of the claim may be used against the debtor and third parties only after the debtor is informed about the transfer of claim. The debtor shall have an obligation to make payments directly to the assignee only if it is duly notified of the assignment thereof.

The Bank of Lithuania may impose sanctions on the lender for failure to comply with the requirements under the Lithuanian Law on Real Estate Related Credit.

RETAIL MORTGAGE LENDING PRINCIPLES OF THE ISSUER

In order to ensure good credit quality, the Issuer's mortgage loan issuance process in each of the Estonian, Latvian and Lithuanian markets is built upon the following principles: the customer relationship is based on a thorough knowledge of the customer as well as on trust of the customer's willingness and ability to meet its liabilities. It is essential for the Issuer to understand the customer's financial needs through interaction with them.

The Issuer expects any new loans to have a low to medium risk profile.

The Issuer has defined certain criteria for mortgage loans, which may be amended from time to time. Applicable criteria as at the date of this Base Prospectus include, without limitation, the following:

1. **Customer**

   - Local (Baltic) residents
   - Non-citizens might be accepted if there is an undoubted connection with the country where a loan is requested

2. **Loan Currency**

   - New loans are issued only in EUR.

3. **Loan to Value (LTV)**

   - Maximum LTV 85 per cent. (exceptions possible using state support programs)
   - Financing amount is calculated from the lowest from transaction price or valuations reports from accepted independent certified external valuators or the Issuer's internal valuation

4. **Collateral**

   - Residential houses and apartments located in areas with a liquid property market
   - First priority pledge on the property that is being financed, as a main rule
   - Evaluation not older than 12 months (or shorter if negative tendencies in the market are observed)

5. **Indexation of residential collateral values**

   - Frequency: at least once a year
   - Geographical segmentation is implemented in Estonia, Lithuania and Latvia

6. **Maturity**

   - Maximum maturity of mortgage loans: 30 years

The Issuer's main assessment criterion in relation to mortgage loans is the customer's repayment (debt servicing) capacity and primarily it is based on the customer`s cash flow. Income must be permanent, long-term, regular, predictable and proved according to the income type. In addition, the Issuer collects information from public authorities and/or customer's account statements. Debt to Income ratio should be below 40 per cent., interest rate sensitivity and positive net wealth are applied. The Issuer evaluates the customer's behaviour (credit history) during their relationship with the Issuer and based on all available external databases considered for the new credit proposals.

The Issuer has established a credit issuance and approval process with the following steps.

1. Consultation: the customer submits an application and other required documents.

2. Information and document-gathering to identify the customer and initiate internal workflow.

3. Assessment and memo preparation: a dedicated employee obtains, analyses and summarises information about the customer, which is essential for adoption of the credit decision and prepares the credit memo.

4. Decisions shall be made in Lending Competence Centre according to the decision matrix, described in the Issuer's internal procedures.

5. Contract and disbursement:

   - contract is signed by the Issuer and the customer
   - deal information is recorded in the bank system
   - Financing is disbursed to the customer previous owner's account once ownership is established, and the bank pledge is added.

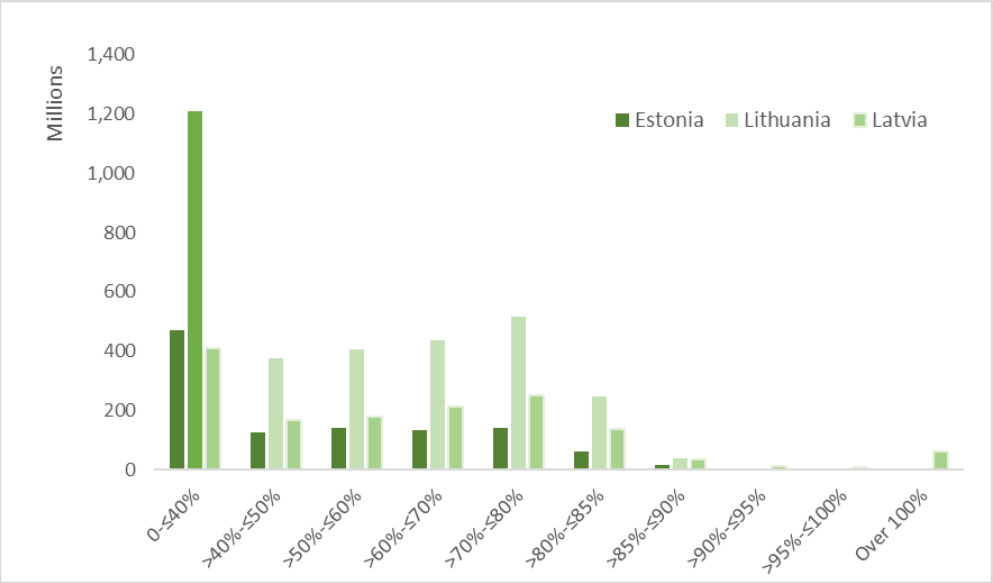
Retail mortgage lending authorisation process

All credit decisions are made by relevant employee of the Issuer, based on the "two pairs of eyes" principle. Powers to act are granted based on the competence of the employee and signed off by the Issuer's risk organisation (second line of defence).

Dependent on the size of the potential exposure, the Issuer has internally defined which decision-making body is authorised to approve the respective exposure.

As at the end of 2025, weighted average Loan-to-Value Ratios and amounts per each country for all retail mortgage loans are as follows:

Mortgage Portfolio[1] LTV Split by Countries* (EUR million) as of 31 December 2025



*Estonia, Latvia, Lithuania

[1] - Gross amounts Q4 2025

LTV Ratios (LTV) are calculated by dividing the loan amount by the current collateral value allocated to the loan. Collateral value includes also indexed valuations. Indexation is performed at least annually. If the same collateral covers more than one loan, then only the relevant part of the collateral value is used to calculate LTV for a particular loan.

Retail mortgage lending credit monitoring process

Monitoring activities for credit exposures are performed on a continuous basis throughout the credit agreement lifecycle with the purpose of recognising any developments in customer risk profile at an early stage and securing timely and appropriate actions for mitigation in case of negative findings. Credit exposure monitoring consists of overdue management, collateral insurance monitoring and early warning signals (for exposures above certain thresholds).

Overdue management process is performed on a regular basis for debt recognition with activities for mitigation to minimise potential loss.

Collateral insurance monitoring is performed on a regular basis, to detect and mitigate potential loss arising from unforeseen events occurring with collaterals without insurance.

Restructuring of retail mortgage loans and management of Non-Performing Loans (NPLs)

The Issuer has set the >30 days overdue criterion for identifying distressed mortgage customers. Certain other indicators are also monitored for non-performing customers.

The Issuer's strategy towards private individual mortgage exposure is determined based on three main criteria:

- collaboration (customers' active cooperation with the Issuer to seek solution(s));
- social factor (customer is socially sensitive, decrease in income by 1/3); and
- viability of restructuring (e.g. multiple consecutive restructuring measures).

Enforcement of collateral

Typically, the full cycle of the mortgage enforcement process in Estonia, Latvia and Lithuania takes approximately 1.5 years and consists of three main stages:

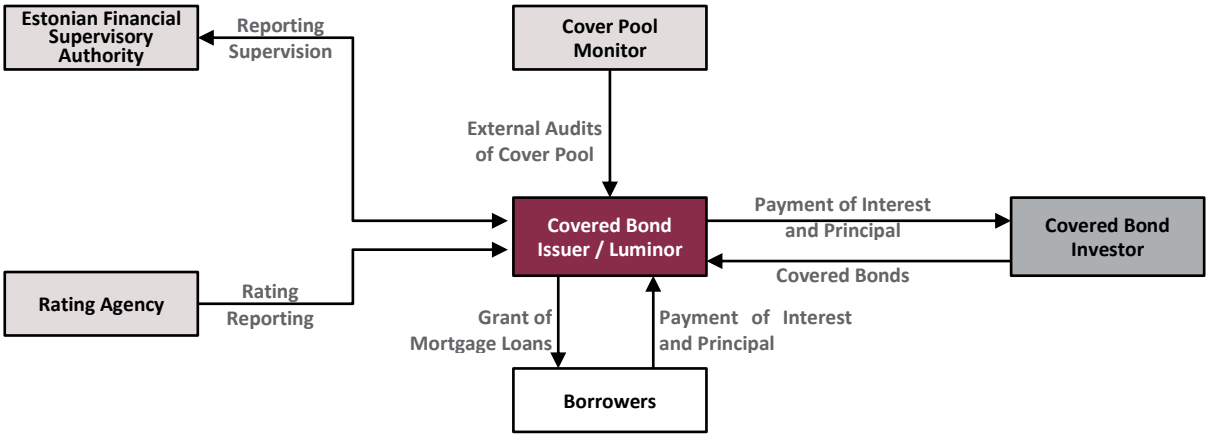
1. **Overdue management** – a stage which ends with contract termination if the mortgage loan is overdue by more than 150 days.
2. **Collateral enforcement** – a stage which typically starts with an application for execution, which usually leads to an auction of the pledged asset(s) and collection of money from the sale. This process usually takes up to a year if no litigation is involved.
3. Finally, if proceeds from the enforcement of the collateral do not fully cover the client's liabilities, the Issuer writes off the remaining debt and moves to the final stage - **debt recovery from unsecured residual amounts**. The Issuer either does this in house or sells written-off portfolios to external debt collection companies.

CHARACTERISTICS OF THE QUALIFYING COVER POOL

On 19 December 2019, the Issuer was granted an additional authorisation by the ECB to issue covered bonds under the ECBA. The additional authorisation is granted for an unspecified term and it enables the Issuer to issue any type of covered bonds under the ECBA, i.e. mortgage covered bonds and mixed asset covered bonds.

The purpose of the statutory requirements of the ECBA is to ensure that the Issuer has sufficient Eligible Assets to produce funds to service any payments of interest and principal due and payable on the Covered Bonds of each Series outstanding under the Programme. The ECBA (as amended in November 2021, June 2024 and January 2026) provides for more stringent requirements in respect of coverage of covered bonds and requires the Issuer, to continuously ensure that (a) the principal amount of all outstanding covered bonds of the same type and the interest payable thereon, the net liabilities arising from derivative instruments entered in the cover register, and operating expenses related to a Covered Bond Portfolio, which consist of the estimated expenses related to management and administration in the case of liquidation of the Covered Bond Portfolio, shall be covered by the Cover Pool at any time, (b) the nominal value of the Cover Pool shall exceed the liabilities covered by at least five per cent. (i.e. the over collateralisation) and (c) in addition to meeting the above criteria, if the known redemption value of covered bonds is higher than their nominal value at the time of issue, the nominal value of the Cover Pool covering the covered bonds of the same type shall be at least equal to the redemption value of the covered bonds. For a more detailed overview of the requirements of the ECBA in relation to the Cover Pool, please see "*Overview of Estonian Regulation Regarding Covered Bonds*" below.

The structure of Issuer's Covered Bond transaction under ECBA is summarised on the following chart:



Composition of the Cover Pool

The Issuer's Cover Pool includes mortgage loans secured by mortgages over properties located in Estonia, Latvia and/or Lithuania. The Issuer may change the proportion of assets from each of the above-mentioned countries in the Cover Pool over time. However, the Cover Pool must always conform with the eligibility and collateralisation requirements set out in the ECBA.

The main eligibility criteria for assets that the Issuer shall include in the Cover Pool are (but are not limited to):

- Private persons' mortgage loans;
- Loan must be collateralised with mortgage on residential real estate;
- Mortgage loan and collateral property need to be within the same country;
- Mortgage inscription value needs to be at least 110 per cent. of the issued credit at the time of issuance of loan;
- The currency of the mortgage loans is EUR;

- The eligible portion of a mortgage loan's outstanding balance in the Cover Pool is capped at 70 per cent. LTV but the full amount is allocated to the Cover Pool. In addition, the Issuer aims to reduce the inclusion of loans with high LTVs to the Cover Pool (initially the threshold is set at 100 per cent. LTV, but this may be changed in the future);
- Borrower is not overdue at the time of including the loan to Cover Pool;
- Collateral property needs to have a valid valuation where indexation is performed at least annually; and
- Issuer has 1st rank mortgage on property.

Based on ECBA amendments in force from 10 December 2021, the Issuer may choose to retain overdue loans in the Cover Pool if loans become overdue while forming part of the Cover Pool, however there are certain haircuts to eligible loans part depending on loans overdue days and LTV levels based on ECBA regulation.

The total gross carrying amount of residential mortgage portfolio increased during 2025 to EUR 5,800 million compared to EUR 5,319 million as of year-end 2024 and weighted average LTV slightly increased to 53 per cent. (49 per cent. in 2024). Due to the growth of the residential mortgage portfolio, the weighted average loan-to-value (LTV) ratio also increased slightly. The table below shows the Issuer's total residential mortgage portfolio gross amounts (EUR million), including country level splits and weighted average Loan To Values as of 31 December 2025 and 31 December 2024, respectively.

	Estonia	Latvia	Lithuania	Baltics
31 December 2024				
Mortgage lending portfolio (EUR million)	1,075	1,351	2,892	5,319
Weighted Average Loan To Value (per cent)	44%	53%	48%	49%
31 December 2025				
Mortgage lending portfolio (EUR million)	1,091	1,472	3,237	5,800
Weighted Average Loan To Value (per cent)	46%	66%	50%	53%

The Issuer calculates LTV by dividing the loan amount by the collateral value allocated to the particular loan. The Weighted Average LTV is calculated by weighting each loan LTV by the respective loan amount, and then dividing the sum of the total loan amount. The Weighted Average LTV is a standard measure of the quality of a Cover Pool of mortgages.

Collateral values include indexed valuations. Indexation is performed at least annually. If the same collateral covers more than one loan, then only part of the collateral value is used to calculate LTV for particular loan.

Based on current internal rules for Cover Pool LTV calculations, the mortgage loans with LTV equal to or lower than 100 per cent. are included in the Cover Pool with full amount, but only the loan portion up to 70 per cent. is used for the over-collateralisation calculation. In addition, the Cover Pool LTV ratio is calculated by considering only the residential real estate collateralising the loan (i.e. only collateral which is relevant and eligible for the purpose of the Covered Pool). Where a loan is collateralised by additional collateral such as a guarantee from local's governmental institutions like Kredex or Altum, such collateral value is not considered in the calculation of the LTV ratio. In effect, if all collateral available to the Issuer were taken into account, the LTV ratios would be somewhat lower. Details about Cover Pool characteristics are available on the Issuer's website at https://www.luminor.ee/en/investors.

The Issuer may grant grace periods to its customers, including for principal payments of mortgage loans. Residential mortgage loans for which a grace period has been granted would be considered eligible for the

Cover Pool, provided that they are not overdue (based on the amended repayment schedule granted to the customer) and comply with all other eligibility criteria.

Risk Management of the Cover Pool

The Issuer is obliged to, at least once every three months, perform stress tests on the Covered Bond Portfolio to assess the risks and measure whether the value of the Cover Pool, as calculated during the stress test, meets the requirements of the ECBA.

On 27 January 2023, the Ministry of Finance adopted the regulation of the procedure, methodology and purpose of Covered Bond Portfolio stress testing and covering the collateral shortfall as a results of stress testing. This regulation was established based on ECBA subsection 22(3) and the authorised issuers were obliged to update their activities as set out in the regulation by 30 June 2023 and present reports to EFSA.

The regulation stipulates more specifically the requirements for the Issuer's stress test and annual sensitivity analysis procedures, measuring the potential impact of the Covered Bond Portfolio, its collateral and risk factor affecting the Issuer and the potential impact of multi-risk factors on the Covered Bond Portfolio and on the issuer as a whole, i.e. the sensitivity of the Covered Bond Portfolio and the issuer to risk factors.

Based on the regulation update, the Issuer is using the stress test scenarios based on the EBA's worst-case stress test scenario and considering the specificities of its risk profile (i.e. considering the proportionality and business model). If some of the scenarios described in regulation are not relevant for Issuer's Cover Pool risks, then such reasoning is provided in writing to EFSA.

Based on ECBA § 22(3) and the underlying regulation, the Issuer must assess the collateral shortfall based on the largest collateral shortfall identified during the stress tests. If, because of such assessment, the value of the collateral does not meet the requirements set out in ECBA §18 (1), (2) and (21), the Issuer must increase the assets entered into the cover pool or replace them in a way that rectifies the shortfall. The main stress test scenarios shall cover the following risks;

- Interest rate risk scenarios
- Real estate price shocks (fire sale conditions)
- Credit risks which take into account the concentration risk, prepayments, defaults and deterioration of the credit of the cover assets
- Early repayment risk and other risks specific for Cover Pool
- At least one stress test to combine some of the above scenarios, this also needs to consider both including the overdue loans and LTV 70 per cent. criteria and excluding these.

The Issuer must also submit the results of the sensitivity analysis to the EFSA within three months of the end of the Issuer's financial year. Based on ECBA § 22(3) and the underlying regulation, the Issuer must also assess the collateral shortfall based on annual sensitivity analysis. If, as a results of such an assessment, the value of the collateral does not meet the requirements set out in ECBA § 18(1), (2) and (21), the Issuer must ensure the existence of additional cover assets in the amount of the shortfall, which can be immediately entered in the cover pool if necessary. This means that to cover the shortfall found in the sensitivity analysis, the Issuer must demonstrate existence of such cover assets, but does not have to enter them into the cover pool yet.

The Issuer's management regularly assesses the plans and results of the stress tests of the Covered Bond Portfolio. The results of stress testing are always considered when the Issuer defines and adapts its business plans and market strategies.

Reporting

The Issuer has an obligation under the ECBA to publish certain information in relation to the Cover Pool every quarter. The Issuer has also implemented the common Harmonised Transparency Template of the European Covered Bond Council and relevant information relating to the Cover Pool and its characteristics are provided on a quarterly basis on the Issuer's website at https://www.luminor.ee/en/investors.

The contents of the Issuer's website do not form part of this Base Prospectus and investors should not rely on this website.

The Cover Pool of the Issuer does not contain asset-backed securities that do not comply with paragraph 1 of Article 80 of the Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast). These asset-backed securities have not been included currently in the Issuer's Cover Pool and the Issuer does not intend to include such asset-backed securities in its Cover Pool in the future.

OVERVIEW OF ESTONIAN REGULATION REGARDING COVERED BONDS

The ECBA was first adopted on 13 February 2019 and came into effect on 1 March 2019. On 17 November 2021, various amendments introduced into the ECBA were adopted which came into effect on 10 December 2021. The ECBA received further minor amendments in June 2024 and January 2026. The main purpose of the amendments introduced in 2021 was to implement the requirements set out by the Covered Bond Directive into Estonian law. The amendments introduced in 2024 had the purpose of ensuring better compliance of certain provisions thereof with the Covered Bond Directive. The most recent amendment in 2026 introduced a change in the list of persons who are not allowed to act as a cover pool administrator.

The following is a brief summary of certain features of the ECBA as of the date of this Base Prospectus. The summary does not purport to be, and is not, a complete description of all aspects of the Estonian legislative and regulatory framework for covered bonds. Please also refer to the "*Risk Factors - Risks related to the Covered Bonds*". This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, including the changes envisaged by the draft law described in further detail under "*Risk Factors - Risks related to the Covered Bonds - Covered Bond Legislation Untested and Subject to Modification*".

General

The ECBA provides the regulatory regime for the issuing of covered bonds under the laws of Estonia, implementing the Covered Bond Directive. The ECBA, as amended, regulates the grant of additional authorisations to credit institutions for issue of covered bonds, the terms and conditions of issue and coverage of covered bonds, the assignment of claims of credit institutions for the purpose of including assigned claims in the cover pool of covered bonds, the separation of a covered bond portfolio from the other assets of a credit institution, and state supervision over, and responsibility for, covered bonds.

Under the ECBA, issuers are allowed to issue two types of covered bonds – mortgage-covered bonds and mixed pool-covered bonds. The Covered Bonds that the Issuer may issue under this Base Prospectus would be mortgage-covered bonds and the Issuer does not plan to issue mixed pool-covered bonds. Therefore, the summary below does not describe the requirements of the ECBA in relation to mixed pool-covered bonds.

The ECBA is based on the "on-balance sheet" model of covered bonds, meaning that the covered bond portfolio (including the cover pool, consisting of the cover assets and possibly certain derivative instruments, as described in more detail below) remains under the ownership of the issuer and on its balance sheet, until the satisfaction of all of the claims under the covered bonds (including in case of a default of the issuer). In the event that the issuer is declared bankrupt or upon occurrence of certain other events (which have been listed under "*Separation of the covered bond portfolio*" below), the covered bond portfolio will be separated from the issuer. The separated covered bond portfolio will remain under the ownership of the issuer (except where the covered bond portfolio is sold for the satisfaction of the claims arising from the covered bonds) and will form an independent pool of designated assets by operation of the ECBA. Following the separation of the covered bond portfolio, the cover pool and the proceeds received from it may be used only to satisfy the claims of the holders of the respective type of covered bonds and of the counterparties to the derivative instrument entered in the corresponding cover register and to cover the expenses related to the management of the covered bond portfolio. The separated cover pool will not be part of the issuer's bankruptcy estate and a moratorium shall not extend to the covered bond portfolio. The separation of the covered bond portfolio will not release the issuer from its obligations under the covered bonds and the owners of the covered bonds will, following such separation have dual recourse in relation to the claims arising from the covered bonds, against the issuer and against the separated cover pool.

Under the ECBA, an issuer may opt to establish a cover bond programme. A covered bond programme allows an issue or a series of issues of covered bonds the structural features and terms and conditions of which are the same or substantially similar and which are determined by legislation and relevant contractual terms and conditions, in accordance with the decision to approve the covered bond programme given to the issuer, subject to the requirements provided for in the ECBA.

State supervision

Supervision over the issuance of covered bonds under the ECBA is two-fold and consists of state supervision by the EFSA and supervision by an independent cover pool monitor, which is appointed by the issuer.

The EFSA's role in relation to the ECBA consists of supervision over the activities of issuers of covered bonds and cover pool administrators. Such supervision includes the issuing of additional authorisations to credit institutions for the issuing of covered bonds (which is a prerequisite for a credit institution to issue covered bonds under the ECBA) and the revocation of such authorisations, applying to court for the appointment of a new cover pool monitor, deciding the separation of the covered bond portfolio from the issuer, applying to court for the appointment of a cover pool administrator and for the release of a cover pool administrator from its office, approving and refusing transfers of covered bond portfolios in their entirety, filing bankruptcy petitions in respect of separated covered bond portfolios and appointing members to the bankruptcy committee for covered bond portfolios.

For the purpose of performing its supervision activities, the EFSA has the right to request reports, information, documents and oral or written explanations concerning facts relevant to the exercise of supervision. Furthermore, the EFSA has the right to require, for the purpose of performing supervision activities, issuers, cover pool monitors and cover pool administrators to submit all information and documents necessary for verification of the compliance of covered bond portfolios with requirements. In addition to the above and the rights the EFSA has for carrying out supervision under other laws of Estonia, the EFSA has the right to issue precepts to issuers requiring:

(i) the inclusion of cover assets in a cover register;

(ii) the entry of cover assets meeting the conditions provided for in the ECBA in the liquidity buffer sub-register;

(iii) the removal of non-compliant cover assets or derivative instruments from the cover register;

(iv) the correction of incorrect entries in the cover register;

(v) the reappraisal of a property standing as security for a mortgage-backed credit or a commercial mortgage-backed credit in accordance with the methodology specified by the EFSA;

(vi) the conduct of a stress test of covered bond portfolio in accordance with the methodology specified by the EFSA;

(vii) the replacement of a cover pool monitor;

(viii) the provision of information to the cover pool monitor and allowing it to access documents and information systems;

(ix) the calculation of the present value of the covered bonds or the cover assets in accordance with the methodology specified by the EFSA; and

(x) bringing the internal rules into compliance with law.

In the event of failure to comply with an administrative act issued in accordance with this ECBA, the EFSA has the right to impose non-compliance levies until the failure to comply is cured. Furthermore, in case of certain breaches of the requirements of the ECBA, the EFSA has the right to impose fines in the amount of up to EUR2,400 in case of a breach by a natural person and fines in the amount of up to EUR400,000 in case of breach by a legal person.

In addition to the above, in case of certain breaches of the ECBA or a failure by the issuer to duly and timely fulfil a precept issued by the EFSA, the EFSA may revoke the issuer's additional authorisation for the issuing of covered bonds, which would also result in the separation of the covered bond portfolio.

Based on the regulation, the EFSA shall maintain the list of Estonian issuers and issued covered bonds that are entitled to use the label "Euroopa pandikiri" (European Covered Bond) or the label "Eriti kvaliteetne Euroopa pandikiri" (European Covered Bond (Premium)). Such list is disclosed and updated on EFSA's webpage; https://www.fi.ee/et/pangandus-ja-krediit/pandikirjad/eriti-kvaliteetsed-euroopa-pandikirjad.

Cover pool monitor

For the performance of the duties provided for in the ECBA, the issuer must appoint an independent cover pool monitor. The cover pool monitor must be an auditing company which ensures that the tasks of the cover pool monitor are only fulfilled by a sworn auditor with who is trustworthy and has impeccable business reputation, adequate knowledge and experience. The cover pool monitor may not be an auditing company who audits or has audited the annual reports of the issuer within the year preceding its appointment as the cover pool monitor.

Pursuant to the ECBA, the statutory duties of a monitor are to verify:

(i) the compliance of stress testing of a covered bond portfolio and the changes introduced to the covered bond portfolio as a result of stress testing to requirements;

(ii) the existence of a sufficient cover pool and its compliance with requirements;

(iii) the compliance of the maintenance of the cover register with requirements;

(iv) the compliance of the appraisal of immovable properties encumbered with a mortgage securing credit and included in the cover pool with requirements;

(v) the compliance of the issuer's risk management and reporting with requirements;

(vi) the compliance of the terms and conditions of covered bonds with requirements; and

(vii) the existence of an updated plan for separation of the covered bond portfolio and its compliance with the ECBA.

The monitor has the right to determine the scope and duration of the verification on each occasion. The monitor may carry out an on-the-spot verification at the place of establishment or place of business of the issuer, notifying the issuer at least two business days in advance. The issuer must allow the monitor to examine documents and information systems and shall provide the monitor with the information to the extent necessary for the performance of the monitor's duties.

The monitor must inform the issuer of any deficiencies found during verification in a format that can be reproduced in writing and shall set a reasonable deadline for elimination of the deficiencies. The monitor must notify the EFSA of the deficiencies that are not fully eliminated by the deadline set. The monitor must further notify the EFSA, promptly and in a format that can be reproduced in writing, of any circumstances or decisions that have come to the knowledge to the monitor and that result or may result in:

- a material breach of the legislation regulating the activities of the issuer;
- a material breach of the conditions under which the additional authorisation was granted; or
- a situation, or the risk of a situation arising, in which the issuer is unable to perform its liabilities arising from covered bonds and from the derivative instruments entered in the cover register.

The monitor must draw up a summary of verification activities that gives an overview of performance of its duties, the deficiencies found and the measures taken to eliminate them. The period covered by the summary of verification activities must correspond to the issuer's financial year. The summary of verification activities is to be submitted to the issuer and the EFSA within three months after the end of the issuer's financial year.

The appointment of the cover pool monitor is decided by issuer's general meeting. A monitor shall be appointed for a term of at least one year. The term of office of a monitor shall terminate:

- when a cover pool administrator is appointed;
- when the covered bond portfolio is declared bankrupt;
- when the monitor is removed by the general meeting;

- when the monitor resigns of his or her own accord; or
- when the monitor's term of appointment ends.

In the event of the voluntary resignation of the monitor, the monitor must notify the issuer and the EFSA thereof at least 30 days in advance. In the event of removal of the monitor by the general meeting, the issuer must notify the EFSA about the planned removal 10 days before the relevant resolution is adopted, unless prior notification is not possible for good reason.

A court shall, in the proceedings initiated on the basis of a petition of the EFSA, appoint a new monitor if:

- the general meeting of the issuer has not appointed a new monitor or there is reason to believe that a new monitor cannot be appointed before the termination of the term of office of the current monitor; or
- the current monitor does not meet the requirements established by law or there are deficiencies in the performance of his or her duties.

The term of office of a monitor appointed by a court shall continue until the general meeting appoints a new monitor.

The Issuer has appointed a cover pool monitor in respect of this Programme and entered into a cover pool monitor agreement with such cover pool monitor prior to the first issuance of Covered Bonds in compliance with the requirements of the ECBA.

Authorisation

The ECBA provides that to issue covered bonds, an issuer needs to have a credit institution's authorisation (issued in accordance with the Estonian Credit Institutions Act) and an additional authorisation to issue covered bonds (issued in accordance with the ECBA).

The Issuer was granted the additional authorisation to issue covered bonds under the ECBA on 19 December 2019 by the ECB.

The additional authorisation is issued for an unspecified term and shall expire:

- in the event of expiry of the main credit institution's authorisation – when the main authorisation expires;
- in the event of voluntary discontinuation of the issuance of covered bonds – when the authorisation for the voluntary discontinuation is received from the EFSA; or
- in the event of revocation of the additional authorisation – when the additional authorisation is revoked.

In order to apply for the additional authorisation, under the ECBA, members of the management board of the issuer must submit to the EFSA a written application together with certain supplementary documents as stipulated in the ECBA (including, among others, additions to the business plan which the issuer has prepared in accordance with the Estonian Credit Institutions Act for the purposes of obtaining the main credit institution's authorisation, analysis of the risks associated with the issue of covered bonds and the management of a covered bond portfolio, and a plan for separation of the covered bond portfolio specified in § 9(2) of the ECBA).

In order to obtain approval for a covered bond programme, under the ECBA, members of the management board of the issuer must submit to the EFSA a written application and supplementary documents as referred to above, subject to the specifications provided for in the ECBA. A decision to approve a covered bond programme shall be made by the EFSA along with the decision to grant an additional authorisation.

If it follows from the risk analysis referred to above or from other circumstances that in order to issue covered bonds, in addition to the amendments provided for in the ECBA, additional amendments must be made in the organisational structure of the credit institution or in the internal rules thereof and in other

documents regulating the activities of the credit institution, the applicant must submit information on such amendments with the application.

The EFSA shall make a decision to grant or refuse to grant the additional authorisation within three months after receipt of all the necessary documents and information that meet requirements, but not later than within six months after receipt of the application for the additional authorisation. The EFSA shall refuse to grant the additional authorisation to the applicant if the applicant does not have the capacity to ensure the existence of sufficient internal capital for the purposes of the of the Credit Institutions Act to cover all risks arising from the activities described in the additions to the business plan that are not subject to the requirements for self-funding, the applicant does not meet the requirements for issuers provided for in ECBA or legislation issued on the basis thereof, the applicant does not have the necessary resources and experience for issuance of covered bonds and administration of a covered bond portfolio, as well as on other grounds stipulated in the ECBA. Upon deciding whether to grant or refuse to grant the additional authorisation, the EFSA shall consider, among other things, the level of the organisational and technical administration of the applicant's activities and the professional preparation and experience of persons involved in the management of the covered bond portfolio, and the clarity of their rights, obligations and responsibilities.

The ECBA also includes a list of circumstances that serve as grounds for revocation of the additional authorisation, Such circumstances include, *inter alia*, where it has become evident that, when applying for the additional authorisation, the applicant has submitted misleading or false information or documents to the EFSA, the issuer has repeatedly or materially breached the provisions of the ECBA, the issuer has, by its activities, prevented the EFSA from exercising supervision under the ECBA, or the issuer has not issued any new covered bonds within five years after the receipt of the additional authorisation or after the redemption of all previously issued covered bonds.

Cover register

Under the ECBA, the issuer is obliged to maintain a cover register, that contains information on the cover assets securing the covered bonds. The cover assets entered in the cover register for the same type of covered bonds constitute a cover pool. One and the same type of covered bonds, their cover pool, and the derivative instruments entered in the cover register constitute a covered bond portfolio. The cover register consists of the main register and sub-registers. In addition to the cases provided by the ECBA, a sub-register must be created in order to ensure that the cover pool and derivative instruments related to a specific covered bond portfolio will be properly recorded. When creating sub-registers, the issuer must take into account the size of the covered bond portfolio, the complexity of its structure and other relevant indicators.

Under the ECBA, information published about the entry of a claim securing covered bonds in the cover register shall include at least:

- the name and registry code of the issuer of the covered bonds;
- information that enables the identification of the claim entered in the cover register as a cover asset of the covered bonds without publishing the data of single debtors and the third parties concerned; and
- information about how the entry of the claim in the cover register as a cover asset of the covered bonds affects the rights and obligations of the debtors and the third parties concerned.

The entry of a claim serving as coverage for covered bonds in the cover register or its deletion from the cover register does not require the consent of the debtor or the third party concerned and the issuer generally does not have an obligation to inform the debtor or the third party concerned of the entry of the claim in the cover register. However, under the ECBA, the issuer shall incur an obligation to notify the debtor of entry of a claim in the cover register if the issuer estimates that it is objectively likely that the separation of a covered bond portfolio will take place. In this case, the issuer notifies the debtor of entry of the claim in the cover register before the separation of the covered bond portfolio. If it is mandatory to notify the debtor of entry of a claim securing covered bonds in the cover register, the issuer shall publish the information on its website and also in the Estonian Official Gazette (in Estonian: *Ametlikud Teadaanded*) or in at least one daily national newspaper. Additionally, such information must be published, in addition to Estonia, in other EEA countries where the immovable property securing a mortgage credit is located or where the debtor of the claim is registered. The debtor of a claim and the counterparty to a derivative instrument entered in the

cover register may at any time, and an interested party may in a justified case, request information as to whether the claim or derivative instrument that is related thereto has been entered in the cover register. The obligation to provide the information lies with the issuer, the cover pool administrator and the bankruptcy trustee for the covered bond portfolio.

Eligible cover pool assets

Under the ECBA, cover assets consist of primary cover assets and substitute cover assets (the "**Eligible Assets**"). Primary cover assets must constitute at least 85 per cent. of the principal cover pool of a covered bond portfolio. Regarding the requirements of the ECBA for substitute cover assets, please see "*Substitute cover assets"* below.

In accordance with the ECBA, primary cover assets of mortgage-covered bonds may only consist of the issuer's claims that arise from a credit issued to a natural person against a mortgage established on a residential property located in the territory of a Contracting State of the EEA Agreement which comply with the conditions provided for in the ECBA.

For the purposes of the ECBA, a residential property is property referred to in Article 4 (1) (75) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

Claims arising from a mortgage-backed credit issued to a natural person against a residential property located in the territory of a Contracting State of the EEA Agreement other than Estonia may be used as coverage for mortgage-covered bonds only if the mortgage securing the mortgage-backed credit or other right of security provide the creditor with protection that is equivalent to the protection provided by a mortgage established under Estonian legislation. It is assumed that cover assets meeting the conditions laid down in Article 208 (2) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council provide the creditor with protection that is equivalent to the protection provided by a mortgage established under Estonian legislation.

The following may not be entered into the cover register:

- a mortgage-backed credit which is in default at the time that the credit is entered in the cover register.

- a mortgage-backed credit in the case of which the issuer's claim arising from the credit or the mortgage securing the claim is encumbered, or in the case of which the issuer's claim arising from the credit, the mortgage securing the claim or the property on which the mortgage has been established is subject to a restraint on disposition.

Pursuant to the ECBA (as amended), if the recipient of a mortgage credit defaults on its obligations after the credit has been entered in the cover register, the following portion of the credit that has fallen into default may be taken into account upon calculation of the value of the cover pool:

- 100 per cent. of the value of the credit entered in the cover register if the credit has been in default for less than 90 days;

- 70 per cent. of the value of the credit entered in the cover register if the credit has been in default for at least 90 days and the ratio of the credit to the value of the property securing the mortgage credit is less than 50 per cent;

- 40 per cent. of the value of the credit entered in the cover register if the credit has been in default for at least 90 days and the ratio of the credit to the value of the property securing the mortgage credit is more than 50 per cent; or

- 0 per cent. of the value of the credit entered in the cover register if the credit has been in delay for at least 180 days.

The valuation of the property standing as security for a mortgage-backed credit entered in the cover register which is located in Estonia must be done by a valuator meeting the requirements provided for in the Creditors and Credit Intermediaries Act in compliance with the requirements provided for in the Creditors and Credit Intermediaries Act. The valuation of the property standing as security for a mortgage-backed credit entered in the cover register which is located in the territory of a Contracting State of the EEA

Agreement other than Estonia must be done by a valuator who holds a relevant professional qualification in the relevant Contracting State of the EEA Agreement, in accordance with the legislation, relevant standards and good practices in force in the relevant Contracting State of the EEA Agreement and the following conditions are met:

- the methodology and rules of procedure applied ensured an objective and impartial valuation; and
- the valuation or the result thereof was documented in a format that can be reproduced in writing and in such a way as to enable the identification of, *inter alia*, the identity of the valuator or the issuer's structural unit conducting the valuation, the methodology and rules of procedure applied in the valuation, and the source data used for making the valuation.

Where the mortgage established on an immovable property secures claims arising from different credit agreements, the claims arising from these credits may serve as coverage for mortgage-covered bonds only if the credit has been issued to one and the same person under the credit agreements and all the credits have been issued in the same currency. In this case, when calculating the ratio of credit to value of the property securing the mortgage-backed credit, the claims arising from all credit agreements shall be deemed to be claims arising from one credit agreement and the claims shall be added together.

The claims of the issuer arising from a mortgage-backed credit may be used as coverage for mortgage-covered bonds in an amount of up to 70 per cent. of the value of the property securing the mortgage-backed credit. Nevertheless, all the issuer's claims arising from the mortgage-backed credit entered in the cover register are included in the cover pool.

To include a claim of the issuer arising from a mortgage-backed credit as coverage for mortgage-covered bonds, the mortgage securing the claim must account to (i.e. the sum of the mortgage must be) at least 110 per cent. of the issued credit. The sum of mortgage may exceed the value of the property securing the credit.

Under the ECBA, a property standing as security for a mortgage-backed credit and entered in the cover register must, until the recipient of the credit has met all the obligations owed to the issuer, be insured under the terms and conditions normally used to insure similar properties in the Contracting State of the EEA Agreement in such a way as to ensure that all relevant risks are insured. As an exception, an undeveloped residential property does not need to be insured. If the property is a residential building, apartment building or apartment under construction, the insurance obligation arises at the moment when the building being constructed becomes a construction with an interior space that is separated from the external environment by a roof and other parts of the building envelope. In the absence of an insurance agreement meeting the conditions described above, the issuer must remove the claims arising from the mortgage-backed credit from the cover register unless an insurance agreement meeting the described requirements is entered within 30 business days from the moment the issuer became aware of the absence of the insurance agreement. A mortgage-backed credit may be included in the cover register only if the market value of the property standing as security for the credit has been appraised by an appraiser meeting the requirements provided for in section the Creditors and Credit Intermediaries Act, in accordance with the requirements laid down and the regulation adopted under the said act.

The value of a property standing as security for a mortgage-backed credit entered in the cover register must be reviewed at least once a year and reappraised, if necessary. Furthermore, under the ECBA, the value of a property standing as security for a mortgage-backed credit entered in the cover register shall be additionally reviewed and reappraised, if necessary:

(i) in the event of a significant change in market conditions;

(ii) if the information available to the issuer indicates that a significant decline has occurred or is occurring in the national or local real estate market, including if it concerns only one specific property type, residential building type or other narrower category of properties;

(iii) in the event that more frequent review of the value of a property standing as security for a mortgage credit entered in the cover register has been prescribed in the terms and conditions of covered bonds;

(iv) in the event that this is demanded by the EFSA; or

(v) in the event that this is demanded by the cover pool monitor or the cover pool administrator and there is reasonable doubt that the issuer has not performed its obligation to ensure that the value of a property standing as security for a mortgage-backed credit entered in the cover register is reviewed at least once a year and reappraised, if necessary or the issuer has not performed its obligations in subsections (i)-(iii) above.

In the cases listed in subsections (i) and (ii) above, the value of a property standing as security for a mortgage-backed credit entered in the cover register may be reappraised by indexed appraisal. When entering a mortgage-backed credit in the cover register, the value of a property standing as security is determined on the basis of the latest appraisal or reappraisal, which may not be older than 12 months.

Under the ECBA and the delegated regulation adopted by the Ministry of Finance on 27 January 2023 regarding the procedure, methodology and purpose of covered bond portfolio stress testing and covering the collateral shortfall as a results of stress testing, the issuer is obliged to perform stress tests on a covered bond at least once every three months, to assess the adequacy of the value of the collateral, based on the risks identified in the methodology for stress tests of the covered bond portfolio and as specified in the issuer's relevant internal rules. Stress tests on the following risk factors must be covered in the relevant internal rules of the issuer: credit risk and counterparty risk, a decline in real estate prices and changes in the prices of other collateral, interest rate risk, exchange rate risk and any other risk factors driven by the specific characteristics of the covered bond portfolio. Further, the issuer must also perform certain sensitivity analyses according to stress scenarios specified in the Ministry of Finance regulation. Ensuring the performance of stress tests shall be the responsibility of the managers of the Issuer.

If the value of the Cover Pool, as calculated during the stress test, no longer meets the requirements provided for in the ECBA, the issuer shall be obliged to increase the cover assets to be entered in the cover register by the maximum deficiency determined as a result of the stress test.

Requirements relating to liquidity

In order to ensure the liquidity of the covered bond portfolio where there is a separation of the covered bond portfolio from the issuer, the issuer must maintain a liquidity buffer. The liquidity buffer is a part of the cover pool and is considered in the calculation of the principal cover pool and the mandatory complementary cover pool. The liquidity buffer must be entered in a separate sub-register of the cover register.

Under the ECBA, the liquidity buffer may comprise only the following cover assets:

- level 1 and level 2A assets specified in Articles 10 and 11 of Commission Delegated Regulation (EU) No. 2015/61 supplementing Regulation (EU) No. 575/2013 of the European Parliament and of the Council with regard to liquidity coverage requirement for credit institutions, except the issuer's own covered bonds; or

- short-term exposures and short-term deposits meeting the characteristics specified in Article 129(1)(c) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, provided that they do not constitute more than 15 per cent. of the sum of the main collateral and the mandatory overcollateral; or

- short-term exposures to credit institutions that qualify for credit quality step 1 or 2, or short-term deposits to credit institutions that qualify for credit quality step 1, 2 or 3, in accordance with the provisions of point (c) of Article 129(1) of Regulation (EU) No. 575/2013.

A cover asset included in the liquidity buffer must meet the following conditions:

- it shall not be in default or, in the estimation of the credit institution, doubtful;

- in the case of a deposit, it shall be ensured that the funds deposited will be fully available without delay upon the separation of the covered bond portfolio; and

- securities shall be kept in a separate securities account of the issuer or in a manner allowing the securities included in the liquidity buffer to be kept unblocked in case of bankruptcy of the issuer.

To calculate the minimum level of the liquidity buffer, the difference between the payments to be made in order to meet all the liabilities arising from the covered bonds and derivative instruments entered in the cover register, on the one hand, and the cash flow to be received from the cover pool, on the other hand, shall be calculated on a daily basis for each of the following 180 days (hereinafter referred to as the daily difference). Thereafter the sum of the accumulated daily differences shall be calculated for each of the following 180 days, and the highest negative result shall be covered at all times by cover assets eligible to be included in the liquidity buffer. Amounts received on the basis of derivative contracts shall not be taken into account upon calculating the daily difference if the amounts arise from the financial assets pledged by the counterparty of the derivative contract for the benefit of the issuer of covered bonds.

If the Issuer has, in compliance with the ECBA, established a suspensive condition in the terms and conditions of covered bonds, the fulfilment of which will extend the maturity of the payment obligation arising from a covered bond, the maturity to be observed upon the fulfilment of the suspensive condition may be used as the basis for the purpose of the calculation of the minimum level of the liquidity buffer for that payment obligation.

Notwithstanding the above, the liquidity buffer shall account for at least two per cent. of the nominal value of the Cover Pool.

Substitute cover assets

In addition to the primary cover assets, under the ECBA, the following cover assets may be included in a cover pool as substitute cover assets:

(i) claims on, or guaranteed by, central banks within the European System of Central Banks, or central governments, public sector entities, regional governments or local authorities of the Member States of the European Union;

(ii) claims on or guaranteed by third-country central governments and central banks, multilateral development banks and international organisations that qualify for credit quality step 1 in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council;

(iii) claims on, or guaranteed by, public sector entities of third countries, regional governments of third countries or local authorities of third countries, for which a risk weight has been assigned the same way as for claims on credit institutions and investment firms or central governments and central banks in accordance with Article 115 (1) or (2) and Article 116 (1), (2) or (4) of Regulation (EC) No. 575/2013 (EU) of the European Parliament and of the Council and which qualify for the credit quality step 1 according to the risk weight so assigned;

(iv) claims specified in items (ii) and (iii) above, which qualify for at least the credit quality step 2 in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council, provided that such claims do not exceed 20 per cent. of the nominal value of the outstanding covered bonds in the covered bond portfolio that they cover;

(v) claims on credit institutions and investment firms, which qualify for the credit quality step 1 in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council, provided that such claims do not exceed 15 per cent. of the nominal value of the outstanding covered bonds in the covered bond portfolio that they cover;

(vi) claims on credit institutions and investment firms, which qualify for credit quality step 2 in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council, provided that they do not exceed ten per cent. of the nominal value of the outstanding covered bonds in the covered bond portfolio that they cover;

(vii) claims on credit institutions and investment firms in the European Union with a term to maturity not exceeding 100 days, which qualify as a minimum for credit quality step 3 in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council, provided that they do not exceed eight per cent. of the nominal value of the outstanding covered bonds in the covered bond portfolio that they cover and provided that the requirements provided for in subsection (iii) above are observed;

(viii) the surplus of net claims arising from the derivative instruments included in a covered bond portfolio that meet the requirements provided for in the ECBA; or

(ix) the surplus of net claims arising from the derivative instruments included in a covered bond portfolio which qualify as a minimum for credit quality step 3 in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council, provided that they do not exceed eight per cent. of the nominal value of the outstanding covered bonds in the covered bond portfolio that they cover and provided that the requirements provided for in subsection (iii) above are observed.

Label

An issuer may use the label "*Eriti kvaliteetne Euroopa pandikiri*" (or "*European Covered Bond (Premium)*" in English) and its language versions translated into the official languages of the European Union only for covered bonds which are issued in accordance with the ECBA. According to the ECBA, the EFSA maintains the list of issued covered bonds that are entitled to use the label "*Eriti kvaliteetne Euroopa pandikiri*" (European Covered Bond (*Premium*)), based on the issuer's relevant confirmation.

Derivatives

In order to hedge risks arising from covered bonds, under the ECBA, an issuer has the right to use derivative instruments and to enter them in the cover register, provided that all of the following conditions are met:

(i) the derivative instrument transaction has been made on the basis of a framework agreement that is usual for this sector, is sufficiently documented and only allows set-off for claims arising from derivative instruments entered in the cover register;;

(ii) the counterparty to the transaction is a person who meets the eligibility requirements of the regulation established by a regulation of the minister responsible for the area;

(iii) the terms and conditions of the framework agreement or transaction ensure that, in the event of the issuer's insolvency, if it does not lead to the insolvency of the covered bond portfolio related to the particular derivative instrument, the counterparty to the transaction is not entitled to prematurely terminate the transaction or framework agreement;

(iv) the sole purpose of the transaction is to hedge the issuer's risks arising from the specific type of covered bonds;

(v) the counterparty to the transaction has given consent to the inclusion of the derivative instrument in the cover register (whereas such consent is presumed if a framework agreement between the parties provides or if the issuer has otherwise informed the counterparty to the derivative instrument that the framework agreement is concluded for the purpose of hedging the risks arising from the specific covered bond portfolio);

(vi) the derivative instrument transactions are not subject to the clearing obligation in accordance with Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories;

(vii) the cover pool of covered bonds is not used as a cover asset for securing obligations arising from a derivative instrument contract; and

(viii) if the creditworthiness of the counterparty to a derivative instrument transaction has fallen to a significant extent, the counterparty to the transaction shall provide, pursuant to the derivative contract, an additional collateral or the issuer shall arrange replacement of the counterparty to the transaction.

The issuer shall reduce the volume of derivative contracts in the cover pool in proportion to the reduction in the hedged risk and remove derivative contracts from the cover register in their entirety when the hedged risk ceases to exist

In the event that the issuer has the right to require the counterparty to a derivative instrument to provide a security on the basis of a claim arising from the derivative instrument, the security shall be comprised of

claims that qualify as substitute cover assets (please see "*Substitute cover assets*" above) and shall be entered in a separate sub-register of the cover register.

In the event that the cash flow to be received by the issuer from a derivative instrument entered in the cover register exceeds the payments to be made to meet the liabilities arising from the derivative instrument and if an extraordinary termination of the transaction results in a positive cash flow for the issuer, the lower of the following amounts shall be treated as the net claim:

- the positive cash flow resulting for the issuer from the extraordinary termination of the transaction; or
- the cash flow to be received by the issuer from the derivative instrument, less the payments to be made to meet the liabilities arising from the derivative instrument.

In event that the payments to be made to meet the issuer's liabilities arising from a derivative instrument entered in the cover register exceed the cash flow to be received from the derivative instrument or an extraordinary termination of the transaction results in a negative cash flow for the issuer, the lower of the following amounts shall be treated as the net liability:

- the negative cash flow resulting for the issuer from the extraordinary termination of the transaction; or
- the payments to be made to meet the liabilities arising from the derivative instrument, less the cash flow to be received by the issuer from the derivative instrument.

The issuer shall subtract the net liabilities from the net claims arising from the derivative instruments included in a covered bond portfolio and, depending on the result, shall treat the negative result as the surplus of net liabilities and the positive result as the surplus of net claims.

Separation of the covered bond portfolio

The ECBA prescribes that upon the occurrence of the following events, the covered bond portfolio shall be considered separated from the issuer:

- the issuer is declared bankrupt;
- a moratorium is declared in respect of the issuer;
- the additional authorisation or main authorisation of the issuer expires;
- a court ruling providing for compulsory dissolution of the issuer takes effect;
- the authorisation for voluntary dissolution of the credit institution or discontinuation of the issue of covered bonds is received from the EFSA; or
- a decision of the EFSA for the separation of the covered bond portfolio takes effect.

The EFSA may resolve the separation of a covered bond portfolio prior to the occurrence of an event specified above, if:

- the issuer is breaching or is likely to materially breach the requirements of the EFSA or other legislation regarding the activities of a credit institution in the near future; or
- the issuer is likely to become insolvent in the near future.

After the separation of the covered bond portfolio, an independent pool of designated assets is formed, in which the cover pool and the proceeds received from it can be used only to satisfy the claims of the holders of the respective type of covered bonds and of the counterparties to the derivative instrument entered in the corresponding cover register and to cover the expenses related to the management of the covered bond portfolio. Upon the separation of the covered bond portfolio:

- the right to manage the covered bond portfolios and the right to participate, instead of the issuer, in court proceedings concerning a covered bond portfolio shall transfer to the cover pool administrator; and

- the issuer shall lose the right to undertake any transactions with the assets included in a covered bond portfolio.

The separation of a covered bond portfolio does not affect the rights and obligations arising from covered bonds or from the derivative instruments and the cover pool entered in the cover register, and the payment obligations attached to covered bonds are not subject to automatic acceleration upon the separation of the covered bond portfolio, except as otherwise provided by the ECBA. The claims of the holders of covered bonds and of the counterparties to the derivative instruments entered in the cover register shall be satisfied at the expense of the cover pool and proceeds received from it, in accordance with the terms and conditions of the covered bonds and derivative instruments.

Appointment of cover pool administrator

In the event that: (i) the issuer is declared bankrupt; (ii) the covered bond portfolio is separated; (iii) the compulsory dissolution of an issuer is decided by a court; (iv) the EFSA revokes the issuer's credit institution's authorisation or the additional authorisation for issuing covered bonds; (v) the EFSA authorises the voluntary dissolution of the issuer as a credit institution or voluntary discontinuation of the issuance of covered bonds by the issuer; or (vi) the EFSA establishes a moratorium over the issuer, the court shall, on the proposal of the EFSA, appoint a cover pool administrator in respect of the covered bond portfolios in the ruling on bankruptcy, the ruling on the separation of the covered bond portfolio or the ruling on the compulsory dissolution. The court shall appoint a cover pool administrator without delay, but not later than within three days after receipt of the petition from the EFSA (unless the issuer is declared bankrupt or the compulsory dissolution of an issuer is decided by a court, in which case the cover pool administrator is appointed immediately upon the making of the court ruling to declare the issuer bankrupt or decide on its compulsory dissolution).

Where urgent transactions need to be made to manage the covered bond portfolio, until the cover pool administrator is appointed, the administrator's rights and obligations are carried out by the cover pool monitor (other than in case the issuer is declared bankrupt or the compulsory dissolution of an issuer is decided by a court, in which case the cover pool administrator is appointed immediately upon the making of the court ruling to declare the issuer bankrupt or decide on its compulsory dissolution).

In the event of the appointment of a cover pool administrator, the right to manage and dispose of a covered bond portfolio shall transfer to such cover pool administrator. The cover pool administrator shall represent the issuer in the management and disposal of covered bond portfolios, including meeting the liabilities arising from covered bonds and from the derivative instruments entered in the cover register, in the acceptance of satisfaction of claims included in the cover pool, in the enforcement of mortgages and other rights of security, and in legal disputes.

The cover pool administrator must manage covered bond portfolio with the necessary diligence, considering its nature, and in a manner ensuring that the liabilities arising from covered bonds and from the derivative instruments entered in the cover register are met in the best possible way. To this end, the cover pool administrator has the right to transfer and encumber the cover pool, enter into derivative instruments at the expense of the cover pool, and perform other necessary operations. The cover pool administrator has the right to use the cover pool and the proceeds received from it to cover the expenses necessary for the management of covered bond portfolios.

Upon his or her appointment, the cover pool administrator shall promptly, but not later than within two weeks, ascertain whether the cover pool and proceeds received from it are sufficient to meet the issuer's liabilities arising from covered bonds and from the derivative instruments entered in the cover register and to pay the expenses of management of the covered bond portfolio. In the event that the covered bond portfolio appears to be insolvent, the cover pool administrator shall promptly notify the EFSA thereof.

In order to perform his or her duties, the cover pool administrator may use the assistance of the issuer's employees and the issuer's tools, compensating the issuer for the expenses entailed by their use. The issuer shall deliver the contracts and other documents related to covered bonds and the cover pool to the cover

pool administrator and shall provide the cover pool administrator with access to the information systems used for the management of covered bond portfolios.

In the management of covered bond portfolios, the cover pool administrator must observe the mandatory requirements concerning the management of covered bond portfolios and the satisfaction of claims, as established for issuers by the Credit Institutions Act and the ECBA, including the requirements for banking secrecy and for processing of personal data imposed on credit institutions.

Assignment and acquisition of claims for formation of cover pool

Under the ECBA, a credit institution shall have the right to assign its claim against a debtor for the formation of the cover pool of covered bonds to a credit institution of an EEA country or to a special purpose entity located in an EEA country that has been established for the formation of the cover pool of covered bonds. The provisions of the Law of Obligations Act shall apply to the assignment of a claim, transfer of a collateral and an accessory obligation related to a collateral securing a claim with the specifications provided for in the ECBA.

Assignment of a claim for the purpose of forming the cover pool of covered bonds shall not require the consent of the debtor. If the debtor performs their obligation to the credit institution that assigned the claim, the credit institution that assigned the claim shall ensure that the proceeds received as a result of the performance of the obligation are separated from the other assets of the credit institution that assigned the claim and immediately deliver the proceeds received as a result of the performance of the obligation to the new creditor.

The assets delivered to the new creditor as described above shall not be part of the assets of the credit institution that assigned the claim in the bankruptcy proceedings, liquidation proceedings, enforcement proceedings or resolution proceedings of the credit institution that assigned the claim and a moratorium shall not extend to them. If the credit institution that assigned the claim has not delivered to the new creditor the proceeds received as a result of the performance of the obligation as described above before the declaration of bankruptcy or a moratorium, entry into force of a court ruling providing for compulsory dissolution, adoption of a decision on voluntary dissolution, introduction of resolution tools or commencement of enforcement proceedings in respect of the credit institution, such assets shall not be part of the assets of the credit institution that assigned the claim in its bankruptcy proceedings, liquidation proceedings, resolution proceedings or enforcement proceedings and a moratorium shall not extend to them. The credit institution that assigned the claim is required to notify the debtor of the assignment of the claim. The debtor may be notified of the assignment of a claim, publishing the information on the website of the credit institution that assigned the claim and on the website of the credit institution or the special purpose entity that acquired the claim or in at least one daily national newspaper. The debtor may be notified of the assignment of a claim before or after the assignment of the claim, but this must be done no later than before the declaration of bankruptcy or a moratorium, introduction of resolution tools, entry into force of a court ruling providing for compulsory dissolution or adoption of a decision on voluntary dissolution in respect of the credit institution that assigned the claim.

Information published about the assignment of a claim for the purpose of forming the cover pool of covered bonds shall include:

- the name and registry code of the person who acquired the claim;
- the name of the credit institution that assigned the claim;
- information that enables the identification of assigned claims without publishing the data of single debtors and the third parties concerned; and
- information about how the assignment of the claim affects the rights and obligations of the debtors and the third parties concerned.

The credit institution that assigned a claim must also simultaneously submit the information specified in above to the Financial Supervision Authority. The Financial Supervision Authority may publish the submitted information on its website.

After the assignment of a claim to a new creditor, a debtor, who is a consumer, or a third party concerned shall have all the rights arising from the laws and regulations governing consumer protection in their home country, taking into account the specifications provided for in the ECBA.

If a credit institution assigns a claim for the purpose of forming the cover pool, the right to exercise in respect of the claim the rights arising from a present or future enforcement instrument shall transfer to the acquirer of the claim:

- as of the assignment of the claim assigned for the purpose of forming the cover pool if no entry must be made in a public register for the transfer of the collateral securing the claim assigned for the purpose of forming the cover pool; or

- after an entry has been made in a public register if an entry must be made in a public register for the transfer of the collateral securing the claim assigned for the purpose of forming the cover pool.

Additionally, a debtor or a third party concerned shall not set off their claims related to the cover pool, which have not fallen due before the events provided for in the ECBA, as of the time when the debtor or the third party concerned became or had to become aware of:

- the entry of a claim serving as a cover asset of a covered bond in the cover register; or

- the assignment of a claim to a new creditor for the purpose of forming the cover pool of covered bonds as described above if the claim assigned for the purpose of forming the cover pool of covered bonds has been included in the cover pool of covered bonds by the new creditor.

Enforcement proceedings concerning cover pools

A cover pool can be made subject to a claim for payment, seized or be made subject to a restraint on disposition only for the purpose of performance of the obligations that arise from covered bonds and from derivative instruments related to covered bonds. Under the ECBA, a claim assigned by a credit institution to a new creditor for the purpose of forming the cover pool can only be made subject to a claim for payment, seized or be made subject to a restraint on disposition if the claim has not been included in the cover pool of covered bonds by the new creditor. A claim for payment, seizure or restraint on disposition can be imposed only on the cover pool as a whole and only for the amount of the claim raised by a creditor of the covered bond portfolio. The issuer or the cover pool administrator shall keep accounts and records of claims for payment, seizures and restraints on disposition.

The imposition of a claim for payment, seizure or other restraint on disposition on a cover asset or cover pool for reasons not related to covered bonds does not result in the revocation of the additional authorisation or the appointment of a cover pool administrator if the issuer meets all the other requirements arising from the ECBA and there are no other grounds for revoking the additional authorisation or for appointing a cover pool administrator. If, in the aforementioned case, the value of the cover pool would fall below the statutory level, the issuer shall immediately replace the cover asset that is subject to a claim for payment, seizure or restraint on disposition with another cover asset of the same value.

Transfer of a covered bond portfolio in its entirety

In the event that the covered bond portfolio is separated from the issuer, the cover pool administrator may, upon the permission of the EFSA, transfer the separated covered bond portfolio in its entirety to another Estonian credit institution that has obtained the additional authorisation to issue covered bonds or to a credit institution of a Contracting State of the EEA Agreement which is permitted to issue, in the country where it is established, covered bonds meeting the conditions provided for in Directive (EU) No. 2019/2162 of the European Parliament and of the Council. Upon such transfer, all rights and obligations related to the covered bond portfolio being transferred, including responsibility for the obligations arising before the transfer of the rights and obligations, shall be transferred to the acquirer. The proceeds received from the transfer of the covered bond portfolio in its entirety shall be used to cover the expenses of management of the covered bond portfolio. The funds remaining after all expenses are covered shall be included by the cover pool administrator in the issuer's bankruptcy estate or other assets. If any payment is made in respect of the claims included in the cover pool to the issuer after the transfer of the covered bond portfolio, such payment is deemed to be made in favour of the covered bond portfolio and accordingly the issuer shall immediately transfer the relevant amount to the acquirer.

In the event that a covered bond portfolio is transferred in its entirety, the transfer of the rights and obligations included in the covered bond portfolio shall not require the consent of the holders of covered bonds, other parties to contracts, creditors or other interested parties. The acquirer is obliged to, within a reasonable time after the acquisition of the covered bond portfolio, inform the holders of the covered bonds, debtors of the claims constituting the cover pool, the counterparties to derivative instruments related to the cover pool and the third parties concerned of all the circumstances necessary for the exercise and performance of the respective rights and obligations.

A covered bond portfolio may be transferred in its entirety to another Estonian credit institution that has obtained the additional authorisation to issue covered bonds if both the following conditions are met:

- the acquirer meets all the requirements established for issuers by the Credit Institutions Act, the ECBA and other legislation and has not breached these requirements repeatedly or materially during the last 5 years; and

- the acquirer has the capacity to ensure the existence of sufficient internal capital within the meaning of the Estonian Credit Institutions Act to cover all risks arising from the acquisition of the covered bond portfolio that are not subject to own funds requirements.

A covered bond portfolio may be transferred in its entirety to an acquirer being a credit institution established in another Contracting State of the EEA Agreement if all of the following conditions are met:

- the acquirer meets all the requirements imposed on credit institutions and issuers of covered bonds by the law of the country where the acquirer is established, and the acquirer has not breached these requirements repeatedly or materially during the last 5 years;

- the law of the country where the acquirer is established guarantees the coverage of the covered bonds included in the covered bond portfolio to be transferred and of the related derivative instruments entered in the cover register, as well as the rights of the holders of the covered bonds and of the counterparties to the derivative instruments entered in the cover register at a level that is at least equivalent to that guaranteed by Estonian law;

- the law of the country where the acquirer is established guarantees the rights of the debtors of the claims standing as security for the covered bonds at a level that is at least equivalent to that guaranteed by Estonian law, and the transfer will not render the performance of the obligations more expensive or difficult for the debtor of any such claim;

- the law of the country where the acquirer is established allows the acquirer to acquire the covered bond portfolio; and

- the acquirer has all the necessary authorisations and approvals for the acquisition of the covered bond portfolio that are required for the transaction according to the law of the country where the acquirer is established.

In order to obtain permission for the transfer of a covered bond portfolio, the acquirer shall, not later than on the 20th day after the conclusion of the contract for the transfer of the covered bond portfolio in its entirety, submit to the EFSA a written application and the supplementary documents and information required under the ECBA.

The EFSA may refuse to grant permission for the transfer of a covered bond portfolio if:

- the above described requirements for the acquirer of a covered bond portfolio are not met; or

- there are other circumstances damaging to the legitimate interests of the holders of covered bonds and of the counterparties to the derivative instruments entered in the cover register.

Insolvency of a separated covered bond portfolio

A separated covered bond portfolio is insolvent if one of the following circumstances occurs:

- it is not possible to satisfy the legitimate claim of at least one holder of covered bonds or counterparty to a derivative instrument entered in the cover register at the expense of the cover

pool or the proceeds received from it, and this impossibility is not temporary due to the economic situation of the covered bond portfolio; or

- the present value of the cover pool does not cover the present value of the liabilities arising from covered bonds and from the derivative instruments entered in the cover register and the expenses of management of the covered bond portfolio.

The provisions of the Bankruptcy Act concerning a bankrupt debtor and their bankruptcy proceedings shall apply to an insolvent separated covered bond portfolio, subject to the specification provided in the ECBA.

Only the EFSA has the right to file a bankruptcy petition in respect of a separated covered bond portfolio. Upon the submission of a bankruptcy petition by the EFSA, the court will review the bankruptcy petition promptly but not later than on the following business day and decide on the declaration of bankruptcy on the basis of evidence annexed to the bankruptcy petition. On the basis of the bankruptcy ruling, the covered bond portfolio concerned shall become a separate bankruptcy estate of the issuer.

In the bankruptcy proceedings of a separated covered bond portfolio only the holders of covered bonds, the counterparties to the derivative instruments entered in the cover register who have a claim arising from failure to perform an obligation in accordance section 48 of the Estonian Bankruptcy Act, and other persons whose claims may be satisfied at the expense of the cover pool or proceeds received from it according to law, can be creditors in bankruptcy proceedings concerning a covered bond portfolio. Claims arising from derivative instruments and covered bonds shall have the same ranking and shall be satisfied before the claims of other creditors.

Upon the bankruptcy of a covered bond portfolio, the court shall appoint the bankruptcy trustee for the covered bond portfolio on the basis of the proposal of the EFSA. In addition to the general duties, rights and obligations the bankruptcy trustee has under the Estonian Bankruptcy Act, the bankruptcy trustee shall:

- submit to the EFSA, without delay, the information requested by the latter and allow the EFSA to examine the documentation related to the bankruptcy proceedings concerning the covered bond portfolio; and

- if necessary, or if so prescribed by the legislation of the other Contracting State of the EEA Agreement, notify the registrar of the commercial register, land register or other relevant register of the Contracting State of the EEA Agreement where a cover asset is located about the bankruptcy ruling concerning the covered bond portfolio.

In addition to the appointment of a bankruptcy trustee, a bankruptcy committee shall be formed for the insolvent covered bond portfolio. The bankruptcy committee shall have five members, three of which shall be appointed by the EFSA.

In the event that a claim included in the cover pool of the bankrupt covered bond portfolio is satisfied with respect to the issuer, such satisfaction shall be deemed to be satisfaction in favour of the bankruptcy estate of the covered bond portfolio in bankruptcy proceedings. The issuer or its bankruptcy trustee shall transfer the proceeds of the satisfaction immediately to the bankruptcy trustee of the covered bond portfolio.

Bankruptcy proceedings concerning a covered bond portfolio may not be terminated by a compromise, (which is a special court-supervised proceeding generally available under the Estonian Bankruptcy Act, allowing termination of bankruptcy proceedings upon reaching a settlement agreement approved by a majority of the creditors whose claims form at least two-thirds of the total amount of all defended claims in the bankruptcy proceedings). To the extent that it is not possible to satisfy claims arising from covered bonds and from the derivative instruments entered in the cover register in the bankruptcy proceedings concerning the covered bond portfolio, a creditor shall have the right to file claims against the issuer in the general procedure, including in bankruptcy proceedings.

Liquidation of a separated covered bond portfolio

A separated covered bond portfolio shall be liquidated once all the liabilities arising from covered bonds and from the derivative instruments entered in the cover register are met. Within 20 business days from the date of meeting all the liabilities arising from covered bonds and from the derivative instruments entered in the cover register, the cover pool administrator is obliged to submit to the EFSA the last reports required by the ECBA, disclose all information required under the ECBA and publish a notice regarding the

liquidation of the covered bond portfolio in the Estonian Official Gazette (in Estonian: *Ametlikud Teadaanded*). After the fulfilment of the above listed obligations by the cover pool administrator, the EFSA shall within 10 business days file a petition for release of the administrator from office with a court.

From the date of entry into force of the court ruling on the release of the cover pool administrator from office, the provisions of the ECBA shall no longer apply to the portion of the cover pool that remains after the liabilities arising from covered bonds and from the derivative instruments entered in the cover register are met and the expenses of management of the covered bond portfolio are paid. The person whose term of office as the cover pool administrator has ended shall, insofar as possible, assist in the inclusion of the assets referred to in the first sentence of this subsection in the issuer's bankruptcy estate or other assets.

Disclosure of information relating to covered bonds

The ECBA requires an issuer of covered bonds to disclose information about covered bond portfolios once a quarter. Information about the first three quarters of a year shall be disclosed within 20 days of the end of the respective quarter. Information about the fourth quarter shall be disclosed within two months of the end of the quarter. The disclosed information must be available on the issuer's website for at least the last five years.

Under the ECBA, the following information must be disclosed:

(i) the nominal value of outstanding covered bonds and of the cover pool;

(ii) a list of all covered bonds under that covered bond programme with the International Securities Identification Numbers (ISINs), if any;

(iii) the maturity structure of the covered bonds and the cover pool;

(iv) the geographical distribution of the value of cover assets, at least to the accuracy of the country, based on the location of the property standing as security for a mortgage credit or commercial mortgage credit, and the location of the debtor or issuer in the case of other cover assets;

(v) the type of property included in the cover pool, the total size and valuation method of the loans included in the cover pool;

(vi) the distribution of substitute cover assets, in terms of their value, between the different types of eligible substitute cover assets;

(vii) the level of the liquidity buffer and information about the ratio between the total liquidity buffer and the payment obligations of the next 180 days;

(viii) the percentage of the amount of substitute cover assets, which have been in default for over 90 days or which the issuer estimates to be doubtful, in the cover pool;

(ix) details in relation to market risk, including interest rate risk and currency risk, and credit and liquidity risks;

(x) a list of the conditions suspending the maturity of a payment obligation;

(xi) the amount of the main collateral, mandatory overcollateral and voluntary overcollateral;

(xii) information about counterparties of derivative contracts; and

(xiii) the methodology for calculating the ratio between credit and the value of the property standing as security for the credit.

(xiv) In addition, the percentage of the amount of mortgage-backed credits, which have been in default for over 90 days or which the issuer estimates to be doubtful, in the cover pool, shall be disclosed regarding the primary cover assets for mortgage-covered bonds.

Cover Pool Monitor Agreement

Under the terms of a Cover Pool Monitor Agreement entered into on 7 November 2019 (the "**Cover Pool Monitor Agreement**") between the Issuer and KPMG Baltics OÜ as the asset monitor (the "**Cover Pool Monitor**"), with the flexibility to change the asset monitor during subsequent audit periods. The Cover Pool Monitor has agreed, subject to receiving access to all relevant information, to act as cover pool monitor (as defined in the ECBA) and to conduct tests in relation to, *inter alia*: (1) compliance of stress testing of the Covered Bond Portfolio and any changes introduced to the Covered Bond Portfolio as a result of stress testing with requirements; (2) the existence of a sufficient Cover Pool and its compliance with the requirements of the ECBA; (3) compliance of the maintenance of the cover register with the requirements of the ECBA; (4) compliance of the valuation of immovable properties encumbered with a mortgage securing credit and included in the cover pool with the requirements of the ECBA; (5) compliance of the Issuer's risk management and reporting obligation within the requirements of the ECBA; and (6) compliance by the Issuer of the Terms and Conditions of any Covered Bonds within the requirements of the ECBA.

Pursuant to the Cover Pool Monitor Agreement, the Cover Pool Monitor will perform independent assurance services to ensure the requirements of the ECBA are fulfilled insofar as they relates to the Cover Pool Monitor. The purpose of the assurance engagement is to provide assurance as to whether the activities of the Issuer comply with the requirements of the ECBA. The Cover Pool Monitor's audit will be conducted as a limited assurance engagement within the meaning of the Auditors Activities Act. According to the ECBA, the Cover Pool Monitor must be appointed for at least one year. Under the current Cover Pool Monitor Agreement, the duties and authorisation of KPMG Baltics OÜ as the Cover Pool Monitor have been stipulated without a term. The Issuer is obliged to notify the Financial Supervision Authority of the intention to appoint a monitor by submitting the information and documents specified in clause 4 of the ECBA to the Financial Supervision Authority at least ten days before the relevant decision is made. Should the Cover Pool Monitor decide to resign its position, the Cover Pool Monitor shall notify the Issuer and the Financial Supervision Authority thereof at least 30 days in advance. Upon the removal of the Cover Pool Monitor by the Issuer, the Issuer shall notify the Financial Supervision Authority of the planned removal ten days before the relevant decision is made, unless prior notification is not possible for good reason.

The Cover Pool Monitor Agreement is governed by Estonian law.

EU BENCHMARKS REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain benchmarks.

Details of the administrators of such benchmarks, including details of whether or not, as at the date of this Base Prospectus, each such administrator's name appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of the EU Benchmarks Regulation (the "**ESMA Benchmarks Register**") are set out below.

Benchmark	Administrator	Administrator appears on ESMA Benchmarks Register?
CIBOR	Danish Financial Benchmark Facility ApS	Yes
NIBOR	Norske Finansielle Referanser AS	Yes
STIBOR	Swedish Financial Benchmark Facility	Yes
EURIBOR	European Money Markets Institute	Yes

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Taxation of interest in Estonia

Estonian Resident Noteholders

Pursuant to Article 17(1) of the Estonian Income Tax Act of 1999 (*tulumaksuseadus*), as amended (the "**EITA**"), income tax at the rate of 22 per cent. is charged on all interest received by natural persons who are resident in Estonia. Income tax payable in respect of interest payments to be made to Estonian residents is to be withheld by the Issuer. The Issuer will not withhold income tax if the Estonian resident Noteholder, who is a natural person, has notified the Issuer that the interest was received on financial assets acquired for money held in an investment account as specified in Article 17 of the EITA.

Interest income earned by resident legal entities is not subject to income tax. Such income is included in their profits and taxed upon distribution of profit pursuant to the respective procedures.

For the avoidance of doubt, the Security Tax Act of Estonia (the "**Security Tax Act**"), adopted in late 2024, which would have imposed an additional 2 per cent. tax on natural persons' taxable income from 2026 until the end of 2028, and 2 per cent. profit tax on unconsolidated accounting profits before tax for companies, applicable from 2026 to 2028, was repealed by the Estonian Parliament in late 2025 before it entered into force.

Non-resident Noteholders

The Issuer does not withhold any income tax on interest payments to non-residents (i.e. non-resident legal or natural persons).

The income earned by non-resident Noteholders is not subject to taxation in Estonia but may be subject to taxation in their country of residence.

Definitive Notes

Noteholders should be aware that, if Definitive Notes are issued, holders of any Definitive Notes that are not held through Euroclear or Clearstream, Luxembourg, who are natural persons, will be required to present evidence of non-Estonian residency or other evidence as required by the Issuer, to the relevant Paying Agent, in order to receive payments of interest free of Estonian withholding tax (which, as at the date of this Base Prospectus, is charged at a rate of 22 per cent.

Taxation of capital gains in Estonia

Estonian Resident Noteholders

The income earned by resident individuals from the sale or exchange of Notes is taxed as capital gain from the transfer of property which is subject to income tax at the rate of 22 per cent. A Noteholder has to declare the gain and pay the income tax.

Pursuant to Article 37(1) of the EITA, a resident individual has the right to deduct certified expenses directly related to the sale or exchange of Notes from the resident's gain or to add such expenses to the resident's loss. The gain or loss derived from the transfer of Notes is the difference between the acquisition cost and the sale price of the Notes. The gains or loss derived from the exchange of Notes is the difference between the acquisition cost of the Notes and the market price of the property received as a result of the exchange.

Individual Noteholders may postpone the taxation of their income derived from the sale or exchange of the Notes, by using an investment account specified in Article 17^2 of the EITA for the purposes of making transactions with the Notes and depositing the proceeds from the transfer of Notes in the investment account. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e. the amount withdrawn from the account exceeds the amount which had been previously paid into the account).

Gains received by resident legal entities from the sale of Notes is not subject to corporate income tax. Such gain is included in their profits and taxed upon distribution of profits pursuant to relevant procedures.

The Security Tax Act, adopted in late 2024, which would have imposed an additional 2 per cent. tax on natural persons' taxable income from 2026 until the end of 2028, and 2 per cent. profit tax on unconsolidated accounting profits before tax for companied, applicable from 2026 to 2028, was repealed by the Estonian Parliament in late 2025 before it entered into force.

Non-resident Noteholders

Gains received from the sale or exchange of Notes is not subject to income tax in Estonia by non-resident Noteholders (i.e. non-resident legal persons who do not have a registered permanent establishment in Estonia, and/or natural persons).

The income earned by non-resident Noteholders may be subject to taxation in their country of residence.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions including the Republic of Estonia have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date of publication of final regulations defining the term "**foreign passthru payment**"

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Citibank Europe plc, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, DNB Carnegie Investment Bank AB (publ), Erste Group Bank AG, J.P. Morgan SE, Nordea Bank Abp, Landesbank Baden-Württemberg, Luminor Bank AS, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian Branch, Morgan Stanley Europe SE and UniCredit Bank GmbH (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 8 May 2026 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "**Non-Syndicated**" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms or Drawdown Prospectus, as the case may be. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "**Syndicated**", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms or Drawdown Prospectus, as the case may be. Each new Dealer so appointed will be required to represent, warrant and undertake to the following selling restrictions as part of its appointment.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Notes under or pursuant to the Dealer Agreement prior to the closing of the issue of such Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Notes. In this situation, the issuance of such Notes may not be completed. Investors will have no rights against the Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus) in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or

(ii) a customer within the meaning of Regulation (EU) No. 2016/97 the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes incudes a legend entitled "Prohibition of Sales to UK Retail Investors", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus) to any retail investor in the United Kingdom.

For the purposes of this provision the expression "retail investor" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant, and agree, that:

(a) No deposit-taking: in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

A. whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

B. who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) Financial promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer; and

(c) General compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

Republic of Italy

The offering of Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Dealers have represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that, it has not offered, sold or delivered, and will not offer, sell or deliver, any Notes nor distribute any copies of the Base Prospectus, any Final Terms or any other document relating to Notes, in the Republic of Italy except:

(a) to qualified investors (*investitori qualificati*), as defined in Article 2 of the EU Prospectus Regulation; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to EU Prospectus Regulation, Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and CONSOB Regulation No. 11971 of 14 May 1999, each as amended from time to time.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus, any Final Terms or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (the "**Consolidated Banking Act**") (in each case, as amended from time to time) and any other applicable laws and regulations; and

(b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) or any other competent authority.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than

(i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

Each Dealer has represented, warranted and agreed that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Neither the Issuer or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

1. The update of the Programme was authorised by the Supervisory Council of the Issuer on 31 March 2020, 26 October 2020 and 25 April 2022. 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 relating to them.

Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its subsidiaries.

Significant/Material Change

3. Since the balance sheet date of the latest consolidated audited financial statements of the Issuer incorporated by reference in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer or the Issuer and its subsidiaries. Since the balance sheet date of the latest consolidated financial statements of the Issuer incorporated by reference in this Base Prospectus, there has been no significant change in the financial position or performance of the Issuer or the Issuer and its subsidiaries.

Auditors

4. AS PricewaterhouseCoopers has audited the 2025 Financial Statements and the 2024 Financial Statements (incorporated into this Base Prospectus by reference) and issued unqualified auditor's reports from the audit thereof on 24 March 2026 and on 21 March 2025, respectively.

   AS PricewaterhouseCoopers is a member of the Estonian Auditors Association.

Listing Agent

5. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the EU Prospectus Regulation.

Documents on Display

6. Copies of the following documents (together with English translations thereof, where applicable) may be inspected by Noteholders during normal business hours at the offices of Luminor Bank AS at Liivalaia 45, 10145, Tallinn, Estonia or at www.luminor.ee, on prior written request and provision of proof of holding and identity (in a form satisfactory to the Issuer) for 12 months from the date of this Base Prospectus:

   (a) the articles of association and trade register extract of the Issuer;

   (b) the Annual Report 2025 and the Annual Report 2024;

   (c) the Agency Agreement;

   (d) the Deed of Covenant;

   (e) the Programme Manual (which contains the forms of the Notes in global and definitive form);

   (f) the Issuer-ICSDs Agreement;

   (g) each Final Terms (save that Final Terms relating to an unlisted Note will only be available for inspection by a holder of such Note);

(h) any Drawdown Prospectus;

(i) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and

(j) any other documents incorporated herein by reference.

This Base Prospectus and the Final Terms in relation to Notes listed on the Euronext Dublin will be available, in electronic format, on the website of Euronext Dublin at https://live.euronext.com/en/product/bonds-detail/24412/documents.

For the avoidance of doubt, unless specifically incorporated by reference to this Base Prospectus, information on any website referenced above does not form part of this Base Prospectus.

Material Contracts

7. No contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuer that are, or may be, material or contain provisions under which the Issuer or any of its subsidiaries has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

Clearing of the Notes

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Issue Price and Yield

9. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer in consultation with the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the relevant Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the relevant Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Dealers transacting with the Issuer

10. Certain of the Dealers and/or their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates may have a lending relationship with the Issuer and may, in such cases, routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes and Covered Bonds issued under the Programme. The Dealers and their

affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. J.P. Morgan has advised the Braavos Consortium with respect to the acquisition of the majority ownership in the Issuer.

The Legal Entity Identifier

11. The Legal Entity Identifier (LEI) code of the Issuer is 213800JD2L89GGG7LF07.

Issuer Website

12. The Issuer's website is www.luminor.ee. Unless specifically incorporated by reference to this Base Prospectus, information contained on the website does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

Validity of prospectus and prospectus supplements

13. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12 month validity period.

REGISTERED OFFICE OF THE ISSUER

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10145
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Estonia

DEALERS

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Germany

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

DNB Carnegie Investment Bank AB (publ)
56 Regeringsgatan
103 38 Stockholm
Sweden

Erste Group Bank AG
Am Belvedere 1
1100 Vienna
Austria

J.P. Morgan SE
Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

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Am Hauptbahnhof 2
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Arabellastrasse 12
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FISCAL AND PAYING AGENT

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Canary Wharf
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United Kingdom

REGISTRAR

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Ireland

LEGAL ADVISERS

To the Issuer

as to English law:

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London E14 5JJ
United Kingdom

as to Estonian law:

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To the Dealers as to English law:

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