BANQUE ET CAISSE D'EPARGNE DE L'ETAT, LUXEMBOURG

€7,500,000,000
Luxembourg Mortgage Covered Bond Programme

Under this €7,500,000,000 Luxembourg Mortgage Covered Bond Programme (the "**Programme**"), Banque et Caisse d'Epargne de l'Etat, Luxembourg (the "**Issuer**") may from time to time issue European covered bonds (premium) (*obligations garanties européennes (de qualité supérieure)*) in accordance with the Luxembourg law of 8 December 2021 relating to the issue of covered bonds, as amended from time to time (the "**Covered Bonds Act**") ("**Covered Bonds**") denominated in Euro.

Covered Bonds will be issued in bearer form. The Covered Bonds of each Tranche will initially be represented by a temporary global Covered Bond which will be deposited on the issue date thereof with LuxCSD, *société anonyme* ("**LuxCSD**"), which will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Covered Bond or Covered Bonds in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Covered Bond will be exchangeable for definitive Covered Bonds, either upon request or in certain limited circumstances, all as further described in "*Form of the Covered Bonds*" below. The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed EUR7,500,000,000.

The Covered Bonds may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme — Dealers*" below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Covered Bonds.

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the CSSF in accordance with Article 6(4) of the Luxembourg act dated 16 July 2019 on prospectuses for securities, as amended (the "**Luxembourg Prospectus Act**") should not be considered as an endorsement of the Issuer or the solvency of the Issuer or economic and financial soundness or the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. Unless otherwise specified herein, references in this Base Prospectus to Covered Bonds being "**listed**" (and all related references) shall mean that such Covered Bonds are intended to be admitted to trading on the Luxembourg Stock Exchange's regulated market and are intended to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of 2014/65/EU, as amended ("**MiFID II**").

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Covered Bonds which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") and will expire on 6 July 2027. 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.

Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and certain other information which is applicable to each Tranche (as defined under the Terms and Conditions of the Covered Bonds (the "**Conditions**")) of Covered Bonds will be set forth in a Final Terms document ("**Final Terms**") which, with respect to Covered Bonds to be listed on the Official List of the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of the Base Prospectus and of Final Terms in relation to Covered Bonds to be listed on the Official List of the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

The Programme provides that Covered Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue Covered Bonds which are not listed or admitted to trading on any market.

As of the date of this Base Prospectus, the Issuer's long-term credit rating for senior debt obligations is Aa3 by Moody's France SAS ("**Moody's France**"), AA+ by S&P Global Ratings Europe Limited (Ireland) ("**Standard & Poor's**") and AA by Scope Ratings ("**Scope**"). The Issuer's short-term credit rating for senior debt obligations is P-1 (Moody's France), A-1+ (Standard & Poor's) and S-1+ (Scope). The Covered Bonds issued under the Programme are expected to be assigned a rating by Moody's Deutschland GmbH ("**Moody's**"). Each of Moody's France, Moody's, Standard & Poor's and Scope is established in the EEA and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Moody's France, Moody's, Standard & Poor's and Scope is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (on http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with such Regulation. The ratings issued by Moody's in respect of Covered Bonds issued under the Programme are expected to be endorsed by Moody's Investors Service Limited in accordance with the CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**"). Moody's Investors Service Limited is established in the United Kingdom and is registered under the UK CRA Regulation. As such, the ratings issued by Moody's Investors Service Limited may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation. 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 Moody's as endorsed by Moody's Investors Service Limited. The Issuer may also issue Covered Bonds which are unrated. Details of the rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation or the UK CRA Regulation will be disclosed in the Final Terms.

The Issuer may agree with any Dealer that Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds herein, in which event a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States, and the Issuer has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the Covered Bonds may not be offered or sold except outside the United States to non-U.S. persons in an offshore transaction in reliance on Regulation S under the Securities Act ("**Regulation S**") and applicable securities regulations in each jurisdiction in which the Covered Bonds are offered.

Amounts payable on certain Covered Bonds may be calculated by reference to one of EURIBOR or €STR as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of EURIBOR is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**"). As at the date of this Base Prospectus, the administrator of €STR is not included in ESMA's register of administrators under Article 36 of the EU Benchmarks Regulation. As far as the Issuer is aware, €STR does not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that Regulation.

The date of this Base Prospectus is 6 July 2026.

Arranger

Belfius Bank NV/SA

Dealers

Banque et Caisse d'Epargne de l'Etat, Luxembourg

Belfius Bank NV/SA

Deutsche Bank

LBBW

Natixis

This document constitutes a base prospectus (the "**Base Prospectus**") for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus including the Final Terms relating to each Tranche of Covered Bonds issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus does not omit anything likely to affect the import of such information. Any information sourced from third parties contained in this Base Prospectus has been accurately reproduced (and is clearly sourced where it appears in the document) 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.

Copies of Final Terms relating to Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market will be available on the website of the Luxembourg Stock Exchange at www.luxse.com and from the registered office of the Issuer and the Paying Agent (as defined below) in Luxembourg.

This Base Prospectus is to be read in conjunction with any supplements thereto, all information which is incorporated herein by reference (see "*Documents Incorporated by Reference*" below) and any Final Terms. This Base Prospectus shall be read and construed on the basis that such information is incorporated by reference into and forms part of this Base Prospectus. Other than in relation to the information which is deemed to be incorporated by reference and any Final Terms, the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Arranger as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Covered Bonds or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

No person is or has been authorised by the Issuer, the Dealers or the Arranger to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, any of the Dealers or the Arranger that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer by or on behalf of the Issuer, any of the Dealers or the Arranger to any person to subscribe for or to purchase any Covered Bonds.

Covered Bonds issued as Green Bonds

None of the Arranger, Dealers, nor any of their respective affiliates accepts any responsibility for any environmental or sustainability assessment of any Covered Bonds issued as green bonds (**Green Bonds**) or makes any representation or warranty or gives any assurance as to whether such Covered Bonds will meet any investor expectations or requirements regarding such "green", "environmental", "sustainability", "social" or similar labels. None of the Arranger, Dealers, nor any of their respective affiliates have undertaken, nor are they responsible for, any assessment of the Green Projects (as defined in the "In respect of any Covered Bond issued with a specific use of proceeds, such as a ‘Green Covered Bond’, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor" Risk Factor of this Base Prospectus), any verification of whether the Green Projects meet any eligibility criteria set out in the Issuer's Green Bond Framework published on 11 February 2025 (as amended or supplemented from time to time) (the "**Green Bond Framework**"), nor are they responsible for the use of proceeds (or amounts equal thereto) for any Covered Bonds issued as Green Bonds, nor the impact or monitoring of such use of proceeds or the allocation of the proceeds to particular Green Projects, nor do any of the Arranger or the Dealers undertake to ensure that there are at any time sufficient Green Projects to allow for such use of proceeds or the allocation of a sum equal to the proceeds of the issue of such Green Bonds in full. The Green Bond Framework is available on the Issuer's website (https://www.spuerkeess.lu/en/about-us/publications) but, for the avoidance of doubt, is not incorporated by reference into this Base Prospectus. None of the Arranger, the Dealers, nor any of their respective affiliates make any representation as to the suitability or content of such materials.

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold 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 either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET – The Final Terms in respect of any Covered Bonds will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Covered Bonds may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a distributor) should take into consideration the 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 Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, 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.

SINGAPORE SFA PRODUCT CLASSIFICATION: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Covered Bonds, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Covered Bonds are 'capital markets products other than prescribed capital markets products' (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

In connection with the issue of any Tranche of Covered Bonds, one or more relevant Dealers acting as stabilising manager (each a Stabilising Manager) may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds 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 Covered Bonds 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 Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Arranger expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the documents deemed incorporated by reference herein when deciding whether or not to purchase any Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States, and the Issuer has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the Covered Bonds may not be offered or sold except outside the United States to non-U.S. persons in an offshore transaction in reliance on Regulation S under the Securities Act ("**Regulation S**") and applicable securities regulations in each jurisdiction in which the Covered Bonds are offered. In the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000.

The distribution of this Base Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. None of the Issuer, the Dealers and the Arranger represents that this document may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Arranger which would permit a public offering of any Covered Bonds outside Luxembourg or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Covered Bonds come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of

Covered Bonds in the United States, the European Economic Area, the United Kingdom, Japan, Singapore and Switzerland (see "*Subscription and Sale*" below).

Neither the Arranger, 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. None of the Arranger or the Dealers have conducted any due diligence in relation to the Issuer and/or the dedicated pool of assets maintained by the Issuer (the "**Cover Pools**" and each a "**Cover Pool**") and have not prepared any report or statements (whether financial or otherwise) in relation to the Issuer and/or the Cover Pool. The contents of this Base Prospectus should not be construed as providing legal, business, accounting or tax advice by any party (including the Arranger and the Dealers) and each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Covered Bonds, no advisory or fiduciary duty is owed by the Issuer, Arranger or the Dealers in respect thereof. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Covered Bond 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 or trading position 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. None of the Arranger or the Dealers shall be responsible for, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Covered Bonds or any Transaction Documents, or any other agreement or document relating to the Covered Bonds or any Transaction Documents, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

The Covered Bonds of each Tranche will initially be represented by a temporary global Covered Bond in the form of a LuxCSD Bearer Global Note ("**LBN Form**") (a "**Temporary Global Covered Bond**") which will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Covered Bond in LBN Form (a "**Permanent Global Covered Bond**") or, in certain limited circumstances, Covered Bonds in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a Permanent Global Covered Bond either (i) is exchangeable (in whole but not in part) for definitive Covered Bonds upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Covered Bonds following the occurrence of an Exchange Event (as defined under "*Form of the Covered Bonds*"), all as further described in "*Form of the Covered Bonds*" below. Covered Bonds are subject to US tax law requirements and, subject to certain exceptions, may not be offered, resold or delivered within the United States to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder). See "*Subscription and Sale*" below.

The Covered Bonds have not approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful. The Covered Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the applicable securities laws of any state or any other jurisdiction of the United States pursuant to a registration statement or in reliance on an exemption from registration. See "*Subscription and Sale*". Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

All references in this document to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on European Union, as amended, those to "U.S. dollars", "U.S.$" and "$" refer to the lawful currency of the United States of America.

COVERED BONDS MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS

The Covered Bonds may not be a suitable investment for all investors and in making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Covered Bonds being offered, including the merits and risks involved.

Each potential investor in the Covered Bonds must, either on its own or with the help of its financial and other professional advisers, determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Covered Bonds, the merits and risks of investing in the relevant Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Covered Bonds and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;

(iv) understand thoroughly the terms of the relevant Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Covered Bonds are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

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GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Covered Bonds denominated in Euro, subject as set out herein. An overview of the terms and conditions of the Programme and the Covered Bonds is set out in "*Overview of the Programme*" below. The applicable terms of any Covered Bonds will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Covered Bonds and will be set out in the Terms and Conditions of the Covered Bonds endorsed on, attached to, or incorporated by reference into, the Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Covered Bond and definitive Covered Bond. Reference should be made to "*Form of the Covered Bonds*" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

This Base Prospectus and any supplement to this Base Prospectus will only be valid for listing Covered Bonds on the Official List of the Luxembourg Stock Exchange, or any other stock exchange in the European Economic Area, in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Covered Bonds previously or simultaneously issued under the Programme, does not exceed €7,500,000,000.

RISK FACTORS

This section describes the principal risk factors associated with an investment in the Covered Bonds.

Any investment in the Covered Bonds issued under the Programme will involve risks including those described in this section. All principal or material risks in relation to the Issuer and any investment in the Covered Bonds are included in this section. The risks and uncertainties described below are not the only ones that the Issuer may face. Additional risks and uncertainties that the Issuer is unaware of, or that they currently deem to be immaterial, may also become important risk factors that affect them.

The Issuer has described only those risks relating to its ability to fulfil its obligations under the Covered Bonds that it considers to be material. The Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may (individually or cumulatively) become material including as a result of the occurrence of events outside the Issuer's control. Investors should consider carefully whether an investment in the Covered Bonds is suitable for them in light of the information in this Base Prospectus and their particular circumstances.

A. RISKS RELATING TO THE ISSUER

1. The Issuer may not be able to refinance its borrowings on commercially reasonable terms or at all

The Issuer's lending is to a large extent made for longer durations than the Issuer's borrowings. Therefore, the Issuer is dependent on the ability to refinance borrowings upon maturity. Depending on overall market conditions, there is a risk that the Issuer will either be unable to refinance its borrowings or that it will be required to do so at a cost significantly higher than originally anticipated. In particular, geopolitical instability has resulted in considerable global political uncertainty. This instability and uncertainty caused increased volatility in financial markets and may make it difficult (or more expensive) for the Issuer to refinance its borrowings when required.

The Issuer is dependent on maintaining its credit ratings in order to be able to refinance its borrowings on commercially reasonable terms, as credit ratings affect the costs and other terms upon which the Issuer is able to obtain funding. Any factors having a negative impact on the Issuer, the cover pool (*masse de couverture*) (the "**Cover Pool**") or the BCEE Group, such as the deterioration of the residential property market in Luxembourg or a downturn in the international or domestic financial markets, may affect the credit rating of the Programme and/or any outstanding Covered Bonds. A credit rating downgrade will not in itself have any impact on the Issuer's ability to perform its obligations under the Covered Bonds, but could, increase the Issuer's borrowing costs, adversely affect the liquidity position of the Issuer, limit the Issuer's access to the capital markets, undermine confidence in (and the competitive position of) the Issuer, trigger obligations under certain bilateral terms in some of the Issuer's trading and collateralised financing contracts and/or limit the range of counterparties willing to enter into transactions with the Issuer. Any of these events may lead to difficulties for the Issuer in refinancing its borrowings on commercially reasonable terms or at all.

2. Default on mortgage loans may lead to the Issuer being unable to satisfy its obligations under the Covered Bonds

As of early 2025, Luxembourg's residential real estate market has shown signs of recovery following a period of price correction and reduced transaction volumes. Average asking prices have declined by approximately 5% year-on-year, with regional disparities persisting across the country. While government measures - such as reduced registration fees and extended tax credits - have supported market stabilization, the sector remains sensitive to macroeconomic fluctuations and borrower affordability.

This environment presents potential risks for investors in Covered Bonds. A decline in property values can erode the quality of the Cover Pool. In such cases, the value of the cover assets (*actifs de couverture*) (the "**Cover Assets**") may become insufficient, triggering the inclusion of additional Cover Assets to maintain compliance with regulatory requirements.

Moreover, reduced affordability - driven by elevated interest rates and tighter lending standards - may lead to higher default rates among mortgage borrowers. If defaults rise significantly, the cash flows generated by the Cover Pool could be impaired, potentially affecting the Issuer's ability to meet interest and principal payments on the Covered Bonds.

Furthermore, geopolitical factors may have a material adverse effect on the Luxembourg economy. Whilst the Issuer does not have any major direct exposure to acute crisis regions, there can be no assurance that such event or other geopolitical factors will not have a material adverse effect on the Luxembourg economy which may lead borrowers to be unable to meet their payment obligations on their loans, which in turn may adversely affect the Issuer's ability to perform its obligations under the Covered Bonds.

Default in respect of the Issuer's assets included in the Cover Pool could jeopardise the Issuer's ability to make payments on the Covered Bonds in full or on a timely basis. If a material amount of assets in the Cover Pool were to default, there is no guarantee that the required level of assets within the Cover Pool could be maintained or that the Issuer would be in a position to substitute non-defaulting assets for defaulting assets or add a sufficient amount of new assets to the Cover Pool. In addition, the removal of assets from the register of Cover Assets is subject to the prior approval of the special statutory auditor (*réviseur d'entreprise agréé spécial*) appointed by the Issuer.

If borrowers default on their mortgage loans, enforcement actions can be taken by the Issuer in order to realise the value of the collateral securing these mortgage loans. When collateral is enforced, a court order may be needed to establish the borrower's obligation to pay (if disputed by the borrower) and to enable a sale by executive measures. If, in the context of an enforcement action, the Issuer is not able to obtain the relevant court decision or the real estate market in Luxembourg substantially declines, there is a risk that the Issuer may not be able to recover the entire amount of the mortgage loan. Further, should the prices of real property and the housing market in Luxembourg decline substantially, the value of the Issuer's collateral for its mortgage loans will be adversely affected and may result in the Cover Pool not containing sufficient assets to meet all covered liabilities and/or comply with applicable overcollateralisation requirements. Any failure to recover the full amount of the Issuer's mortgage loans could jeopardise the Issuer's ability to perform its obligations under the Covered Bonds, which are backed by payments from the mortgage loans included in the Cover Pool.

3. Risks related to the macroeconomic, market and regulatory environments of the Issuer

Macroeconomic risk

Based on the strategic orientation of the Issuer with the business segments Retail and Corporate Banking, its offering of products and concentration on the core market Luxembourg, general economic developments in Luxembourg, in combination with developments on the European and international financial and capital markets are of great importance for the assets, liabilities, financial position and profit or loss of the Issuer. The profitability of the Issuer's businesses could, therefore, be adversely affected by a worsening of general economic conditions in its markets, as well as by foreign and domestic trading market conditions and/or related factors, including governmental policies and initiatives. An economic downturn or significantly higher interest rates could increase the risk that a greater number of the Issuer's customers default on their loans or other obligations to the Issuer, or refrain from seeking additional borrowing from the Issuer.

Competition

The Issuer faces increased competition from local and international banking and non-banking operations. While the Issuer believes it is positioned to compete effectively with these competitors, there can be no assurance that increased competition will not adversely affect the Issuer in one or more of the markets in which it operates.

Regulatory risk and increased regulation

The Issuer's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates. Current, together with future, regulatory developments, including changes to accounting standards and the amount of regulatory capital required to support the risk, could have an adverse effect impacting on how the Issuer conducts its business and on the results of its operations. The Issuer's business and earnings are also affected by fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments and international agencies. The nature and impact of future changes in such policies are not predictable and are beyond the Issuer's control.

Risk related to the creditworthiness and credit rating of the Issuer

One or more independent rating agencies may assign ratings to the Issuer. A rating assesses the creditworthiness of the Issuer and informs an investor therefore about the probability of the Issuer being able to redeem invested capital. The Issuer is generally exposed to the risk that ratings assigned to it by rating agencies may be downgraded. A rating is not a recommendation to buy, sell or hold Covered Bonds and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

If the ratings of the Issuer were to be downgraded, this might impair the Issuer's access to refinancing sources and/or cause refinancing costs to rise. Negative changes in the rating assigned to the Issuer may adversely affect the market price of the Covered Bonds and may have a negative impact on the value of the investment made by an investor.

4. Risks related to the Issuer's business activities

Counterparty risk

As a credit institution, the Issuer is exposed to the creditworthiness of its customers and counterparties. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and numerous other activities and relationships. These counterparties include institutional clients, brokers and dealers, commercial banks, investment banks and mutual funds. Many of these relationships expose the Issuer to credit risk in the event of default of a counterparty or client. In addition, the Issuer's credit risk may be exacerbated when the collateral it holds cannot be realised at, or is liquidated at prices not sufficient to recover, the full amount of the loan or derivative exposure it is due to cover, which could in turn affect the Issuer's ability to meet its payments under the Covered Bonds. Many of the hedging and other risk management strategies utilised by the Issuer also involve transactions with financial services counterparties. The risk of insolvency in relation to these counterparties may impair the effectiveness of the Issuer's hedging and other risk management strategies, which could in turn affect the Issuer's ability to meet its payments under the Covered Bonds.

There can be no assurance that the Issuer's methods and provisions on risk management for identifying, monitoring and controlling counterparty risk, including its policies on risk management, provisions on risk management, risk management procedures, valuation methods and financing principles, are sufficient in all individual cases and will always be sufficient and appropriate in the future. It cannot be ruled out that undetected, unforeseen and unavoidable counterparty risks or counterparty risks that were not identified in the past will arise and lead to loan losses which could have a negative effect on the net assets, financial and income position of the Issuer and could limit its ability to make payments under the Covered Bonds (it being understood that the Covered Bondholders benefit from a privileged claim over the Cover Assets, which is not the case for ordinary creditors of the Issuer).

Operational risk

Operational risk – including IT and cyber risk – refers to possible losses caused by personal misconduct, weaknesses in process management, technical failure or negative outside influences. Personal misconduct also includes unlawful actions, improper sales practices, unauthorised actions and transaction costs.

There can be no assurance that the precautions taken by the Issuer to manage and mitigate operational risk will be effective in all cases. The realisation of such a risk, for example resulting in lost revenue as a result of business interruption or reputational damage arising from improper conduct of its employees, could have a negative effect on the net assets, financial and income position of the Issuer which could limit its ability to make payments under the Covered Bonds.

Investment risk

Investment risk is understood as the danger of financial losses due to a decline in the value of a holding to less than its book value. This refers to long term investments the Issuer has made in companies for strategic reasons.

If a future impairment test determines that the book value of long-term investments is significantly impaired, this could have an adverse impact on the financial performance and financial position of the Issuer and could limit its ability to make payments under the Covered Bonds.

Environmental, Social and Governance (ESG) Risks

Based on the geographical location of the Issuer's business activities and its strategic orientation, different ESG risks can emerge. In particular climate and environmental risks (both transitional and physical) can negatively impact the Issuer's creditworthiness and long-term value of the Issuer's investments.

5. Risks related to the Issuer's financial situation

Liquidity risk

Liquidity risks consist of the following risks:

- Inability to fulfil payment obligations when they fall due;
- Inability to procure sufficient liquidity when needed at anticipated conditions (refinancing risk);
- Inability to terminate, extend or close out a transaction, or only be able to do so at a loss, due to insufficient market depth or market turbulence (market liquidity risk).

Insufficient liquidity could have a material adverse effect on the Issuer's solvency and its ability to make payments under the Covered Bonds.

Liquidity risk is directly managed by the Issuer's Asset and Liability Management function, which carefully manages the Issuer's resources and their use, in particular, the adequacy of expected new lending production with the available resources and the Issuer's liquidity needs.

Pursuant to bank regulatory requirements, the Issuer has to maintain a liquidity cover ratio ("**LCR**") and a net stable funding ratio ("**NSFR**") of above 100 per cent. The LCR (short term view) is defined as the ratio of available highly liquid assets to net cash outflows over the next 30 days, subject to defined stress conditions. The NSFR (long term view) requires the available amount of stable funding to exceed the required amount of stable funding over the time horizon of one year. See further detail in the risk factor "*Regulatory developments may affect the treatment of the Covered Bonds and Covered Bondholders*".

Market price risk

Market price risks consist of the risks to the value of positions due to changes in market parameters including interest rates, volatility and exchange rate among others. These risks are quantified as potential losses of present value using a present value model that differentiates between risks related to interest rates, options and currency rates. Market price risks also include (credit) spread risks.

If the interest environment changes in an unfavourable manner for the Issuer's business, i.e. if refinancing interest rates increase and the Issuer is unable to raise the interest rates it charges its creditors accordingly, this might have a negative impact on the Issuer's results and financial situation.

Market price risks could have a material adverse effect on the Issuer's profitability and its ability to make payments under the Covered Bonds.

6. Reprieve from payment (*sursis de paiement*) and liquidation proceedings affecting the Issuer or a given estate compartment (*compartiment patrimonial*) may lead to Covered Bondholders not receiving the full amount due on the Covered Bonds

Pursuant to the Luxembourg act of 8 December 2021 on the issuance of covered bonds (the "**Covered Bonds Act**"), reprieve from payment (*sursis de paiement*) and liquidation (*liquidation*) proceedings may be opened in respect of the Issuer in order to ensure the management of the "estate compartment" (as referred to below) relating to the Covered Bonds and their full repayment at maturity. Where such proceedings are opened, the Issuer will qualify as an "issuing credit institutions with limited activity" (*établissements de crédit en activité limitée*), whose estates will be separated into two parts: (a) on the one hand, each category of covered bonds (including the Covered Bonds issued under this Programme) will form, together with the respective cover assets and reserves posted with the central bank, a separate pool (*masse*), which will, upon the opening of the abovementioned proceedings, constitute a separate and distinct "estate compartment" (*compartiment patrimonial*) and (b) on the other hand, the residual assets and liabilities (*masse restante*) of the Issuer resulting from its activities other than the issuance of covered bonds.

Should the estate compartment relating to the Covered Bonds be subject to reprieve from payment or liquidation proceedings, it will be administered by one or more special administrators (*administrateurs spéciaux*) acting jointly to manage the Cover Assets, perform the Issuer's obligations under the Covered Bonds and safeguard the Covered Bondholders and derivative counterparties' rights, in order to ensure full repayment of the Covered Bonds at their relevant Maturity Date.

The dissolution and liquidation of an estate compartment may be ordered in certain circumstances set out in the Resolution Act 2015, including where reprieve from payment proceedings in respect of the estate compartment do not lead to a recovery. In case of liquidation of a given estate compartment and to the extent the privileged claims (*créances privilégiées*) of the Covered Bondholders and counterparties of derivative contracts included in the Cover Pool may not be fully satisfied out of the liquidation of the Cover Assets, the Covered Bondholders and counterparties of derivative contracts included in the Cover Pool will benefit from an ordinary unsecured claim against the residual assets in the general estate of the Issuer. The Covered Bondholders would in such case rank *pari passu* with any other unsecured, unsubordinated creditors of the Issuer. If the Issuer's assets are insufficient to cover all unsecured, unsubordinated claims in full, Covered Bondholders could be unable to collect the full balance of their claims against the Issuer.

B. RISK RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF COVERED BONDS

1. The value of the Covered Bonds will be affected by market interest rates

Investments in Fixed Rate Covered Bonds involve a risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Covered Bonds. While the nominal interest rate of a Fixed Rate Covered Bonds is fixed during the life of such Covered Bonds, the current interest rate on the capital markets typically changes on a daily basis. Investors should make their own investment decision as to the level of risk they are willing to be exposed to in this regard. Investors therefore take the risk with an investment in Fixed Rate Covered Bonds that movements in interest rates result in a negative effect on the price and liquidity of such Fixed Rate Covered Bonds in the secondary market.

Investments in Floating Rate Covered Bonds are exposed to the risk of fluctuating reference rates such as the EURIBOR or €STR (as applicable). Fluctuating reference rate levels make it impossible to determine the yield of Floating Rate Covered Bonds in advance. As such investors in Floating Rate Covered Bonds are exposed to uncertain levels of interest income. Furthermore, where the Floating Rate Covered Bonds do not provide for a minimum rate of interest above zero per cent., investors may not receive any interest payments during one or more interest periods if the applicable reference rate decreases or increases to a certain level.

Zero Coupon Covered Bonds do not pay current interest but are issued at a discount from their nominal value. Zero Coupon Covered Bonds are exposed to the risk that the price of such Covered Bonds falls as a result of changes in the market interest rate. The market values of Zero Coupon Covered Bonds tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

2. Covered Bonds may be subject to optional redemption by the Issuer

The Covered Bonds may contain an optional redemption feature which would be likely to limit their market value. During any period when the Issuer may elect to redeem the Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

3. The market continues to develop in relation to risk-free rates (including €STR) as reference rates

Investors should be aware that the market continues to develop in relation to risk-free rates, such as €STR, as reference rates in the capital markets for Euro bonds and their adoption as alternatives to the interbank offered rates. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

In addition, market participants and relevant working groups have been working together to design alternative reference rates based on risk-free rates, including applying term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Covered Bonds that reference such risk-free rates issued under this Programme. If the relevant risk-free rates do not prove to be widely used in securities such as the Covered Bonds, the trading price of such Covered Bonds linked to such risk-free rates may be lower than those of securities referencing rates that are more widely used. The Issuer may in the future also issue Covered Bonds referencing Compounded Daily €STR that differ materially in terms of interest determination when compared with any previous Compounded Daily €STR referenced Covered Bonds issued by it under this Programme. The development of risk-free rates for the eurobond markets could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Covered Bonds that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in securities linked to such risk-free rates issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance. In addition, the methodology for determining any overnight rate index used to determine the Rate of Interest in respect of certain Covered Bonds could change during the life of such Covered Bonds.

Covered Bonds referencing risk-free rates may also have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for securities referencing such risk-free rates, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Covered Bonds may be lower than those of later-issued indexed securities as a result. Investors in such Covered Bonds may not be able to sell such Covered Bonds at all or may not be able to sell such Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk.

Certain administrators of risk-free rates have published hypothetical and actual historical performance data. Hypothetical data inherently includes assumptions, estimates and approximations and actual historical performance data may be limited in the case of certain risk-free rates. Investors should not rely on hypothetical or actual historical performance data as an indicator of the future performance of such risk-free rates.

Investors should consider these matters when making their investment decision with respect to any Covered Bonds which reference Compounded Daily €STR.

4. Changes or uncertainty in respect of EURIBOR or €STR may affect the value or payment of interest under the Covered Bonds

Interest rates and indices which are deemed to be benchmarks (including the London interbank offered rate ("**LIBOR**") and the Euro interbank offered rate ("**EURIBOR**")) are the subject of national and international regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion (including the transition away from LIBOR), and “benchmarks” remain subject to ongoing monitoring. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, to be subject to revised calculation methods or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Covered Bonds linked to or referencing such a benchmark.

Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of in-scope benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmark Regulation has been amended by Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 by extending the transitional provisions applicable to material benchmarks and third-country benchmarks until the end of 2021. Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 further amends the Benchmark Regulation and introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks by conferring the power to designate a statutory replacement for certain benchmarks on the European Commission, such replacement being limited to contracts and financial instruments.

Regulation (EU) 2025/914 of the European Parliament and of the Council further amending the Benchmarks Regulation was published in the Official Journal on 19 May 2025 and applies from 1st January 2026.. It introduces provisions concerning the scope of rules for benchmarks, the use in the Union of benchmarks provided by administrators located in third countries, and certain reporting requirements.

The Benchmarks Regulation could have a material impact on any Covered Bonds linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark which are in-scope of the Benchmarks Regulation are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark and as a consequence, Covered Bondholders could lose part of their investment or receive less income.

There is continued regulatory scrutiny of use of inter-bank offered rates ("**IBORs**") and increasing pressure and momentum for banks and other financial institutions to transition relevant products to replacement rates.

Different currency IBORs are being transitioned to different rates which, in contrast to IBORs (which include an interbank lending risk margin) may be (or may be derived from) risk-free rates, which may perform very differently from the relevant IBOR.

For example, in the case of floating rate eurobonds, bonds which would traditionally have referenced EURIBOR may move towards referencing the new €STR (although a reformed EURIBOR rate will continue to be published).

The replacement risk-free rates referenced above operate on a backward-looking basis (predominantly on the basis of a daily compounding calculation, although weighted average alternatives have been seen in certain rates), rather than forward-looking term rates. While forward-looking term rates based on certain of these risk-free rates have been or are being developed, it is uncertain whether the capital markets will move to referencing those term rates for public bond issues, or if the regulators will allow such adoption.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

In addition, EMMI as administrator of EURIBOR has launched a forward-looking term rate EFTERM as alternative to and as a new fallback rate for EURIBOR. It is therefore currently not foreseeable whether EURIBOR will continue to exist permanently and beyond 2026.

The EMMI, as administrator of the EURIBOR, has developed a hybrid methodology for the determination of EURIBOR that takes into account current transaction data, historical transaction data and modelled data based on expert opinions and has obtained regulatory authorisation under the Benchmark Regulation for the EURIBOR so calculated. However, since reference rates relying on expert opinion and modelled data are widely regarded as potentially less representative than reference rates determined in a fully transaction-based approach and because central banks, supervisory authorities, expert groups and relevant markets tend to prefer the use of risk-free overnight interest rates with a broad and active underlying market as reference rates, there is a risk that the use or provision of EURIBOR may come to an end in the medium or long term.

The potential transition from IBORs to risk-free or other rates or benchmarks, the cessation of a benchmark or changes in the manner of administration of any benchmark could require an adjustment to the Conditions of the Covered Bonds, or result in other consequences, in respect of any Covered Bonds referencing such benchmark. Such factors may have (without limitation) also the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Covered Bonds linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

If the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event (as defined in the Conditions of the Covered Bonds) has occurred, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Benchmark Rate (as further described in Condition 3(e) (*Benchmark Replacement*) and, if applicable, an Adjustment Spread (as defined in the Conditions) and notify the Paying Agents once an Independent Advisor has been appointed. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Successor Rate or Alternative Benchmark Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the further fallbacks described in the terms and conditions of the Covered Bonds shall apply.

The use of a Successor Rate or an Alternative Benchmark Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Issuer fails to agree a Successor Rate or an Alternative Benchmark Rate or Adjustment Spread, if applicable with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or Adjustment Spread, if applicable in a situation in which it is presented with a conflict of interest.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Covered Bonds linked to or referencing a benchmark.

5. In respect of any Covered Bond issued with a specific use of proceeds, such as a 'Green Covered Bond', there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The relevant Final Terms relating to any specific Series of Covered Bonds may provide that it will be the Issuer's intention to apply an amount equivalent to the proceeds from an offer of those Covered Bonds specifically for projects and/or activities that promote climate-friendly and other environmental purposes (either in those words or otherwise) ("**Green Projects**") and Covered Bonds issued thereunder to be referred to as "Green Covered Bonds".

Prospective investors should have regard to the information in this Base Prospectus and/or the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Green Covered Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect ”green”, “environmental”, “sustainability” or “social” impact of any projects or uses, the subject of or related to, the relevant Green Projects).

None of the Dealers or any of their respective affiliates (other than the Issuer in its capacity as Dealer) or the Arranger shall be responsible for (a) any assessment of the Green Projects, (b) any verification of whether the Green Projects fall within an investor's requirements or expectations of a "green", "environmental", "sustainability", "social" or equivalently-labelled project, including in relation to Regulation (EU) 2020/852 (the "**EU Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**") and any related technical screening criteria, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds, as amended (the "**EU Green Bond Regulation**"), Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", “environmental”, "sustainability", “social” or an equivalently-labelled loan or as to what precise attributes are required for a particular loan to be defined as "green", “environmental”, "sustainable", “social” or such other equivalent label and if developed in the future, such Green Covered Bonds may not comply with any such definition or label.

A basis for the determination of such a definition has been established in the EU Taxonomy Regulation. The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation. On 21 April 2021, the European Commission approved the first delegated act and the Delegated Regulation supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council (the "**EU Taxonomy Climate Delegated Act**") was formally adopted on 4 June 2021 and the Delegated Regulation (EU) 2023/2486 supplementing the EU Taxonomy Regulation (the "**EU Taxonomy Environmental Delegated Act**") was formally adopted on 27 June 2023. The EU Taxonomy Climate Delegated Act and EU Taxonomy Environmental Delegated Act were further amended by the Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and the EU Taxonomy Climate Delegated Act and EU Taxonomy Environmental Delegated Act.

The EU Taxonomy Climate Delegated Act is aimed at supporting sustainable investment by making it clear which economic activities most contribute to the EU’s environmental objectives. The EU Taxonomy Climate Delegated Act sets out criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change adaptation and climate change mitigation. This includes sectors such as energy, forestry, manufacturing, transport and buildings. Criteria for other environmental objectives followed in the EU Taxonomy Environmental Delegated Act. It adopted a new set of EU taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives, namely: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

In addition, prospective investors should, to the extent applicable to the Covered Bonds, have regard to the EU Green Bond Regulation. Most of the provisions of the EU Green Bond Regulation apply from 21 December 2024. The EU Green Bond Regulation includes a set of requirements that bonds and notes shall comply with in order to be labelled as "European Green Bonds" ("**EuGB**"), which is a voluntary label. Any Green Covered Bonds issued under the Programme will not be compliant with the EU Green Bond Regulation or the EU Taxonomy Regulation and are only intended to comply with the requirements and processes in the Green Bond Framework. It is not clear if the establishment of the EuGB label and the optional disclosures regime for bonds issued as "environmentally sustainable" under the EU Green Bond Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Green Covered Bonds issued under this Programme. It could result in reduced liquidity or lower demand or could otherwise affect the market price of Green Covered Bonds issued under this Programme which, for the avoidance of doubt, do not comply with the standards proposed under the EU Green Bond Regulation.

Additionally, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainability" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Green Covered Bonds and in particular with any Green Projects to fulfil any “green”, “environmental”, “sustainability”, “social” and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Green Covered Bonds or that the Green Projects fulfil any “green”, “environmental”, “sustainability”, “social” and/or other criteria. Any such opinion or certification is only current as of the date that opinion was issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Covered Bonds. Currently, the providers of such opinions and certifications are not subject to any specific oversight or regulatory or other regime. Investors in such Green Covered Bonds shall have no recourse against the Issuer, the Dealers or the provider of such opinion or certification for the contents of such opinion or certification.

In the event that any such Green Covered Bonds are listed or admitted to trading on any dedicated "green", "environmental", "sustainability", “social” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), or are included in any dedicated “green”, “environmental”, “sustainability”, “social” or other equivalently-labelled index or indices, no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission or inclusion in such index or indices satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and also the criteria for inclusion in such index or indices may vary from one index to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading or inclusion in such index or indices will be obtained in respect of any such Green Covered Bonds or, if obtained, that any such listing or admission to trading or inclusion in such index or indexes will be maintained during the life of the Green Covered Bonds.

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of any Green Covered Bonds in, or substantially in, the manner described in this Base Prospectus and/or the relevant Final Terms, there can be no assurance that the relevant loan(s) or use(s) which are the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not: (i) give rise to any claim of a Covered Bondholder against the Issuer (including, for the avoidance of doubt, the right to accelerate the Green Covered Bonds); (ii) constitute an event of default under the Green Covered Bonds; (iii) lead to an obligation of the Issuer to redeem such Green Covered Bonds or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Green Covered Bonds.

Any such event or failure to apply an amount equivalent to the proceeds of any issue of Green Covered Bonds for any Green Projects, as aforesaid will not constitute an event of default or, as the case may be, enforcement event under the relevant Green Covered Bonds. The withdrawal of any opinion or certification as described above, or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on, and/or any such Green Covered Bonds no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such Green Covered Bonds, and also potentially the value of any other Green Covered Bonds which are intended to finance Green Projects, and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

6. Credit ratings assigned to the Issuer or any Covered Bonds may not reflect all the risks associated with an investment in those Covered Bonds

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Covered Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU 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 rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Covered Bonds changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Covered Bonds may have a different regulatory treatment. This may result in European regulated investors selling the Covered Bonds which may impact the value of the Covered Bonds and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the 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. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Credit rating agencies including Moody's and others could seek to rate the Covered Bonds without having been requested to do so by the Issuer and if such unsolicited ratings are lower or higher than the comparable ratings assigned to the Covered Bonds by Moody's, those unsolicited ratings could have an effect on the market value and/or liquidity of the Covered Bonds. For the avoidance of doubt, all references to ratings in this Base Prospectus are to ratings by the specified rating agencies only.

7. Potential conflict of interests may exist between the various parties involved in the Programme

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform 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 that have a lending relationship with the Issuer 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 Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of 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.

In addition, potential conflicts of interest may exist between the Calculation Agent (if any) and Covered Bondholders, including with respect to certain determinations and judgments that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Covered Bondholders during the term of the Covered Bonds and upon their redemption.

C. RISK RELATING TO COVERED BONDS GENERALLY

1. Cover Pool consists of limited assets

The Cover Pool will consist primarily of (i) residential mortgage loans in respect of properties located in Luxembourg originated by the Issuer and granted to private individuals ("**Residential Mortgage Loans**") pursuant to Luxembourg law governed mortgage credit agreements and related ancillary documents entered into by the Issuer as lender and mortgagee and the relevant private individuals as borrowers and mortgagors (the "**Residential Mortgage Agreements**" and each, a "**Residential Mortgage Agreement**") and (ii) certain substitution assets ("*actifs de remplacement*"). All assets in the Cover Pool must comply with the terms of the Covered Bonds Act and Article 129 of Regulation (EU) No 575/2013 of the European Parliament and the Council ("**CRR**") (for further detail see the section headed "*Overview of Luxembourg legislation relating to Covered Bonds*"). The value of the Cover Pool may decline in the event of a general downturn in the value of property in Luxembourg. Investors will receive stratified statistics or information in relation to the mortgage loans and other assets included in the Cover Pool and it is expected that the constitution of the Cover Pool will change from time to time.

2. Overcollateralisation

The Issuer is obligated under the Covered Bonds Act to ensure that the nominal amount of the assets of the Cover Pool at all times exceeds the value of the Covered Bonds with preferential claims against the Cover Pool (the "**Overcollateralisation**"). At the date of this Base Prospectus, the Covered Bonds Act and Article 129 of CRR provide that the Issuer must ensure a minimum Overcollateralisation in the Cover Pool of 5 per cent. at all times.

Similarly, the Issuer has undertaken in Condition 2(b) (*Status of the Covered Bonds and Overcollateralisation - Overcollateralisation*) of the Conditions to ensure that, for as long as any of the Covered Bonds is outstanding, the value of the Cover Pool shall at all times be at least 105 per cent. of the outstanding principal amount of the Covered Bonds. Such level of contractually agreed overcollateralisation will be subject to change in accordance with any higher overcollateralisation level imposed by applicable legislation from time to time. However Covered Bondholders should be aware that the Overcollateralisation maintained by the Issuer does not guarantee that the preferential claim of Covered Bondholders on the Cover Pool would be sufficient to make payment of all amounts due to Covered Bondholders in the event of the Issuer's insolvency.

The Issuer is not obliged to increase the Overcollateralisation percentage if any rating assigned to the Covered Bonds are reduced, removed, suspended or placed on credit watch for any reason. For the avoidance of doubt, the Issuer does not commit to ensure that any specific rating of the Covered Bonds will be upheld until maturity.

Furthermore, provided that the Issuer complies with the Covered Bonds Act and Article 129 of CRR at all times, failure by it to comply with any higher contractually agreed level of Overcollateralisation will not in itself prevent the Issuer from issuing further Covered Bonds, refinancing existing Covered Bonds or acquiring new mortgage loans into the Cover Pool. In such circumstances, Covered Bondholders may have a claim against the Issuer for breach of contract or for other specific relief, subject to Luxembourg law generally.

If there are indications that the value of a mortgaged property in relation to which the associated Residential Mortgage Loan which has been included in the Cover Pool may have declined materially relative to general market prices, the Issuer has to ensure a review of the valuation of that property by a valuer who possesses the necessary qualifications, ability and experience to execute a valuation and who is independent from the credit decision process. Consequently, if it determines that the value of a mortgaged property has declined significantly after the residential mortgage has been included in the Cover Pool, the Issuer may have to manage the Cover Pool by including additional Residential Mortgage Loans in order to satisfy the 105 per cent overcollateralisation requirement (as to which see further detail in the section headed "*Overview of Luxembourg legislation relating to Covered Bonds*"). A breach of the overcollateralisation requirement may lead the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") to take actions against the Issuer and may prevent the Issuer from refinancing outstanding Covered Bonds at maturity by issuing additional Covered Bonds.

3. Failure by the Issuer to meet applicable overcollateralisation rules may affect the value and liquidity of the Covered Bonds

The Covered Bonds Act provides that Covered Bondholders have a dual right of recourse constituted by (i) a claim against the Issuer's general estate and (ii) a privileged claim (*créance privilégiée*) in respect of the Cover Assets. The value of the Cover Pool as calculated in accordance with the Covered Bonds Act shall at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Covered Bonds of all Series.

A breach of the Overcollateralisation requirement of the Issuer in circumstances where no additional assets are available to the Issuer or the Issuer lacks the ability to acquire additional assets could result in the Issuer being unable to issue further Covered Bonds, which may prevent the refinancing of existing Covered Bonds and possibly reducing the liquidity of existing Covered Bonds.

4. The extension of the Maturity Date to the Statutory Extended Maturity Date may lead to deferral of the maturity date by up to 12 months

Should the estate compartment relating to the Covered Bonds issued under this Programme be subject to reprieve from payment proceedings, the administrator (*administrateur*) managing such estate compartment and the Covered Bonds may decide:

(i) to extend their Maturity Date initially set for the payment of the principal and the interest of the Covered Bonds for a maximum period of one month, if such Maturity Date was within the period of one month from the appointment of the administrator pursuant to the judgment of the Luxembourg district court; and

(ii) to extend their Maturity Date by up to twelve months (the "**Statutory Extended Maturity Date**") (taking into account, where applicable, the extension of one month provided for in the first subparagraph above) when (a) the maturity extension will prevent the insolvency of the estate compartment and (b) there are reasons to assume that a maturity extension will allow the extended maturity to be complied with.

The extension of the maturity of the principal amount outstanding of the Covered Bonds from the Maturity Date to the Statutory Extended Maturity Date will not result in any right of the Covered Bondholders to accelerate payments or take action against the Cover Assets and no payment will be payable to the Covered Bondholders in that event other than as set out in the Conditions.

5. Covered Bondholders may not immediately accelerate the Covered Bonds upon a breach of the overcollateralisation or other cover pool tests or an opening of the Issuer's insolvency proceedings

Breach of the overcollateralisation, liquidity buffer or loan-to-value ratios and the opening of insolvency proceedings with respect to the Issuer will not give Covered Bondholders the right to declare the Covered Bonds immediately due and payable. Covered Bonds which have not yet reached their maturity will not automatically accelerate as a result of such a breach or the opening of insolvency proceedings in respect of the Issuer.

Other than pursuant to a Payment Default after which an Acceleration Notice has been served under Condition 9 (*Payment Default and Cross-Acceleration*), the holders of Covered Bonds cannot direct an acceleration of the Covered Bonds.

6. An Acceleration of one Series of Covered Bonds will trigger cross-acceleration of all series of Covered Bonds

If a Payment Default (as defined in the Conditions) occurs in relation to a particular Series, Covered Bondholders of the Series of Covered Bonds affected by a Payment Default may, by way of an Extraordinary Resolution of Covered Bondholders of the relevant Series of Covered Bonds, appoint any Covered Bondholder or any other person to serve an Acceleration Notice to the Issuer at the specified office of the Fiscal Agent that a Payment Default has occurred in relation to such Series.

Holders of Covered Bonds of a Series should be aware that from the Acceleration Date, each Series of Covered Bonds will cross-accelerate at the Acceleration Date against the Issuer, becoming due and payable, and they will rank *pari passu* among themselves, whether there is an actual payment default under that Series or not.

7. Terms and Conditions of the Covered Bonds may be changed without the consent of any or all of the Covered Bondholders

The Conditions contain provisions for calling meetings of Covered Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority.

The Conditions also provide that the Issuer and the Fiscal Agent may, without the consent of the Covered Bondholders, agree to any modification of the Covered Bonds, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law. Any such modification shall be binding on the Covered Bondholders, Receiptholder or Couponholders as described in the Conditions.

8. Covered Bonds are obligations of the Issuer only

The Covered Bonds will constitute obligations of the Issuer which benefit from a privileged claim (*créance privilégiée*) over the Cover Pool pursuant to the Covered Bonds Act. An investment in the Covered Bonds involves a reliance on the creditworthiness of the Issuer. The Covered Bonds are not guaranteed by any member of the BCEE Group or any other person. In addition, an investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Covered Bonds. There can be no assurance that the Cover Pool will be sufficient to pay in full the amounts payable under the Covered Bonds.

9. Change of law may have an impact on the Covered Bonds

The Conditions are based on Luxembourg law in effect as at the date of this Base Prospectus.

No assurance can be given as to the impact of any possible judicial decision or change to Luxembourg law, European law or administrative practice in Luxembourg or Europe after the date of this Base Prospectus and any such change could materially and adversely impact the value of any Covered Bonds affected by it.

Issuance of definitive Covered Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

In relation to any issue of Covered Bonds which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Covered Bond may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Covered Bonds in respect of such holding (should definitive Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination.

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

D. RISK RELATING TO THE REGULATORY, POLITICAL AND ECONOMIC ENVIRONMENT OF THE COVERED BONDS

1. Covered Bondholders may face an exchange rate risk

The Issuer will pay the principal amount and interest of the Covered Bonds in the Specified Currency. This involves certain risks relating to currency conversion if an investor's financial activities are denominated principally in a currency or a currency unit other than the Specified Currency (the "**Investor's 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 (i) the Investor's Currency-equivalent yield on the Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor's Currency-equivalent market value of the Covered Bonds.

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, investors may receive less interest or principal than expected, or no interest or principal.

2. The Covered Bonds may not have established, or be able to develop, a trading market

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, Covered Bondholders may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds would generally have a more limited secondary market and more price volatility than conventional debt securities. Any such illiquidity may have an adverse effect on the market value of Covered Bonds.

3. A Covered Bondholder's actual yield on the Covered Bonds may be reduced from the stated yield by transaction costs

When Covered Bonds are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Covered Bonds.

For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Covered Bondholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Covered Bondholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Covered Bonds before investing in such Covered Bonds.

4. A Covered Bondholder's effective yield on the Covered Bonds may be diminished by the tax impact on that Covered Bondholder, as the case may be, of its investment in the Covered Bonds

Payments of interest on the Covered Bonds, or profits realised by the Covered Bondholder, as the case may be, upon the sale or repayment of the Covered Bonds, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Covered Bondholders generally is described under "*Taxation*" below; however, the tax impact on an individual Covered Bondholder may differ from the situation described for Covered Bondholders generally. The Issuer advises all investors to contact their own tax advisers for advice on the tax impact of an investment in the Covered Bondholders.

5. FATCA and CRS

Under the terms of the FATCA Law and CRS Law (as defined below), the Issuer is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Issuer may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations.

Should the Issuer become subject to a withholding tax and/or penalties as a result of non-compliance under the FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the value of the Covered Bonds held by all Covered Bondholders may be materially affected.

Furthermore, the Issuer may also be required to withhold tax on certain payments to its investors which would not be compliant with FATCA (i.e. the so-called foreign passthrough payments withholding tax obligation).

6. EU Capital Requirements Regulation and Capital Requirements Directive

The Luxembourg capital adequacy framework is based on Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (the "**Capital Requirements Regulation**" or "**CRR**") and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended (the "**Capital Requirements Directive**" or "**CRD IV**") (together, "**CRD IV**"), which implemented in the EU the framework for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions and certain investment firms. Certain provisions of the CRD IV are further specified by the European Banking Authority ("**EBA**") through technical standards approved by the European Commission as delegated acts.

The Capital Requirements Directive was implemented in Luxembourg by the Luxembourg law of 5 April 1993 on the financial sector, as amended (the "**Banking Act 1993**").

The CSSF has supplemented the Banking Act 1993 by adopting certain regulations.

Under CRD IV, institutions are required to hold a minimum amount of regulatory capital expressed in risk weighted assets ("**RWA**"). In addition to these minimum "own funds" requirements under CRD IV, supervisors may require extra capital to cover other risks (thereby increasing the regulatory minimum required under CRD IV) and the Issuer may also decide to hold an additional amount of capital. CRD IV also introduced a number of capital buffers for additional risks that institutions, such as the Issuer, may be subject to. These buffers comprise: (a) the capital conservation buffer, (b) the global systemically important institutions ("**G-SIIs**") buffer, (c) the other systemically important institutions (**O-SIIs**) buffer, (d) the systemic risk buffer and (e) the institution-specific countercyclical capital buffer.

The Issuer has not been designated a G-SII. However, according to CSSF Regulation N°25-05 of 28 November 2025 concerning systemically important institutions authorised in Luxembourg, the Issuer has been qualified by the CSSF as an O-SII within the meaning of article 59-3 of the Banking Act 1993 on the financial sector (as amended) due to its contribution to the Luxembourg economy, its exposure to the real estate market and its large base of Luxembourg deposits. The Issuer's O-SII buffer rate has been set at 0.5% as from 1 January 2026.

The Luxembourg capital adequacy framework has evolved as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to, among others, the CRR and CRD IV Directive, the following legislative texts were published in the European Union's Official Journal:

- Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, as amended (such amended act, "**CRR II**"),
- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the

recovery and resolution of credit institutions and investment firms (the "**BRRD**") as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, as amended (such amended act, "**BRRD II**"),

- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRMR**") as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (such amended act, "**SRMR II**"), and
- Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as amended (such amended act, "**CRD V**" and, together with CRR II, BRRD II and SRMR II, the "**Banking Reforms**").

The Banking Reforms introduced, among other things, the Total Loss Absorbing Capacity Term ("**TLAC**") standard as implemented by the Financial Stability Board, by adapting, among others, the existing regime relating to the specific minimum requirements for own funds and eligible liabilities ("**MREL**"). BRRD II and CRD V have been implemented into Luxembourg law by the Luxembourg act dated 20 May 2021 amending, among others, the Banking Act 1993 and the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**Resolution Law**").

Prospective investors should make themselves aware of the requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Covered Bonds. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

7. Regulatory action in the event of a failure of the Issuer could materially adversely affect the value of the Covered Bonds

The Basel Committee

The Basel Committee has been working on several policy and supervisory measures that aim to enhance the reliability and comparability of risk-weighted capital ratios and on 7 December 2017 finalised the Basel III post-crisis reforms, adopted by the Group of Governors and Heads of Supervision ("**GHOS**"), with the aim to strengthen certain components of the regulatory framework. This includes the revised standardised approaches (credit and operational risk), review of the capital floor of the IRB framework and a leverage ratio surcharge buffer for global systemically important banks, such as G-SIIs at the EU level. In December 2017, the GHOS also announced an extension of the implementation timetable for the revised framework for minimum capital requirements for market risk published in January 2016, from 1 January 2019 to 1 January 2022 to allow a number of issues identified in the course of monitoring the implementation and expected impact of the framework to be addressed.

The new setup has a revolutionary impact on risk modelling: directly on the exposures assessed via standardised approach, but also indirectly on internal ratings based approach ("**IRB**") RWA, due to the introduction of a new output floor (72.5% of the total risk-weighted assets using only the standardised approach). Also for counterparty exposures (generated by derivatives) the Basel Committee has retained internal models, but subject to a floor based on a percentage of the applicable standardised approach. Moreover, in the context of the revision of Credit Valuation Adjustment ("**CVA**") risk framework, the revised framework provides for the adoption of a standardised approach and basic approach.

The reform has been in place since 1 January 2025 and the output floor will gradually increase over a period of 5 years, from a starting value of 50% to its final value of 72.5% by 2030.

On 14 January 2019, GHOS endorsed a set of revisions to the market risk framework. In March 2020, GHOS further deferred the implementation date of the revised market risk framework to 1 January 2023, in line with changes to the implementation date of the December 2017 final Basel III post-crisis reforms, in order to provide banks and supervisors additional capacity to respond to the impact of Covid-19. The implementation of this new risk assessment framework impacts the calculation of BCEE's risk-weighted assets and consequently its capital ratios.

On 27 October 2021, the European Commission adopted legislative proposals for further amendments to CRR, CRD IV and the BRRD (the "**2021 Banking Package**"). Amongst other things, the 2021 Banking Package implements in the EU the outstanding elements of the Basel III regulatory reforms (i.e. output floor, credit risk, market risk, operational risk). It also introduces changes in other non-Basel key areas such as fit and proper, third country branches and environmental, social and governance ("**ESG**") risks. The 2021 Banking Package (which implements Basel IV) includes:

- Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor ("**CRR III**"). CRR III entered into force on 9 July 2024 and is applicable from 1 January 2025 (note that some provisions already started to be applicable from 9 July 2024 and that the implementation of the so-called Fundamental review of the Trading Book ("**FRTB**") has been postponed by a year to 1 January 2027).
- Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks ("**CRD VI**"). CRD VI was required to be transposed into national law by Member States by 10 January 2026. In general, it has been applicable from 11 January 2026 apart from provisions on third-country branches which will be applicable one year later, from 11 January 2027. The proposed amendments to CRD IV, their terms and effect will depend, in part, on how they have been transposed in each Member State as well as how the new requirements will be applied in practice by competent authorities over time. Moreover, certain requirements are being phased in overtime. The full impact of the 2021 Banking Package on the Issuer is therefore not yet completely known. However, compliance with such new requirements could have an effect on the Issuer’s business or financial condition and, consequently, on the value of the Covered Bonds. In addition, failure by the Issuer to comply with these requirements could trigger regulatory action and potentially affect the market value of an investment in the relevant Covered Bonds. CRD VI has been implemented into Luxembourg law by the Luxembourg law dated 5 May 2026 amending, among others, the Banking Act 1993.

Implementation of Basel IV requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction, as well as the treatment of covered bonds (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework for Europe.

On 8 July 2022, the Covered Bonds Act came into force and implemented Directive (EU) 2019/2162 (the "**Covered Bond Directive**") and Regulation (EU) 2019/2150 implementing certain amendments to CRR (collectively, the "**EU Covered Bond Rules**") into Luxembourg law. Implementation of the new EU Covered Bond Rules imposed new requirements on the Issuer such as an increased overcollateralisation requirement and a new liquidity buffer requirement of 180 days.

Currently, European covered bonds (premium) (*obligations garanties européennes (de qualité supérieure)*) issued pursuant to the Covered Bonds Act such as the Covered Bonds issued under this Programme should comply with the CRR and therefore qualify for the CRR preferential treatment in eligible European jurisdictions. However, the Issuer cannot be certain as to how any further regulatory developments will impact the treatment of the Covered Bonds.

The Covered Bonds Directive mandates the European Commission to submit several reports to the European Parliament and the Council on the implementation of the EU covered bond framework (and various other related matters, including the introduction of a third country equivalence regime), that may be accompanied with legislative proposals, if appropriate. For these purposes, and in response to a call for advice from the EBA published in September 2025 its report on the review of the EU covered bond framework, advising further harmonisation of various requirements and recommending certain parameters for the introduction of a third country equivalence regime that would result in overseas covered bonds meeting applicable criteria (which include certain conditions on reciprocity) being eligible for preferential regulatory treatment in the EEA. Whether the European Commission will adopt all or any of the EBA recommendations and whether (or when) any further legislative amendments will be introduced to the EU covered bond framework remain to be seen. Therefore, no assurances or predictions can be made as to the precise effect of any such future reforms on the Covered Bonds.

Prospective investors should therefore make themselves aware of the requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Covered Bonds. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

EU Bank Recovery and Resolution Directive

BRRD is designed to provide the relevant resolution authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity. This is to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

BRRD has been implemented in Luxembourg by the Resolution Law which entered into force on 28 December 2015. In line with BRRD II, the Resolution Law gives power to the CSSF in its capacity as a supervisory authority to take certain early intervention measures and gives power to the CSSF as the Luxembourg resolution authority and acknowledges the power of the SRB (as defined below) as central resolution authority within the banking union to implement resolution measures.

BRRD II (and accordingly in Luxembourg the Resolution Law) contains four resolution tools which may be used by the relevant resolution authorities alone or in combination where a relevant entity is considered as failing or likely to fail:

- sale of business – which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms;
- bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);
- asset separation – which enables resolution authorities to transfer assets to one or more publicly owned asset management vehicles to allow them to be managed and with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and
- bail-in – which gives resolution authorities the power to write-down certain claims of unsecured creditors of a failing relevant entity and/or to convert certain unsecured debt claims to equity (the "**Bail-In Tool**"), which equity could also be subject to any future write-down.

For the avoidance of doubt and in accordance with the Resolution Law, the obligations of the Issuer under the Covered Bonds cannot be made subject to the Bail-In Tool. Furthermore, (a) only all, not some, of the assets, rights and liabilities which form part of Covered Bonds to which the institution under resolution is party, can be transferred and (b) the termination or modification through the use of ancillary powers, of the assets, rights and liabilities which form part of Covered Bonds to which the institution under resolution is party, can be transferred is not permitted.

BRRD II also provides for a Member State as a last resort, after having assessed and utilised the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

BRRD II also grants powers to enable the relevant resolution authorities to implement the resolution tools, including the power to replace or substitute the relevant institution as obligor in respect of debt instruments, the power to modify the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or the power to discontinue the listing and admission to trading of financial instruments.

A relevant entity will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; when its assets are, or are likely in the near future to be, less than its liabilities; when it is, or is likely in the near future to be, unable to pay its debts as they fall due; or when it requires extraordinary public financial support (except in limited circumstances).

The resolution tools are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated and only upon the relevant resolution authorities, i.e. the CSSF, acting in its capacity as resolution authority for Luxembourg, being satisfied that the relevant conditions for resolution contained in BRRD II have been met. The use of such tools, or perceived likelihood of them being used, could affect the market value of an investment in the relevant Covered Bonds.

As noted above, the obligations of the Issuer under the Covered Bonds cannot be made subject to the Bail-In Tool. Furthermore, (a) only all, not some, of the assets, rights and liabilities which form part of Covered Bonds to which the institution under resolution is party, can be transferred and (b) the termination or modification through the use of ancillary powers, of the assets, rights and liabilities which form part of Covered Bonds to which the institution under resolution is party, can be transferred is not permitted.

Single Resolution Mechanism

BRRD II (implemented in Luxembourg by the Resolution Law) is complemented by the directly binding SRMR II.

SRMR II applies to institutions covered by the SSM. According to the selection criteria of the ECB, the Issuer has been identified as a "significant bank" and is thus centrally supervised under the SSM.

SRMR II applies to the Issuer as a primary recovery and resolution code instead of the Luxembourg implementation measures relating to BRRD II, including in particular the Resolution Law. SRMR II establishes a single European resolution board (consisting of representatives from the ECB, the European Commission and the relevant national resolution authorities) (the "**SRB**") having resolution powers over the entities that are subject to SRMR II, thus replacing or exceeding the powers of the national resolution authorities. The SRB is required to draw up and adopt a resolution plan for the entities subject to its powers, including the Issuer. It will also determine, after consultation with competent authorities, MREL requirements subject to write-down and conversion powers which the Issuer will be required to meet at all times. The SRB has determined the MREL requirements for the Issuer by a decision of the SRB in its Executive Session dated 12 December 2025. The requirements shall be fulfilled by BCEE on an individual basis. The binding MREL determination by the SRB shall be met at all times.

When early intervention measures, as set forth in BRRD II, are triggered by the national competent authorities, the SRB can also use certain powers of early intervention as set forth in SRMR II, including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution.

The SRB has the authority to exercise the specific resolution powers pursuant to SRMR II similar to those of the national resolution authorities under BRRD II (i.e. for Luxembourg the CSSF in accordance with the Resolution Law). These specific resolution powers include the sale of business tool, the bridge institution tool, the asset separation tool, the Bail-In Tool and the mandatory write-down and conversion power in respect of capital instruments. The use of one or more of these tools will be included in a resolution scheme to be adopted by the SRB. National resolution authorities (i.e. for Luxembourg the CSSF in accordance with the Resolution Law) will remain responsible for the execution of the resolution scheme according to the instructions of the SRB.

The provisions relating to resolution plans and cooperation between the SRB and the national resolution authorities have been applied as of 1 January 2015. The resolution powers of the SRB took effect from 1 January 2016.

SUPPLEMENT TO THE BASE PROSPECTUS

Following the publication of this Base Prospectus a supplement to the Base Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the 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 in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

In the event of any significant new factor arising, any material mistake or material inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds or any change in the condition of the Issuer which is material in the context of the Programme or the issue of any Covered Bonds, the Issuer will prepare and publish a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Covered Bonds. Furthermore, the Issuer has undertaken to the Dealers in the Programme Agreement (as defined in "*Subscription and Sale*") that it will, in connection with the listing of the Covered Bonds on the Official List of the Luxembourg Stock Exchange, so long as any Covered Bond remains outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in this Base Prospectus, prepare and publish a further supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of the Covered Bonds to be listed on the Official List of the Luxembourg Stock Exchange.

DOCUMENTS INCORPORATED BY REFERENCE

The following information, which has previously been published or is published simultaneously with this Base Prospectus, shall be incorporated by reference in, and form part of, this Base Prospectus:

(a) the Pillar 3 annual report of the Issuer as of 31 December 2025 (in English), including the information set out at the following pages in particular:

Disclosure of key metrics and overview of risk-weighted exposure amounts (RWEAs)	Pages 13 to 21
Disclosure of risk management objectives and policies	Pages 22 to 37
Disclosure of the scope of application	Pages 38 to 42
Disclosure of own funds	Pages 43 to 46
Disclosure of countercyclical capital buffers	Pages 47 to 48
Disclosure of the leverage ratio	Pages 48 to 50
Disclosure of liquidity requirements	Pages 51 to 55
Disclosure of exposures to credit risk, dilution risk, and credit quality	Pages 56 to 62
Disclosure of the use of credit risk mitigation techniques	Pages 63 to 65
Disclosure of the use of the credit risk standardised approach	Pages 66 to 68
Disclosure of the use of the IRB approach for credit risk	Pages 69 to 76
Disclosure of specialised lending exposures and equity exposures	Page 77
Disclosure of exposures to counterparty credit risk (CRR)	Pages 78 to 81
Disclosure of exposures to securitisation positions	Pages 82 to 84
Disclosure of market risk and interest rate risk in the banking book (IRRBB)	Pages 84 to 88
Disclosure of operational risk	Pages 88 to 95
Disclosure of remuneration policy	Pages 96 to 101
Disclosure of encumbered and unencumbered assets	Pages 102 to 103
Disclosure of exposures to crypto-assets	Page 103
Disclosure of ESG risks	Pages 104 to 129

which can be viewed at:

https://dl.luxse.com/dlp/10b1531347f3954893a8d80e664766ad1d

Any other information incorporated by reference that is not included in the cross-reference list above is not incorporated by reference to this Base Prospectus;

(b) the audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2025 (in French), together with the independent auditor's report thereon, including the information set out at the following pages in particular:

Business Overview	Pages 8 to 38
Balance Sheet	Pages 48 to 49
Income Statement	Page 50
Statement of Comprehensive Income	Page 51
Statement of Changes in Equity	Pages 52 to 53
Statement of Cash Flow	Pages 54 to 55
Notes to the Financial Statements	Pages 56 to 205
Report of the "Réviseur d'entreprises agréé"	Pages 39 to 46
Scope of consolidation	Pages 59 to 61

which can be viewed at:

https://dl.luxse.com/dlp/10232b82be4c5a4a03b25c4572486cc648

Any other information incorporated by reference that is not included in the cross-reference list above is not incorporated by reference to this Base Prospectus;

(c) the audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2024 (in French), together with the independent auditor's report thereon, including the information set out at the following pages in particular:

Business Overview	Pages 7 to 31
Balance Sheet	Pages 41 to 42
Income Statement	Page 43
Statement of Comprehensive Income	Page 44
Statement of Changes in Equity	Pages 45 to 46
Statement of Cash Flow	Pages 47 to 48
Notes to the Financial Statements	Pages 49 to 197
Report of the "Réviseur d'entreprises agréé"	Pages 32 to 39
Scope of consolidation	Pages 52 to 54

which can be viewed at:

https://dl.luxse.com/dlp/10ec1dfc1330c34febbae470554aaa7a67

Any other information incorporated by reference that is not included in the cross-reference list above is not incorporated by reference to this Base Prospectus;

(d) a free English translation of the original version in French of the audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2025, together with the independent auditor's report thereon, including the information set out at the following pages in particular:

Business Overview	Pages 8 to 36
Balance Sheet	Pages 47 to 48
Income Statement	Page 49
Statement of Comprehensive Income	Page 50
Statement of Changes in Equity	Pages 51 to 52
Statement of Cash Flow	Pages 53 to 54
Notes to the Financial Statements	Pages 55 to 200
Report of the "Réviseur d'entreprises agréé"	Pages 38 to 45
Scope of consolidation	Pages 58 to 59

which can be viewed at:

https://dl.luxse.com/dlp/10997c713a40f84898a65f00f8df5eddff

Any other information incorporated by reference that is not included in the cross-reference list above is not incorporated by reference to this Base Prospectus; and

(e) a free English translation of the original version in French of the audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2024, together with the independent auditor's report thereon, including the information set out at the following pages in particular:

Business Overview	Pages 8 to 28
Balance Sheet	Pages 38 to 39
Income Statement	Page 40
Statement of Comprehensive Income	Page 41
Statement of Changes in Equity	Pages 42 to 43

Statement of Cash Flow	Pages 44 to 45
Notes to the Financial Statements	Pages 46 to 189
Report of the "Réviseur d'entreprises agréé"	Pages 30 to 36
Scope of consolidation	Pages 49 to 50

which can be viewed at:

https://dl.luxse.com/dlp/10e653efe899fb47c0bfe2715e850f7b50

Any other information incorporated by reference that is not included in the cross-reference list above is not incorporated by reference to this Base Prospectus.

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Copies of this Base Prospectus and documents incorporated by reference in this Base Prospectus can be obtained from the Luxembourg Stock Exchange's website at www.luxse.com for ten years from the date of this Base Prospectus and upon request, free of charge, from the registered office of the Issuer and the Paying Agent in Luxembourg.

The information incorporated by reference into this Base Prospectus that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus and has not been scrutinised or approved by the competent authority.

In addition to the above, the following information shall be incorporated in, and form part of, this Base Prospectus as and when it is published on https://www.spuerkeess.lu/en/about-us/publications/ :

(f) the information set out in the following sections of any annual audited consolidated financial statements of the Issuer published by the Issuer after the date of this Base Prospectus, including the independent auditor's report thereon:

Business Overview
Balance Sheet
Income Statement
Statement of Comprehensive Income
Statement of Changes in Equity
Statement of Cash Flow
Notes to the Financial Statements
Report of the "Réviseur d'entreprises agréé"
Scope of consolidation

(g) the information set out in the following sections of any interim condensed consolidated financial statements of the Issuer published by the Issuer after the date of this Base Prospectus:

Consolidated management report
Report of the approved statutory auditor
Condensed interim consolidated financial information
Condensed consolidated statement of financial position as of [●]
Condensed consolidated statement of profit or loss for the six months ended [●]

Condensed consolidated statement of comprehensive income for the six months ended [●]
Condensed consolidated statement of changes in equity for the six months ended [●]
Condensed consolidated statement of cash flows for the six months ended [●]
Notes to the interim condensed consolidated financial statements

(h) the information set out in the following sections of any Pillar III annual report published by the Issuer after the date of this Base Prospectus:

Disclosure of key metrics and overview of risk-weighted exposure amounts (RWEAs)
Disclosure of risk management objectives and policies
Disclosure of the scope of application
Disclosure of own funds
Disclosure of countercyclical capital buffers
Disclosure of the leverage ratio
Disclosure of liquidity requirements
Disclosure of exposures to credit risk, dilution risk, and credit quality
Disclosure of the use of credit risk mitigation techniques
Disclosure of the use of the credit risk standardised approach
Disclosure of the use of the IRB approach for credit risk
Disclosure of specialised lending exposures and equity exposures
Disclosure of exposures to counterparty credit risk (CRR)
Disclosure of exposures to securitisation positions
Disclosure of market risk and interest rate risk in the banking book (IRRBB)
Disclosure of operational risk
Disclosure of remuneration policy
Disclosure of encumbered and unencumbered assets
Disclosure of exposures to crypto-assets
Disclosure of ESG risks

(i) the information set out in the following sections of any Pillar III quarterly report published by the Issuer after the date of this Base Prospectus:

Disclosure of key metrics, own funds requirements and risk-weighted exposure amount
Disclosure of own funds and eligible liabilities
Disclosure of countercyclical capital buffers
Disclosure of the leverage ratio
Disclosure of liquidity requirements
Disclosure of exposures to credit risk and dilution risk
Disclosure of the use of credit risk mitigation techniques
Disclosure of the use of the credit risk standardised approach
Disclosure of the use of the IRB approach to credit risk
Specialised lending and equity exposures
Disclosure of exposures to counterparty credit risk
Disclosure of exposures to securitisation positions
Disclosure of exposures to market risk under the standardised approach
Disclosure of CVA risk
Disclosure of environmental, social and governance risks (ESG risks)

Information incorporated by reference pursuant to paragraphs (f) to (i) (inclusive) above shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus.

Any documents themselves incorporated by reference in the information incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

OVERVIEW OF THE PROGRAMME

The following is a brief overview only and should be read in conjunction with the rest of this Base Prospectus and, in relation to any Covered Bond, in conjunction with the Conditions and the applicable Final Terms. Any decision to invest in the Covered Bonds should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference herein.

<u>Information relating to the Issuer</u>	
Description of the Issuer	Banque et Caisse d'Epargne de l'Etat, Luxembourg ("**BCEE**"), an autonomous public establishment having legal personality (*établissement public autonome doté de la personnalité juridique*), having its registered office located at 1, Place de Metz, L-1930 Luxembourg and registered with the Luxembourg trade and companies register under number B 30.775. Pursuant to the Luxembourg law of 24 March 1989 on BCEE, as amended, the object of BCEE is to carry out financial and banking activities as well as analogous, related or ancillary transactions.
Issuer Legal Entity Identifier (LEI):	R7CQUF1DQM73HUTV1078
Business of the Issuer	The Issuer is, according to the Law of 24 March 1989 on Banque et Caisse d'Epargne de l'Etat, Luxembourg (as amended) entitled to carry out, alone or jointly, either for itself or on behalf of third parties, all financial and banking activities with any person, whether physical or legal, as well as all analogous, related or ancillary transactions. The Issuer is incorporated and domiciled in Luxembourg and is the parent company of the BCEE Group.
Description of the BCEE Group	The BCEE Group is a banking and financial services group based in Luxembourg.
<u>Information relating to the Programme</u>	
Description	Covered Bond Programme
Arranger	Belfius Bank NV/SA
Dealers	BCEE, Belfius Bank NV/SA, Deutsche Bank, LBBW and Natixis
Fiscal Agent	BCEE
Paying Agent	BCEE
Special statutory auditor	Deloitte Audit S.à r.l.
Size	Up to €7,500,000,000 outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution	Covered Bonds may be distributed by way of a syndicated or non-syndicated basis.
Currencies	Covered Bonds may only be denominated in Euro.

Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity as agreed between the Issuer and the relevant Dealer(s).
Issue Price	Covered Bonds may be issued at an issue price which is at par or at a discount to, or premium over, par.
Use of proceeds	The net proceeds from each issue of Covered Bonds will, unless otherwise specified in the relevant Final Terms, be applied/allocated by the Issuer for its general business purposes or to finance or re-finance, in whole or in part, Green Projects (as defined below).
Programme authorisation	On 19 May 2026, the Issuer obtained permission to issue Covered Bonds under the Programme from the CSSF as competent authority in respect of the issuance of covered bonds in Luxembourg. The Issuer is to be included in the list of credit institutions authorised to issue covered bonds published on the CSSF's website.
Limit of 20 per cent.	The aggregate pools of cover assets linked to all covered bonds issued by the Issuer shall represent not more than 20% of its total on balance sheet commitments, including own funds, but deducting eligible deposits as defined in the Resolution Act 2015.
European Covered Bonds (Premium)	The Covered Bonds will be issued as European covered bonds (premium) (*obligations garanties européennes (de qualité supérieure)*), in accordance with the Covered Bonds Act and will be included in the list of covered bonds entitled to use the label "European Covered Bond (Premium)" published on the CSSF's website. Upon so being notified by the Issuer, the CSSF shall regularly update such list with the Covered Bonds issued under the Programme.
Cover Pool and Cover Assets	All Covered Bonds to be issued under the Programme will be covered by the same cover pool (*masse de couverture*) (the "**Cover Pool**"). The assets registered as cover assets (*actifs de couverture*) in the Cover Pool (the "**Cover Assets**") will consist primarily of residential mortgage loans in respect of properties located in Luxembourg originated by the Issuer and granted to private individuals ("**Residential Mortgage Loans**") (pursuant to Luxembourg law governed mortgage credit agreements and related ancillary documents entered into by the Issuer as lender and mortgagee and the relevant private individuals as borrowers and mortgagors (the "**Residential Mortgage Agreements**" and each, a "**Residential Mortgage Agreement**")). The Cover Pool will be segregated from the general estate of the Issuer. The Issuer will maintain a cover register in which the Cover Assets are registered (the "**Cover Register**").

Form of Covered Bonds	The Covered Bonds will be issued in bearer form, as described in "*Form of the Covered Bonds*" below.
Status of the Covered Bonds	The Covered Bonds are direct, unconditional and unsubordinated obligations issued in accordance with the Covered Bonds Act and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority as covered bonds of the same category as the Covered Bonds issued pursuant to the Covered Bonds Act. In addition and pursuant to the Covered Bonds Act, Covered Bondholders and counterparties of derivative contracts included in the Cover Pool (the "**Cover Pool Creditors**") will, in case of reprieve from payment (*sursis de paiement*) or liquidation (*liquidation*) proceedings, benefit from (i) a claim against the Issuer's general estate and (ii) a privileged claim (*créance privilégiée*) in respect of the Cover Pool. Cover Pool may not be seized or subject to any enforcement measure by any creditor of the Issuer other than the Cover Pool Creditors. In case of liquidation of the estate compartment relating to the Cover Pool and to the extent the claims of the Cover Pool Creditors may not be met out of the Cover Assets, such Cover Pool Creditors will benefit from an ordinary unsecured claim against the residual assets in the general estate of the Issuer. See also "*Overview of Luxembourg Legislation relating to Covered Bonds*".
Nominal principle	The aggregate principal amount of all Cover Assets shall be equal to or exceed the aggregate principal amount of outstanding Covered Bonds.
Current value of Cover Assets	The current value (*valeur actualisée*) of all Cover Assets shall be equal to or exceed the current value of the liabilities of outstanding Covered Bonds.
Overcollateralisation	The nominal amount of the Cover Pool as calculated in accordance with the Covered Bonds Act shall at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Covered Bonds of all Series.
Liquidity buffer	The Issuer shall hold a liquidity buffer covering the next 180 days of the net liquidity outflows (*sorties nettes de trésorerie*) of the Programme.
Loan to value amount	Residential Mortgage Loans may be included in the Cover Pool up to an amount equal to the lesser of the principal amount of the liens that are combined with any prior liens and 80 per cent. of the value of the relevant pledged residential properties.

Fixed Rate Covered Bonds	Covered Bonds may provide for interest based on a fixed rate ("**Fixed Rate Covered Bonds**"). Interest will be payable on Fixed Rate Covered Bonds on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s). Fixed Rate Covered Bonds may also include an interest step-up provision whereby the Rate of Interest payable increases at pre-determined periods to a pre-determined percentage per annum as indicated in the applicable Final Terms.
Floating Rate Covered Bonds	Covered Bonds may provide for interest based on a floating rate ("**Floating Rate Covered Bonds**"). Floating Rate Covered Bonds will bear interest at a rate determined on the basis of a reference rate (such as EURIBOR or €STR) appearing on the agreed screen page of a commercial quotation system and indicated in the applicable Final Terms. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Covered Bonds.
Other provisions in relation to Floating Rate Covered Bonds	Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms). Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Covered Bonds	Covered Bonds may provide that no interest is payable ("**Zero Coupon Covered Bonds**"). Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest other than in case of late payment.
Redemption	The applicable Final Terms will indicate the scheduled maturity date of such Covered Bonds (the "**Maturity Date**") and will also indicate whether such Covered Bonds (a) cannot be redeemed prior to their stated maturity (other than in specified instalments (see below)), if applicable, or (b) can be redeemed prior to their stated maturity for taxation or illegality reasons, in each case upon giving not less than 30 nor more than 60 days' irrevocable notice to the Covered Bondholders, as the case may be, or for a

Payment Default, at the maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

The applicable Final Terms may provide that Covered Bonds may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Statutory Extended Maturity Date

The maturity date of the Covered Bonds may be extended to the Statutory Extended Maturity Date. If the administrator of the estate compartment (*compartiment patrimonial*) relating to the Covered Bonds and subject to reprieve from payment proceedings decides to extend the Covered Bonds' maturity for a period of up to 12 months, then the Issuer's obligation to pay the amount due on the Maturity Date (the "**Final Redemption Amount**") of the applicable Series of Covered Bonds, as set out in the applicable Final Terms, not paid by the Issuer on their Maturity Date shall be deferred until the Statutory Extended Maturity Date (as defined under "*Terms and Conditions of the Covered Bonds*"), provided that any amount representing the Final Redemption Amount (or any part of it) due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Statutory Extended Maturity Date. Interest will continue to accrue on any unpaid amount and will be payable on each Interest Payment Date falling after the Maturity Date up to (and including) the Statutory Extended Maturity Date (or any earlier Interest Payment Date on which the Covered Bonds are redeemed in full) in accordance with the terms set out in the applicable Final Terms, to the fullest extent permitted by the Covered Bonds Act.

In the case of Covered Bonds which are Zero Coupon Covered Bonds, 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 relevant Covered Bonds on the Maturity Date.

Issuer covenants

The Issuer will covenant in favour of the Covered Bondholders to:

(i) comply with all obligations imposed on it under the Covered Bonds Act;

(ii) ensure that, in accordance with Condition 2(b) (*Status of the Covered Bonds and Overcollateralisation - Overcollateralisation*), for as long as any of the Covered Bonds is outstanding, the nominal amount (as calculated in accordance with the Covered Bonds Act) of the

Cover Pool shall at all times be at least 105 per cent. of the aggregate outstanding principal amount of the Covered Bonds of all Series provided that to the extent a higher level of minimum overcollateralisation is stipulated in any applicable legislation from time to time, such level of overcollateralisation shall be the minimum level required to be maintained by the Issuer pursuant to Condition 2(b);

(iii) ensure that the Cover Register will consist (a) primarily of Residential Mortgage Loans and (b) eligible substitution assets (*actifs de remplacement*) and liquid assets (*actifs liquides*);

(iv) ensure that any Residential Mortgage Loan governed by a Residential Mortgage Agreement and registered in the Cover Register is secured by a first-ranking mortgage created under that specific Residential Mortgage Agreement for the benefit of the Issuer, without prejudice to the possibility that any subsequent ranking mortgages (on the same property as that first-ranking mortgage) can, at the option of the Issuer, be registered in the Cover Register (and as a consequence be relied upon to calculate the loan to value amount of that Residential Mortgage Loan) if any prior-ranking mortgages pertaining to such subsequent-ranking mortgage relate to a Residential Mortgage Loan governed by a Residential Mortgage Agreement which is registered in the Cover Register;

(v) ensure that all payments that are received by the Issuer from a borrower in relation to a Residential Mortgage Loan registered in the Cover Register can be tracked and allocated, where required, in priority to the Cover Pool;

(vi) ensure that any mortgage that is registered in the Cover Register is used by the Issuer (i.e. for enforcement or other purposes) in priority in connection with Residential Mortgage Loans governed by a Residential Mortgage Agreement that are registered in the Cover Register and secured by such mortgage; and

(vii) provide regular investor reports - at a frequency and with the content complying at least with the requirements of the Covered Bonds Act - which will be made available on the website of the Issuer at www.spuerkeess.lu.

Denomination of Covered Bonds	Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 or such other amount as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the Specified Currency.
Taxation	All payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed by Luxembourg or any political subdivision or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law, as provided in Condition 6 (*Taxation*). In such event, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge	The Covered Bonds will not contain a negative pledge provision.
Events of Default	Events of default entitling holders of Covered Bonds to demand early redemption are set out under Condition 9 (*Payment Default and Cross-Acceleration*).
Payment Default	Failure by the Issuer to pay (i) any principal amount in respect of any Covered Bond on the Statutory Extended Maturity Date or (ii) any interest in respect of any Covered Bond within five (5) Business Days from the day on which such interest becomes due and payable, shall constitute a payment default ("**Payment Default**") if such failure remains unremedied for ten (10) Business Days after Covered Bondholders of the Series of Covered Bonds affected by a Payment Default have, by way of an Extraordinary Resolution of Covered Bondholders of the relevant Series of Covered Bonds, declared such a Payment Default and any Covered Bondholder or any other person appointed for such purposes has given written notice thereof to the Issuer at the specified office of the Fiscal Agent ("**Payment Notice**"). The date on which a Payment Default occurs shall be the date of the Payment Notice plus ten (10) Business Days (the "**Payment Default Date**"). If a Payment Default occurs in relation to a particular Series, Covered Bondholders of the Series of Covered Bonds affected by a Payment Default may, by way of an Extraordinary Resolution of Covered Bondholders of the

	relevant Series of Covered Bonds, appoint any Covered Bondholder or any other person to serve a notice on the Issuer ("**Acceleration Notice**") at the specified office of the Fiscal Agent that a Payment Default has occurred in relation to such Series. The Acceleration Notice will specify the date on which the Covered Bonds become immediately due and payable, (the "**Acceleration Date**"), which will be at least two (2) Business Days after the Payment Default Date.
Cross-Acceleration	Upon service of an Acceleration Notice under any of the Series of Covered Bonds, all Covered Bonds will become immediately due and payable on the relevant Acceleration Date, together with any accrued interest, and they will rank *pari passu* among themselves.
Approval, Listing and Admission to Trading	Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme (during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. Covered Bonds issued under the Programme may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series. Covered Bonds which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law	The Covered Bonds and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, Luxembourg law. For the avoidance of doubt, Articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 relating to commercial companies (as amended, the "**Companies Act 1915**") will not apply in respect of the Covered Bonds. No Covered Bondholders may initiate proceedings against the Issuer based on Article 470-21 of the Companies Act 1915.
Selling Restrictions	There are selling restrictions on the offer, sale and transfer of the Covered Bonds in the United States, Canada, the European Economic Area, the United Kingdom, Japan, Switzerland and Singapore and such other restrictions as

	may be required in connection with the offering and sale of a particular Tranche of Covered Bonds. See "*Subscription and Sale*" below.
United States Selling Restrictions and Foreign Account Tax Compliance withholding	For United States securities law and tax purposes only, the Issuer is a Category 2 issuer under Regulation S. Covered Bonds will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), unless the Covered Bonds are issued in circumstances in which the Covered Bonds will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme. These are set out under "*Risk Factors*" on page 8.
Ratings	The Covered Bonds issued under the Programme may be assigned a rating by Moody's and/or a rating by such other rating agency as shall be specified in the applicable Final Terms in respect of the issuance of any Covered Bonds. The Issuer may also issue Covered Bonds which are unrated.

FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in bearer form.

Each Tranche of Covered Bonds will initially be represented by a Temporary Global Covered Bond without Coupons, Receipts or Talons (each as defined in "*Terms and Conditions of the Covered Bonds*") which will be exchanged either for interests in a Permanent Global Covered Bond or, where specified in the applicable Final Terms (subject to such notice period as is specified in the Final Terms), for definitive Covered Bonds on or after the date (the "**Exchange Date**") which is the later of (i) 40 days after the Temporary Global Covered Bond is issued and (ii) 40 days after completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue). Such exchange will be made only upon delivery of written certification to LuxCSD to the effect that the beneficial owner of such Covered Bonds is not a U.S. person or other person who has purchased such Covered Bonds for resale to, or on behalf of, U.S. persons and LuxCSD has given a like certification (based on the certification it has received) to the Fiscal Agent.

If an interest or principal payment date for any Covered Bonds occurs whilst such Covered Bonds are represented by a Temporary Global Covered Bond, the related interest or principal payment will be made only to the extent that certification of non-U.S. beneficial ownership has been received as described in the last sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond is improperly withheld or refused. Payments of principal or interest (if any) on a Permanent Global Covered Bond will be made through LuxCSD (against presentation or surrender, as the case may be, of the Permanent Global Covered Bond) without any further requirement for certification. Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Covered Bonds*" below) the Fiscal Agent shall arrange that, where a further Tranche of Covered Bonds is issued, the Covered Bonds of such Tranche shall be assigned a common code and ISIN by LuxCSD which are different from the common code and ISIN assigned to Covered Bonds of any other Tranche of the same Series until at least 40 days after the completion of the distribution of the Covered Bonds of such Tranche.

The applicable Final Terms will specify that either (i) a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for definitive Covered Bonds with, where applicable, Receipts, Coupons and Talons attached upon not less than 60 days' written notice from LuxCSD (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Fiscal Agent as described therein or (ii) a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for definitive Covered Bonds with, where applicable, Receipts, Coupons and Talons attached only upon the occurrence of an Exchange Event as described therein. "**Exchange Event**" means that (i) a Payment Default (as defined in Condition 9 (*Payment Default and Cross-Acceleration*) has occurred and is continuing, (ii) the Issuer has been notified that LuxCSD has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Issuer is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 6 (*Taxation*) which would not be required were the Covered Bonds represented by the Permanent Global Covered Bond in definitive bearer form the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 12 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, LuxCSD (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) may give notice to the Fiscal Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Fiscal Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Fiscal Agent.

As long as the Covered Bonds are represented by a Temporary Global Covered Bond or a Permanent Global Covered Bond and LuxCSD so permits, the Covered Bonds will be tradable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000 notwithstanding that no definitive Covered Bonds will be issued with a denomination above €199,000.

The following legend will appear on all Permanent Global Covered Bonds and definitive Covered Bonds, Coupons, Receipts and Talons which have an original maturity of more than 365 days:

"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."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Permanent Global Covered Bonds and definitive Covered Bonds, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Permanent Global Covered Bonds and definitive Covered Bonds, receipts or coupons.

For so long as any of the Covered Bonds are represented by a global Covered Bond held on behalf of LuxCSD, each person who is for the time being shown in the records of LuxCSD as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by LuxCSD as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent and the Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest on the Covered Bonds, for which purpose the bearer of the relevant Global Covered Bond shall be treated by the Issuer, the Fiscal Agent and the Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global Covered Bond (and the expressions "**Covered Bondholder**" and "**holder of Covered Bonds**" and related expressions shall be construed accordingly).

Covered Bonds which are represented by a Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of LuxCSD.

Any reference herein to LuxCSD shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent and the Paying Agent.

The Issuer may agree with any Dealer that Covered Bonds may be issued in a form not contemplated by the Terms and the Conditions of the Covered Bonds, in which case (if such Covered Bonds are intended to be listed) a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

The Issuer will notify LuxCSD and the Paying Agent upon issue whether the Covered Bonds are intended, or are not intended, to be held in a manner which would allow Eurosystem eligibility and deposited with LuxCSD as vault operator. Where the Covered Bonds are not intended to be deposited with LuxCSD as vault operator upon issuance, should the Eurosystem eligibility criteria be amended in the future such as that the Covered Bonds are capable of meeting such criteria, the Covered Bonds may then be deposited with LuxCSD as vault operator. Where the Covered Bonds are so deposited with LuxCSD as vault operator upon issuance or otherwise, this does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

FORM OF FINAL TERMS

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Covered Bonds 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 (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making the Covered Bonds available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making the Covered Bonds available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold 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 either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC")** for offering, selling or distributing the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [each/the] manufacturer['s/s'] product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (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 [each/the] manufacturer['s/s'] product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds 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 UK domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[SINGAPORE SFA PRODUCT CLASSIFICATION: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Covered Bonds are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP

Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.] [1]

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme.

[Date]

BANQUE ET CAISSE D'EPARGNE DE L'ETAT, LUXEMBOURG

Legal Entity Identifier (LEI): **R7CQUF1DQM73HUTV1078**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
under the €7,500,000,000 Covered Bond Programme

PART A — CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 6 July 2026 [and the supplement[s] to the Base Prospectus dated [*date*] which [together] constitute[s] a base prospectus for the purposes of Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. Copies of the Base Prospectus [as so supplemented] are available for viewing, free of charge, at the registered office of the Issuer and the Paying Agent and on the website of the Luxembourg Stock Exchange (www.luxse.com).]

1.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Series which Covered Bonds will be consolidated and form a single Series with: (As referred to under Condition [15])	[●]/[Not Applicable]
	(iv)	Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above:	[●]/[Issue Date]/[Not Applicable]
2.	Aggregate Nominal Amount of Covered Bonds admitted to trading:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
3.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]
4.	(i)	Specified Denominations:	[●]
		(As referred to under Condition [1])	[●]
	(ii)	Calculation Amount:	[●]

[1] For any Covered Bonds to be offered to investors in Singapore to persons other than accredited investors and institutional investors (each term as defined in the SFA), the Issuer to consider whether it needs to re-classify the Covered Bonds pursuant to Section 309B of the SFA prior to the launch of the offer.

5.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●]
6.	(i)	Maturity Date:	[*Fixed Rate Covered Bonds – specify date/Floating Rate Covered Bonds or any other Covered Bond where the Interest Period end date(s) are adjusted –* Interest Payment Date falling in or nearest to [*specify month*]]
	(ii)	Statutory Extended Maturity Date:	[at the latest 12 months after Maturity Date] See Conditions [3(d)] and [5(i)].
7.	Interest Basis: (As referred to under Condition [3])		[[ ]% Fixed Rate] [[[ ]month [EURIBOR]] +/-[ ]% Floating Rate]] [Compounded Daily €STR] [Zero Coupon] [[ ]% Fixed Rate] [[_] month [EURIBOR] [+/–][_] per cent. Floating Rate]] See paragraph [10] [11][13][14] below
8.	Redemption/Payment Basis: (Condition 5 (other than Condition 5(a))		[●] per cent. of the nominal amount
9.	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE (UP TO MATURITY DATE)

10.	Fixed Rate Covered Bond Provisions: (As referred to under Condition 3(a))		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Rate(s) of Interest:	[●] per cent. per annum payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
	(ii)	Interest Payment Date(s):	[[●] in each year from (and including) [●] up to (and including) the Maturity Date] [●]
	(iii)	Additional Business Centre(s):	[●]
	(iv)	Fixed Coupon Amount(s):	[[●] per Calculation Amount] [Not Applicable]
	(v)	Broken Amount(s):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
	(vi)	Day Count Fraction:	[Actual/360, 30/360, 360/360, Bond Basis, 30E/360, Eurobond Basis, Actual/365 (Fixed), Actual/Actual (ICMA)] [Not Applicable]
	(vii)	Determination Date(s):	[●] in each year]/[●] Business Days prior to the Interest Payment Date]/[Not Applicable]
11.	Floating Rate Covered Bond Provisions: (As referred to under Condition 3(b))		[Applicable/Not Applicable]

		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
(i)	Specified Period(s)/Specified Interest Payment Dates:	[●]
(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iii)	Additional Business Centre(s):	[●]
(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	[●]
(vi)	Screen Rate Determination:	
	– Reference Rate:	[Compounded Daily €STR] [[ ] month [EURIBOR]
	– Term Rate:	[Applicable/Not Applicable]
	– Specified Time:	[[11.00 a.m./[ ]] in the Relevant Financial Centre] [Not Applicable]
	– Relevant Financial Centre:	[Brussels/[ ]] [Not Applicable]
	– Overnight Rate:	[Applicable/Not Applicable]
	– Index Determination:	[Applicable/Not Applicable]
	– D:	[30/360/[ ]] / [Not Applicable]
	– Observation Period:	[Lag/Observation Shift/Not Applicable]
	– Lag Period:	[5/[ ] [TARGET Business Days] / [Not Applicable]
	– Observation Shift Period:	[5/[ ] [TARGET Business Days] / [Not Applicable] (*NB: A minimum of 5 relevant business/banking days should be specified for the Lag Period or Observation Shift Period unless otherwise agreed with the Calculation Agent*)
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
(vii)	Margin(s):	[+/-][●] per cent. per annum
(viii)	Minimum Rate of Interest:	[●] per cent. per annum
(ix)	Maximum Rate of Interest:	[●] per cent. per annum
(x)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/Actual (ICMA) Actual/365 (Fixed) Actual/360 30/360

360/360

Bond Basis

30E/360

Eurobond Basis

30E/360 (ISDA)]

12.	Zero Coupon Covered Bond Provisions: (As referred to under Condition 3(b))		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Accrual Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	*[Conditions [5(d)(iii)] and [5(i)] apply]*
	(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):	[●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE (FROM BUT EXCLUDING MATURITY DATE AND UP TO STATUTORY EXTENDED MATURITY DATE)

13.	Fixed Rate Covered Bond Provisions: (As referred to under Condition 3(a))		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Rate(s) of Interest:	[●] per cent. per annum payable [monthly] in arrears on each Interest Payment Date]
	(ii)	Interest Payment Date(s):	On each Month/ from (and including) the Maturity Date up to (and including) the Statutory Extended Maturity Date
	(iii)	Additional Business Centre(s):	[●]
	(iv)	Fixed Coupon Amount(s):	[[●] per Calculation Amount] [Not Applicable]
	(v)	Broken Amount(s):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
	(vi)	Day Count Fraction:	[Actual/360, 30/360, Bond Basis, 30E/360, Eurobond Basis, Actual/365 (Fixed), Actual/Actual (ICMA)] [Not Applicable]
	(vii)	Determination Date(s):	[●] Business Days prior to the Interest Payment Date]/[Not Applicable]
14.	Floating Rate Covered Bond Provisions: (As referred to under Condition 3(b))		[Applicable/Not Applicable]

		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
(i)	Specified Period(s)/Specified Interest Payment Dates:	[●]
(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iii)	Additional Business Centre(s):	[●]
(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	[●]
(vi)	Screen Rate Determination:	
	– Reference Rate:	[Compounded Daily €STR] [[ ] month [EURIBOR]
	– Term Rate:	[Applicable/Not Applicable]
	– Specified Time:	[[11.00 a.m./[ ]] in the Relevant Financial Centre] [Not Applicable]
	– Relevant Financial Centre:	[Brussels/[ ]] [Not Applicable]
	– Overnight Rate:	[Applicable/Not Applicable]
	– Index Determination:	[Applicable/Not Applicable]
	– D:	[30/360/[ ]] / [Not Applicable]
	– Observation Period:	[Lag/Observation Shift/Not Applicable]
	– Lag Period:	[5/[ ] [TARGET Business Days] / [Not Applicable]
	– Observation Shift Period:	[5/[ ] [TARGET Business Days] / [Not Applicable] (*NB: A minimum of 5 relevant business/banking days should be specified for the Lag Period or Observation Shift Period unless otherwise agreed with the Calculation Agent*)
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
(vii)	Margin(s):	[+/-][●] per cent. per annum
(viii)	Minimum Rate of Interest:	[●] per cent. per annum
(ix)	Maximum Rate of Interest:	[●] per cent. per annum
(x)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/Actual (ICMA) Actual/365 (Fixed) Actual/360 30/360

		Bond Basis 30E/360 Eurobond Basis 30E/360 (ISDA)]
	(xi) [Linear Interpolation]:	[Not Applicable]/[Applicable] – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation] (specify for each short or long interest period)

PROVISIONS RELATING TO REDEMPTION

15.	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation or illegality reasons or on event of a Payment Default: (As referred to under Condition [5(d)])	[Condition 5(d) is applicable] [[●] per Calculation Amount]
16.	Final Redemption Amount:	[Condition 5(a) is applicable] [[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

17.	Form of Covered Bonds:	
	(i) Form:	[Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for definitive Covered Bonds [on not less than 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Global Covered Bond exchangeable for definitive Covered Bonds on and after the Exchange Date on [●] days' notice given at any time]
	(ii) New Global Covered Bond:	[Yes] [No]
18.	Additional Financial Centre(s): (As referred to under Condition [4(c)])	[●]/[Not Applicable]
19.	Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (As referred to under the Introduction to the Conditions of the Covered Bonds)	[Yes, as the Covered Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupons payments are still to be made/No.]
20.	Redenomination applicable:	Redenomination [not] applicable
21.	Whether TEFRA D rules applicable or TEFRA rules not applicable	[TEFRA D/TEFRA not applicable]

THIRD PARTY INFORMATION

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

....

By: [●]

Duly authorised

PART B — OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING:**		
	(i)	Listing:	[Official list of the Luxembourg Stock Exchange.]/ [Not Applicable.]
	(ii)	Admission to trading:	[Application [is expected to be]/[has been] made for the Covered Bonds to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from [●].]/[Not Applicable.]
	(iii)	Estimate of total expenses related to admission to trading:	[●]
2.	**RATINGS:**		The Covered Bonds [have been] [are expected to be] assigned the following ratings: [Moody's Deutschland GmbH ("**Moody's**") [●]] [(endorsed by Moody's Investors Service Limited)] [Not Applicable] [Moody's is established in the EEA and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.] [Moody's Investors Service Limited is established in the United Kingdom and is registered under the CRA Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). As such, the ratings issued by Moody's Investors Service Limited may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation. *[To include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*] *(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
3.	**LEGAL ADVISERS**		
	(i)	To the Issuer	[●] [*only to be included where there was a specific legal advisor for a particular issuance*]
	(ii)	To the [Managers/Dealers]	[●] [*only to be included where there was a specific legal advisor for a particular issuance*]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds 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 transactions with and may perform other services for the Issuer and/or its affiliates in the ordinary course of business.

5. YIELD:

(Fixed Rate Covered Bonds only) Indication of yield:	[●]/[Not Applicable]

6. OPERATIONAL INFORMATION:

(i)	ISIN Code:	[●]
(ii)	Common Code:	[●]
(iii)	CFI:	[[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN:	[[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	Any clearing system(s) other than LuxCSD (together with the address of each such clearing system) and the relevant identification number(s):	[[●]/Not Applicable] Organisation number: [●].
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●][Not Applicable]
(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with LuxCSD as vault operator and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intraday 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.] [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 Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with LuxCSD as vault operator. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for

		Eurosystem monetary policy and intraday 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.]
(ix)	Relevant Benchmark[s]:	[[*specify benchmark*] is provided by [*administrator legal name*]]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by [ESMA/the Financial Conduct Authority] pursuant to [Article 36][Article 2] of the [EU][UK] Benchmarks Regulation]]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the [EU][UK] Benchmarks Regulation]/[Not Applicable]

7. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS:

(i)	Use of Proceeds:	[General Business Purposes][Green Covered Bonds][●] [The Covered Bonds constitute Green Covered Bonds and an amount equivalent to the net proceeds of the issue of the Covered Bonds will be applied by the Issuer to a green asset portfolio which will be used to finance or refinance, in whole or in part, the Issuer's investments in eligible assets as further described in the Issuer's Green Bond Framework published on 11 February 2025 (as amended or supplemented from time to time) available on the Issuer's website] [*For Green Bonds only, include weblink for relevant framework and any other relevant information*] (*See "Use of Proceeds" wording in the Base Prospectus – if reasons for the offer are different from general business purposes and/or Green Covered Bonds, will need to include those reasons here.*)
(ii)	Estimated net proceeds:	[●]

8. PROVISIONS RELATING TO GREEN COVERED BONDS

Green Covered Bonds	[Yes/No]
[Reviewer(s):]	[Name of sustainability rating agency(ies) [and name of third party assurance agent] and [give details of compliance opinion(s) and availability]]
[Date of Second Party Opinion:]	[Not Applicable/*give details*]

TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the Terms and Conditions of the Covered Bonds (the "**Conditions**") which will be incorporated by reference into each global Covered Bond and each definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Covered Bond will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Covered Bond and definitive Covered Bond. Reference should be made to "Form of the Covered Bonds" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Banque et Caisse d'Epargne de l'Etat, Luxembourg (the "**Issuer**") pursuant to an agency agreement dated 6 July 2026 between, among others, the Issuer and the Fiscal Agent and Paying Agent and in the presence of the Arranger (as amended or supplemented from time to time, the "**Agency Agreement**").

References herein to the "**Covered Bonds**" shall be references to the Covered Bonds of this Series and shall mean:

(i) in relation to any Covered Bonds represented by a global Covered Bond, units of the lowest Specified Denomination in Euro (the "**Specified Currency**");

(ii) definitive Covered Bonds issued in exchange (or part exchange) for a global Covered Bond; and

(iii) any global Covered Bond.

The fiscal agent, the paying agent, and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agent**" (which expression shall include the Fiscal Agent), and the "**Calculation Agent(s)**". The Fiscal Agent also acts as LuxCSD principal agent, i.e. an institution qualified by LuxCSD and appointed by the Issuer to interact with LuxCSD and service the Covered Bonds throughout their lifetime.

Interest-bearing definitive Covered Bonds have interest coupons ("**Coupons**") and, if specified in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Covered Bonds repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue.

The final terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms which are attached to or endorsed on this Covered Bond which completes these terms and conditions (the "**Conditions**"). References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) which are attached to or endorsed on this Covered Bond.

In these Conditions, "**Covered Bondholders**" means the holders for the time being of the Covered Bonds, and such expression shall, in relation to any Covered Bonds represented by a global Covered Bond; "**Receiptholders**" means the holders of the Receipts; and "**Couponholders**" means the holders of the Coupons, and such expression shall, unless the context otherwise requires, include the holders of Talons).

As used herein, "**Tranche**" means Covered Bonds which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement are available for inspection free of charge during normal business hours at the specified office of the Paying Agent or may be provided by email to a Covered Bondholder following their prior written request to the Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Paying Agent). Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of the Issuer and the Paying Agent save that, if this Covered Bond is 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 Prospectus Regulation, the applicable Final Terms will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and/or the Paying Agent as to its holding of such Covered Bonds and identity. If this Covered Bond is admitted to trading on the Official List of the Luxembourg Stock Exchange's regulated market, the applicable Final Terms will also be available for viewing on the website of the Luxembourg Stock Exchange at www.luxse.com. The Covered Bondholders, the Receiptholders and the Couponholders are deemed to have notice of all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of any inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Covered Bonds are in bearer form and, in the case of definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s), provided that in the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Covered Bonds). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

This Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a Zero Coupon Covered Bond, depending upon the Interest Basis shown in the applicable Final Terms.

This Covered Bond may be a Covered Bond which provide for gradual redemption by the Issuer in instalments (an "**Instalment Covered Bond**"), depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds, in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Covered Bonds, Receipts and Coupons will pass by delivery in accordance with the provisions of the Agency Agreement. The Issuer, the Fiscal Agent and the Paying Agent may deem and treat the bearer of any Covered Bond, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph, and the expressions "**Covered Bondholder**" and "**holder of Covered Bonds**" and related expressions shall be construed accordingly.

For so long as any of the Covered Bonds is represented by a bearer global Covered Bond held on behalf of LuxCSD, *société anonyme* ("**LuxCSD**"), each person (other than LuxCSD) who is for the time being shown in the records of LuxCSD, as the case may be, as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Covered Bonds standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Covered Bonds is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Fiscal Agent and the Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest on the Covered Bonds, for which purpose, in the case of Covered Bonds represented by a bearer global Covered Bond, the bearer of the relevant bearer global Covered Bond shall be treated by the Issuer, the Fiscal Agent and the Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global Covered

Bond and the expressions "**Covered Bondholder**" and "**holder of Covered Bonds**" and related expressions shall be construed accordingly.

Covered Bonds which are represented by a global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of LuxCSD.

References to LuxCSD shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Fiscal Agent.

2. Status of the Covered Bonds and Overcollateralisation

(a) Status of the Covered Bonds

The Covered Bonds are direct, unconditional and unsubordinated obligations issued in accordance with the Luxembourg act of 8 December 2021 on the issuance of covered bonds (the "**Covered Bonds Act**") and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority as covered bonds of the same category as the Covered Bonds issued pursuant to the Covered Bonds Act. All Covered Bonds to be issued under the Programme will be covered by the same cover pool (*masse de couverture*) (the "**Cover Pool**"). The assets registered as cover assets (*actifs de couverture*) in the Cover Pool (the "**Cover Assets**") will consist primarily of residential mortgage loans in respect of properties located in Luxembourg originated by the Issuer and granted to private individuals (the "**Residential Mortgage Loans**"). The Cover Pool will be segregated from the general estate of the Issuer.

In addition and pursuant to the Covered Bonds Act, Covered Bondholders and counterparties of derivative contracts included in the Cover Pool (the "**Cover Pool Creditors**") benefit from (i) a claim against the Issuer's general estate and (ii) a privileged claim (*créance privilégiée*) in respect of the Cover Pool. The Cover Pool may not be seized or subject to any enforcement measure by any creditor of the Issuer other than the Cover Pool Creditors. In case of liquidation of the estate compartment relating to the Cover Pool and to the extent the claims of the Cover Pool Creditors may not be met out of the Cover Assets, such Cover Pool Creditors will benefit from an ordinary unsecured claim against the residual assets in the general estate of the Issuer.

The special statutory auditor (*réviseur d'entreprises agréé spécial*) of the Issuer is appointed by the Issuer, following approval of the *Commission de surveillance du secteur financier* (the "**CSSF**"). The special statutory auditor provides on each date of issue of Covered Bonds certifications attesting notably that the Cover Assets required by the Covered Bonds Act exist and have been properly recorded in the relevant section of the Cover Register.

Each Global Covered Bond and definitive Covered Bond shall be signed on behalf of the Issuer by one or more duly authorized signatories of the Issuer (and duly authenticated and effectuated). The relevant certifications of the special statutory auditor (*réviseur d'entreprises agréé spécial*) in respect of each issue of Covered Bonds shall be attached to the Global Covered Bond and definitive Covered Bond, as the case may be.

(b) Overcollateralisation

For so long as the Covered Bonds are outstanding, the nominal amount (as calculated in accordance with the Covered Bonds Act) of the Cover Pool with respect to the Covered Bonds shall at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Covered Bonds of all Series provided that to the extent a higher level of minimum overcollateralisation is stipulated in any applicable legislation from time to time, such level of overcollateralisation shall be the minimum level required to be maintained by the Issuer pursuant to this Condition 2(b).

For the avoidance of doubt, recourse to the Cover Pool, and any additional overcollateralisation in the Cover Pool, is available for all holders of Covered Bonds issued by the Issuer under this Programme and any relevant derivative contracts counterparties.

3. Interest

(a) Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

The amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

"**Determination Period**" means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

Determination Date means the date specified as such in the applicable Final Terms; and "**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Covered Bonds*

(i) Interest Payment Dates

Each Floating Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 3(*b*)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than TARGET System (as defined below)) specified in the applicable Final Terms; and

(B) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (known as TARGET or T2) or any successor or replacement for that system (the "**TARGET System**") is open.

(ii) Rate of Interest for Floating Rate Covered Bonds

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Final Terms, as described below.

(A) Screen Rate Determination for Floating Rate Covered Bonds – Term Rate

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest in respect of the relevant Series of Floating Rate Covered Bonds is to be determined and "Term Rate" is specified to be “Applicable”, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) (such as EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent or the Calculation Agent, as applicable for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Fiscal Agent or the Calculation Agent, as applicable, cannot determine the Rate of Interest as aforementioned, because the Relevant Screen Page is not published, or if the Fiscal Agent or the Calculation Agent, as applicable cannot make such determination for any other reason, then the Rate of Interest for the respective Interest Period shall be the arithmetic mean, (rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Fiscal Agent or the Calculation Agent, as applicable, of the interest rates which the Reference Banks (as defined in the Agency Agreement), quote to prime banks on the relevant Interest Determination Date for deposits in the Specified Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Rate of Interest for the respective Interest Period shall be determined by the Issuer based on the relevant quotation received from the Reference Bank or, if such determination cannot be made, the Rate of Interest shall be determined as at the last preceding Interest Determination Date.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination – Overnight Rate - Compounded Daily €STR – Non-Index Determination

(1) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which (i) the Rate of Interest is to be determined, (ii) Overnight Rate is specified as being Applicable, (iii) Compounded Daily €STR is specified as the

Reference Rate and (iv) Index Determination is specified as being Not Applicable, the Rate of Interest for an Interest Accrual Period will, subject to Condition 3(e) and as provided below, be Compounded Daily €STR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Fiscal Agent or the Calculation Agent, as applicable.

Compounded Daily €STR means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Euro short-term rate as reference rate for the calculation of interest) as calculated by the Fiscal Agent or the Calculation Agent, as applicable, as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{€STR}_i \times n_i}{\mathrm{D}}\right)-1\right]\times\frac{\mathrm{D}}{d}$$

where:

the **€STR reference rate**, in respect of any TARGET Business Day (**$\mathbf{TBD_x}$**), is a reference rate equal to the daily Euro short-term rate (**€STR**) for such TBD_x as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Business Day immediately following TBD_x (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

$\mathbf{€STR_i}$ means the €STR reference rate for:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the TARGET Business Day falling "*p*" TARGET Business Days prior to the relevant TARGET Business Day "*i*"; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant TARGET Business Day "*i*".

d is the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

D is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);

d_o means:

(i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days in the relevant Interest Accrual Period; or

(ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days in the relevant Observation Period;

i is a series of whole numbers from one to “d_o”, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in:

(i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

(ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

n_i for any TARGET Business Day “*i*”, means the number of calendar days from (and including) such TARGET Business Day “*i*” up to (but excluding) the following TARGET Business Day;

Observation Period means the period from (and including) the date falling “*p*” TARGET Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “*p*” TARGET Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

p means:

(i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days specified as the “Lag Period” in the applicable Final Terms (or, if no such number is so specified, five TARGET Business Days); or

(ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days specified as the “Observation Shift Period” in the applicable Final Terms (or, if no such number is specified, five TARGET Business Days); and

TARGET Business Day means any day on which the TARGET System is open.

(2) Subject to Condition 3(e), if, where any Rate of Interest is to be calculated pursuant to Condition 3(b)(ii)(B)(1) above, in respect of any TARGET Business Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Business Day shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Fiscal Agent or the Calculation Agent, as applicable.

(3) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 3(b)(ii)(B) but without prejudice to Condition 3(e), the Rate of Interest shall be:

(I) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or

(II) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Covered Bonds for the first scheduled Interest Period had the Covered Bonds been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Fiscal Agent or the Calculation Agent, as applicable.

(iii) Interest Accrual Period

As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due.

If the relevant Series of Covered Bonds becomes due and payable at the Acceleration Date following a Payment Default (both terms as defined below), the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Covered Bonds become so due and payable, and such Rate of Interest shall continue to apply to the Covered Bonds for so long as interest continues to accrue thereon as provided in the Agency Agreement.

(iv) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3(*b*)(ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3(*b*)(ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest Rate.

(v) Determination of Rate of Interest and Calculation of Interest Amounts

The Fiscal Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Fiscal Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the "**Interest Amount**") payable per Calculation Amount in respect of the Floating Rate Covered Bonds for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 3(*b*):

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

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(iv) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest 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:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(v) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest 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:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

(vi) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest 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:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest 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 D2 will be 30.

(vi) Notification of Rate of Interest and Interest Amounts

(A) Except where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and Overnight Rate is specified as being Applicable, subject to Condition 3(e), the Fiscal Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, (in the case of the Calculation Agent) the Fiscal Agent, the Paying Agent, the Covered Bondholders and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 12 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day (as defined below) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 12 (*Notices*).

(B) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and Overnight Rate is specified as being Applicable, subject to Condition 3(e), the Fiscal Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer, (in the case of the Calculation Agent) the Fiscal Agent, the Paying Agent, the Covered Bondholders and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 12 (*Notices*) as soon as possible after their determination but in no event later than the second Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Accrual Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 12 (*Notices*).

(vii) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(*b*), whether by the Fiscal Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the Paying Agent and all Covered Bondholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Covered Bondholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Accrual of Interest

Subject as provided in Condition 3(*d*) (*Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Statutory Extended Maturity Date*), each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these Conditions.

(d) Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Statutory Extended Maturity Date

(i) If the maturity of a Series of Covered Bonds is extended to the Statutory Extended Maturity Date in accordance with Condition 5(i) (*Extension of Maturity up to the Statutory Extended Maturity Date*), the 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 or the Statutory Extended Maturity Date, subject to Condition 3(c) (*Accrual of Interest*). In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 3(d)(ii) on the principal amount outstanding of the Covered Bonds in arrears on the Interest Payment Date in each month after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date. The final Interest Payment Date shall fall no later than the Statutory Extended Maturity Date.

(ii) To the fullest extent permitted by the Covered Bonds Act, if the maturity of a Series of Covered Bonds is extended beyond the Maturity Date in accordance with Condition 5(i) (*Extension of Maturity up to the Statutory Extended Maturity Date*), the rate of interest payable from time to time in respect of the principal amount outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable Final Terms.

(iii) In the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 3(d) 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.

(iv) This Condition 3(d) shall only apply if the estate compartment (*compartiment patrimonial*) of the Issuer relating to the Covered Bonds is subject to reprieve from payment (*sursis de paiement*) proceedings and the administrator (*administrateur*) managing such estate compartment decides to extend the Maturity Date to the Statutory Extended Maturity Date which may be set by such administrator up to 12 months after the Maturity Date, and in such circumstances, the maturity of those Covered Bonds will be extended to the Statutory Extended Maturity Date in accordance with Condition 5(i) (*Extension of Maturity up to the Statutory Extended Maturity Date*).

(e) Benchmark Replacement

Notwithstanding the foregoing provisions of this Condition 3, if the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount)) 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 the relevant Original Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) and notify the Paying Agent, Calculation Agent, Fiscal Agent no later than five (5) 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 Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e)). The Issuer shall notify the Paying Agent once an Independent Advisor has been appointed;

(ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Original Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Original Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;

(iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Original Reference Rate in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Original Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page or able to provide notice to the Paying Agent, Calculation Agent and Fiscal Agent of any Successor Rate, Alternative Benchmark Rate or Alternative Relevant Screen Page five (5) business days prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Original Reference Rate applicable to such Interest Period shall be equal to the Original Reference Rate for a term equivalent to the Relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (including a EURIBOR Interest Determination Date) (as applicable) (though substituting, where a different Margin is to be applied to the 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);

(iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e));

(v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;

(vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to these confirmations, including but not limited to, the Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Original Reference Rate applicable to the Covered Bonds, and the method for determining the fallback rate in relation to the Covered Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e)); and

(vii) the Issuer shall no later than five (5) Business Days prior to the relevant Interest Determination Date following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (v) and (vi) above to the Calculation Agent, the Fiscal Agent and the holders.

Notwithstanding any other provision of this Condition 3(e), if in the Calculation Agent, the Fiscal Agent, the Paying Agent’s opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3(e), the Calculation Agent, the Fiscal Agent, the Paying Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent, the Fiscal Agent, the Paying Agent in writing as to which alternative course of action to adopt. If the Calculation Agent, the Fiscal Agent, the Paying Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent, the Fiscal Agent, the Paying Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

Such Benchmark Amendments shall not impose more onerous obligations on the party responsible for determining the Rate of Interest or expose it to any additional duties or liabilities unless such party consent.

for the purposes of this Condition 3(e):

Adjustment Spread means either a spread (which may be positive or negative or zero) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent

Adviser and acting in good faith, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Original Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Covered Bondholders as a result of the replacement of the Original Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable);

Benchmark Event means, with respect to an Original Reference Rate:

(a) the relevant Original Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(b) a public statement by the administrator of the relevant Original Reference Rate that it will cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate); or

(c) a public statement by the supervisor of the administrator of the relevant Original Reference Rate that such Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(d) (i) a public statement by the supervisor of the administrator of the relevant Original Reference Rate or by any relevant competent authority or other relevant official body pursuant to Regulation (EU) 2016/1011 as that Regulation applies in the European Union or (ii) the effect of the application of Regulation (EU) 2016/1011 as that Regulation applies in the European Union otherwise being, that means that such Original Reference Rate will be prohibited from being used, is no longer (or will no longer be) representative of its underlying market, that its use will be subject to restrictions or adverse consequences or that adding a new reference to the Original Reference Rate will be prohibited; or

(e) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Covered Bondholder using the relevant Original Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 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;

Original Reference Rate means:

(i) the benchmark or screen rate (as applicable) originally specified, for the purposes of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Covered Bonds; or

(ii) any Successor Rate or Alternative Benchmark Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 3(e);

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

Successor Rate means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

4. Payments

(a) Method of Payment

Subject as provided below, payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 6 (*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 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). References to "**Specified Currency**" will include any successor currency under applicable law.

(b) Presentation of Covered Bonds, Receipts and Coupons

Payments of principal in respect of definitive Covered Bonds will (subject as provided below) be made in the manner provided in Condition 4(*a*) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of definitive Covered Bonds, and payments of interest in respect of definitive Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal in respect of definitive Covered Bonds (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 4(*a*) above against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 4(*a*) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of the relevant definitive Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Covered Bond to which it appertains. Receipts presented without the definitive Covered Bonds to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Covered Bond becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Except as provided below, all payments of interest and principal with respect to Covered Bonds will be made at such paying agencies outside the United States as the Issuer may appoint from time to time and to accounts outside the United States.

Fixed Rate Covered Bonds in definitive bearer form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 6 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Covered Bond in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such definitive Covered Bond from (and including) the preceding Interest Payment Date or Interest Commencement Date, as the case may be, shall be payable only against surrender of the relevant definitive Covered Bond.

Payments of principal and interest (if any) in respect of Covered Bonds represented by any bearer global Covered Bond will (subject as provided below) be made in the manner specified above in relation to definitive Covered Bonds and otherwise in the manner specified in the relevant bearer global Covered Bond against presentation or surrender, as the case may be, of such bearer global Covered Bond at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such bearer global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global Covered Bond by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

The holder of a global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such global Covered Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such global Covered Bond in respect of each amount so paid. Each of the persons shown in the records of LuxCSD as the beneficial holder of a particular nominal amount of Covered Bonds represented by such global Covered Bond must look solely to LuxCSD for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Covered Bond.

(c) *Payment Day*

If the date for payment of any amount in respect of any Covered Bond, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which is (subject to Condition 7 (*Prescription*)):

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

   (A) the relevant place of presentation;

   (B) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) a day on which the TARGET System is open.

(d) Interpretation of Principal and Interest

Any reference in these Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 6 (*Taxation*);

(ii) the Final Redemption Amount of the Covered Bonds;

(iii) the Early Redemption Amount of the Covered Bonds;

(iv) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts;

(v) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5(*d*) (*Early Redemption Amounts*)); and

(vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Agency Agreement.

5. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at par (the "**Final Redemption Amount**") on the Maturity Date, subject to Statutory Maturity Extension as provided below.

(b) Redemption for Tax Reasons

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 12 (*Notices*), to the Covered Bondholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Covered Bonds; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Members of the Executive Committee 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, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Covered Bonds redeemed pursuant to this Condition 5(*b*) will be redeemed at their Early Redemption Amount referred to in Condition 5(*d*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption for Illegality

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 12 (*Notices*), to the Covered Bondholders (which notice shall be irrevocable), if:

(i) it becomes unlawful for the Issuer to perform any of its obligations under the Covered Bonds; or

(ii) any of its obligations under the Covered Bonds ceases to be valid, binding or enforceable,

as a result of any change in, or amendment to, the applicable laws or regulation or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Members of the Executive Committee 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, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Covered Bonds redeemed pursuant to this Condition 5(*c*) will be redeemed at their Early Redemption Amount referred to in Condition 5(*d*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(d) Early Redemption Amounts

For the purpose of Conditions 5(*b*), 5(c) and 9, the Covered Bonds will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of Covered Bonds with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of Covered Bonds (other than Zero Coupon Covered Bonds but including Instalment Covered Bonds) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or

(iii) in the case of Zero Coupon Covered Bonds, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount per Calculation Amount = RP x (1 + AY)y

where:

"**RP**" means the Reference Price per Calculation Amount;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable and the denominator of which is 360.

(e) Instalments

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(*d*) above.

(f) Purchases

The Issuer or its subsidiaries (where applicable) may at any time purchase beneficially or procure others to purchase beneficially for its account Covered Bonds (provided that, in the case of definitive Covered Bonds, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(g) Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of definitive Covered Bonds, all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). The details of all Covered Bonds so cancelled (together, in the case of definitive Covered Bonds, with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Fiscal Agent.

(h) Late payment on Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5(*a*), 5(*b*), 5(*c*) or 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 3(*d*)(iii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Fiscal Agent and notice to that effect has been given to the Covered Bondholders in accordance with Condition 12 (*Notices*).

(i) Extension of Maturity Date up to the Statutory Extended Maturity Date

(i) Statutory Extended Maturity may apply to a Series of Covered Bonds.

(ii) If the estate compartment (*compartiment patrimonial*) of the Issuer relating to the Covered Bonds is subject to reprieve from payment (*sursis de paiement*) proceedings and the administrator (*administrateur*) managing such estate compartment decides to extend the Maturity Date to the Statutory Extended Maturity Date, then the maturity of the Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Conditions will be automatically deferred until the Statutory Extended Maturity Date which may be set by the administrator up to 12 months (save for limited exceptions where maximum extension is of one month only) after the Maturity Date. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Statutory Extended Maturity Date. The Issuer shall give to the Covered Bondholders (in accordance with Condition 12 (*Notices*)) and the Paying Agent, notice of its intention to redeem all or any of the principal amount outstanding of the Covered Bonds in full at least five Business Days prior to the relevant Interest Payment Date or, as applicable, the Statutory Extended Maturity Date.

(iii) In the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 5(i) 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.

(iv) Any extension of the maturity of Covered Bonds under this Condition 5(i) shall be irrevocable. Where this Condition 5(i) applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 5(i) shall not constitute a Payment Default for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Conditions. However, failure by the Issuer to redeem in full the relevant Covered Bonds on the Statutory Extended

Maturity Date or in accordance with Condition 5(i) shall be a failure to pay which may constitute a Payment Default.

(v) In the event of the extension of the maturity of Covered Bonds under this Condition 5(i), interest rates, interest periods and interest payment dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Statutory Extended Maturity Date shall, to the fullest extent permitted by the Covered Bonds Act, be determined and made in accordance with the applicable Final Terms and Condition 3(d) (*Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Statutory Extended Maturity Date*).

(vi) If the Issuer redeems part and not all of the principal amount outstanding of Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date, the redemption proceeds shall be applied rateably across the Covered Bonds and the principal amount outstanding on the Covered Bonds shall be reduced by the level of that redemption.

(vii) To the extent the Issuer does not (where it is entitled to do so) extend the Maturity Date of all Series of Covered Bonds of a category, an extension of one Series does not automatically imply the extension of other Series of Covered Bonds of that category. However, if the Maturity Date of any other Series of Covered Bonds of the same category has been extended in accordance with their terms and conditions (the "**Extended Covered Bonds**"), and the Maturity Date of a Series of Covered Bonds falls prior to the extended maturity date of the Extended Covered Bonds, the Maturity Date of such Series of Covered Bonds shall also be extended in accordance with this Condition 5(i). Until (and including) the extended maturity date of the Extended Covered Bonds, the Issuer will make payments in respect of the Extended Covered Bonds in priority to any payment of principal pursuant to Condition 5 (*Redemption and Purchase*) in respect of Series of Covered Bonds the Maturity Date of which has not been extended. This mechanism is foreseen to ensure that, in accordance with the Resolution Act 2015, an extension of the maturity date of one Series of a category of Covered Bonds does not alter or invert the sequencing of the covered bond programme's original maturity schedule.

(viii) This Condition 5(i) shall only apply if the estate compartment (*compartiment patrimonial*) of the Issuer relating to the Covered Bonds is subject to reprieve from payment (*sursis de paiement*) proceedings and the administrator (*administrateur*) managing such estate compartment decide to extend the Maturity Date to the Statutory Extended Maturity Date which may be set by such administrator up to 12 months (subject to exceptions) after the Maturity Date. In this Condition 5(i), where relevant, "**Issuer**" shall mean the Issuer whose estate compartment relating to the Covered Bonds is subject to reprieve from payment proceedings and managed by the administrator (subject to mandatory insolvency laws).

(ix) For the avoidance of doubt, Clause 14 of the Agency Agreement ("**Clause 14**") imposes an obligation on:

(1) the Issuer to notify the Fiscal Agent of the decision by the administrator (*administrateur*) to proceed with an extension of the Maturity Date no later than three Business Days (as defined in Clause 14) prior to the Maturity Date of the Covered Bonds; and

(2) the Fiscal Agent to notify LuxCSD of the Issuer's instructions under (1) above promptly upon receipt thereof (and in any event by no later than three Business Days (as defined in Clause 14) prior to the Maturity Date of the Covered Bonds.

6. Taxation

All payments of principal and interest in respect of the Covered Bonds, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Luxembourg or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Covered Bond, Receipt or Coupon:

(i) presented for payment by or on behalf of a Covered Bondholder, Receiptholder or Couponholder who (i) is liable for such taxes or duties in respect of such Covered Bond, Receipt or Coupon by reason of his having some connection with Luxembourg other than the mere holding of such Covered Bond, Receipt or Coupon or (ii) would not be liable or subject to such taxes or duties by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day; or

(iii) any withholding or deduction required pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 12 (*Notices*).

7. Prescription

The Covered Bonds, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 4(*b*) (*Presentation of Covered Bonds, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 4(*b*) (*Presentation of Covered Bonds, Receipts and Coupons*).

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the "**Involuntary Dispossession Act 1996**") requires that, in the event that (i) an opposition has been filed in relation to the Covered Bonds, Receipts, Coupons or Talons and (ii) the Covered Bonds mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), any amount that is payable under the Covered Bonds, Receipts, Coupons or Talons (if any), but has not yet been paid to the holders of such Covered Bonds, Receipts, Coupons or Talons, will be paid to the *Caisse des consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Covered Bonds occurs.

8. Replacement of Covered Bonds, Receipts, Coupons and Talons

Should any Covered Bond, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

The replacement of Covered Bonds, Coupons and Talons, in the case of loss or theft, is subject to the procedure set out in the Involuntary Dispossession Act 1996.

9. Payment Default and Cross-Acceleration

Failure by the Issuer to pay (i) any principal amount in respect of any Covered Bond on the Statutory Extended Maturity Date or (ii) any interest in respect of any Covered Bond within five (5) Business Days from the day on which such interest becomes due and payable, shall constitute a payment default ("**Payment Default**") if such failure remains unremedied for ten (10) Business Days after Covered Bondholders of the Series of Covered Bonds affected by a Payment Default have, by way of an Extraordinary Resolution of Covered Bondholders of the relevant Series of Covered Bonds, declared such a Payment Default and any Covered Bondholder or any other person appointed for such purposes has given written notice thereof to the Issuer at the specified office of the Fiscal Agent ("**Payment Notice**"). The date on which a Payment Default occurs shall be the date of the Payment Notice plus ten (10) Business Days (the " **Payment Default Date**").

If a Payment Default occurs in relation to a particular Series, Covered Bondholders of the Series of Covered Bonds affected by a Payment Default may, by way of an Extraordinary Resolution of Covered Bondholders of the relevant Series of Covered Bonds, appoint any Covered Bondholder or any other person to serve a notice on the Issuer ("**Acceleration Notice**") at the specified office of the Fiscal Agent that a Payment Default has occurred in relation to such Series.

The Acceleration Notice will specify the date on which the Covered Bonds become immediately due and payable (the "**Acceleration Date**"), which will be at least two (2) Business Days after the Payment Default Date. A copy of the Acceleration Notice shall be sent by the Fiscal Agent to LuxCSD, the Covered Bondholders, the relevant rating agencies and the special statutory auditor.

From and including the Acceleration Date:

(i) the Covered Bonds shall become immediately due and payable at their Early Redemption Amount referred to in Condition 5(*d*);

(ii) if a Payment Default is triggered with respect to a Series, each Series of Covered Bonds will cross accelerate at the Acceleration Date against the Issuer, becoming due and payable, and they will rank *pari passu* among themselves;

(iii) the Covered Bondholders shall have a claim against the Issuer for an amount equal to the Early Redemption Amount and any other amount due under the Covered Bonds; and

(iv) each Covered Bondholder may take such proceedings against the Issuer as it may think fit to enforce such payment or obligation provided however 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 contractually been payable by it. The Covered Bondholders expressly unconditionally and irrevocably waive all rights of rescission (under Article 1184 of the Luxembourg Civil Code, and to the extent applicable, under Article 470-21 of the Luxembourg law of 10 August 1915 relating to commercial companies (as amended, the "**Companies Act 1915**")) and of otherwise claiming early termination or early repayment of the Covered Bonds in case of default by the Issuer under any of its obligations under the Covered Bonds.

Accordingly and for the avoidance of doubt, if an Acceleration Date occurs under any of the outstanding Series of Covered Bonds (as such term is defined under the Series under which such Acceleration Date occurs), the Covered Bonds shall cross-accelerate on such Acceleration Date in accordance with item (ii) above (as set out in the conditions applicable to such Series) and shall become immediately due and payable.

10. Fiscal Agent and Paying Agent

The names of the initial Fiscal Agent and the other initial Paying Agent and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or any Calculation Agent and/or appoint additional or other Paying Agents or additional or other Calculation Agents and/or approve any change in the specified office through which any Paying Agent or Calculation Agent acts, provided that:

(i) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Fiscal Agent), with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;

(ii) there will at all times be a Paying Agent (which may be the Fiscal Agent) with a specified office in a city in continental Europe, other than the jurisdiction in which the Issuer is incorporated; and

(iii) there will at all times be a Fiscal Agent.

Notice of any variation, termination, appointment or change will be given to the Covered Bondholders promptly in accordance with Condition 12 (*Notices*).

In acting under the Agency Agreement, the Paying Agent acts solely as agent of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

11. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 7 (*Prescription*).

12. Notices

All notices regarding the Covered Bonds shall be published so long as the Covered Bonds are admitted to trading on the regulated market and listed on the Official List of the Luxembourg Stock Exchange, either in a daily newspaper of general circulation in Luxembourg and/or on the website of the Luxembourg Stock Exchange, www.luxse.com. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* in Luxembourg or on the website of the Luxembourg Stock Exchange, www.luxse.com. The Issuer shall ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Covered Bonds are for the time being listed or by which they have been admitted to listing. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Fiscal Agent shall approve.

Until such time as any definitive Covered Bonds are issued, there may (provided that, in the case of Covered Bonds listed on a stock exchange, the rules of such stock exchange (or other relevant authority) permit), so long as the global Covered Bond(s) is or are held in its/their entirety on behalf of LuxCSD, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to LuxCSD for communication by it to the holders of the Covered Bonds. Any such notice shall be deemed to have been given to the holders of the Covered Bonds on the next day after the day on which the said notice was given to LuxCSD.

Notices to be given by any holder of the Covered Bonds shall be in writing and given by lodging the same, together with the relative Covered Bond or Covered Bonds, with the Fiscal Agent. Whilst any of the Covered Bonds is represented by a global Covered Bond, such notice may be given by any holder of a Covered Bond to the Fiscal Agent via LuxCSD, in such manner as the Fiscal Agent and/or LuxCSD, as the case may be, may approve for this purpose.

13. Issuer covenants

For so long as the Covered Bonds are outstanding, the Issuer hereby covenants in favour of the Covered Bondholders to:

(i) comply with all obligations imposed on it under the Covered Bonds Act;

(ii) ensure that, in accordance with Condition 2(b) (*Status of the Covered Bonds and Overcollateralisation - Overcollateralisation*), for as long as any of the Covered Bonds is outstanding, the nominal amount (as calculated in accordance with the Covered Bonds Act) of the Cover Pool shall at all times be at least 105 per cent. of the aggregate outstanding principal amount of the Covered Bonds of all Series provided that to the extent a higher level of minimum overcollateralisation is stipulated in any applicable legislation from time to time, such level of overcollateralisation shall be the minimum level required to be maintained by the Issuer pursuant to Condition 2(b);

(iii) ensure that the Cover Register will consist (a) primarily of Residential Mortgage Loans and (b) eligible substitution assets (*actifs de remplacement*) and liquid assets (*actifs liquides*);

(iv) ensure that any Residential Mortgage Loan governed by a Residential Mortgage Agreement and registered in the Cover Register is secured by a first-ranking mortgage created under that specific Residential Mortgage Agreement for the benefit of the Issuer, without prejudice to the possibility that any subsequent ranking mortgages (on the same property as that first-ranking mortgage) can, at the option of the Issuer, be registered in the Cover Register (and as a consequence be relied upon to calculate the loan to value amount of that Residential Mortgage Loan) if any prior-ranking mortgages pertaining to such subsequent-ranking mortgage relate to a Residential Mortgage Loan governed by a Residential Mortgage Agreement and registered in the Cover Register.

(v) ensure that all payments that are received by the Issuer from a borrower in relation to a Residential Mortgage Loan registered in the Cover Register can be tracked and allocated, where required, in priority to the Cover Pool;

(vi) ensure that any mortgage that is registered in the Cover Register is used by the Issuer (i.e. for enforcement or other purposes) in priority in connection with Residential Mortgage Loans governed by a Residential Mortgage Agreement that are registered in the Cover Register and secured by such mortgage; and

(vii) provide regular investor reports – at a frequency and with the content complying at least with the requirements of the Covered Bonds Act - which will be made available on the website of the Issuer at www.spuerkeess.lu.

14. Meetings of Covered Bondholders, Modification and Waiver

14.1 Meetings of Covered Bondholders

The Agency Agreement contains provisions for convening meetings of the Covered Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a Payment Default, a modification of the Covered Bonds, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer or the Covered Bondholders if required in writing by Covered Bondholders holding not less than 5 per cent. in nominal amount of the Covered Bonds for the time being remaining outstanding (as defined in the Agency Agreement). Meetings of Covered Bondholders may be held physically or by way of conference call, including by use of a videoconference platform. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement), or at any adjourned meeting one or more persons being or representing Covered Bondholders whatever the nominal amount of the Covered Bonds so held or represented, except that at any meeting the business of which includes a Payment Default, the modification of certain provisions of the Covered Bonds, Receipts or Coupons or the Agency Agreement (including modifying the date of maturity of the Covered Bonds or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Covered Bonds or altering the currency of payment of the Covered Bonds, Receipts or Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement), or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement). An Extraordinary Resolution passed at any meeting of the Covered Bondholders shall be binding on all the Covered Bondholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

14.2 Minor Modifications and Corrections

The Fiscal Agent and the Issuer may agree, without the consent of the Covered Bondholders, Receiptholders or Couponholders, to:

(a) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Covered Bondholders; or

(b) any modification as a result of the operation of Condition 3(e); or

(c) any modification of the Covered Bonds, Receipts or Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation shall be binding on the Covered Bondholders, Receiptholders and Couponholders and shall be notified to the Covered Bondholders as soon as practicable thereafter.

15. Further Issues

Save where to do so would, in the Issuer's opinion, have a material adverse effect on the credit rating of the then outstanding Covered Bonds, the Issuer shall be at liberty from time to time without the consent of the Covered Bondholders, Receiptholders or Couponholders to create and issue further covered bonds ("**Further Covered Bonds**") having terms and conditions the same as the Covered Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

16. Governing law and submission to jurisdiction

(a) The Covered Bonds, the Receipts and the Coupons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, Luxembourg law. For the avoidance of doubt, Articles 470-1 to 470-19 of Companies Act 1915 will not apply in respect of the Covered Bonds. No Covered Bondholders may initiate proceedings against the Issuer based on Article 470-21 of the Companies Act 1915.

(b) The Issuer agrees, for the exclusive benefit of the Covered Bondholders, the Receiptholders and the Couponholders that the courts of Luxembourg are to have jurisdiction to settle any disputes which may arise out of or in connection with the Covered Bonds, the Receipts and/or the Coupons, including a dispute relating to any non-contractual obligations in connection with the Covered Bonds, the Receipts and the Coupons, and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Covered Bonds, the Receipts and/or the Coupons may be brought in such courts (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds, the Receipts and/or the Coupons).

OVERVIEW OF LUXEMBOURG LEGISLATION RELATING TO COVERED BONDS

The following is a brief overview of certain features of Luxembourg law governing the issuance of covered bonds in Luxembourg, in particular in respect of European covered bonds (premium) (*obligations européennes (de qualité supérieure)*) at the date of this Base Prospectus. The overview does not purport to be, and is not, a complete description of all aspects of the Luxembourg legislative and regulatory framework pertaining to covered bonds.

As of the date of this Base Prospectus, the main legislation which governs the issue of covered bonds in Luxembourg is the Luxembourg act of 8 December 2021 on the issuance of covered bonds (the "**Covered Bonds Act**"), which (i) implements in Luxembourg the European legislation on covered bonds (being Directive (EU) 2019/2162 (the "**Covered Bond Directive**") and Regulation (EU) 2019/2160, implementing certain amendments to article 129 of Regulation (EU) No 575/2013 ("**CRR**") (together, the "**EU Covered Bond Rules**") and (ii) amends the Luxembourg act of 5 April 1993 on the financial sector, as amended (the "**Banking Act 1993**") and the Luxembourg act dated 18 December 2015 on resolution, recovery and liquidation measures of credit institutions and certain investment firms, as amended (the "**Resolution Act 2015**"). The Covered Bonds Act came into force on 8 July 2022 and has been subsequently amended by the Luxembourg act of 20 December 2024. The CSSF is the Luxembourg competent authority for the supervision of covered bonds issuances and the granting of permission to issuing credit institutions in respect of covered bonds programmes. The CSSF has issued CSSF Regulation N°25-03 dated 25 July 2025 concerning the activity of issuing covered bonds (the **25-03 CSSF Regulation**) which implements specific provisions of the Covered Bonds Act with respect to valuation methods for cover assets and derivatives contracts that may be entered into by covered bond issuers.

Issuing credit institutions

Under the Covered Bonds Act, specialised covered bond banks (*banques d'émission de lettres de gage*) and universal credit institutions (*établissements de crédit*) (together, "**credit institutions issuing covered bonds**") may issue covered bonds (*lettres de gage*) in Luxembourg. Specialised covered bond banks shall limit their principal business to the granting of loans (in any form) specifically secured and re-financed by covered bonds issuances. Universal credit institutions issuing covered bonds shall ensure that the aggregate pools of cover assets linked to covered bonds represent not more than 20% of the credit institution's total on balance sheet commitments, including own funds, but deducting eligible deposits as defined in the Resolution Act 2015.

Specialised covered bond banks and credit institutions must hold a license issued by the ECB or the CSSF, as applicable, under the Banking Act 1993. The Banking Act 1993 provides that public entities (*établissement de droit public*), such as the Issuer, may be licensed to carry out the activity of a credit institution under the supervision of the CSSF.

On its website, the CSSF publishes a list of credit institutions that are authorised to issue covered bonds in Luxembourg and the programmes (and the issuances thereunder) that have been authorised with an indication of the category of covered bonds issued and their European label, to the extent relevant.

Types of covered bonds and cover assets

Pursuant to the Covered Bonds Act, each category of covered bonds is collateralised by a given type of cover assets. Six types of covered bonds may be issued in Luxembourg:

(i) public sector covered bonds (*lettres de gages publiques*), guaranteed by claims against, or guaranteed by, public entities (i.e. Member States of the European Union, the European Economic Area, the OECD or non-OECD states that fulfil certain credit rating criteria), the state sector or public local entities;

(ii) mortgage covered bonds (*lettres de gages hypothécaires*), guaranteed by rights in rem or security interest over real estate;

(iii) moveable property covered bonds (*lettres de gages mobilières*), guaranteed by rights in rem or security interest over moveable property such aircrafts, ships and trains;

(iv) green covered bonds (or renewable energy covered bonds) (*lettres de gages énergies renouvelables*), guaranteed by rights in assets or securities linked to renewable energy (i.e., energy produced from non-fossil renewable sources);

(v) since the entry into force of the Covered Bonds Act, two new types of covered bonds have been introduced alongside the abovementioned 'traditional' covered bonds:

   (a) European covered bonds (*obligations garanties européennes*), guaranteed (i) by loans secured by physical assets (e.g. real estate) subject to public registration or loans granted to or secured by public sector entities or (ii) by exposures to (e.g. debt securities issued by) public sector entities or entities subject to public supervision; and

   (b) European covered bonds (premium) (*obligations garanties européennes (de qualité supérieure)*), guaranteed by high-quality "eligible assets" listed under article 129 of CRR (e.g. real estate and ships as well as exposures to public sector entities and credit institutions) and meeting certain valuation and monitoring criteria set out in the CRR.

Covered bonds listed under items (i) to (iv) above stem from the Luxembourg legislation enacted prior to the EU Covered Bonds Rules. As such, these covered bonds shall comply with the provisions of the Covered Bonds Act. The European covered bonds (*obligations garanties européennes*) and European covered bonds (premium) (*obligations garanties européennes (de qualité supérieure)*) follow the principles set out in the Covered Bonds Directive as implemented in the Covered Bonds Act and benefit from the European labels: 'European Covered Bond' and 'European Covered Bond (Premium)'. In addition, European covered bonds (premium) (*obligations garanties européennes (de qualité supérieure)*) meet the requirements of article 129 of CRR and are eligible for the preferential treatment set out in the CRR.

Derivative contracts entered into by issuing credit institutions with counterparties complying with the criteria set out in the 25-03 CSSF Regulation for hedging purposes may be included in the cover pools (*masses de couverture*) to the extent they comply with the requirements set out in the Covered Bonds Act. The volume of derivative contracts shall be adjusted in the case of a reduction in the hedged risk and such contract shall be removed from the cover pool when the hedged risk ceases to exist. Such derivative contracts may not be subject to early termination in case of the opening of reprieve of payment of liquidation proceedings in respect of the issuing credit institutions under the Resolution Act 2015.

Pursuant to the Covered Bonds Act, credit institutions issuing covered bonds must hold full title over the cover assets in consideration for its commitments resulting from the covered bonds issuances. Where the cover assets are held by credit institutions issuing covered bonds pursuant to a transfer of title by way of security (*transfert de propriété à titre de garantie*), such transfer of title must have been made in view of guaranteeing the claims inscribed on the asset side of its balance sheet. The transfer of title by way of security must be created pursuant to a financial collateral arrangement within the meaning of the Luxembourg act dated 5 August 2005 on financial collateral arrangements, as amended, or any other similar guarantee governed by a foreign law.

Cover pools (*masses de couverture*)

The Covered Bonds will be issued as European covered bonds (premium) (*obligations garanties européennes (de qualité supérieure)*), in accordance with the Covered Bonds Act.

Pursuant to the Covered Bonds Act, covered bonds issued under the same programme will be covered by the same cover pool (*masse de couverture*), which is segregated from the general estate of the credit institution issuing covered bonds. The cover pool (*masse de couverture*) will include the following assets:

(i) Ordinary cover assets (*actifs de couverture ordinaires*) or primary assets (*actifs principaux*), which are the dominant assets included in the cover pool and whose nature determine the nature of such cover pool and the category of covered bonds issued;

(ii) Substitution assets (*actifs de remplacement*) (such as cash or assets in any form, including financial instruments issued by or claims against central banks or credit institutions established in Member States of the European

Union, the European Economic Area, the OECD or non-OECD states that fulfil certain credit rating criteria), which contribute to the coverage requirements applicable to the credit institution issuing covered bonds;

(iii) Liquid assets (*actifs liquides*), which compose the liquidity buffer covering the net liquidity outflow of the covered bond programme;

(iv) Claims for payment under derivative contracts complying with the requirements set out under the Covered Bonds Act.

Rank and dual right of recourse (*double recours*)

Pursuant to the Covered Bonds Act, covered bonds of the same category rank *pari passu* among themselves and benefit from the same priority right in respect of the assets in the cover pool of that category of covered bonds, regardless of their date of issuance. Covered bondholders and counterparties of derivative contracts included in a given cover pool (the "**Cover Pool Creditors**") benefit from a dual right of recourse (*double recours*), in that they have (i) a claim against the credit institution issuing covered bonds' general estate and (ii) a privileged claim (*créance privilégiée*) in respect of the Cover Pool. Cover assets may not be seized or subject to any enforcement measure by any creditor of such credit institution other than the Cover Pool Creditors.

In case of liquidation of the estate compartment including the Cover Pool and to the extent the claims of the Cover Pool Creditors may not be met out of the Cover Pool, such Cover Pool Creditors will benefit from an ordinary unsecured claim against the residual assets in the general estate of the credit institutions issuing covered bonds.

The cover register (*registre des gages*)

Credit institutions issuing covered bonds must maintain a cover register (*registre des gages*) including information on the issued covered bonds, the cover assets, the assets held for liquidity requirements and all operations undertaken in respect of the covered bonds programme. The Covered Bonds Act provides that the registration of the cover assets in the register confers a right of preference on the covered bondholders that takes precedence over all other rights, privileges and priorities of any nature whatsoever, including those of the treasury, without the need to enter into a special assignment, pledge or other contract.

A credit institution issuing covered bonds shall establish separate sections of the register for the issue of covered bonds relating to a different cover pool. If there is more than one cover pool, the credit institution issuing covered bonds must identify which cover pool a covered bondholder will hold a preferential claim against.

Where a credit institution issuing covered bonds has made two or more issues of covered bonds which have a preferential claim against different cover pools, then derivative contracts and substitution assets shall be registered and held in separate sections of the register for each cover pool. Each section of the register relating to a given cover pool must at all times contain detailed information on, amongst other things, the assets included in the cover pool, and the covered bonds and derivative contracts associated with the cover pool. Consequently, each section of the register must be updated on a regular basis to include any changes in relevant information.

Loan to value amounts (and other restrictions)

The loan to value amounts applicable to assets included in the cover pools of European covered bonds (premium) (*obligations européennes (de qualité supérieure)*) are set out in Article 129 of CRR.

Loans secured by mortgages over residential property shall be included in a cover pool up to an amount equal to the lesser of the principal amount of the liens that are combined with any prior liens and 80 per cent. of the value of the relevant pledged properties. This limit of 80 per cent. shall apply on a loan-by-loan basis, shall determine the portion of the loan contributing to the coverage of liabilities attached to the European covered bonds (premium) and shall apply throughout the entire life of the loan. For the avoidance of doubt, the privileged claim (*créance privilégiée*) of the Cover Pool Creditors over the Cover Assets covers the full amount of the mortgage loans included in the Cover Pool.

Overcollateralisation (*surnantissement*) and valuations

Pursuant to the "nominal principle" stemming from the EU Covered Bond Directive, the aggregate principal amount of all cover assets shall equal to or exceed the aggregate principal amount of outstanding covered bonds. Credit institutions issuing covered bonds shall also ensure that the current value (*valeur actualisée*) of all cover assets equals to or exceeds the current value of the liabilities of outstanding covered bonds. In addition, overcollateralisation (*surnantissement*) requirements set out in the Covered Bonds Act and the CRR apply to European covered bonds (premium) (*obligations européennes (de qualité supérieure)*). The value of the cover pool shall at all times represent at least 105 per cent. of the aggregate outstanding principal amount of covered bonds linked to such cover pool.

The calculation of the value of the cover pool assets consisting of loans secured by mortgages over residential property is required to be made on a prudent basis. It must be ensured that, at the moment of inclusion of the cover asset in the cover pool, there is a current valuation of the property which shall not exceed the market value or the mortgage value of each individual real estate property. The 25-03 CSSF Regulation specifies that the valuation of each property must be made in accordance with the valuation rules set out in the CRR and take into account the clarifications set out in the guidelines on loan origination and monitoring issued by the European Banking Authority (EBA/GL/2020/06) in particular the provisions in section 7 regarding valuation of immovable and movable property. The estimation of the value is required to be made by a competent and independent valuer (i.e. a person without involvement in the credit granting process) and be documented in a clear and transparent manner.

In order to ensure compliance with the abovementioned overcollateralisation requirement, each credit institution issuing covered bonds is required to establish systems for continued control of the development of the value of the properties backing the Cover Pool assets, and to monitor the development of the relevant market situations. If developments in the market situation or in the situation pertaining to an individual property so warrants, the credit institution issuing covered bonds may be required to ensure that a renewed calculation of the value is performed.

Liquidity requirements

The Covered Bonds Act requires that credit institutions issuing covered bonds ensure that the cash flow from the cover pools at all times is sufficient to enable the credit institution to discharge its payment obligations towards the covered bondholders, counterparties under relevant derivative contracts and projected costs related to operating and winding-up of the covered bond programme. Credit institutions issuing covered bonds shall, for the purposes of calculating the required liquidity buffer, take into account the initial maturity date, as extended, where applicable, by a maximum period of 12 months as foreseen in article 152-4(3) of the Resolution Act 2015.

Credit institutions issuing covered bonds shall at all times hold a liquidity buffer that covers the next 180 days of the net liquidity outflows (*sorties nettes de trésorerie*) of the covered bond programme. The net liquidity outflow comprises all payment outflows, including principal and interest payments and payments under derivative contracts of the covered bond programme, net of all payment inflows for claims related to the cover assets.

The liquidity buffer mentioned above is comprised of:

(i) assets qualifying as level 1, level 2A or level 2B assets within the meaning of Regulation (EU) 2015/61 ("LCR Regulation"), that are valued in accordance with that regulation, and are not issued by the issuing credit institution, its parent undertaking, other than a public sector entity that is not a credit institution, its subsidiary or another subsidiary of its parent undertaking or by a securitisation special purpose entity (SSPE) with which the credit institution has close links; and

(ii) 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 letter (c) of Article 129(1) of CRR.

Furthermore, credit institutions issuing covered bonds are required to maintain liquid assets exceeding projected net liquidity outflows over a period of 30 days under stressed conditions under the LCR Regulation. The liquidity requirements set forth in the Covered Bonds Act and LCR Regulation are coordinated to avoid credit institutions issuing covered bonds to hold duplicate liquidity buffers, as assets included in the cover pool liquidity buffer may be counted towards the LCR Regulation liquidity requirement.

Special statutory auditor (*réviseur d'entreprises agréé spécial*)

A special statutory auditor (*reviseur d'entreprises agréé spécial*) shall be appointed by credit institutions issuing covered bonds, subject to the approval of the CSSF. Special statutory auditors shall be distinct from the internal auditors (*commissaires*) or approved statutory auditors (*réviseurs d'entreprises agréés*) of the credit institution issuing covered bonds. Special statutory auditors shall report their observations and assessments to the CSSF on an annual basis. The special statutory auditor is required to, amongst other things, monitor the cover register, review the credit institution issuing covered bonds' compliance with the Covered Bonds Act's provisions relating to the register, including those which govern the registration and valuation of cover assets and the balance of the cover pool.

Credit institutions issuing covered bonds are required to give special statutory auditors all relevant information pertaining to its business. Special statutory auditors must be granted access to the cover register and may also request additional information. The removal of cover assets from the cover register is subject to the special statutory auditor's approval.

Administration of cover pools in the event of reprieve from payment (*sursis de paiement*) or liquidation (*liquidation*) of issuing credit institutions

Covered bonds and derivative contracts included in the cover pools of a credit institution issuing covered bonds are out of scope of the bail-in tool set out in the Resolution Act 2015, which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing credit institution and to convert certain unsecured debt claims into equity.

Pursuant to the Covered Bonds Act, reprieve from payment (*sursis de paiement*) and liquidation (*liquidation*) proceedings may be opened in respect of an issuing credit institution by the Luxembourg district court in order to ensure the management of each "estate compartment" (as referred to in item (i) below) and the full repayment at maturity of the relevant covered bonds. Where such proceedings are opened, issuing credit institutions are designated as "issuing credit institutions with limited activity" (*établissements de crédit en activité limitée*), whose estates are separated into two parts:

(i) on the one hand, each category of covered bonds will form, together with the respective cover assets and reserves posted with the central bank, a separate pool (*masse*), which will, upon the opening of the abovementioned proceedings, constitute a separate and distinct "estate compartment" (*compartiment patrimonial*). Such estate compartments do not have a legal personality of their own and will be administered by one or more special administrators (*administrateurs spéciaux*) in accordance with the bespoke rules set out in the Resolution Act 2015 applicable to issuing credit institutions and their cover pools only; and

(ii) on the other hand, the residual assets and liabilities (*masse restante*) of the issuing credit institution resulting from: (a) in respect of universal credit institutions, their activities other than the issuance of covered bonds, and (b) in respect of specialised covered bonds banks, their assets and liabilities resulting from their ancillary activity (*activité accessoire*). Such residual assets will be administered and, where applicable, liquidated, in accordance with the general rules set out in the Resolution Act 2015 applicable to all credit institutions.

Estate compartments of an issuing credit institution with limited activity (i.e. subject to reprieve from payment or liquidation proceedings) will be administered by one or more special administrators (*administrateurs spéciaux*) acting jointly to manage the estate compartment and its cover assets, to perform the issuing credit institution's obligations under the relevant covered bonds and to safeguard the covered bondholders' and derivative counterparties' rights, in order to ensure full repayment of the covered bonds at their relevant maturity. Special administrators act independently in the interests of covered bondholders and exercise their claims against the cover assets on their behalf and on the issuing credit institution's behalf on the relevant maturity date. Within the limits of their mission, special administrators may issue new covered bonds on behalf of the issuing credit institution, open proceedings to reintegrate cover assets in the relevant cover pool and transfer residual cover assets into the residual assets pool upon repayment and performance of all obligations under the covered bonds. Subject to the CSSF's prior approval, special administrators may appoint an issuing credit institution subject to the supervision of an EEA competent authority to service the outstanding covered bonds and realise the cover assets on the relevant maturity date or transfer the covered bonds and related cover assets to such an issuing credit institution.

Cover assets may not be transferred to the pool of residual assets not linked to the issuance of covered bonds unless all preferential claims of covered bondholders and derivatives counterparties have been satisfied, within the limits of the aggregate payment obligations under the relevant covered bonds. In turn, liquidation proceedings in respect of the residual assets and liabilities of an issuing credit institution may only be completed once the liquidation of all estate compartments linked to the issuance of covered bonds has occurred.

Reprieve from payment and liquidation proceedings may be opened at the level of a given estate compartment of an issuing credit institution with limited activity:

(i) Reprieve from payment proceedings may be opened in respect of an estate compartment of an issuing credit institution with limited activity if (i) the estate compartment becomes subject to a liquidity shortage (*sa liquidité est menacée*), (ii) its obligations vis-à-vis the holders of the relevant covered bonds are compromised or (iii) the economic situation of the estate compartment compromises the administrator's mission. Estate compartments subject to reprieve from payment proceedings will be administered by an administrator designated by the Luxembourg district court. Administrators managing an estate compartment subject to reprieve from payment proceedings may extend the covered bonds' maturity under certain circumstances (see "*Maturity extension (prorogation d'échéance)*" below).

(ii) The dissolution and liquidation of an estate compartment of an issuing credit institution with limited activity may be ordered where (i) reprieve from payment proceedings in respect of the estate compartment do not lead to a recovery, (ii) the estate compartment's liquidity is irreparably threatened (*irrémédiablement menacée*), or (iii) the obligations of the covered bondholders can no longer be fulfilled. One or more liquidators (*liquidateurs*) will liquidate the estate compartment in accordance with the general liquidation rules applicable to all credit institutions as set out in the Resolution Act 2015.

The preferential claim of covered bondholders and counterparties of derivative contracts against the cover assets included in the relevant cover pool is not affected by the opening of reprieve from payment and liquidation proceedings at the level of the issuing credit institution or a given estate compartment.

The opening of reprieve from payment proceeds in respect of an issuing credit institution or of a given estate compartment do not entail an automatic acceleration (*exigibilité anticipée*) of the relevant covered bonds. Such covered bonds do not become immediately due and payable and will not be redeemed at a time earlier than the original maturity date. However, covered bonds relating to an estate compartment subject to liquidation proceedings may be automatically accelerated.

Maturity extension (*prorogation d'échéance*)

Pursuant to the Covered Bonds Act, issuing credit institutions may not issue covered bonds with discretionary extendable maturity features (*structure d'échéance prorogeable*), which would allow the issuer to opt in for an extension of maturity for a pre-determined period of time and in the event that a specific trigger occurs.

However, the administrator of an estate compartment subject to reprieve from payment proceedings may decide to extend the covered bonds' maturity up to twelve months when (a) the maturity extension will prevent the insolvency of the estate compartment and (b) there are reasons to assume that a maturity extension will allow the extended maturity to be complied with. Maturity extensions are subject to the prior approval of the competent Luxembourg court acting in summary proceedings (*à bref délai*), the CSSF and the administrator having been heard beforehand.

The extension of the maturity of covered bonds will not result in any right of the covered bondholders to accelerate payments or take action against the cover assets and no payment will be payable to the covered bondholders in that event other than as set out in the terms and conditions applicable to such covered bonds. The payment of the remaining unpaid amount shall become due and payable on the extended maturity date.

Any extension of the original maturity of covered bonds may not affect the covered bondholders' dual right of recourse nor their exclusive right of recourse against the cover assets. In addition, a maturity extension may not alter the sequencing of the covered bond programme's original maturity schedule (*l'ordre de l'échéancier initial*). In order to maintain the initial rank of covered bondholders and the initial sequencing, administrators shall extend other covered bonds maturing during the maturity extension period.

USE OF PROCEEDS

An amount equivalent to the net proceeds from each issue of Covered Bonds will, unless otherwise specified in the relevant Final Terms, be applied/allocated by the Issuer as follows:

(a) where "General Business Purposes" is specified in the relevant Final Terms, for its general business purposes; or

(b) where "Green Covered Bonds" is specified in the relevant Final Terms, to a green asset portfolio which will be used to finance or refinance, in whole or in part, the Issuer's investments in eligible assets as further described in the Green Bond Framework (as amended or supplemented from time to time) available on the Issuer's website (https://www.spuerkeess.lu/en/about-us/publications) which, for the avoidance of doubt, does not form part of, and shall not be incorporated in, this Base Prospectus, such Covered Bonds being referred to as "**Green Covered Bonds**"; or

(c) used to finance any other particular identified use of proceeds as stated in the relevant Final Terms.

In respect of (b) above, the Green Bond Framework describes the green asset portfolio and the eligible assets to which an amount equal to the net proceeds of an issuance of Green Covered Bonds may be allocated. The Green Bond Framework has been prepared by the Issuer in accordance with, *inter alia*, the green bond principles of the International Capital Market Association (ICMA) 2021 (the "**Principles**") and published at https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf., which for the avoidance of doubt, does not form part of, and shall not be incorporated in, this Base Prospectus and is intended to be aligned with the ICMA green bond principles published in June 2025. For each issuance of Green Covered Bonds, the Issuer will comply with the following four core components of the Principles: (i) the description of the use of proceeds of the Green Covered Bonds, (ii) the disclosure of its process for project evaluation and selection, (iii) the management of the proceeds of the Green Covered Bonds, and (iv) regular reporting on such use of proceeds.

The Green Bond Framework enables the Issuer to issue Green Covered Bonds specifically for financing existing and new loans that satisfy the defined Eligibility Criteria (as defined below). These "Eligible Green Assets" align with the Issuer's commitment to sustainability and support its strategic objectives. The net proceeds from Green Covered Bonds issued by the Issuer will be used to finance or refinance Eligible Green Assets, which consist of residential mortgage loans and commercial real estate financing (any type of infrastructure such as schools, office buildings etc.) dwellings belonging to the top 15% most energy-efficient buildings of the national building stock and demonstrated by adequate evidence. These assets adhere to the following Eligibility Criteria: loans originated by the Issuer to (re)finance existing or new projects (construction and acquisition projects), residential mortgage loans (single-family houses and multi-family houses) and commercial real estate financing (any type of infrastructure such as schools, office buildings etc.), and dwellings belonging to the top 15% most energy-efficient buildings of the national building stock, as demonstrated by adequate evidence. Issuer ensures that each asset selected is aligned with and adheres to the Eligibility Criteria, as demonstrated by adequate evidence, as described in the Bank's Green Loan Methodology available on the Issuer's website (the **"Eligibility Criteria**"): https://www.spuerkeess.lu/fileadmin/mediatheque/documents/about_us/Sustainability/Green_Bond_Report_March_2026.pdf.

The Issuer also applies the recommendation to use the services of an independent external second opinion provider (the "**Second Party Opinion**"). A Second Party Opinion has been obtained on the Green Bond Framework from the Second Party Opinion provider Sustainalytics, assessing the sustainability of the Green Bond Framework and its alignment with the Principles. Any allocation report and impact report in respect of Green Covered Bonds as well the Second Party Opinion, any amendment to such Second Party Opinion or any new Second Party Opinion to be provided following an amendment to the Green Bond Framework, the publication of a new Green Bond Framework or in application of any new legislation or regulation, will be made available on the Issuer's website (https://www.spuerkeess.lu/en/about-us/publications/) and, for the avoidance of doubt, will not form part of, and shall not be incorporated in, this Base Prospectus.

DESCRIPTION OF BANQUE ET CAISSE D'EPARGNE DE L'ETAT, LUXEMBOURG

The Issuer (also referred to herein as "**BCEE**" and "**Spuerkeess**") is a public autonomous establishment having a legal personality (*établissement public autonome doté de la personnalité juridique*) created for an indefinite period pursuant to the Luxembourg Act dated 21 February 1856 concerning, inter alia, the creation of a savings bank, as amended and presently governed by the Luxembourg Act dated 24 March 1989 relating to Banque et Caisse d'Epargne de l'Etat, Luxembourg, as amended (the "**BCEE Act 1989**"). The Issuer is registered with the trade and companies register at the district court in Luxembourg under number B30775. Its registered office is at 1-2 Place de Metz, L-2954 Luxembourg and its telephone number is 00 352 40151.

The history of BCEE is inextricably linked to that of Luxembourg. Created in 1856 to meet the people's needs in the areas of savings and the development of credit, BCEE has made a major contribution to the economic expansion and improved standard of living of Luxembourg.

Today, BCEE is the only major financial establishment in Luxembourg whose equity capital is entirely and directly owned by the Grand Duchy of Luxembourg (the "**State**"). Ultimate responsibility for the institution lies with the Government Minister who heads the Treasury. The competent minister exercises supreme supervision over the Issuer's activities of public interest, in particular those specified in Article 5 of the BCEE Act 1989, in accordance with the following provisions:

(a) by having all decisions taken by the Board communicated directly to him/her; and

(b) by deciding on those decisions which are subject to his approval. Furthermore, a post of Supervisory Commissioner is established, whose procedure for appointment and powers are laid down in Article 28 of the BCEE Act 1989.

As far as the Issuer is aware there are no arrangements which may result in a change of control of BCEE. In addition, BCEE promotes economic growth by providing financing for business development and public infrastructure.

Over the past decades, BCEE has developed mainly in a European and international context. As a "universal bank", covering the whole range of banking activities, it plays an active part in the Euromarkets. It has developed a network of correspondent banks worldwide.

BCEE is also a member of the "*Institut Mondial des Caisses d'Epargne*" (World Savings Bank Institute) and the "*Groupement Européen des Caisses d'Epargne*" (European Savings Bank Group), whose offices are in Brussels.

In the field of international clearing, BCEE is a member of the two international systems for clearing negotiable securities, Clearstream, Luxembourg and the Euroclear clearing system. Since the establishment of the latter, BCEE has played a very active role as a depositary bank.

THE GROUP

BCEE is the parent company of the Group. The consolidation scope comprises BCEE as the parent company, its subsidiaries and ad hoc entities over which the Group directly or indirectly exercises effective control over financial and operational policies. Subsidiaries are consolidated from their date of acquisition, when the Issuer, as the parent company, has the power to direct their financial policies. They are deconsolidated on the date such control ceases.

(a) Fully consolidated subsidiaries

A subsidiary is a company in which the Group holds at least a 50% stake of the voting rights or any company over which the Group directly or indirectly has the power of control regarding management and financial and operational policies.

List of subsidiaries included in the consolidation scope:

Name	% of voting rights held 31 December 2024	 31 December 2025
Lux-Fund Advisory S.A.	88.35	88.35
Spuerkeess Asset Management S.A.	100.00	100.00
Bourbon Immobilière S.A.	100.00	100.00
Luxembourg State and Savings Bank Trust Company S.A.	100.00	100.00
Spuerkeess Ré S.A.	100.00	100.00

(b) Investments in associates

Associates are companies over which the Group exercises significant influence and are accounted for using the equity method. Significant influence means the Group has the power to direct a company's financial and operating policies in order to obtain a substantial share of the economic benefits. Significant influence is presumed when the Group holds, directly or indirectly through its subsidiaries, 20% or more of the voting rights.

Investments in associates are recognised at cost, and the book value is subsequently adjusted to reflect the investor's share of the net profit or loss of the associate after the acquisition date.

The Group's share of the associate's profit or loss is recognised in the income statement.

Equity-method consolidation ceases when the Group no longer has significant influence over the shareholding, unless the Group has incurred legal or constructive obligations to assume or guarantee commitments on behalf of the associate.

INVESTMENTS IN ASSOCIATES OF THE GROUP:

Associates	% of capital held 31 December 2024	 31 December 2025
Direct interests		
Société Nationale de Circulation Automobile S.à r.l.	20.00	20.00
Luxair S.A.	21.81	21.81
Société de la Bourse de Luxembourg S.A.	25.35	25.35
LuxConstellation S.A.	30.00	30.00
Europay Luxembourg S.C.	30.00	30.00
LuxHub S.A.	32.50	32.50
i-Hub S.A.	20.00	20.00
Visalux S.C.	40.90	45.20
Lalux Group S.A.	40.00	40.00

	% of capital held	
Associates	**31 December 2024**	**31 December 2025**
Prolog Luxembourg S.A.	43.96	43.96

During 2025, the Bank increased its stake in Visalux S.C.

BANKING LICENCE

The Issuer is regulated by the Law of 24 March 1989 on Banque et Caisse d'Epargne de l'Etat, Luxembourg (as amended) which states in its article 4 that the object of the Issuer is to carry out, alone or jointly, either for itself or on behalf of third parties, all financial and banking activities with any person, whether physical or legal, as well as all analogous, related or ancillary transactions.

SHAREHOLDER STRUCTURE

As at 31 December 2025, the Issuer had a capital of €173,525,467, other items of comprehensive income of €799.193.275 and consolidated reserves of €5,312,436,988. The own funds of the Issuer consist of the capital and the reserves. The capital belongs to the State. No shares have been issued. Any modifications can only be made by a Grand Ducal regulation adopted following an opinion of the State Council and the agreement of the relevant commission of the Parliament.

EMPLOYEES

As of 31 December 2025, the number of BCEE employees was approximately 1,805.

BUSINESS ACTIVITIES

BCEE is entitled to carry out, alone or jointly, either on behalf of itself or for third parties, with any physical or legal person, any financial or banking operations as well as all operations analogous, connected or accessory thereto.

In addition, BCEE is entitled to carry out any other operations directly or indirectly related to its purpose or intended to facilitate the achievement thereof.

As well as being the state bank, BCEE aims to contribute, by way of its activities, particularly its financing activities, to the economic and social development of the country and the promotion of saving in all its forms. As well as being a universal bank, BCEE offers both its national and international clients the banking services which they are entitled to expect today from a financial intermediary.

It has been the traditional objective of BCEE to promote the construction of housing and to facilitate the acquisition of real estate. In the context of its mission of promoting savings in all possible forms, BCEE offers numerous savings instruments, including private banking facilities such as foreign currency accounts, precious metal and custody accounts. BCEE is also active in the sector of investment funds and offers its services both as a custodian bank for funds and as a promoter and manager.

The activities of the Issuer are focused on the retail market, the wealth management market, as well as the property market, and on small and medium-sized corporate customers in Luxembourg and the surrounding regions. These activities include the traditional banking business areas of loans, deposits, investment in securities, payments handling (both in Luxembourg and abroad) and guarantees.

Through the issuance of Covered Bonds under the Programme, the Issuer's objective is to re-finance residential mortgages held in its portfolio. To obtain a mortgage, prospective borrowers must complete an application form which includes providing certain information about themselves, such as household income, current employment details, bank account information, current mortgage information (if any) and certain other personal information. An internal credit score is also generated in respect of each applicant to assist in the process of their credit application.

BUSINESS OVERVIEW

Please refer to the Financial Statements incorporated by reference to this Base Prospectus (pages 29 to 33 above).

OUTLOOK FOR 2026

The recent conflict in the Middle East casts doubt on the growth and inflation forecasts for 2026. The geopolitical escalation in the Middle East, in addition to the already above-expectations inflation (due to services inflation and bad weather in the Mediterranean) in early 2026, introduces a high degree of uncertainty, which changes the projected growth and inflation trajectories. Against this backdrop, the ECB has revised its 2026 projections for the eurozone: inflation revised from 1.9% to 2.6% (+0.7pp) and GDP growth revised from 1.2% to 0.9% (-0.3pp). Despite the greater energy diversification in Europe today versus at the start of the conflict in Ukraine in 2022, changes in European economic conditions will continue to depend on the length of the conflict and on the state of the energy infrastructure when it is over. The next few months will therefore be key to determining the real impact of the conflict. Depending on the progression of the hostilities, the logistics disruptions and the price trends (costs of production, energy, etc.), as well as their impact on economic activity, a range of revisions to economic projections could be considered.

At its most recent meeting on 11 June 2026, the ECB increased its key interest rates by 25 basis points. However, the monetary policy outlook had already shifted significantly in March and continued to evolve thereafter. Market expectations for rate hikes by the ECB increased substantially and, on 23 March, market consensus estimated that key rates would increase by 0.50% to 0.75% by the end of 2026. President Christine Lagarde stressed that the ECB is well positioned to manage the growing risks related to geopolitical tensions, while also warning of upside risks to inflation and downside risks to growth.

Medium- and long-term interest rates were also revised upwards, but to a lesser extent than the rise in short-term rates, consistent with the new inflation outlook and the risks to growth. A stagflation scenario seems likely.

In this context, the Bank will continue to take a vigilant and pragmatic approach to management, focusing on resilience, risk quality and execution discipline in support of sustainable growth.

EVENTS AFTER THE REPORTING PERIOD

As noted in the 2026 outlook, the start of the conflict in the Middle East is the most material event to have occurred since the close of the reporting period. However, it has not, at this stage, had a measurable impact on the Bank's commercial activities. The sudden change in market conditions nevertheless calls into question the most recent multiyear results projection exercise conducted at the end of 2025.

As such, the next results projection exercises, conducted on a quarterly basis, will be used to quantify the impacts of the new macroeconomic conditions and will contribute, in conjunction with the existing risk governance and pricing governance, to dynamic management of the situation.

Other than the above, no significant events occurred after the 31 December 2025 reporting date that could impact the normal course of the BCEE Group's business.

ISSUER'S SUSTAINABILITY INITIATIVES

SUSTAINABILITY STRATEGY AND GOVERNANCE

BCEE has established a comprehensive sustainability strategy, which is integrated into its overall business model and governance framework. The Issuer's approach is structured around three principal pillars: climate and environmental commitments, social responsibility, and governance. BCEE's sustainability objectives are aligned with international frameworks, including the Paris Agreement, and are supported by its status as a signatory to the UN Principles of

Responsible Banking and the Net Zero Banking Alliance. The Issuer's sustainability strategy is subject to oversight by the Board of Directors and the Executive Committee, with progress monitored through regular reporting. A dedicated Sustainability Committee, comprising members of the Extended Management and the Head of Sustainability, coordinates the Issuer's sustainability initiatives and ensures strategic ownership at all levels of the organisation.

MANAGING ESG RISKS

BCEE recognises that ESG risks are risk drivers that can impact traditional financial and non-financial risk categories, including credit, market, liquidity, and operational risks. The Issuer has integrated ESG risk considerations into its Enterprise Risk Management Framework ("**ERMF**"), which encompasses risk identification, risk appetite, stress testing, and monitoring and reporting. ESG risks, with a particular focus on climate and environmental risks, are identified and assessed prospectively across different time horizons. The Issuer's Risk Appetite Framework includes indicators for monitoring climate and environmental risks, and these are subject to defined limits and objectives. Climate scenarios are incorporated into the Issuer's stress testing framework to assess the resilience of portfolios to extreme climate-related events.

TRANSITION RISKS

BCEE monitors transition risks arising from the shift towards a low-carbon economy, including regulatory changes and increased carbon pricing. The Issuer assesses the exposure of its portfolios to transition risks by reference to factors such as energy performance of real estate collateral, carbon intensity of counterparties, and sectoral sensitivity to climate change. The Issuer's Risk Appetite Framework includes specific indicators for monitoring exposures to sectors and counterparties considered sensitive to transition risk. The assessment of transition risk is based on both qualitative and quantitative criteria, including the collection of energy performance certificates for real estate exposures and the classification of corporate exposures by sectoral sensitivity.

PHYSICAL CLIMATE AND ENVIRONMENTAL RISKS

Physical risks arising from climate change, such as flooding and extreme weather events, are integrated into BCEE's risk management processes. The Issuer assesses the exposure of its portfolios to physical climate risks by reference to geographic location, flood risk zones, and sectoral vulnerability to environmental degradation. The Issuer monitors the distribution of exposures in flood-prone areas and uses external data sources and scenario analysis to assess the potential impact of physical risks on its portfolios. The Issuer also considers the impact of physical environmental risks, such as resource scarcity and biodiversity loss, on its lending and investment activities.

INVESTING IN A SUSTAINABLE FUTURE

BCEE incorporates ESG criteria into its lending, investment, and advisory activities. The Issuer applies an ESG exclusion policy to its financing and investment activities, excluding certain sectors and activities that do not align with its ethical standards. The Issuer's product offering includes sustainable finance solutions and investment products that integrate ESG considerations. The Issuer complies with applicable European regulations, including the Sustainable Finance Disclosure Regulation ("**SFDR**") and MiFID II, to ensure transparency and the inclusion of customers' ESG preferences in investment advice.

TRANSITION ENABLER

BCEE has implemented initiatives to support its clients, particularly small and medium-sized enterprises, in managing transition risks and improving ESG maturity. The Issuer provides tools and advisory services to help clients identify areas for improvement in sustainability practices. Information gathered from clients is integrated into the Issuer's internal credit assessment and approval processes, enabling the Issuer to take account of clients' transition risk profiles.

EU TAXONOMY

In accordance with the EU Taxonomy Regulation, BCEE discloses the proportion of its exposures associated with economic activities aligned with the EU Taxonomy. The Issuer calculates and reports its Green Asset Ratio (**GAR**) as required, demonstrating the extent to which its banking activities contribute to the financing of sustainable activities. The Issuer's disclosures are prepared in accordance with applicable regulatory requirements.

ACTING IN A RESPONSIBLE AND ENGAGED MANNER

BCEE's governance framework is underpinned by a set of internal policies addressing sustainable development, exclusion criteria, fair advertising and marketing, and ethical debt collection. The Issuer's Code of Conduct sets out its commitments in relation to human rights, social responsibility, and environmental protection. The Issuer promotes financial education and supports customers in understanding ESG financing through various communication channels.

EMPLOYER OF CHOICE

BCEE is committed to maintaining a responsible and inclusive working environment. The Issuer implements policies and initiatives to promote diversity, equal opportunity, and respect for human rights. The Issuer provides training and professional development opportunities for its employees, with a focus on ESG, data literacy, and emerging skills. The Issuer's governance bodies reflect a commitment to diversity and inclusion.

CONSUMER FINANCIAL PROTECTION

BCEE's policies emphasise the protection of consumer rights, including fair and transparent advertising, ethical debt collection, and the promotion of financial literacy. The Issuer monitors customer satisfaction and continuously seeks to improve its products and services through feedback mechanisms.

ACCESSIBLE BANKING SERVICES AND AFFORDABLE BANKING

BCEE ensures access to banking services for all customers, regardless of age, gender, or origin. The Issuer offers tailored products and services to support specific customer segments, including students and young professionals. The Issuer is committed to promoting equal opportunities and financial inclusion through its product offering and educational initiatives.

CLIMATE NEUTRALITY

BCEE has committed to achieving carbon neutrality in its own operations and banking activities by 2050, in line with its membership of the Net Zero Banking Alliance. The Issuer's approach includes decarbonising its operational emissions and reducing financed emissions through its lending and investment portfolios. The Issuer monitors the alignment of its portfolios with sector-specific decarbonisation pathways and tracks progress against defined targets.

SOCIALLY SUSTAINABLE FINANCING

BCEE plays a role in financing projects that address fundamental social needs, including access to affordable housing and support for social and environmental projects. The Issuer's approach to socially sustainable financing is integrated into its overall sustainability strategy and is subject to ongoing review and development in line with regulatory and market expectations.

GOVERNING BODIES OF THE ISSUER

The organisation of Banque et Caisse d'Epargne de l'Etat, Luxembourg, founded in 1856, is governed by the BCEE Act 1989, which defined the respective powers of the Board of Directors and the Executive Committee. Pursuant to Article 8 of this organic law, "*the Board of Directors defines the Bank's general policy and is responsible for management control of the Executive Committee. All administrative acts and measures necessary or relevant to the Bank's purpose fall within the responsibility of the Executive Committee, subject to such approvals as are required by virtue of this law*".

BOARD OF DIRECTORS

As of 31 December 2025, the Board of Directors is composed as follows:

CHAIRMAN	Camille FOHL
VICE-CHAIRMAN	Nima AHMADZADEH
BOARD MEMBERS	Bettina BLINN
	Pierre KRIER
	François THILL
	Jean-Pierre ZIGRAND
	Chantal SCHUMACHER
	Marilène MARQUES (Staff representative)
	Carmen JAFFKE (Staff representative)
SUPERVISORY COMMISSIONER	Luc FELLER

EXECUTIVE COMMITTEE

As of 31 December 2025, the Executive Committee is composed as follows:

CHAIRMAN	Françoise THOMA	Chief Executive Officer
MEMBERS	Aly KOHLL	Deputy Chief Executive Officer
	Doris ENGEL	Director
	Olivier WANTZ	Director
	Romain WEHLES	Director

The business address of each of the Directors and members of the Executive Committee is 1-2 Place de Metz, L-2954 Luxembourg.

The Issuer is not aware of any potential conflicts of interest between the duties to the Issuer of the persons listed under "Board Of Directors", "Supervisory Commissioner" and "Executive Committee" above and their private interests or other duties.

TAXATION

Prospective purchasers of Covered Bonds are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are residents of a purchase of Covered Bonds, including, but not limited to, the consequences of receipts of interest and sale or redemption of Covered Bonds.

LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of this Base Prospectus. It does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Covered Bonds should consult their professional advisers with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*). Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax and municipal business tax invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the holders of Covered Bonds

Withholding Tax

- Non-resident holders of Covered Bonds

  Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of the Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Covered Bonds held by non-resident holders of Covered Bonds.

- Resident holders of Covered Bonds

  Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Covered Bonds held by Luxembourg resident holders of Covered Bonds. The term "interest" and "paying agent" used hereafter have the same meaning as in the Relibi Law.

  Under the Relibi Law, a 20% withholding tax is levied on interest payments (or similar income) made or ascribed by a Luxembourg paying agent to or for the immediate benefit of a beneficial owner who is a resident of Luxembourg. This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the Covered Bonds. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent. Payment of interest under the Covered Bonds coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20%.

Furthermore, Luxembourg resident individuals, acting in the course of the management of their private wealth who are the beneficial owners of interest payments (or similar income) made by a paying agent established outside Luxembourg in a Member State of the European Union or the EEA may opt for a final 20% levy. The option for the 20% final levy must cover all interest payments made by paying agents to the beneficial owner during the entire civil year.

Tax residence

A holder of Covered Bonds will not become resident, or be deemed to be resident in Luxembourg by reason only of the holding of the Covered Bonds, or the execution, performance, delivery and/or enforcement of the Covered Bonds.

Income tax

For the purposes of this paragraph, a disposal may include a sale, an exchange, a contribution, a redemption and any other kind of transfer of the Covered Bonds.

- Non-resident holders of Covered Bonds

  A non-resident holder of Covered Bonds, not having a permanent establishment or a permanent representative in Luxembourg to which or whom the Covered Bonds are attributable, is not subject to Luxembourg income tax on interest received or accrued on the Covered Bonds, nor on payments upon redemption or repayment of principal. A gain realised by such non-resident holder of Covered Bonds, on the sale or disposal, redemption, repurchase or exchange, in any form whatsoever, of Covered Bonds is also not subject to Luxembourg income tax.

  Non-resident corporate or individual holders of Covered Bonds acting in the course of the management of a professional or business undertaking who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Covered Bonds are attributable, must include any interest accrued or received on the Covered Bonds, any redemption premiums received at maturity as well as any gains realised upon the sale or disposal, in any form whatsoever, of the Covered Bonds, in their taxable income for Luxembourg tax assessment purposes.

- Resident holders of Covered Bonds

  Holders of Covered Bonds who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

  - Luxembourg resident individual holders of Covered Bonds

    An individual holder of Covered Bonds acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts under the Covered Bonds, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Covered Bonds has opted for the application of a 20% final levy in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the EEA (other than a EU Member State).

    Under Luxembourg domestic tax law, gains realised upon the disposal of the Covered Bonds by an individual holder of the Covered Bonds, who is a resident of Luxembourg for tax purposes and who acts in the course of the management of his/her private wealth, on the disposal of the Covered Bonds are not subject to Luxembourg income tax, provided the disposal takes place more than six months after the acquisition of the Covered Bonds and the Covered Bonds do not constitute Zero Coupon Covered Bonds. Gains realised by an individual holder of Zero Coupon Covered Bonds who acts in the course of the management of his/her private wealth and who is a resident of Luxembourg for tax purposes must include the difference between the sale, repurchase, exchange or redemption price and the issue price of a Zero Coupon Covered Bond in his taxable income.

An individual holder of the Covered Bonds, who acts in the course of the management of his/her private wealth and who is a resident of Luxembourg for tax purposes, has further to include the portion of the gains realised on the Covered Bonds corresponding to accrued but unpaid income in respect of the Covered Bonds in his/her taxable income, insofar as the accrued but unpaid interest is indicated separately in the agreement, except if a final withholding tax or levy has been levied in accordance with the Relibi Law.

Gains realised upon a disposal of the Covered Bonds by an individual holder of the Covered Bonds acting in the course of the management of a professional or business undertaking and who is a resident of Luxembourg for tax purposes are subject to Luxembourg income taxes.

- Luxembourg corporate resident holders of Covered Bonds

Luxembourg resident corporate holders of Covered Bonds must include any interest received or accrued, as well as any gain realised on the sale, disposal or redemption of the Covered Bonds, in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Covered Bonds sold or redeemed.

A corporate holder of Covered Bonds that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 on reserved alternative investment funds, as amended, and which does not fall under the special tax regime set out in article 48 thereof is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Covered Bonds.

Other Taxes

- Registration taxes and stamp duties

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the holders of Covered Bonds as a consequence of the issuance of the Covered Bonds, nor will any of these taxes be payable as a consequence of a subsequent transfer, redemption or repurchase of the Covered Bonds. However, a fixed or *ad valorem* registration duty may be due upon the registration of the Covered Bonds in Luxembourg in the case where the Covered Bonds are lodged with a notary's records (*déposé au rang des minutes d'un notaire*), physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of the Covered Bonds on a voluntary basis.

- Value added tax

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Covered Bonds or in respect of the payment of interest or principal under the Covered Bonds or the transfer of the Covered Bonds. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer of the Covered Bonds if, for Luxembourg value added tax purposes, such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

- Net wealth tax

Luxembourg corporate resident holders of Covered Bonds and corporate non-resident holders of Covered Bonds who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Covered Bonds are attributable, are subject to Luxembourg net wealth tax on such Covered Bonds, except if the holder of Covered Bonds is governed by the law of 11 May 2007 on family estate management companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, by the law of 23 July 2016 on reserved alternative investment funds, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, by the law of 13 July 2005 on professional pension institutions, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended[2].

An individual holder of Covered Bonds, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Covered Bonds.

- Inheritance and gift taxes

Where a holder of Covered Bonds is a resident of Luxembourg for tax purposes at the time of his/her death, the Covered Bonds are included in his/her taxable estate for inheritance tax assessment purposes. No estate or inheritance taxes are levied on the transfer of the Covered Bonds, upon death of an individual holder of Covered Bonds in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death. Gift tax may be due on a gift or donation of Covered Bonds, if the gift is recorded in a deed passed in front of a Luxembourg notary or registered in Luxembourg.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

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 Luxembourg) 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 Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, 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 Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and the Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Covered Bonds (as described under "*Terms and Conditions of the Covered Bonds – Further Issues*") that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered

[2] Please however note that securitisation companies governed by the law of 22 March 2004 on securitisation, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016, as amended, and which fall under the special tax regime set out under article 48 thereof or professional pension institutions governed by the law of 13 July 2005, as amended remain subject to minimum net wealth tax.

Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Covered Bondholders should consult their own tax advisers regarding how these rules may apply to their investment in Covered Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding.

COMMON REPORTING STANDARD

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") will require certain financial institutions to report information regarding certain accounts (which may include the Covered Bonds) to their local tax authority and follow related due diligence procedures. Covered Bondholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed the CRS Competent Authority Agreement ("**CRS Agreement**") may provide this information to other jurisdictions that have signed the CRS Agreement. Luxembourg has concluded such CRS Agreements with a number of jurisdictions. Prospective investors should consult their tax advisers on how the CRS may apply to such investor.

SUBSCRIPTION AND SALE

The Dealers have in a Programme Agreement (the "**Programme Agreement**") dated 6 July 2026 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Covered Bonds. Any such agreement will extend to those matters stated under "*Form of the Covered Bonds*" and "*Terms and Conditions of the Covered Bonds*" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future updates of the Programme and the issue of Covered Bonds under the Programme.

The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Programme Agreement prior to the closing of the issue of the Covered Bonds, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Issue Date. In this situation, the issuance of the Covered Bonds may not be completed. Investors will have no rights against the Issuer or Dealers in respect of any expense incurred or loss suffered in these circumstances.

Covered Bonds issued under the Programme may be issued to any investor subject to selling restrictions – United States, Canada, European Economic Area, United Kingdom, Switzerland, Japan and Singapore (please see below).

United States of America

The Covered Bonds have not been and will not be registered under the Securities Act or the securities laws 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 (as defined in Regulation S) except in reliance on an exemption from, or in transaction not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. Terms used in these paragraphs have the meanings given to them by Regulation S under the Securities Act. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Covered Bonds (a) as part of their distribution at any time and (b) otherwise until 40 days the later of the commencement of the offering of Covered Bonds and date of closing of such offering (the "**Resale Restriction Termination Date**"), within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Covered Bonds prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons (as defined herein). Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the completion of the distribution of all Covered Bonds of the Tranche of which such Covered Bonds are a part, an offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Covered Bonds 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

The applicable Final Terms will identify whether TEFRA D rules apply or whether TEFRA is not applicable.

In addition in respect of Covered Bonds where TEFRA D is specified in the applicable Final Terms:

(a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treas. Reg. Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), each Dealer (i) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Covered Bonds in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Covered Bonds in bearer form that are sold during the restricted period;

(b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Covered Bonds in bearer form are aware that such Covered Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, each Dealer represents that it is acquiring Covered Bonds in bearer form for purposes of resale in connection with their original issuance and if it retains Covered Bonds in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section l.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treas. Reg. Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010);

(d) with respect to each affiliate that acquires Covered Bonds in bearer form from a Dealer for the purpose of offering or selling such Covered Bonds during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) above on such affiliate's behalf; and

(e) each Dealer represents that it will obtain from any distributor (within the meaning of U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(4)(ii) (or any successor U.S. Treas. Reg. Section, including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) that purchases any bearer Covered Bonds from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations and warranties contained in, and such distributor's agreement to comply with, the provisions of (a), (b), (c) and (d) of this paragraph insofar as they relate to TEFRA D, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder, including the D Rules.

Canada

The Covered Bonds 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 Covered Bonds 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 purchase’s province or territory for particulars of these rights or consult with a legal advisor.

Each investor confirms its express wish that all documents evidencing or relating to the sale of the Covered Bonds and all other contracts and related documents be drafted in the English language. *Chaque investisseur confirme sa volonté expresse que tous les documents attestant de la vente des obligations sécurisées ou s'y rapportant ainsi que tous les autres contrats et documents s’y rattachant soient rédigés en langue anglaise.*

European Economic Area – Prohibition of sales to EEA retail investors

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 offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds to any retail investor in the European Economic Area (the **EEA**). 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 or superseded, "**MiFID II**");

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

United Kingdom

1. *Prohibition of sales to UK Retail Investors*

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 offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Covered Bonds to any retail investor in the United Kingdom (the "**UK**"). For the purposes of this provision,

(a) the expression "retail investor" means a person who is either one (or both) of the following:

(i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024.

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to buy or subscribe for the Covered Bonds.

2. *Other regulatory restrictions*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) 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 Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any such Covered Bonds in, from or otherwise involving the United Kingdom.

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Covered Bonds described herein. The Covered Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Covered Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Each Dealer has acknowledged that neither this Base Prospectus nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland. No key information document according to FinSA or any equivalent document under the FinSA has been prepared in relation to the Covered Bonds, and, therefore, the Covered Bonds may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

Japan

The Covered Bonds 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**") and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, 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 or sold any Covered Bonds or caused any Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause any Covered Bonds 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 any Covered Bonds, 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 agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Base Prospectus and any additional written information provided or authorised by the Issuer and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Fiscal Agent, the Arranger nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Fiscal Agent, the Arranger and any of the Dealers represents that Covered Bonds 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 such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Covered Bonds have been duly authorised by circular resolutions of the Board of Directors of the Issuer approved on 5 January 2026 and by resolutions of the Executive Committee of the Issuer dated 30 June 2026.

Listing, Approval and Admission to Trading of Covered Bonds on the Luxembourg Stock Exchange

Application has been made to the CSSF for the approval of this document as a base prospectus for the purposes of Article 5.4 of the Prospectus Regulation. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

Documents Available

For as long as the Programme remains valid with the Luxembourg Stock Exchange, copies of the following documents will be available, upon request, free of charge, from the registered office of the Issuer and the Paying Agents in Luxembourg (where applicable, with an English translation thereof) or can be viewed online at www.spuerkeess.lu:

(i) the constitutional documents (in English) of the Issuer;

(ii) the Agency Agreement (including the forms of the Temporary Global Covered Bonds, the Permanent Global Covered Bonds, the definitive Covered Bonds, the Receipts, the Coupons and the Talons); and

(iii) all financial information of the Issuer incorporated herein by reference.

For as long as the Programme remains valid with the Luxembourg Stock Exchange, copies of the following documents will be available on the website of the Luxembourg Stock Exchange at www.luxse.com and, upon request, free of charge, from the registered office of the Issuer and the Paying Agent in Luxembourg:

(i) a copy of this Base Prospectus and any Final Terms relating to Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market; and

(ii) any future prospectuses, information memoranda and supplements to the Base Prospectus and any other documents incorporated herein or therein by reference.

Issuer’s website

The Issuer's website is www.spuerkeess.lu. Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

Post-issuance Information

The Issuer does not intend to provide any post-issuance sustainability-related information (including in relation to Green Covered Bonds), except if required by any applicable laws and regulations.

Clearing Systems

The Covered Bonds have been accepted for clearance through LuxCSD. The appropriate common code and ISIN for each Tranche of Covered Bonds allocated by LuxCSD will be specified in the applicable Final Terms. LuxCSD is the entity in charge of keeping the records.

The address of LuxCSD is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The issue price and amount of the Covered Bonds of any Tranche to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of the issue of such Tranche in accordance with prevailing market conditions.

No Material or Significant Change

Since the date of its last published audited consolidated financial information has been published, there has been no material adverse change (other than disclosed in the section "*Events after the reporting period*") in the prospects of the Issuer or the Group, and, since the end of the last financial period for which published audited or interim consolidated financial statements, there has been no significant change in the financial performance or the financial position of the Issuer or the Group.

Litigation

Neither the Issuer nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

Ernst & Young S.A. (member of the *Institut des Réviseurs d'Entreprises*) have audited the Issuer's consolidated financial statements and non-consolidated annual accounts prepared in accordance with IFRS (in the case of the consolidated financial statements) and the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts (in the case of the non-consolidated annual accounts) as of and for the financial years ended on 31 December 2024 and 31 December 2025.

The reports of the independent auditors of the Issuer are incorporated in this Base Prospectus by reference along with the related consolidated financial statements and non-consolidated annual accounts.

Conditions for determining price

In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the applicable Final Terms. The yield is calculated on the Issue Date of the Covered Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

THE ISSUER

Banque et Caisse d'Epargne de l'Etat, Luxembourg
1-2, place de Metz
2954 Luxembourg
Grand Duchy of Luxembourg

THE FISCAL AGENT and THE PAYING AGENT

Banque et Caisse d'Epargne de l'Etat, Luxembourg
1-2, place de Metz
2954 Luxembourg
Grand Duchy of Luxembourg

ARRANGER

Belfius Bank NV/SA
11 Place Charles Rogier
1210 Brussels
Belgium

DEALERS

Banque et Caisse d'Epargne de l'Etat, Luxembourg
1-2, place de Metz
2954 Luxembourg
Grand Duchy of Luxembourg

Belfius Bank NV/SA
11 Place Charles Rogier
1210 Brussels
Belgium

Deutsche Bank
Deutsche Bank Aktiengesellschaft
Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

Landesbank Baden-Württemberg
Am Hauptbahnhof 2
70173 Stuttgart
Germany

Natixis
7 promenade Germain Sablon
75013 Paris
France

LUXEMBOURG LISTING AGENT

Banque et Caisse d'Epargne de l'Etat, Luxembourg
1-2, place de Metz
2954 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISERS

To the Issuer

Allen Overy Shearman Sterling SCS
inscrite au Barreau de Luxembourg
5 Avenue John F. Kennedy
1855 Luxembourg

To the Dealers

Hogan Lovells (Luxembourg) LLP
52, Boulevard Marcel Cahen
L-1311 Luxembourg
Grand Duchy of Luxembourg

Grand Duchy of Luxembourg

AUDITORS

To the Issuer

Ernst & Young, Société Anonyme
35E, Avenue John F. Kennedy
1855 Luxembourg
Grand Duchy of Luxembourg

SPECIAL STATUTORY AUDITOR

To the Issuer

Deloitte Audit S.à r.l.
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg