

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, costs, risks and potential gains and losses of this product and to help you compare it with other products.

Product

Name of Product:

Interest Rate Swap (Payer)

Manufacturer:

Luminor Bank AS
<https://luminor.ee/contact-us>
Call +372 628 3300 for more information

Luminor Bank AS is under the supervision of the Estonian Financial Supervision and Resolution Authority (further – [FSA](#)).

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You are about to enter into a product, which is not simple and may be difficult to understand.

What is this product?

Type. This product is an OTC (“over-the-counter”) derivative contract.

Term. The maturity date of the product will be agreed upon when entering into the contract.

Objectives. The product is used to hedge interest rate risks. It is an agreement between the bank and the client, in which both parties agree to exchange regular interest payments over a specific period. One party pays a fixed interest rate while the other pays a floating interest rate.

Interest payments are calculated in reference to a specific nominal amount and are made over the agreed period on predetermined interest payment dates. The nominal amount is used only as the basis for calculating interest payments, it is paid by neither you nor Luminor.

Your specific contract details (e.g. nominal amounts, maturity) will be agreed upon on an individual basis. The example product parameters shown below are based on assumptions and/or regulatory requirements and serve as a basis for the illustrative performance scenarios and costs.

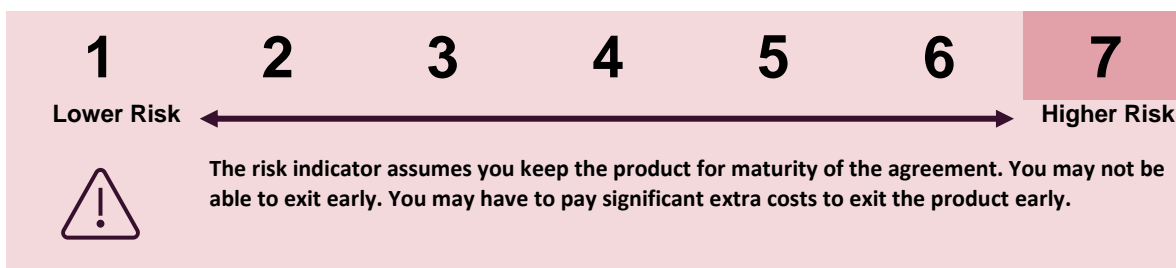
Nominal Amount	10,000.00 EUR
You pay (Fixed Interest Rate):	2.84% p.a.
Interest Payment Date ((Fixed Interest Rate):	Quarterly
You receive (Floating Interest Rate):	EURIBOR3M p.a.
Interest Payment Date (Floating Interest Rate):	Quarterly
Term:	5 years

Intended Retail Investor.

The product is meant for retail investors, who intend to keep the product for the entire agreed term, can bear any loss incurred as a result of market movements during or at the end of the agreed term, have sufficient knowledge and/or experience with this or a similar product, and want to use the product for hedging purposes.

What are the risks and what could I get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class.

We classify all over the counter derivatives as the highest risk class.

This rates the potential losses from future performance at a very high level. Probability that poor market conditions will affect Luminor's capacity to pay you is low.

In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.**

This product does not include any protection from future market performance so you could lose some or all of your investment.

If Luminor is not able to pay you what is owed, you could lose your entire investment.

However, you may benefit from a consumer protection scheme (see the section 'what happens if we are unable to pay you'). The indicator shown above does not consider this protection.

Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

Recommended holding period: 5 years
Example nominal amount: 10,000.00 EUR

Scenario:		If you exit after 1 year	If you exit after 5 years
Minimum	There is no guaranteed minimum return. You may have to make significant payments to cover losses.		
Stress	What you might get back after costs	-559.64 EUR	-810.16 EUR
	Average return each year	-5.60%	-1.68%
Unfavorable	What you might get back after costs	-453.42 EUR	-311.79 EUR
	Average return each year	-4.53%	-0.63%
Moderate	What you might get back after costs	32.61 EUR	465.57 EUR
	Average return each year	0.33%	0.91%
Favorable	What you might get back after costs	741.28 EUR	1,474.38 EUR
	Average return each year	7.41%	2.79%

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The stress scenario shows what you might get back in extreme market circumstances. The scenarios represent possible outcomes, which have been calculated based on simulations using the reference asset's past performance over up to five past years.

What happens if Luminor Bank AS is unable to pay you?

You are exposed to the risk that Luminor or its affiliates may not be able to fulfil its obligations arising from this product in the event of insolvency or an official order ("bail-in-regime"). Luminor customer investments are protected as per the terms and conditions of Estonian Guarantee Fund in the amount of up to 20,000.00 EUR per investor. More information is available at <https://www.luminor.lt/en/private/deposit-and-investment-insurance> and <https://www.tf.ee/eng/protection-of-investors/>

What are the costs?

Costs over time

The tables below show the amounts that are taken to cover different costs. These amounts depend on the nominal amount, hold long you hold the product, and market performance. The amounts shown here are illustrations based on an example nominal amount.

Assumptions:

- Notional amount of 10,000.00 EUR;
- On the first year, you achieve a net performance of 0.00%. For the other periods we have assumed the product performs as shown in the moderate scenario.

	If you exit after 1 year	If you exit after 5 years
Total costs	EUR 300.00 EUR	100.00 EUR
Annual cost impact (*)	3.00 %	0.20 % each year

(*) This illustrates how costs reduce your return each year over the holding period. This illustrates costs in relation to the nominal amount of the PRIIP.

Composition of costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	1.00% of the notional value. These costs are already included in the price you pay.	100.00 EUR
Exit costs	2.00% of notional value. These costs are already included in the price you pay and are only incurred if you exit before maturity. If you hold the product until maturity, no exit cost will be incurred.	200.00 EUR

How long should I hold it and can I take money out early?

Recommended holding period: 5 years

The product is concluded for the agreed term. However, the possibility of an early termination can be agreed. An early termination mean lead to significant extra costs. In this case, you will receive or pay a liquidation price based on the market value of the product and the costs and, if applicable, an additional margin.

How can I complain?

Complaints about the product or the sales/advisory process can be submitted to Luminor Bank AS at Liivalaia 45, 10145 Tallinn or via email to info@luminor.ee.

Other relevant information

The information contained in this Key Information Document does not constitute a recommendation to buy or sell the product and is no substitute for individual consultation with your bank or advisor. Additional product information is available on request.

You can download the latest version of this document from the website of Luminor Bank AS (www.luminor.ee).