

Dividend Policy

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1. General provisions

- 1.1. Bigbank AS (hereinafter the Bank) together with all branches and subsidiaries belonging to the same consolidation group (hereinafter the Group) has established the Dividend Policy (hereinafter the Policy).
- 1.2. The Policy stipulates the general guidelines for calculation of dividends distributable by the Bank to the owners of the Bank and by the Group units to the parent, and the related dividend proposals by the management bodies.
- 1.3. The Bank has established the Policy using conservative and prudent assumptions in order, after any distribution, to satisfy the applicable capital requirements and the outcomes of the supervisory review and evaluation process (SREP).

2. The area governed by the Policy

- 2.1. The Policy is in line with the applicable European banking regulations including but not limited to:
 - 2.1.1. 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 (CRR);
 - 2.1.2. 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 (CRD IV);
 - 2.1.3. Recommendation of the European Central Bank of 28 December 2017 on dividend distribution policies (ECB/2017/44);
and other regulatory internal/external documents binding to the Group.
- 2.2. The Policy applies to all management bodies of the Group and is also used in capital calculations and projections performed by the Risk Management Area and Finance Area of the Bank.

3. Definitions

- 3.1. All capitalised terms that are used in the Policy, but which are not defined herein, shall carry the meaning as defined in the Group Glossary accessible on the Bank's intranet.

4. Content of the Policy

- 4.1. The key precondition for dividend payment is adherence to the external and internal regulatory requirements on capital.

- 4.2. When all the regulatory preconditions are met, the Group shall pay a minimum of EUR 3 million of the Group audited annual net profit in dividends, income tax included, but not exceeding total of EUR 5 million per calendar year.
- 4.3. The Group may decide to decrease or waive dividend payment under the corresponding growth and/or investment plans.
- 4.4. Dividends are paid out once a calendar year, within one month from the date of the resolution of the general meeting of shareholders.

5. Responsibilities arising from the Policy

- 5.1. Management Board is responsible for capital planning activities and making the yearly profit distribution proposals following the Policy and all applicable preconditions.
- 5.2. Management Board is responsible for arranging intra-Group dividend payments, if needed.
- 5.3. Finance Area is responsible for the disbursement and taxation of dividend payments.

6. Final provisions

- 6.1. Following the Good Banking Practice established by the Estonian Banking Association, where the Bank is a member from year 2017, Banks disclose their dividend policy at their website.
- 6.2. The Policy shall be reviewed as needed, but at least once every three years.

7. Version information

Version	Information on the changes	Responsible holder
Version 1.0.	New policy	Chairman of the Management Board