

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MINISTRY OF FINANCE OF THE REPUBLIC OF ESTONIA

AND

THE MINISTRY OF FINANCE OF THE REPUBLIC OF LATVIA

AND

THE MINISTRY OF FINANCE OF THE REPUBLIC OF LITHUANIA

AND

THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

IN RESPECT OF

THEIR CO-OPERATION FOR THE

EXPANSION OF THE PAN-BALTIC CAPITAL MARKET

Dated 6 June 2026

This **MEMORANDUM OF UNDERSTANDING** (the "**Memorandum**") is between:

- (1) The *Ministry of Finance of the Republic of Estonia* (the "**Estonian Ministry**"); and
- (2) The *Ministry of Finance of the Republic of Latvia* (the "**Latvian Ministry**"); and
- (3) The *Ministry of Finance of the Republic of Lithuania* (the "**Lithuanian Ministry**");

together referred to as the "**Ministries**"; and

- (4) the European Bank for Reconstruction and Development (the "**EBRD**"),

each referred to as a "**Party**" and together as the "**Parties**".

WHEREAS

- (A) The EBRD is an international organization established under public international law pursuant to the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990.
- (B) The Republic of Estonia, the Republic of Latvia and the Republic of Lithuania acceded to the Agreement Establishing the European Bank for Reconstruction and Development and became members of the EBRD in 1992.
- (C) The Ministries have previously collaborated to create the single pan-Baltic capital market, by signing a memorandum of understanding in 2017 in respect of their co-operation for regional capital market development in the Baltics (the "2017 Memorandum"). As part of this initiative, they have developed legal and regulatory frameworks for pan-Baltic capital market instruments, such as covered bonds, designed and launched the Baltic Capital Market Development Accelerator Fund, strengthened cross-border market access for investors by continuously enhancing the Baltic region's capital market infrastructure ("CMI") and established permanent coordination mechanisms on working level among other matters. Some of the subsequent activities deriving from the 2017 Memorandum were supported by the EBRD and the European Commission ("EC") via various legal instruments.

These efforts were formally recognised through the introduction of a single stock market index classification for the Baltic states by benchmark provider MSCI, which classified the regional market as Frontier Market ("FM") in 2023. In 2025, MSCI created a sub-categorization designated as "Advanced Frontier Markets", recognising those that exhibit strong market accessibility but are categorized as FM due to their size and liquidity. Henceforth, the MSCI Baltic States Index is part of the Advanced FM subcategory.

- (D) The Parties wish to renew their commitment to further develop the breadth and depth of the pan-Baltic capital market.

The Parties have come to the following understanding:

Section 1 Purpose

The Parties recognise that boosting competitiveness and economic growth are imperative in the current geopolitical context, considering ambitious climate goals and digitalization needs. Deep and liquid capital markets ensure access to finance for corporates of all sizes, including small and medium-sized enterprises ("SMEs"), while providing attractive investment opportunities, deploying savings into productive uses for the wider economy. Reduced cross-border barriers expand choices, reduce friction and increase the attractiveness of the pan-Baltic market. A strong regional capital market will also serve as a building block for the Savings and Investment Union ("SIU"), which aims to create better financial opportunities for European Union ("EU") citizens, while enhancing the financial system's capability to connect savings with productive investments. This is an important priority for the EU and will pave the way for further capital market development across the Union.

Thus, the Parties may explore coordinated actions to facilitate and promote the further development of the pan-Baltic capital market, with the ultimate goal of fulfilling the criteria for an upgrade to Emerging Market status of the single MSCI Baltic States index.

Section 2 Scope

The Parties aim to undertake an evaluation of the investor base of the regional capital market and prepare a gap assessment of the pan-Baltic capital market based on the feedback received. These are expected to serve as a basis to design a high level work plan (the "Work Plan") consisting of a set of measures designed to boost the supply of instruments, facilitate the interconnectedness of the capital market infrastructure with regional, European and global CMIs to facilitate access to the pan-Baltic market, support the further development of intermediaries and the local and regional investor base.

The indicative and non-exclusive list of possible co-operation areas is specified in Annex 1 (*Indicative List*) to this Memorandum.

The Ministries will continue cooperating through the steering committee created pursuant to the 2017 Memorandum (the "Steering Committee").

The role of the Steering Committee is foreseen to be twofold: (i) overseeing the progress of the assessment and later the implementation of the Work Plan; and (ii) engaging with relevant stakeholders to support the implementation of measures.

The Steering Committee will meet as agreed by the Ministries, presumably twice a year, either online or in person. In the latter case the meeting location will alternate among the Baltic states. The time and details of the Steering Committee meetings and procedures will be set out and jointly agreed by the Ministries. The Steering Committee may agree to invite additional stakeholders, including the EBRD, as relevant, to Steering Committee meetings.

Additionally, the Ministers of Finance of Estonia, Latvia and Lithuania shall meet upon the need, presumably once a year, with the Steering Committee reporting on progress achieved and barriers to further progress within the scope of this Memorandum.

The Ministries may apply for technical assistance/co-operation to assist with the implementation of the above-listed measures, including from third parties such as the EC, the EBRD or any other relevant institution.

Section 3 Communications

Any notice or other communication to be given or made under this Memorandum will be addressed and sent to the following contact points or at such other address as either Party designates by notice to the other Parties:

For the Ministry of Finance of the Republic of Estonia:

Suur-Ameerika 1, Tallinn 10122, Estonia

Attention: Valner Lille (Financial Services Policy Department)

Telephone: +372 6113558

Email: info@fin.ee

For the Ministry of Finance of the Republic of Latvia:

Smilšu iela 1, Rīga, LV- 1919, Latvia

Attention: Imants Tiesnieks (Financial Market Policy Department)

Telephone: +371 20258930

Email: pasts@fm.gov.lv

For the Ministry of Finance of the Republic of Lithuania:

Lukiškių Str. 2, 01512 Vilnius, Lithuania

Attention: Gasparas Danišauskas (Financial Markets Policy Department)

Telephone: +370 69032011

Email: finmin@finmin.lt

For the European Bank for Reconstruction and Development:

5 Bank Street, London E14 4BG, United Kingdom

Attention: Alex Pivovarsky (Capital and Financial Markets Development)

Telephone: +44 2073386000

Email: CFMDEnquiries@ebrd.com

Section 4 Final Provisions

- (a) This Memorandum reflects the views and intentions of the Parties to co-operate on a non-exclusive basis, expressed in good faith but without the creation of any legal or financial obligations or the incurrance of any liability on the part of any of them. No third party shall obtain any legal benefit from this Memorandum.
- (b) It is understood and agreed that nothing in this Memorandum will constitute, or be construed as, an offer, promise or undertaking by any of the Parties to finance all or part of any activity or project identified in or pursuant to this Memorandum.

- (c) In the event that opportunities are identified, specific arrangements for any such activity or project would need to be agreed upon between the Parties. Each of the Parties will incur its own expenditures arising as the result of the implementation of this Memorandum, unless otherwise specified in relevant separate agreements.
- (d) Nothing in this Memorandum will limit the right of, or prevent any of the Parties from entering into memoranda or arrangements with other parties with respect to any activity, project or area of co-operation covered by this Memorandum.
- (e) The Parties will meet periodically upon the need, but presumably not less frequently than once every six (6) months, to review and discuss the implementation of this Memorandum, assess the achievement of the objectives as set out herein above, and consider necessary adjustments, if any.
- (f) Nothing in this Memorandum will constitute nor be construed as a waiver, renunciation or other modification, either express or implied, of any of the privileges, immunities and exemptions granted to the EBRD under the Agreement Establishing the European Bank for Reconstruction and Development, international convention or any applicable law.
- (g) In case of any discrepancy or contradiction between the provisions of this Memorandum and Annex 1 (*Indicative List*), the provisions of this Memorandum will prevail.
- (h) Any dispute arising out of, or in connection with, the interpretation or application of any provision of this Memorandum will be settled amicably through consultations.
- (i) This Memorandum will come into effect on the date when the last of the Parties sign and will remain in effect for five (5) years. Any Party may terminate this Memorandum before the expiry date upon submitting to the other Parties of a prior written notice of its intention to terminate this Memorandum. In such case, this Memorandum will terminate thirty (30) days after receipt of such notice by the corresponding Parties.
- (j) This Memorandum may be amended by the written consent of all Parties, including but not limited to extending the duration of the Memorandum.

IN WITNESS WHEREOF, the Ministries and the EBRD, each acting through their duly authorized representative, have signed this Memorandum in four (4) originals, one for each Party, in the English language.

**For the Ministry of Finance of the
Republic of Estonia:**



Name: Jürgen Ligi
Title: Minister of Finance of the Republic of
Estonia
Date: 6 June 2026

**For the Ministry of Finance of the
Republic of Latvia:**



Name: Māris Kučinskis
Title: Minister of Finance of the Republic of
Latvia
Date: 6 June 2026

**For the Ministry of Finance of the
Republic of Lithuania**



Name: Januš Kizenevič
Title: Vice-Minister of Finance of the
Republic of Lithuania
Date: 6 June 2026

**For the European Bank for
Reconstruction and Development:**



Name: Odile Renaud-Basso
Title: President of the European Bank for
Reconstruction and Development
Date: 6 June 2026

Annex 1

Indicative List

Subject at all times to the terms and conditions in Section 4 (*Final Provisions*) of the Memorandum, the Parties aim to explore cooperation in respect of the following matters:

- address gaps with the aim of achieving Emerging Market status according to MSCI for the Baltic States index;
- assess the impact of the reforms and projects related to the 2017 Memorandum and identify remaining gaps that impede cross-border activity including in legal and regulatory frameworks;
- support establishing links and enhancing interoperability between Nasdaq Central Securities Depository and other CSDs to facilitate cross-border settlement and improve market access;
- implement initiatives to promote market development and listings, to attract new issuers ranging from SMEs to large corporations, including state-owned enterprises, and expand the range of investment opportunities available to both domestic and international investors;
- create a unified and recognizable brand identity for the pan-Baltic capital market;
- launch a pan-Baltic Sandbox for first-time issuers where potential issuers can engage in simulation exercises with intermediaries and supervisors;
- develop or address gaps in regional legal and regulatory frameworks for new instruments, such as securitisation, derivatives and Real Estate Investment Trusts;
- explore and assess thematic cross-border funds to support strategic sectors, such as green energy, technology, and infrastructure;
- mobilise local retail investors by exploring harmonized retail investment approaches and exchanging good practices on financial literacy programmes.

For the avoidance of doubt, any opportunity in respect of the above will be subject to the Parties entering into a separate legal instrument.