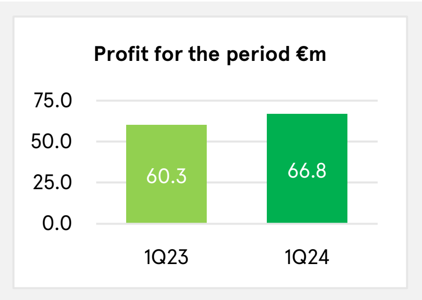
# Luminor
# Interim Report
# 1Q 2024

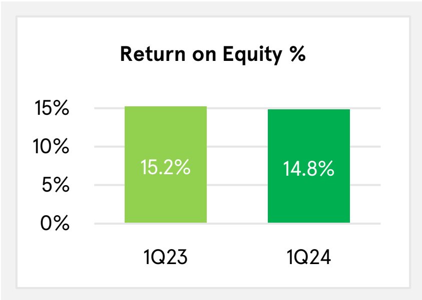
# AT A GLANCE

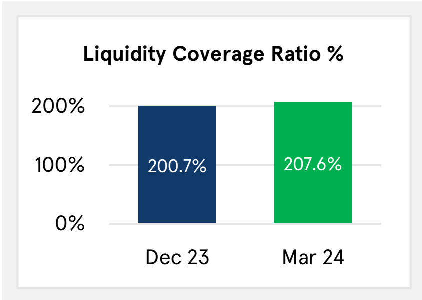
## THE QUARTER IN BRIEF

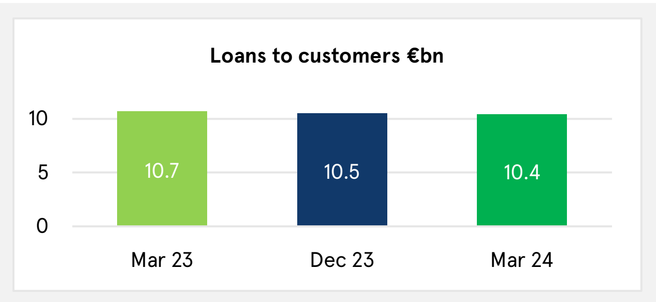
- Strong growth in income – up 8.4% – as compared to first quarter 2023
- Profit for the period up 10.8% despite imposition of temporary bank taxes in Latvia and Lithuania
- Good growth in term deposits from customers – up 8.5% – over the quarter
- Liquidity and capital ratios remain at a very high level with an LCR of 207.6% and CET1 of 25.4%
- Wojciech Sass appointed Chief Executive Officer
- In April, Moody's upgraded Luminor's rating to A3

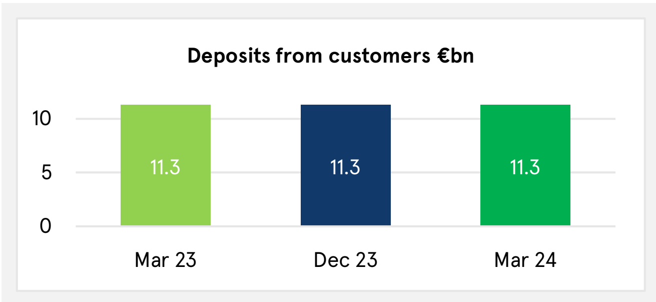
## PERFORMANCE IN BRIEF




## OUR STRATEGIC PRIORITIES

1. Build the Bank around our customers;
2. Be the preferred full-service bank for retail customers by delivering human-centric solutions;
3. Be the favoured bank for growing Baltic companies;
4. Raise efficiency;
5. Elevate the resilience and capability of our IT platform;
6. Be a team who execute as owners and take responsibility;
7. Be committed to sustainable growth and implementation of ESG targets;
8. Reinforced by a strong risk culture and strong risk and compliance management.

## ABOUT US

Luminor is the leading independent bank in the Baltics and the third-largest provider of financial services in our region. We serve the financial needs of individuals, families, and companies. We are here to improve the financial health of our customers and our home countries, and to support their growth. Further information about us can be found at www.luminor.ee.

# CHIEF EXECUTIVE'S STATEMENT

I am delighted to lead Luminor. The bank is in a strong place and will prosper as we grow with our customers – individuals and families, companies and institutions resident in the Baltic countries. Our position is strong because of the character of our employees and their achievements under my predecessor, Peter Bosek. My role is to lead my colleagues as we write the next chapter of Luminor's story. Initially, I am focused on three areas; to improve our value proposition for our customers, to streamline our IT for the benefit of our customers – and so be more efficient – and to be compliant with regulatory requirements.

In the first quarter we increased revenues and improved our profitability, while asset quality remained good. Our home markets – Estonia, Latvia, and Lithuania – saw limited growth as economic activity remained sluggish in key EU export markets. Among other things this led to a slight reduction over the quarter in Loans to customers while term Deposits increased strongly.

> Since I joined in March, I have been engaged by our customers, impressed by my colleagues, and inspired by the opportunities we have.
>
> We have work to do to ensure we prosper with our customers but start from a strong base.
>
> Wojciech Sass

We made progress in Retail Banking as we improved our product offering and continued to build our business around our customers. We maintained our lending volumes and grew term deposits once again. In Corporate Banking we continued to support the development of Baltic capital markets and the green transition, leading a new issue in the renewable energy sector. We also implemented our agreement with the European Investment Bank to facilitate additional lending for Baltic SMEs and support the green transition of the economies. We will launch our updated customer offering in the period ahead.

We generated an increased profit for the period of 66.8 million EUR, 10.8% higher than the first quarter last year. We increased total operating income by 8.4% as we grew net interest income, raised operating expenses by 4.4% as we improved our IT systems and processes, and recorded a reversal of 4.0 million EUR in credit loss allowances as we reduced exposure to one non-performing customer, while bank taxes and resolution fees increased by 10.3 million EUR to 11.6 million EUR after the imposition of temporary bank taxes in Latvia and Lithuania. We improved our net interest margin to 3.64%, reduced our cost to income ratio to 47.5% and generated an annualised Return on Equity of 14.8%. Our credit quality remains robust. Stage 2 loans reduced over the quarter by 4.7% as utilisation of available credit lines fell and exposures migrated between stages. At quarter end the gross amount of Stage 3 loans was 213.1 million EUR, or 160.0 million EUR after credit loss allowances, against which we held collateral of 197.8 million EUR.

Our liquidity and capital positions are strong. Over the quarter we increased our Liquidity Coverage ratio by 6.9%-points to 207.6%, and at quarter end our Common Equity, Tier 1 and Total Capital Ratios, including net profit for the period, were 25.4%. All our capital is composed of equity. We continue to review our capital levels and structure to align with our plans and outlook, and improve the efficiency of our capital resources. In April we paid a dividend of 194.5 million EUR. Taking this dividend payment into account our pro forma capital ratios at quarter end would have been 22.6%.

Andreas Treichl stepped down and Sandy Kinney Pritchard was elected to the Supervisory Council. Sandy joined the Risk committee and was also appointed Chair of the Audit committee in succession to Bjørn Erik Naess, who stepped down with my grateful thanks for all that his done for Luminor in that role over many years.

On 30 April, Moody's Ratings upgraded their long-term senior unsecured rating of Luminor Bank to A3 from Baa1, and their long-term deposit rating to A2 from A3. Following this, Moody's changed its rating outlook to stable. The credit agency explained the primary drivers for their upgrade were; 'the bank's improved asset quality metrics while maintaining very strong core capitalisation and having successfully managed refinancing hurdles in recent years.'

The outlook for the Baltic region is positive. We look forward with confidence, despite the economic environment, because of our belief in our home markets and our value proposition; we are here to improve the financial health of our customers and our home countries, and to support their growth. In so doing, we will maintain our strong financial standing, exercise prudent risk management, and fulfil our wider obligations. I look forward to sharing my priorities and goals, and our progress.

# CONTENTS



This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and Estonian law. In this report 'Luminor', 'Luminor Bank', 'we', 'us' and 'our' refer to Luminor Bank AS together with its subsidiaries. The abbreviations '€m' and '€bn' represent millions and billions (thousands of millions) of euro, respectively.

# MANAGEMENT REPORT

## Financial Review

| Summary income statement | 1Q | | FY |
|---|---|---|---|
| €m | 2023 | 2024 | 2023 |
| Net interest and similar income | 121.8 | 137.3 | 542.0 |
| Net fee and commission income | 20.9 | 20.2 | 84.6 |
| Net other operating income | 7.7 | 5.6 | 23.2 |
| **Total operating income** | **150.4** | **163.1** | **649.8** |
| Total administration expenses | -74.2 | -77.5 | -339.9 |
| **Profit before credit losses, bank taxes, and tax** | **76.2** | **85.6** | **309.9** |
| Expected credit losses | -3.9 | 4.0 | -33.1 |
| Bank taxes and resolution fee | -1.3 | -11.6 | -33.7 |
| **Profit before tax** | **71.0** | **78.0** | **243.1** |
| Income tax expense | -10.7 | -11.2 | -48.4 |
| **Profit for the period** | **60.3** | **66.8** | **194.7** |
| Cost/ income ratio, % | 49.3 | 47.5 | 52.3 |

We generated an increased profit of 66.8 million EUR in the quarter, 10.8% higher than the first quarter last year. We increased Total operating income of 12.7 million EUR and lifted Total administration expenses by 3.3 million EUR increase. We recorded a reversal of expected credit losses as compared to a charge last year but incurred notably higher bank taxes and resolution fees after changes in legislation in Latvia and Lithuania.

Total operating income was 163.1 million EUR, an increase of 8.4%, as compared to the prior year first quarter. Net interest income increased by 15.5 million EUR, or 12.7%, to 137.3 million EUR, and we generated a net interest margin of 3.64%, as compared to 3.35%, as reference interest rates remained at 2023 levels. Interest income increased by 59.2 million EUR while interest expense grew by 43.7 million EUR as the cost of funding, mainly deposits, increased. Net fee and commission income was virtually unchanged at 20.2 million with growth in fees from Insurance, Investments, and Trade Finance while fees from Deposit products and cash management, amongst others, fell.

Total administration expenses were 77.5 million EUR, an increase of 4.4% as compared to the same period last year. The increase is a consequence of the investments we are making in staff and improving our IT and processes, while consultancy costs were lower.

We recorded a reversal of 4.0 million EUR in expected credit losses this quarter as compared to a charge of 3.9 million EUR this quarter time last year. The reversal was driven principally as we decreased provisions for contingent liabilities for a larger non-performing Corporate exposure, as we reduced significantly our exposure in the quarter, offset in part a small number of new defaults and ratings changes in exposures to businesses and individuals. See also 'Asset quality' section, below.

| Expenses, €m | 1Q23 | 1Q24 |
|---|---|---|
| Salaries | -31.5 | -36.5 |
| IT-related | -24.0 | -26.5 |
| Consultancy | -10.5 | -6.5 |
| Other | -6.1 | -5.5 |
| **Salaries & other** | **-72.1** | **-75.0** |
| Depreciation etc | -2.1 | -2.5 |
| **Total** | **-74.2** | **-77.5** |

Bank duties and resolution fees increased by 10.3 million EUR to 11.6 million EUR following the introduction of temporary taxes in Latvia and Lithuania, offset in part by lower resolution fees. The Latvian tax will remain in force through 2024 and we estimate the total cost to us will be 27.7 million EUR. The Lithuanian tax was introduced in the second quarter of 2023 and will remain in force for two-years from that date.

Income tax expense increased by 0.5 million EUR as we recorded higher profits. In the first quarter we generated an annualised return on equity of 14.8% (1Q23: 15.2%).

| Summary balance sheet<br>€m | 31 Mar<br>2023 | 31 Dec<br>2023 | 31 Mar<br>2024 |
|---|---|---|---|
| Cash and balances with central banks | 2,924.0 | 3,069.1 | 3,216.5 |
| Debt securities | 1,337.6 | 1,491.8 | 1,570.3 |
| Loans to customers | 10,707.1 | 10,502.6 | 10,374.5 |
| Other | 520.3 | 429.7 | 444.8 |
| **Total assets** | **15,489.0** | **15,493.2** | **15,606.1** |
| Deposits from customers | 11,308.4 | 11,287.2 | 11,307.0 |
| Debt securities issued | 2,125.6 | 1,898.7 | 1,924.6 |
| Other | 411.4 | 529.2 | 529.6 |
| Equity | 1,643.6 | 1,778.1 | 1,844.9 |
| **Total liabilities and equity** | **15,489.0** | **15,493.2** | **15,606.1** |
| Liquidity Coverage ratio, % | 173.6 | 200.7 | 207.6 |
| Net Stable Funding ratio, % | 135.5 | 147.1 | 146.0 |

In the first quarter we grew our balance sheet to 15.6 billion EUR as we increased Deposits from customers by 0.2%, while balances of Loans to customers reduced by 1.2%, as customers responded to the prevailing, low growth economic environment and higher reference interest rates. Loans to customers account for two-thirds of total assets.

Loans to customers decreased by 128.1 million EUR. While loans to individuals decreased marginally, with mortgage lending virtually unchanged, loans to companies decreased by a 102.2 million EUR, with reductions seen across most sectors. Cash and balances with central banks and Debt securities both increased by 5% to total over 4.8 billion EUR. Our liquidity portfolio consists, in the main, of high-quality government and covered bonds which can be pledged with the European Central Bank to allow us to obtain additional liquidity.

Our balance sheet is very strong, with good credit quality, and robust capital and liquidity ratios

We are ready and able to support our customers now and in the future.

Palle Nordahl
Chief Financial Officer

Deposits from customers increased by 19.8 million EUR in the quarter with growth in balances from the Public-sector offset in part by a fall in deposits from individuals and businesses. We grew term deposits by 8.5% and at 31 March they accounted for more than a quarter of Deposits from customers. Debt securities issued increased by 25.9 million as we issued our inaugural SEK-denominated bond. The security, a 500 million SEK, three-year, senior bond, boosted our MREL-eligible obligations and diversified our funding base. Shareholder's equity increased by 66.8 million EUR as we retained the profit for the period.

At quarter end our own funds and MREL-eligible instruments totalled 34.24% of Total Risk Exposure Amount (TREA) and 14.88% of our Leverage Ratio Exposure (LRE). In November, the Single Resolution Board confirmed our targets at 23.96% of TREA plus combined buffer requirement, up from 22.42% previously, and 5.91% of LRE.

The Liquidity Coverage ratio increased by 6.9%-points to 207.6%, driven by the reduction in Loans to customers and the proceeds of our new Swedish krone bond issue, mentioned above. The ratio is substantially higher than the regulatory minimum of 100%. The Net Stable Funding ratio at quarter end was 146.0%, a decrease of 1.1%-points over the quarter. Available stable funding decreased in the quarter, as 800 million EUR of Debt securities issued have less than one year to the call or maturity date, offset in part by a decrease in required stable funding, driven mainly by a reduction in the balance of Loans to customers.

On 30 April, Moody's Ratings upgraded their long-term senior unsecured rating of Luminor Bank to A3 from Baa1, and their long-term deposit rating to A2 from A3. Following this, Moody's changed its rating outlook to stable. The credit agency explained the primary drivers for their upgrade were; 'the bank's improved asset quality metrics while maintaining very strong core capitalisation and having successfully managed refinancing hurdles in recent years.'

| Capital resources and uses<br>€m | 31 Mar<br>2023 | 31 Dec<br>2023 | 31 Mar<br>2024 |
|---|---|---|---|
| **Reported basis** | | | |
| Shareholder's equity | 1,643.6 | 1,778.1 | 1,844.9 |
| Regulatory adjustments | -93.5 | -79.4 | -77.0 |
| Prudential filters | -0.5 | -0.4 | -0.3 |
| **Common Equity Tier 1** | **1,549.6** | **1,698.3** | **1,767.6** |
| Credit risk exposure amounts | 6,581.0 | 6,145.1 | 6,057.0 |
| Operational risk exposure amounts | 675.2 | 880.2 | 880.2 |
| Other risk exposure amounts | 31.4 | 31.9 | 30.8 |
| **Risk exposure amounts** | **7,287.6** | **7,057.2** | **6,968.0** |
| Leverage ratio exposure amounts | 16,048.6 | 15,916.1 | 16,040.2 |
| Common Equity Tier 1 ratio, % | 21.3 | 24.1 | 25.4 |
| Leverage ratio, % | 9.7 | 10.7 | 11.0 |
| **Regulatory basis** | | | |
| Common Equity Tier 1 | 1,427.0 | 1,441.3 | 1,443.7 |
| Common Equity Tier 1 ratio, % | 19.6 | 20.4 | 20.7 |
| Leverage ratio, % | 8.9 | 9.0 | 9.0 |

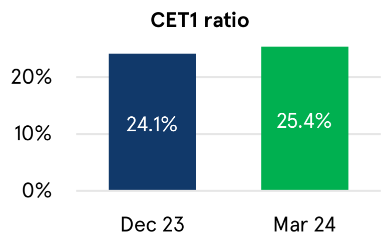
At the end of the first quarter, our own funds totalled 1,767.6 million EUR, composed entirely of Common Equity Tier 1 (CET1) capital. Our CET1, Tier 1, and Total capital ratios increased in the quarter to 25.4%. Capital increased with the addition to Shareholder's equity of first quarter net profits, which we retained in full. Risk Exposure Amounts (REA), which we measure on a standardised basis, decreased due to lower credit risk exposure amounts as Loans to customers fell.

Our capital ratios remain well above our minimum capital requirements set by our regulators which require us to have a CET1 ratio exceeding 11.51%, a Tier 1 ratio above 13.48% and a Total Capital ratio greater than 16.10%. These include a Pillar 2 additional own funds requirement of 2.5% effective from January 2024.

We will be subject to a countercyclical buffer of 0.5% of our risk exposures in Latvia from December 2024 and additional countercyclical buffer of 0.5% in Latvia from June 2025. We estimate the combined effect of these new buffers will add 27 basis points to our minimum CET1, Tier 1 and Total capital requirements, taking them ultimately to 11.77%, 13.74%, and 16.37% respectively. Our capital targets, internal limits and Total Capital target are set at the regulatory requirement (excluding P2G) plus a Management Buffer (150-300 bps). We continue to assess the value of Tier 2 capital to improve the efficiency of our capital resources.

Our leverage ratio increased to 11.0% during the quarter, driven by the increase in capital resources mentioned above, offset in part by an increase in Leverage amounts, as our total balance sheet increased. The minimum leverage ratio is 3.0%.

In April we paid a dividend of 194.5 million EUR to Luminor Holding, our parent company. Taking this dividend payment into account, our pro forma capital ratios at quarter end would have been 22.6% and our leverage ratio, 9.8%. This includes profit of 129.3 million EUR not yet included in regulatory capital. Luminor Holding, in turn paid 194.0 million EUR to its shareholders.




Capital resources measured on a regulatory basis includes retained profits verified by our auditors, subject to the application of a deduction for foreseeable dividends. Our capital ratios, measured on a regulatory basis, increased slightly in the quarter, to 20.7%, as risk exposure amounts decreased. The dividend we paid in April had no effect on our capital ratios as measured on a regulatory basis.

| Asset quality<br>€m | 31 Mar<br>2023 | 31 Dec<br>2023 | 31 Mar<br>2024 |
|---|---|---|---|
| Stage 1 | 9,142.7 | 8,895.9 | 8,823.4 |
| Stage 2 | 1,541.4 | 1,526.6 | 1,454.5 |
| Stage 3 | 124.7 | 202.2 | 213.1 |
| **Gross carrying amount** | **10,808.8** | **10,624.7** | **10,491.0** |
| Credit loss allowances | -101.7 | -122.1 | -116.5 |
| **Total** | **10,707.1** | **10,502.6** | **10,374.5** |
| Non-performing loans ratio, % | 1.2 | 1.9 | 2.0 |

POCI loans are recorded in Stages 2 and 3

At quarter end, Loans to customers totalled 10.4 billion EUR, of which 84.1% were classified as Stage 1. During the quarter, Stage 2 loans decreased by 72.1 million or 4.7% while Stage 3 loans increased by 10.9 million EUR, primarily as a consequence of the re-classification of one corporate customer.

Our exposure to the CRE sector totaled 1.5 billion EUR at quarter end. Our portfolio is well-diversified, with over one third of the portfolio to the retail sector and another third to offices. Exposure to the logistics sector accounts for a further fifth of the portfolio, with a number of other sectors accounting for the remainder. We have limited exposure to development risks, with some 10% of the CRE portfolio in the development stage. The portfolio has an average loan-to-value ratio around 50%, with 70% of our CRE exposures having a loan to value ratio below 60%. Payments of principal and/or interest is overdue by more than 5-days for 3.5% of CRE exposures (compared to 3.4% at the end of the prior quarter). One exposure is responsible principally for around 95% of overdue CRE exposures.

The quality of our loan portfolio remains solid, with diversified exposure by customer type and by sector

Diego Biondo
Chief Risk Officer

We have no direct exposure to companies domiciled in Russia, Belarus or Ukraine. Our exposure to residents of these countries, mostly residential mortgages, is 1 million EUR.

The gross amount of Stage 2 exposures decreased by 72.1 million EUR. Outflows were driven primarily by migrations between stages and repayments mostly driven by lower utilisation of available credit lines. Inflows were seen across different economic sectors.

The gross amount of Stage 3 loans increased marginally over the quarter to 213.1 million EUR or 2.0% of gross lending at quarter end. The inflow of non-performing loans, most of which were to companies, was around 1.4 times higher than the outflow. Outflow was also dominated by exposure to companies, with around 80% of the outflow driven by repayments. Total Stage 3 loans (i.e., gross carrying amount less credit loss allowances of 53.1 million EUR) were 160.0 million EUR against which we held collateral of 197.8 million EUR.

| Stage 3 Loans, €m | 31 Mar 24 |
|---|---|
| Gross carrying amount | 213.1 |
| Credit loss allowances | -53.1 |
| **Total** | **160.0** |
| Collateral fair value | 197.8 |

Details of the reversal of Expected credit losses for the quarter of 3.9 million EUR can be found in the analysis of our Statement of Profit or Loss section, above.

## Customer segments

| Retail Banking | 1Q | | FY |
| --- | --- | --- | --- |
| €m | 2023 | 2024 | 2023 |
| Net interest and similar income | 60.3 | 72.7 | 280.4 |
| Net fee and commission income | 13.5 | 13.5 | 54.7 |
| Net other operating income | 1.4 | 1.3 | 6.0 |
| **Total operating income** | **75.2** | **87.5** | **341.1** |
| Total administration expenses | −45.8 | −49.5 | −205.2 |
| **Profit before credit losses and tax** | **29.4** | **38.0** | **135.9** |
| Expected credit losses | −0.5 | −0.5 | −12.5 |
| **Profit before tax** | **28.9** | **37.5** | **123.4** |
| Cost/ income ratio, % | 60.9 | 56.6 | 60.2 |

| Customer balances<br>€m | 31 Mar<br>2023 | 31 Dec<br>2023 | 31 Mar<br>2024 |
| --- | --- | --- | --- |
| Loans to customers | 5,682.6 | 5,700.1 | 5,697.8 |
| Deposits from customers | 5,761.8 | 5,916.7 | 5,811.4 |

Lending volumes remained unchanged over the quarter as market demand remained subdued, though we saw signs of recovery towards the end of quarter. We continued to actively originate new mortgages, which accounted for over 85% of our Loans to customers at quarter end.

Customer interest in saving remains strong, and our total deposit portfolio increased by 1% over the past 12 months. Moreover, demand from customers for term deposits has doubled from what it was at the end of the first quarter of last year and grew once again this quarter.

Our active customer numbers have been showing a positive trend over the past 12 months and we continue to improve our customer journey.

In the payment card area we have enhanced our value proposition; Luminor Black card users now enjoy a wider range of benefits including excess coverage for car rental and more comprehensive travel insurance. Demand for the Luminor Black remains high, with growth of more than 20% over the same period of last year.

Our focus remains on growth. We increased the balances of term deposits once again in the quarter

Kerli Vares
Head of Retail Banking

| Corporate Banking | 1Q | | FY |
|---|---|---|---|
| €m | 2023 | 2024 | 2023 |
| Net interest and similar income | 59.8 | 59.8 | 247.7 |
| Net fee and commission income | 7.5 | 6.6 | 30.6 |
| Net other operating income | 3.3 | 2.1 | 15.6 |
| **Total operating income** | **70.6** | **68.5** | **293.9** |
| Total administration expenses | −26.8 | −27.0 | −125.2 |
| **Profit before credit losses and tax** | **43.8** | **41.5** | **168.7** |
| Expected credit losses | −4.4 | 3.7 | −21.2 |
| **Profit before tax** | **39.4** | **45.2** | **147.5** |
| Cost/ income ratio, % | 38.0 | 39.4 | 42.6 |

| Customer balances<br>€m | 31 Mar<br>2023 | 31 Dec<br>2023 | 31 Mar<br>2024 |
|---|---|---|---|
| Loans to customers | 5,022.8 | 4,799.2 | 4,671.7 |
| Deposits from customers | 5,475.7 | 5,286.2 | 5,434.7 |

Customers continued to be cautious given the prevailing macroeconomic environment. Demand for new credit therefore remained subdued, exacerbated by seasonal reduction in demand for working capital facilities. Our portfolio of Loans to customers is well diversified by sector and type.

Renewable energy continued to display healthy growth with good demand for investment, notably in energy storage assets. There was also quite considerable demand for financing in the commercial real estate sector, though it was driven more by refinancing than by new developments.

Following the signing of an agreement at year end with the European Investment Bank to facilitate additional lending for Baltic SMEs and support the green transition of the economies, we developed our customer offering. We will launch this in the period ahead.

We continued to support the development of the Baltic capital markets, and the green transition, lead managing in the first quarter a new issue in the renewable energy sector

Jonas Urbonas
Head of Corporate Banking

We acted as Sole Lead Manager and Bookrunner for a tap issue of 12.6 million EUR by a company in the renewable energy sector under the issuer's 100 million EUR unsecured fixed rate note programme. We continued to provide leadership in ESG-relate matters for our customers. We hosted an ESG seminar on the decarbonisation transition that focused on what transition planning is, including how and where companies should start on it, and discussed trends in decarbonisation.

We also held the first in a series of ESG climate seminars on transition planning for corporate customers – Transition planning: what it is and how to get started - and contributed to 'Northern Roots', a forum dedicated to solutions for regenerative agriculture and to support the emergence of new generation of agriculture in the Baltic and Nordic regions.

## Supplementary information

### ECONOMIC ENVIRONMENT

| Data and Luminor economists' forecasts (a) | Public Debt /GDP | Economic growth (GDP) (b) | | Inflation (CPI) (b) | | Unemployment rate | | Wage growth (b) | |
|---|---|---|---|---|---|---|---|---|---|
| % | 23Q3 | 23Q4 | 24f (c) | Mar 24 | 24f (c) | 23Q4 | 24f (c) | 23Q4 | 24f (c) |
| Estonia | 18.2 | -2.5 | -1.0 | 3.9 | 3.0 | 6.3 | 7.0 | 9.5 | 7.0 |
| Latvia | 41.4 | -0.2 | 1.2 | 0.9 | -0.2 | 6.8 | 6.3 | 11.7 | 7.8 |
| Lithuania | 37.4 | 0.1 | 2.0 | 0.0 | -0.2 | 7.4 | 7.2 | 11.1 | 8.6 |

a. Data as at 15 April 2024, forecasts as at March 2024; b. Annual change; c. Average for the year

Euro area economic sentiment improved, albeit unevenly, in the beginning of 2024, with a stronger outlook in the service sector and in Southern Europe, but relatively weaker in manufacturing and Northern Europe, putting pressure on the export-oriented Baltic states, which saw negative to no-growth. In addition to the region-wide impacts of loss of purchasing power, tightening monetary policy, and geopolitical tensions, growth in Estonia was impacted by the slowing Swedish economy.

Unemployment rates continue to be low across the region. Wage growth was strong and will remain strong, restoring somewhat individuals purchasing power that was lost during the period of high inflation. . The rates of inflation are now lower than in the euro area, driven falling energy prices, the rates are lower than in the euro area. The end of energy support measures (April 2023), an increase in the rate of value added tax (January 2024) and other administrative changes has contributed to a higher rate of inflation in Estonia as compared to Latvia and Lithuania.

Real estate price indices were virtually unchanged in Latvia over the year to the fourth quarter but saw good single-digit growth in Estonia and Lithuania, where the market is strongest. The outlook for the real estate market is stable with the slowing effects of high monetary policy interest rates being offset by improving purchasing power. Government indebtedness remains very low, with debt-to-GDP ratios below 40% in Latvia and Lithuania, and 20% in Estonia. Governments have run budget deficits to support the economy, but this has not led to increasing debt-to-GDP ratios as nominal GDP has been increasing.

The economic outlook for 2024 remains cautiously optimistic. Estonian GDP level is expected to remain below that of 2023 while the economies of Latvia and Lithuania are expected to see modest growth.

### BUSINESS DEVELOPMENTS

We continued to improve our services so we can serve our customers better, and saw improved customer ratings as a consequence. We invested in the organisation, focusing on our IT-infrastructure, and we strengthened our security and regulatory compliance processes and systems. We will continue to invest in these areas in the coming quarters. In addition we focused on ensuring compliance with the Digital Operational Resilience Act (DORA), building on the actions we took last year.

Andreas Treichl stepped down from the Supervisory Council effective 5 March and Alexandra (Sandy) Brigid Kinney Pritchard was elected to the Council effective 1 April. Sandy was a senior partner with PricewaterhouseCoopers and KPMG and has over 40 years of experience in retail banking and capital markets, audit, risk and regulation, and corporate governance. Sandy was appointed Chair of the Council's Audit committee and joined the Risk committee. In other changes of committee membership, Betsy Nelson joined the Audit committee, Qasim Abbas joined the Nomination and Risk committees, while Mathias Favetto left the Risk committee and joined the Remuneration committee.

Wojciech Sass was appointed as Chief Executive Officer and Chair of the Management Board effective 18 March. Wojciech has widespread experience in the financial services industry and deep operational knowledge of retail and business banking, and IT systems and processes. He joined us from Aion Bank, a digital bank operating from Belgium, which he co-founded and where he served as Chief Executive Officer. Previously, Wojciech was Chief Executive Officer of Nationale Nederlanden Poland, Vice President of the Management Board of BNP Paribas Bank Polska, and Head of BCG Poland.

Peter Bosek, Wojciech's predecessor, resigned as Chief Executive Officer and Chair of the Management Board, effective 17 March. Peter will re-join Erste, the Austrian bank, as Chief Executive, in the summer.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We enhanced our Procedure for Analysis of Impact of Climate and Environmental Risks on Luminor Business Environment (C&E RBE), updated our Procedure for Risk Taxonomy Review and Risk Materiality Assessment to integrate C&E (C&E RMA) risk materiality assessment, and completed our second iteration of analysis of C&E RBE and the first iteration of C&E RMA, the outcomes of which informs our strategy, risk appetite, and product development.

We updated our ESG Risk Assessment Procedure, and now require our largest existing and new corporate customers that operate in 'high risk' sectors to submit transition plans. We also introduced a requirement for our largest corporate customers to align their activities to Science Based Targets requirements. To deepen our knowledge, we introduced an Environmental Risk Questionnaire for customers which includes Climate change, Resource use, Waste & Pollution, Production and other data, as well as mitigation actions and environmental impact reduction targets.

We updated our Product Management Procedure to help employees understand more readily ESG-related concepts, and help product owners integrate sustainability considerations into product manufacturing and distribution processes and establish compliant product labelling. We continued the development of Sustainable Lending Procedure and, in our Discretionary Portfolio Management business, improved our ESG-related investment decision making process and continued to review ESG risk exposures.

We continued to raise awareness of the risk of fraud focusing, this quarter, on psychological techniques used by fraudsters, fraud in social media, and how AI helps fraudsters, and supported financial literacy in schools. In Estonia, for the third year, we cooperated with the Good Deed Foundation and NULA, an incubator that focuses on solving societal problems. In Latvia, in support of education, we organised with Riga Business School 'Puzzle Day', a competition for high-schooler students, while in Lithuania we sponsored 'Future Heroes', a project to champion the potential of 14-17-year-old female students.

## PREVENTING FINANCIAL CRIME

We do not tolerate financial crime, and we are committed to behaving ethically and building a strong risk culture. We market our products and services only at residents of the Baltic countries, and at individuals and companies with a strong connection to these countries. We improved our processes to align them with our low risk appetite and our conservative approach to business. We continued to invest in our anti-money laundering capabilities and sanctions compliance, and in our anti-fraud framework and technology, and we planned improvements to our anti-financial crime technologies for 2024.

We are committed to the protection of human rights, and to countering the financing of terrorism and the proliferation of weapons of mass destruction. Accordingly, we apply sanctions imposed by the United Nations, the European Union and the authorities of Estonia, Latvia and Lithuania, together with sanctions imposed by the United States' Treasury Department's Office of Foreign Asset Control (OFAC), HM Treasury in the United Kingdom, and the governments of Norway and Sweden. We report possible sanctions breaches and violations to the regulatory authorities.

We enhanced our risk culture and carried out various awareness-raising activities. We continued to prioritise and enhance our fraud risk management measures. Our approach encompasses continuous technological enhancement, risk mitigation work, and internal training for staff to address fraudulent activities comprehensively. To bolster our capabilities we continued to implement a new, pan-Baltic, anti-fraud solution for non-card payments. We also improved our existing solutions and analytical capabilities, and made continued efforts to raise awareness among our customers about fraud prevention.

## EVENTS AFTER PERIOD END

On 22 April we paid a dividend of €194.5 million to Luminor Holding, our parent company. Luminor Holding, in turn, paid €194.0 million to its shareholders and retained €0.5 million EUR to fund its operations. Taking this dividend payment into account, our pro forma capital ratios on 31 March 2024 would have been 22.6%. The dividend payment had no effect on our capital ratios as measured on a regulatory basis.

On 30 April, Moody's Ratings upgraded their long-term senior unsecured rating of Luminor Bank to A3 from Baa1, and their long-term deposit rating to A2 from A3. Following this, Moody's changed its rating outlook to stable. The credit agency explained the primary drivers for their upgrade were; 'the bank's improved asset quality metrics while maintaining very strong core capitalisation and having successfully managed refinancing hurdles in recent years.'

## Statement of the Management Board

The interim report of Luminor Bank AS for the first quarter of 2024 consists of the Management Report and the Condensed Consolidated Interim Financial Statements.

The data and additional information presented in the interim report is true and complete. The Condensed Consolidated Interim Financial Statements have been prepared according to the principles of the International Accounting Standard IAS 34 Interim Financial Reporting as adopted by the European Union and the requirements established by the Credit Institutions Act of the Republic of Estonia for the disclosure of information.

Luminor Bank AS and its subsidiaries are going concerns.

**Wojciech Sass**
Chief Executive Officer and
Chairman of the Management Board
Tallinn, 30 April 2024

# INTERIM FINANCIAL STATEMENTS

## Consolidated Statement of Profit or Loss

| €m | Notes | 1Q | | FY |
|---|---|---|---|---|
| | | 2023 | 2024 | 2023 |
| Interest income calculated using the effective interest method | 3 | 131.1 | 178.0 | 627.6 |
| Other similar income | 3 | 18.8 | 31.1 | 112.6 |
| Interest and similar expense | 3 | -28.1 | -71.8 | -198.2 |
| **Net interest and similar income** | | **121.8** | **137.3** | **542.0** |
| Fee and commission income | 4 | 27.7 | 27.4 | 114.8 |
| Fee and commission expense | 4 | -6.8 | -7.2 | -30.2 |
| **Net fee and commission income** | | **20.9** | **20.2** | **84.6** |
| Net gain (-loss) from financial instruments at fair value | 5 | -0.9 | 11.4 | 16.1 |
| Net gain (-loss) from foreign currency operations | | 9.1 | -2.8 | 18.6 |
| Other operating expense - net | 6 | -1.0 | -3.4 | -13.1 |
| Share of profit from associates | | 0.5 | 0.4 | 1.6 |
| **Net other operating income** | | **7.7** | **5.6** | **23.2** |
| **Total operating income** | | **150.4** | **163.1** | **649.8** |
| Personnel expenses | | -31.5 | -36.5 | -131.3 |
| Other administration expenses | 7 | -40.6 | -38.5 | -188.6 |
| Depreciation, amortisation, and impairment | | -2.4 | -2.7 | -16.8 |
| Gain or (-loss) on derecognition of non-financial assets, net | | 0.3 | 0.2 | -3.2 |
| **Total administration expenses** | | **-74.2** | **-77.5** | **-339.9** |
| **Profit before credit losses, bank taxes, and tax** | | **76.2** | **85.6** | **309.9** |
| Expected credit losses | 10 | -3.9 | 4.0 | -33.1 |
| Bank taxes and resolution fee | 8 | -1.3 | -11.6 | -33.7 |
| **Profit before tax** | | **71.0** | **78.0** | **243.1** |
| Income tax expense | | -10.7 | -11.2 | -48.4 |
| **Profit for the period** | | **60.3** | **66.8** | **194.7** |
| **Total comprehensive income** | | **60.3** | **66.8** | **194.7** |

## Consolidated Statement of Financial Position

| €m | Notes | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and balances with central banks | | 2,924.0 | 3,069.1 | 3,216.5 |
| Balances with banks | | 69.6 | 47.5 | 58.6 |
| Debt securities | 9 | 1,337.6 | 1,491.8 | 1,570.3 |
| Loans to customers | 10 | 10,707.1 | 10,502.6 | 10,374.5 |
| Derivatives | 16 | 120.8 | 92.2 | 70.8 |
| Equity instruments | | 2.6 | 2.9 | 3.0 |
| Investments in associates | | 6.2 | 5.5 | 5.9 |
| Intangible assets | | 63.7 | 56.0 | 58.6 |
| Tangible assets | | 28.4 | 27.0 | 26.8 |
| Current tax assets | | 0.0 | 0.7 | 1.5 |
| Deferred tax assets | | 13.5 | 10.0 | 8.7 |
| Other assets | 11 | 215.5 | 187.9 | 210.9 |
| **Total** | | **15,489.0** | **15,493.2** | **15,606.1** |
| **Liabilities** | | | | |
| Loans and deposits from credit institutions | | 47.8 | 224.3 | 196.7 |
| Deposits from customers | 12 | 11,308.4 | 11,287.2 | 11,307.0 |
| Fair value of changes of hedge items in portfolio hedges of interest rate | | 0.5 | 6.9 | 2.1 |
| Debt securities issued | 13 | 2,125.6 | 1,898.7 | 1,924.6 |
| Derivatives | 16 | 178.2 | 73.7 | 64.9 |
| Tax liabilities | | 18.1 | 35.9 | 35.2 |
| Deferred tax liabilities | | 1.3 | 1.1 | 1.2 |
| Lease liabilities | | 28.3 | 24.8 | 24.8 |
| Other liabilities | 14 | 112.9 | 134.5 | 184.2 |
| Provisions | | 24.3 | 28.0 | 20.5 |
| **Total** | | **13,845.4** | **13,715.1** | **13,761.2** |
| **Shareholder’s equity** | | | | |
| Share capital | | 34.9 | 34.9 | 34.9 |
| Share premium | | 1,412.2 | 1,412.2 | 1,412.2 |
| Retained earnings | | 193.0 | 327.5 | 394.3 |
| Other reserves | | 3.5 | 3.5 | 3.5 |
| **Total** | | **1,643.6** | **1,778.1** | **1,844.9** |
| **Total liabilities and shareholder’s equity** | | **15,489.0** | **15,493.2** | **15,606.1** |

## Consolidated Statement of Changes in Equity

| €m | Share capital | Share premium | Retained earnings | Other reserves | Total equity |
|---|---|---|---|---|---|
| **Balance as at 31 December 2022** | **34.9** | **1,412.2** | **132.7** | **3.6** | **1,583.4** |
| Profit for the period | – | – | 60.3 | – | **60.3** |
| **Total comprehensive income** | **–** | **–** | **60.3** | **–** | **60.3** |
| Dividends | – | – | – | – | **–** |
| Other | – | – | – | –0.1 | **–0.1** |
| **Balance as at 31 March 2023** | **34.9** | **1,412.2** | **193.0** | **3.5** | **1,643.6** |
| **Balance as at 31 December 2023** | **34.9** | **1,412.2** | **327.5** | **3.5** | **1,778.1** |
| Profit for the period | **–** | **–** | **66.8** | **–** | **66.8** |
| **Total comprehensive income** | **–** | **–** | **66.8** | **–** | **66.8** |
| Dividends | **–** | **–** | **–** | **–** | **–** |
| Other | **–** | **–** | **–** | **–** | **–** |
| **Balance as at 31 March 2024** | **34.9** | **1,412.2** | **394.3** | **3.5** | **1,844.9** |
| **Balance as at 31 December 2022** | **34.9** | **1,412.2** | **132.7** | **3.6** | **1,583.4** |
| Profit for the period | – | – | 194.7 | – | **194.7** |
| **Total comprehensive income** | **–** | **–** | **194.7** | **–** | **194.7** |
| Dividends | – | – | – | – | **–** |
| Other | – | – | 0.1 | –0.1 | **0.0** |
| **Balance as at 31 December 2023** | **34.9** | **1,412.2** | **327.5** | **3.5** | **1,778.1** |

On 22 April 2024 we paid a dividend of €194.5 million. Taking this dividend payment into account, at 31 March 2024 our pro forma Total equity would have been 1,583.6 million EUR.

## Consolidated Statement of Cash Flows

| €m | Notes | 1Q | | FY |
|---|---|---|---|---|
| | | 2023 | 2024 | 2023 |
| Profit before tax | | 71.0 | 82.5 | 273.2 |
| Adjustment for non-cash items: | | | | |
| Credit loss allowance | 10 | 0.2 | -4.0 | 33.1 |
| Depreciation, amortisation, and impairment | | 2.4 | 2.7 | 16.8 |
| Derecognition of non-financial assets | | -0.5 | 0.0 | 3.2 |
| Other non-cash items | | 0.0 | 0.4 | -1.6 |
| Interest and similar income | 3 | -149.9 | -209.1 | -740.2 |
| Interest and similar expenses | 3 | 28.1 | 71.8 | 198.2 |
| Change in operating assets/liabilities: | | | | |
| Increase (-) / decrease (+) of lending to customers | | 167.4 | 125.5 | 363.3 |
| Increase (-) / decrease (+) of debt securities | | -43.4 | -76.3 | -200.5 |
| Increase (-) / decrease (+) of other assets | | -10.9 | -13.2 | 84.0 |
| Increase (+) / decrease (-) of deposits from customers | | 368.2 | 15.9 | 310.4 |
| Increase (+) / decrease (-) of other liabilities | | -12.6 | 3.9 | 139.2 |
| Interest received | | 141.7 | 220.4 | 687.7 |
| Interest paid | | -15.0 | -83.1 | -137.7 |
| Income tax paid | | -2.2 | -15.8 | -49.7 |
| **Cash flow used in operating activities** | | **544.5** | **121.6** | **979.4** |
| Payment for acquisition of subsidiary, net of cash acquired | | 0.0 | 0.0 | -0.3 |
| Acquisition of tangible and intangible assets | | -0.1 | -4.0 | -8.5 |
| Proceeds from disposal of tangible and intangible assets | | 0.0 | 0.0 | 0.1 |
| Dividend received | | 0.0 | 0.0 | 1.8 |
| **Cash flows used in investing activities** | | **-0.1** | **-4.0** | **-6.9** |
| Debt securities issued | 13 | 299.3 | 43.4 | 598.5 |
| Debt securities redeemed or matured | | 0.0 | -1.1 | -600.0 |
| Payments of principal on leases | | -1.2 | -1.4 | -5.5 |
| Dividends paid | | 0.0 | 0.0 | 0.0 |
| **Cash flows from / (used in) financing activities** | | **298.1** | **40.9** | **-7.0** |
| **Net increase or decrease in cash and cash equivalents** | | **842.5** | **158.5** | **965.5** |
| Cash and cash equivalents at the beginning of the period | | 2,151.0 | 3,116.6 | 2,151.0 |
| Effects of currency translation on cash and cash equivalents | | 0.1 | 0.0 | 0.1 |
| Net increase or decrease in cash and cash equivalents | | 842.5 | 158.5 | 965.5 |
| **Cash and cash equivalents at the end of the period** | | **2.993.6** | **3,275.1** | **3,116.6** |
| **Cash and cash equivalents** | | | | |
| Cash on hand | | 109.6 | 114.0 | 105.4 |
| Non-restricted current account with central bank | | 2,814.4 | 3,102.5 | 2,963.7 |
| Due from other credit institutions within three months | | 69.6 | 58.6 | 47.5 |
| **Total** | | **2,993.6** | **3,275.1** | **3,116.6** |

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1. Material accounting policies

### BASIS OF PRESENTATION

The condensed consolidated interim financial statements of Luminor Bank AS were prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed consolidated interim financial statements do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with Luminor Bank AS annual financial statements for the year ended 31 December 2023 (the Annual Report). The financial information in this interim report is presented to a material extent in the same format as in the Annual Report.

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Annual Report, except for the adoption of new standards effective as of 1 January 2024. Several amendments and interpretations are effective for the first time in 2024, but do not have a material impact on the interim condensed consolidated financial statements of Luminor. Luminor has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Luminor makes estimates and applies assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities. Estimates and judgements are evaluated continuously and are based on management's experience and expectations of future events. Consistent with the Annual Report, the significant estimates are the impairment of financial instruments, as well as the determination of the fair value.

### Impairment of financial instruments

The methods and the key assumptions related to the calculation of the impairment of financial instruments are consistent with those applied by Luminor for the year ended 31 December 2023. For more detailed information on the impairment policies, please, refer to the Annual Report, Note 2, 'General Risk Management Policies'.

### Fair value determination

The methods and the key assumptions related to the calculation of the fair value are consistent with those applied by Luminor for the year ended 31 December 2023. For detailed information on the valuation techniques and inputs, please, refer to the Annual Report.

## CHANGE IN PRESENTATION

In the Statement of Profit or Loss, previously, resolution fees were included in 'Other operating expense – net' and the Lithuanian bank tax in 'Total income tax'. From 2024 these items are presented in a new row 'Bank taxes and resolution fee'. See also Note 8. The effect of these amendments for comparable periods was:

| **Consolidated Statement of Profit or Loss** | **1Q23** | | | **2023** | | |
|---|---|---|---|---|---|---|
| **€m** | **As reported previously** | **Change** | **As restated** | **As reported previously** | **Change** | **As restated** |
| Other operating expense - net | -2.0 | +1.0 | -1.0 | -16.7 | +3.6 | -13.1 |
| Gain on derecognition of non-financial assets, net | - | +0.3 | 0.3 | - | - | - |
| Bank taxes and resolution fee | - | -1.3 | -1.3 | - | -33.7 | -33.7 |
| Total income tax | - | - | - | -78.5 | +30.1 | -48.4 |

In the Statement of Financial Position, based on IAS 1 requirements, from 2024 restricted balances with central and other banks are presented in 'Other assets', and according to IAS 12, Deferred tax liabilities are presented separately. See also Note 11. The effect of these amendments for comparable dates was:

| **Consolidated Statement of Financial position** | **31 March 2023** | | | **31 December 2023** | | |
|---|---|---|---|---|---|---|
| **€m** | **As reported previously** | **Change** | **As restated** | **As reported previously** | **Change** | **As restated** |
| **Assets** | | | | | | |
| Cash and balances with central banks | 3,040.7 | -116.7 | 2,924.0 | 3,184.9 | -115.8 | 3,069.1 |
| Balances with banks | 114.9 | -45.3 | 69.6 | 56.2 | -8.7 | 47.5 |
| Deferred tax assets | 12.2 | +1.3 | 13.5 | 8.9 | +1.1 | 10.0 |
| Other assets | 53.5 | +162.0 | 215.5 | 63.4 | +124.5 | 187.9 |
| Total | 15,487.7 | +1.3 | 15,489.0 | 15,492.1 | +1.1 | 15,493.2 |
| **Liabilities** | | | | | | |
| Deferred tax liabilities | - | +1.3 | 1.3 | - | +1.1 | 1.1 |
| Total | 13,844.1 | +1.3 | 13,845.4 | 13,714.0 | +1.1 | 13,715.1 |

## 2. General risk management policies

### CREDIT RISK

### Impairment policies

Luminor recognises credit losses in accordance with the requirements of IFRS 9, applying a forward-looking ECL approach, as per the Annual Report. The impairment calculation approach was unchanged in the first quarter of 2024.

Three-year projections of macroeconomic variables and probability weights are prepared for each Baltic country. These were most recently prepared in the fourth quarter of 2023 to reflect, mainly, possible consequences of prevailing geopolitics, high and persistent inflation, and increased interest rates. The projections of macroeconomic variables and probability weights were reviewed in the first quarter of 2024 resulting in no change. The prevailing probability weights for the three scenarios are 20% for the optimistic scenario, 50% for the baseline, and 30% for the pessimistic scenario. The parameters used for macroeconomic modelling were:

| Economic data, % | 2023a | Scenarios | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Optimistic | | | Baseline | | | Pessimistic | | |
| | | 24f | 25f | 26f | 24f | 25f | 26f | 24f | 25f | 26f |
| **Real GDP** (a) | | | | | | | | | | |
| Estonia | -3.0 | 4.2 | 7.6 | 5.6 | 0.0 | 4.0 | 2.2 | -4.0 | 1.8 | 4.0 |
| Latvia | -0.3 | 6.0 | 6.9 | 6.4 | 1.8 | 3.4 | 3.0 | -3.5 | -0.4 | 1.8 |
| Lithuania | -0.3 | 5.3 | 5.0 | 4.6 | 1.9 | 2.3 | 2.0 | -3.5 | 1.4 | 4.3 |
| **Unemployment rate** | | | | | | | | | | |
| Estonia | 6.4 | 7.0 | 6.2 | 5.8 | 8.0 | 7.0 | 6.5 | 10.5 | 10.3 | 8.9 |
| Latvia | 6.5 | 6.0 | 5.4 | 5.6 | 7.2 | 6.4 | 6.5 | 10.5 | 11.1 | 10.6 |
| Lithuania | 6.9 | 5.5 | 5.2 | 5.6 | 6.8 | 6.2 | 6.5 | 10.0 | 10.8 | 9.9 |
| **Residential Real Estate price** (a) | | | | | | | | | | |
| Estonia | 5.9 | 8.2 | 8.8 | 8.7 | 1.7 | 3.4 | 3.5 | -25.0 | -2.4 | 9.6 |
| Latvia | 3.8 | 12.0 | 10.4 | 8.8 | 4.0 | 4.0 | 3.0 | -20.0 | -6.7 | 3.5 |
| Lithuania | 9.8 | 8.7 | 7.7 | 5.8 | 4.0 | 3.8 | 2.1 | -25.0 | -5.7 | 7.4 |

a. Annual change

### MARKET AND LIQUIDITY RISK

The most significant market risks for Luminor are interest rate risk and credit spread risk. Luminor has low risk appetite for market risk and does not engage in equity trading. Customer related foreign exchange flow is managed through daily hedging activities, and all derivative deals with customers are fully hedged. The recently changing interest rate and market environment did not significantly alter the bank's overall market risk profile.

Luminor's liquidity position has remained strong in the first quarter of 2024, with an LCR ratio of 207.6% at quarter end. The limits for regulatory ratios, LCR and NSFR, are set well above the minimum requirements. Luminor maintains a substantial liquidity buffer and operates well above regulatory requirements. There were no regulatory and internal limit breaches for liquidity risk during the quarter.

## 3. Net interest and similar income

| €m | 1Q | | FY |
|---|---|---|---|
| | 2023 | 2024 | 2023 |
| Loans to customers at amortised cost | 115.5 | 146.7 | 534.6 |
| Balances with central banks | 15.0 | 31.1 | 91.9 |
| Balances with banks | 0.6 | 0.2 | 1.1 |
| **Interest income calculated using effective interest method** | **131.1** | **178.0** | **627.6** |
| Finance leases | 18.5 | 24.2 | 89.8 |
| Other | 0.3 | 6.9 | 22.8 |
| **Other similar income** | **18.8** | **31.1** | **112.6** |
| **Interest and similar income** | **149.9** | **209.1** | **740.2** |
| Loans and deposits from credit institutions | −1.6 | −1.9 | −1.5 |
| Deposits from customers | −11.2 | −43.7 | −101.8 |
| Debt securities issued | −10.3 | −14.0 | −55.5 |
| Gain (−loss) on hedging activities | −4.9 | −12.0 | −38.8 |
| Other | −0.1 | −0.2 | −0.6 |
| **Interest expense** | **−28.1** | **−71.8** | **−198.2** |
| **Total** | **121.8** | **137.3** | **542.0** |

## 4. Net fee and commission income

| €m | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Income | Expense | Total | Income | Expense | Total |
| **First quarter** | | | | | | |
| Cards | 10.5 | -5.0 | **5.5** | 10.3 | -5.3 | **5.0** |
| Credit products | 1.7 | -0.6 | **1.1** | 1.4 | -0.5 | **0.9** |
| Daily banking plans | 5.0 | 0.0 | **5.0** | 5.0 | 0.0 | **5.0** |
| Deposit products and cash management | 3.8 | -0.6 | **3.2** | 3.1 | -0.8 | **2.3** |
| Insurance | 0.9 | 0.0 | **0.9** | 1.0 | 0.0 | **1.0** |
| Investments | 1.0 | -0.4 | **0.6** | 1.1 | -0.4 | **0.7** |
| Pensions | 2.1 | -0.2 | **1.9** | 2.5 | -0.2 | **2.3** |
| Trade finance | 2.5 | 0.0 | **2.5** | 2.7 | 0.0 | **2.7** |
| Other | 0.2 | 0.0 | **0.2** | 0.3 | 0.0 | **0.3** |
| **Total** | **27.7** | **-6.8** | **20.9** | **27.4** | **-7.2** | **20.2** |
| **Full year** | | | | | | |
| Cards | 43.5 | -22.4 | **21.1** | | | |
| Credit products | 6.7 | -2.1 | **4.6** | | | |
| Daily banking plans | 19.4 | 0.0 | **19.4** | | | |
| Deposit products and cash management | 14.3 | -3.1 | **11.2** | | | |
| Insurance | 3.8 | 0.0 | **3.8** | | | |
| Investments | 5.7 | -1.7 | **4.0** | | | |
| Pensions | 8.9 | -0.8 | **8.1** | | | |
| Trade finance | 11.4 | 0.0 | **11.4** | | | |
| Other | 1.1 | -0.1 | **1.0** | | | |
| **Total** | **114.8** | **-30.2** | **84.6** | | | |

**Fee and commission income by revenue recognition**

| €m | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Over time | Point in time | Total | Over time | Point in time | Total |
| **First quarter** | | | | | | |
| Cards | 2.7 | 7.8 | **10.5** | 0.6 | 9.7 | **10.3** |
| Credit products | 0.4 | 1.3 | **1.7** | 0.3 | 1.1 | **1.4** |
| Daily banking plans | 5.0 | 0.0 | **5.0** | 5.0 | 0.0 | **5.0** |
| Deposit products and cash management | 1.1 | 2.7 | **3.8** | 0.8 | 2.3 | **3.1** |
| Insurance | 0.0 | 0.9 | **0.9** | 0.0 | 1.0 | **1.0** |
| Investments | 0.5 | 0.5 | **1.0** | 0.7 | 0.4 | **1.1** |
| Pensions | 2.1 | 0.0 | **2.1** | 2.5 | 0.0 | **2.5** |
| Trade finance | 2.4 | 0.1 | **2.5** | 2.6 | 0.1 | **2.7** |
| Other | 0.0 | 0.2 | **0.2** | 0.0 | 0.3 | **0.3** |
| **Total** | **14.2** | **13.5** | **27.7** | **12.5** | **14.9** | **27.4** |
| **Full year** | | | | | | |
| Cards | 8.3 | 35.2 | **43.5** | | | |
| Credit products | 1.6 | 5.1 | **6.7** | | | |
| Daily banking plans | 19.4 | 0.0 | **19.4** | | | |
| Deposit products and cash management | 3.7 | 10.6 | **14.3** | | | |
| Insurance | 0.0 | 3.8 | **3.8** | | | |
| Investments | 2.9 | 2.8 | **5.7** | | | |
| Pensions | 8.9 | 0.0 | **8.9** | | | |
| Trade finance | 10.8 | 0.6 | **11.4** | | | |
| Other | 0.1 | 1.0 | **1.1** | | | |
| **Total** | **55.7** | **59.1** | **114.8** | | | |

## 5. Net gain (-loss) from financial instruments at fair value

| €m | 1Q | | FY |
|---|---|---|---|
| | 2023 | 2024 | 2023 |
| Derivatives | -3.8 | 7.8 | 2.1 |
| Financial instruments held for trading | 1.3 | 1.5 | 6.1 |
| Financial instruments at FVTPL | 0.3 | 0.5 | 1.1 |
| Debt securities designated at FVTPL | 1.3 | 1.6 | 6.8 |
| **Total** | **-0.9** | **11.4** | **16.1** |

## 6. Other operating expense – net

| €m | 1Q | | FY |
|---|---|---|---|
| | 2023 | 2024 | 2023 |
| Other income | 1.2 | 0.1 | 1.0 |
| **Other operating income** | **1.2** | **0.1** | **1.0** |
| Contributions to deposit guarantee schemes | -2.2 | -3.5 | -14.1 |
| **Other operating expense** | **-2.2** | **-3.5** | **-14.1** |
| **Total** | **-1.0** | **-3.4** | **-13.1** |

## 7. Other administration expenses

| €m | 1Q | | FY |
|---|---|---|---|
| | 2023 | 2024 | 2023 |
| Information Technology-related | -24.0 | -26.5 | -98.9 |
| Consulting and professional services | -10.5 | -6.5 | -54.6 |
| Advertising and marketing | -1.0 | -1.1 | -8.6 |
| Real estate | -0.9 | -0.9 | -3.3 |
| Taxes and duties | 0.6 | -1.4 | -1.3 |
| Other | -4.8 | -2.1 | -21.9 |
| **Total** | **-40.6** | **-38.5** | **-188.6** |

## 8. Bank taxes and resolution fee

| €m | 1Q | | FY |
|---|---|---|---|
| | 2023 | 2024 | 2023 |
| Latvian bank tax | - | -6.9 | - |
| Lithuanian bank tax | - | -4.5 | -30.1 |
| Resolution fee | -1.3 | -0.2 | -3.6 |
| **Total** | **-1.3** | **-11.6** | **-33.7** |

## 9. Debt securities

| €m | Govern-ments | Credit institutions | Financial institutions | Corporates | Total |
|---|---|---|---|---|---|
| **31 March 2023** | | | | | |
| Amortised cost | 941.5 | 66.0 | 4.7 | 107.3 | **1,119.5** |
| FVTPL (designated) | 179.2 | 22.1 | 0.0 | 0.0 | **201.3** |
| FVTPL (mandatorily) | 9.6 | 0.0 | 3.9 | 0.6 | **14.1** |
| FVTOCI | 2.7 | 0.0 | 0.0 | 0.0 | **2.7** |
| **Total** | **1,133.0** | **88.1** | **8.6** | **107.9** | **1,337.6** |
| **31 December 2023** | | | | | |
| Amortised cost | 1,074.4 | 109.6 | 7.1 | 104.2 | **1,295.3** |
| FVTPL (designated) | 152.7 | 22.7 | 0.0 | 0.0 | **175.4** |
| FVTPL (mandatorily) | 13.7 | 0.0 | 4.7 | 0.0 | **18.4** |
| FVTOCI | 2.7 | 0.0 | 0.0 | 0.0 | **2.7** |
| **Total** | **1,243.5** | **132.3** | **11.8** | **104.2** | **1,491.8** |
| **31 March 2024** | | | | | |
| Amortised cost | 1,135.1 | 129.4 | 7.1 | 105.4 | **1,377.0** |
| FVTPL (designated) | 154.2 | 22.9 | 0.0 | 0.0 | **177.1** |
| FVTPL (mandatorily) | 8.6 | 0.0 | 4.8 | 0.0 | **13.4** |
| FVTOCI | 2.8 | 0.0 | 0.0 | 0.0 | **2.8** |
| **Total** | **1,300.7** | **152.3** | **11.9** | **105.4** | **1,570.3** |

## 10. Loans to customers

| €m | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|
| Individuals | 5,952.7 | 5,941.5 | 5,915.6 |
| Businesses | 4,342.9 | 4,181.3 | 4,095.5 |
| Financial institutions | 222.9 | 190.9 | 189.0 |
| Public sector | 188.6 | 188.9 | 174.4 |
| **Total** | **10,707.1** | **10,502.6** | **10,374.5** |
| of which loans pledged as security for covered bonds | 1,925.0 | 1,050.0 | 1,050.0 |
| **By country of registration** | | | |
| Estonia, Latvia, and Lithuania | 10,539.1 | 10,353.7 | 10,229.2 |
| Rest of the European Union | 138.5 | 123.0 | 119.6 |
| Other | 29.5 | 25.9 | 25.7 |
| **Total** | **10,707.1** | **10,502.6** | **10,374.5** |

**Loans to customers by stage and borrower type**

| €m | Gross carrying amount | | | | Credit loss allowances | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | 2 | 3 | Total | Stage 1 | 2 | 3 | Total | |
| **31 March 2023** | | | | | | | | | |
| Mortgages | 4,866.0 | 233.4 | 35.8 | **5,135.2** | −10.3 | −11.5 | −8.7 | **−30.5** | **5,104.7** |
| Leasing | 420.0 | 39.6 | 1.6 | **461.2** | −1.9 | −1.4 | −0.3 | **−3.6** | **457.6** |
| Consumer loans, cards | 112.1 | 10.3 | 0.7 | **123.1** | −0.6 | −0.8 | −0.2 | **−1.6** | **121.5** |
| Other | 206.5 | 57.1 | 11.3 | **274.9** | −1.4 | −1.7 | −2.9 | **−6.0** | **268.9** |
| **Individuals** | **5,604.6** | **340.4** | **49.4** | **5,994.4** | **−14.2** | **−15.4** | **−12.1** | **−41.7** | **5,952.7** |
| Loans | 2,130.5 | 948.8 | 63.5 | **3,142.8** | −7.6 | −15.5 | −21.1 | **−44.2** | **3,098.6** |
| Leasing | 833.0 | 161.4 | 6.8 | **1,001.2** | −4.0 | −3.1 | −2.9 | **−10.0** | **991.2** |
| Factoring | 195.0 | 57.5 | 4.8 | **257.3** | −0.4 | −0.2 | −3.6 | **−4.2** | **253.1** |
| **Businesses** | **3,158.5** | **1,167.7** | **75.1** | **4,401.3** | **−12.0** | **−18.8** | **−27.6** | **−58.4** | **4,342.9** |
| Financial institutions | 190.9 | 33.3 | 0.1 | **224.3** | −0.2 | −1.2 | 0.0 | **−1.4** | **222.9** |
| Public sector | 188.7 | 0.0 | 0.1 | **188.8** | −0.1 | 0.0 | −0.1 | **−0.2** | **188.6** |
| **Total** | **9,142.7** | **1,541.4** | **124.7** | **10,808.8** | **−26.5** | **−35.4** | **−39.8** | **−101.7** | **10,707.1** |
| **31 December 2023** | | | | | | | | | |
| Mortgages | 4,903.0 | 197.4 | 63.8 | **5,164.2** | −11.6 | −15.0 | −14.3 | **−40.9** | **5,123.3** |
| Leasing | 406.8 | 28.1 | 3.3 | **438.2** | −1.8 | −1.3 | −0.7 | **−3.8** | **434.4** |
| Consumer loans, cards | 116.9 | 11.2 | 0.8 | **128.9** | −0.8 | −0.8 | −0.3 | **−1.9** | **127.0** |
| Other | 205.0 | 48.7 | 8.7 | **262.4** | −1.2 | −1.5 | −2.9 | **−5.6** | **256.8** |
| **Individuals** | **5,631.7** | **285.4** | **76.6** | **5,993.7** | **−15.4** | **−18.6** | **−18.2** | **−52.2** | **5,941.5** |
| Loans | 1,900.0 | 1,041.7 | 98.7 | **3,040.4** | −5.6 | −18.9 | −28.0 | **−52.5** | **2,987.9** |
| Leasing | 861.4 | 120.0 | 25.2 | **1,006.6** | −3.1 | −3.3 | −8.4 | **−14.8** | **991.8** |
| Factoring | 174.1 | 27.3 | 1.5 | **202.9** | −0.3 | −0.2 | −0.8 | **−1.3** | **201.6** |
| **Businesses** | **2,935.5** | **1,189.0** | **125.4** | **4,249.9** | **−9.0** | **−22.4** | **−37.2** | **−68.6** | **4,181.3** |
| Financial institutions | 139.7 | 52.2 | 0.1 | **192.0** | −0.1 | −1.0 | 0.0 | **−1.1** | **190.9** |
| Public sector | 189.0 | 0.0 | 0.1 | **189.1** | −0.1 | 0.0 | −0.1 | **−0.2** | **188.9** |
| **Total** | **8,895.9** | **1,526.6** | **202.2** | **10,624.7** | **−24.6** | **−42.0** | **−55.5** | **−122.1** | **10,502.6** |
| **31 March 2024** | | | | | | | | | |
| Mortgages | 4,889.8 | 192.4 | 67.9 | **5,150.1** | −11.7 | −14.3 | −14.8 | **−40.8** | **5,109.3** |
| Leasing | 392.8 | 27.6 | 5.0 | **425.4** | −1.7 | −1.3 | −1.3 | **−4.3** | **421.1** |
| Consumer loans, cards | 119.0 | 10.6 | 0.8 | **130.4** | −0.8 | −0.9 | −0.3 | **−2.0** | **128.4** |
| Other | 205.1 | 48.3 | 9.1 | **262.5** | −1.2 | −1.2 | −3.3 | **−5.7** | **256.8** |
| **Individuals** | **5,606.7** | **278.9** | **82.8** | **5,968.4** | **−15.4** | **−17.7** | **−19.7** | **−52.8** | **5,915.6** |
| Loans | 1,912.4 | 961.2 | 99.3 | **2,972.9** | −5.1 | −17.0 | −23.5 | **−45.6** | **2,927.3** |
| Leasing | 814.8 | 134.3 | 28.8 | **977.9** | −3.0 | −3.7 | −9.0 | **−15.7** | **962.2** |
| Factoring | 177.0 | 28.1 | 2.0 | **207.1** | −0.2 | −0.1 | −0.8 | **−1.1** | **206.0** |
| **Businesses** | **2,904.2** | **1,123.6** | **130.1.** | **4,157.9** | **−8.3** | **−20.8** | **−33.3** | **−62.4** | **4,095.5** |
| Financial institutions | 138.0 | 52.0 | 0.1 | **190.1** | −0.1 | −1.0 | 0.0 | **−1.1** | **189.0** |
| Public sector | 174.5 | 0.0 | 0.1 | **174.6** | −0.1 | 0.0 | −0.1 | **−0.2** | **174.4** |
| **Total** | **8,823.4** | **1,454.5** | **213.1** | **10,491.0** | **−23.9** | **−39.5** | **−53.1** | **−116.5** | **10,374.5** |

**Loans to businesses by stage and sector**

| €m | Gross carrying amount | | | | Credit loss allowances | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | 2 | 3 | Total | Stage 1 | 2 | 3 | Total | |
| **31 March 2023** | | | | | | | | | |
| Real estate activities | 1,010.6 | 293.1 | 8.5 | **1,312.2** | -3.4 | -4.1 | -0.5 | **-8.0** | **1,304.2** |
| Wholesale and retail | 472.0 | 170.1 | 18.6 | **660.7** | -1.3 | -1.2 | -6.1 | **-8.6** | **652.1** |
| Manufacturing | 385.4 | 208.4 | 15.4 | **609.2** | -0.9 | -2.9 | -6.3 | **-10.1** | **599.1** |
| Transport and storage | 208.9 | 97.3 | 0.5 | **306.7** | -1.1 | -1.2 | -0.2 | **-2.5** | **304.2** |
| Agriculture, forestry, and fishing | 284.9 | 49.7 | 7.4 | **342.0** | -1.1 | -0.8 | -2.6 | **-4.5** | **337.5** |
| Construction | 191.8 | 48.9 | 11.5 | **252.2** | -1.0 | -1.3 | -7.1 | **-9.4** | **242.8** |
| Administrative & support services | 198.8 | 69.4 | 1.6 | **269.8** | -1.1 | -1.2 | -0.6 | **-2.9** | **266.9** |
| Professional, scientific, technical | 119.3 | 49.1 | 0.5 | **168.9** | -0.8 | -1.0 | -0.5 | **-2.3** | **166.6** |
| Electricity, gas, steam, & aircon | 57.4 | 36.1 | 1.1 | **94.6** | -0.4 | -0.2 | -0.9 | **-1.5** | **93.1** |
| Other | 229.4 | 145.6 | 10.0 | **385.0** | -0.9 | -4.9 | -2.8 | **-8.6** | **376.4** |
| **Total** | **3,158.5** | **1,167.7** | **75.1** | **4,401.3** | **-12.0** | **-18.8** | **-27.6** | **-58.4** | **4,342.9** |
| **31 December 2023** | | | | | | | | | |
| Real estate activities | 963.2 | 316.5 | 7.9 | **1,287.6** | -2.9 | -5.5 | -0.9 | **-9.3** | **1,278.3** |
| Wholesale and retail | 312.2 | 320.2 | 3.5 | **635.9** | -0.9 | -1.5 | -2.2 | **-4.6** | **631.3** |
| Manufacturing | 328.9 | 173.0 | 16.7 | **518.6** | -0.7 | -3.3 | -10.8 | **-14.8** | **503.8** |
| Transport and storage | 212.9 | 37.1 | 14.9 | **264.9** | -0.8 | -0.5 | -4.2 | **-5.5** | **259.4** |
| Agriculture, forestry, and fishing | 292.2 | 58.5 | 16.9 | **367.6** | -0.7 | -1.4 | -6.6 | **-8.7** | **358.9** |
| Construction | 157.9 | 84.0 | 11.5 | **253.4** | -0.6 | -2.8 | -8.1 | **-11.5** | **241.9** |
| Administrative & support services | 240.5 | 57.5 | 1.9 | **299.9** | -1.0 | -1.3 | -0.7 | **-3.0** | **296.9** |
| Professional, scientific, technical | 70.3 | 56.7 | 0.6 | **127.6** | -0.5 | -2.4 | -0.3 | **-3.2** | **124.4** |
| Electricity, gas, steam, & aircon | 173.4 | 13.9 | 1.0 | **188.3** | -0.3 | -0.1 | -0.7 | **-1.1** | **187.2** |
| Other | 184.0 | 71.6 | 50.5 | **306.1** | -0.6 | -3.6 | -2.7 | **-6.9** | **299.2** |
| **Total** | **2,935.5** | **1,189.0** | **125.4** | **4,249.9** | **-9.0** | **-22.4** | **-37.2** | **-68.6** | **4,181.3** |
| **31 March 2024** | | | | | | | | | |
| Real estate activities | 940.1 | 333.7 | 4.7 | **1,278.5** | -2.7 | -5.1 | -0.3 | **-8.1** | **1,270.4** |
| Wholesale and retail | 334.2 | 237.5 | 11.0 | **582.7** | -0.9 | -1.4 | -6.5 | **-8.8** | **573.9** |
| Manufacturing | 324.2 | 190.0 | 22.5 | **536.7** | -0.6 | -2.8 | -12.1 | **-15.5** | **521.2** |
| Transport and storage | 212.0 | 31.0 | 15.2 | **258.2** | -0.8 | -0.3 | -4.5 | **-5.6** | **252.6** |
| Agriculture, forestry, and fishing | 276.1 | 57.9 | 18.7 | **352.7** | -0.6 | -1.6 | -4.0 | **-6.2** | **346.5** |
| Construction | 161.0 | 79.5 | 3.5 | **244.0** | -0.5 | -2.9 | -1.5 | **-4.9** | **239.1** |
| Administrative & support services | 214.9 | 72.4 | 3.4 | **290.7** | -0.9 | -1.6 | -1.6 | **-4.1** | **286.6** |
| Professional, scientific, technical | 69.3 | 55.3 | 0.5 | **125.1** | -0.4 | -2.2 | -0.2 | **-2.8** | **122.3** |
| Electricity, gas, steam, & aircon | 169.3 | 13.4 | 0.1 | **182.8** | -0.2 | -0.1 | -0.1 | **-0.4** | **182.4** |
| Other | 203.1 | 52.9 | 50.5 | **306.5** | -0.7 | -2.8 | -2.5 | **-6.0** | **300.5** |
| **Total** | **2,904.2** | **1,123.6** | **130.1** | **4,157.9** | **-8.3** | **-20.8** | **-33.3** | **-62.4** | **4,095.5** |

**Loans to customers by stage and risk category**

| €m | Stage 1 | 2 | 3 | Total |
|---|---|---|---|---|
| **31 March 2023** | | | | |
| Low risk | 6,762.9 | 269.8 | 0.0 | **7,032.7** |
| Moderate risk | 2,254.1 | 894.0 | 0.0 | **3,148.1** |
| High risk | 124.2 | 377.6 | 0.0 | **501.8** |
| Default | 1.5 | 0.0 | 124.7 | **126.2** |
| **Gross carrying amount** | **9,142.7** | **1,541.4** | **124.7** | **10,808.8** |
| of which POCI | 0.0 | 7.9 | 4.2 | **12.1** |
| **31 December 2023** | | | | |
| Low risk | 6,064.7 | 240.6 | 0.0 | **6,305.3** |
| Moderate risk | 2,738.3 | 755.9 | 0.0 | **3,494.2** |
| High risk | 92.9 | 530.1 | 0.0 | **623.0** |
| Default | 0.0 | 0.0 | 202.2 | **202.2** |
| **Gross carrying amount** | **8,895.9** | **1,526.6** | **202.2** | **10,624.7** |
| of which POCI | 0.0 | 6.7 | 1.3 | **8.0** |
| **31 March 2024** | | | | |
| Low risk | 6,005.4 | 193.0 | 0.0 | **6,198.4** |
| Moderate risk | 2,722.7 | 727.6 | 0.0 | **3,450.3** |
| High risk | 95.3 | 533.9 | 0.0 | **629.2** |
| Default | 0.0 | 0.0 | 213.1 | **213.1** |
| **Gross carrying amount** | **8,823.4** | **1,454.5** | **213.1** | **10,491.0** |
| of which POCI | 0.0 | 6.5 | 1.5 | **8.0** |

**Credit loss allowances**

| €m | 1Q | | FY |
|---|---|---|---|
| | **2023** | **2024** | **2023** |
| Credit loss allowances | -0.2 | -0.5 | -23.5 |
| Provisions (Credit loss allowances on Contingent liabilities) | -3.7 | 4.5 | -9.6 |
| **Total** | **-3.9** | **4.0** | **-33.1** |

**Movement by Stage in Loans to customers and credit loss allowances**

| First quarter | 2023 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| **€m** | **Stage 1** | **2** | **3** | **Total** | **Stage 1** | **2** | **3** | **Total** |
| **Gross carrying amount** | | | | | | | | |
| **Opening balance** | **9,205.0** | **1,637.7** | **133.4** | **10,976.1** | **8,895.9** | **1,526.6** | **202.2** | **10,624.7** |
| Transfers to Stage 1 | 165.1 | -164.7 | -0.4 | **0.0** | 159.2 | -158.7 | -0.5 | **0.0** |
| Transfers to Stage 2 | -255.9 | 269.7 | -13.8 | **0.0** | -185.2 | 188.7 | -3.5 | **0.0** |
| Transfers to Stage 3 | -3.9 | -11.8 | 15.7 | **0.0** | -13.7 | -31.1 | 44.8 | **0.0** |
| Originated or purchased | 530.0 | 0.0 | 0.0 | **530.0** | 339.7 | 0.0 | 0.0 | **339.7** |
| Derecognised and repaid | -497.6 | -189.5 | -8.8 | **-695.9** | -372.5 | -71.0 | -23.7 | **-467.2** |
| **Movement** | **-62.3** | **-96.3** | **-7.3** | **-165.9** | **-72.5** | **-72.1** | **17.1** | **-127.5** |
| Write-offs | 0.0 | 0.0 | -1.4 | **-1.4** | 0.0 | 0.0 | -6.2 | **-6.2** |
| **Closing balance** | **9,142.7** | **1,541.4** | **124.7** | **10,808.8** | **8,823.4** | **1,454.5** | **213.1** | **10,491.0** |
| of which POCI | 0.0 | 7.9 | 4.2 | **12.1** | 0.0 | 6.5 | 1.5 | **8.0** |
| **Credit loss allowances** | | | | | | | | |
| **Opening balance** | **-27.1** | **-31.0** | **-43.3** | **-101.4** | **-24.6** | **-42.0** | **-55.5** | **-122.1** |
| Transfers to Stage 1 | -0.6 | 0.6 | 0.0 | **0.0** | -2.7 | 2.6 | 0.1 | **0.0** |
| Transfers to Stage 2 | 7.0 | -7.6 | 0.6 | **0.0** | 1.1 | -1.8 | 0.7 | **0.0** |
| Transfers to Stage 3 | 1.4 | 2.4 | -3.8 | **0.0** | 3.0 | 1.9 | -4.9 | **0.0** |
| Originated or purchased | -3.3 | 0.0 | 0.0 | **-3.3** | -4.2 | 0.0 | 0.0 | **-4.2** |
| Derecognised and repaid | 0.8 | 1.5 | 1.5 | **3.8** | 0.3 | 0.7 | 0.8 | **1.8** |
| Change in ECL assumptions, Stages & other | -4.7 | -1.3 | 3.8 | **-2.2** | 3.2 | -0.9 | -0.5 | **1.8** |
| **Movement** | **0.6** | **-4.4** | **2.1** | **-1.7** | **0.7** | **2.5** | **-3.8** | **-0.6** |
| Write-offs | 0.0 | 0.0 | 1.4 | **1.4** | 0.0 | 0.0 | 6.2 | **6.2** |
| **Closing balance** | **-26.5** | **-35.4** | **-39.8** | **-101.7** | **-23.9** | **-39.5** | **-53.1** | **-116.5** |
| of which POCI | 0.0 | -0.2 | -0.2 | **-0.4** | 0.0 | -0.1 | -0.2 | **-0.3** |

**Movement by Stage in Loans to customers and credit loss allowances (continued)**

| Full year | 2023 | | | |
|---|---|---|---|---|
| €m | Stage 1 | 2 | 3 | Total |
| **Gross carrying amount** | | | | |
| **Opening balance** | **9,205.0** | **1,637.7** | **133.4** | **10,976.1** |
| Transfers to Stage 1 | 368.3 | -367.9 | -0.4 | **0.0** |
| Transfers to Stage 2 | -853.6 | 886.9 | -33.3 | **0.0** |
| Transfers to Stage 3 | -52.8 | -97.0 | 149.8 | **0.0** |
| Originated or purchased | 2,007.1 | 0.0 | 0.0 | **2,007.1** |
| Derecognised and repaid | -1,778.1 | -533.1 | -44.5 | **-2,355.7** |
| **Movement** | **-309.1** | **-111.1** | **71.6** | **-348.6** |
| Write-offs | 0.0 | 0.0 | -2.8 | **-2.8** |
| **Closing balance** | **8,895.9** | **1,526.6** | **202.2** | **10,624.7** |
| of which POCI | 0.0 | 6.7 | 1.3 | **8.0** |
| **Credit loss allowances** | | | | |
| **Opening balance** | **-27.1** | **-31.0** | **-43.3** | **-101.4** |
| Transfers to Stage 1 | -6.4 | 6.3 | 0.1 | **0.0** |
| Transfers to Stage 2 | 5.6 | -12.1 | 6.5 | **0.0** |
| Transfers to Stage 3 | 4.5 | 3.2 | -7.7 | **0.0** |
| Originated or purchased | -13.4 | 0.0 | 0.0 | **-13.4** |
| Derecognised and repaid | 2.5 | 5.0 | 5.5 | **13.0** |
| Change in ECL assumptions, Stages & other | 9.7 | -13.4 | -19.4 | **-23.1** |
| **Movement** | **2.5** | **-11.0** | **-15.0** | **-23.5** |
| Write-offs | 0.0 | 0.0 | 2.8 | **2.8** |
| **Closing balance** | **-24.6** | **-42.0** | **-55.5** | **-122.1** |
| of which POCI | 0.0 | -0.1 | -0.2 | **-0.3** |

## 11. Other assets

| €m | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|
| Payments in transit | 22.9 | 31.5 | 46.3 |
| Restricted cash – mandatory reserve in CB | 116.7 | 115.8 | 117.9 |
| Term balances with banks | 45.3 | 8.7 | 4.2 |
| **Financial assets** | **184.9** | **156.0** | **168.4** |
| Advance payments | 17.0 | 10.8 | 20.1 |
| Accrued income | 3.3 | 5.0 | 5.7 |
| Value Added Tax recoverable and other taxes | 4.0 | 6.8 | 7.4 |
| Accounts receivables | 3.2 | 4.1 | 3.6 |
| Other | 3.1 | 5.2 | 5.7 |
| **Non-financial assets** | **30.6** | **31.9** | **42.5** |
| **Total** | **215.5** | **187.9** | **210.9** |

## 12. Deposits from customers

| €m | | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|---|
| Individuals | | 4,599.1 | 4,742.7 | 4,686.3 |
| Businesses | | 4,409.0 | 4,205.7 | 4,049.6 |
| Financial institutions | | 274.4 | 249.6 | 189.8 |
| Public sector | | 2,025.9 | 2,089.2 | 2,381.3 |
| **Total** | | **11,308.4** | **11,287.2** | **11,307.0** |
| of which | Demand deposits | 9,531.6 | 8,493.4 | 8,275.2 |
| | Term deposits | 1,776.8 | 2,793.8 | 3,031.8 |
| **By country of registration** | | | | |
| Estonia, Latvia, and Lithuania | | 11,109.2 | 11,131.1 | 11,155.7 |
| Rest of the European Union | | 151.2 | 76.8 | 67.6 |
| Other | | 48.0 | 79.3 | 83.7 |
| **Total** | | **11,308.4** | **11,287.2** | **11,307.0** |

## 13. Debt securities issued

| €m | First call date | Maturity date | Further information | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|---|---|---|
| €500m, 0.01% | - | Mar 2025 | | 461.4 | 475.3 | 477.7 |
| €500m, 1.688% | - | Jun 2027 | | 472.4 | 486.5 | 483.6 |
| **Covered bonds** | | | | **933.8** | **961.8** | **961.3** |
| €300m, 5% | Aug 2023 | Aug 2024 | Redeemed Aug 2023 | 305.9 | - | - |
| €300m, 0.792% | Dec 2023 | Dec 2024 | Redeemed Dec 2023 | 289.7 | - | - |
| €300m, 7.25% | Jan 2025 | Jan 2026 | Issued Jan 2023 | 299.0 | 319.9 | 301.8 |
| €300m, 0.539% | Sep 2025 | Sep 2026 | | 297.2 | 300.5 | 298.9 |
| SEK500m, FRN | Mar 2026 | Mar 2027 | Issued Mar 24. Pays 3mSTIBOR+2.25% | - | - | 43.3 |
| €300m, 7.75% | Jun 2026 | Jun 2027 | Issued Jun 2023 | - | 316.5 | 319.3 |
| **Senior bonds** | | | | **1,191.8** | **936.9** | **963.3** |
| **Total** | | | | **2,125.6** | **1,898.7** | **1,924.6** |

## 14. Other liabilities

| €m | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|
| Payments in transit | 35.5 | 64.3 | 111.4 |
| Other | 2.7 | 2.4 | 0.4 |
| **Financial liabilities** | **38.2** | **66.7** | **111.8** |
| Accrued liabilities | 51.7 | 49.1 | 46.4 |
| Received prepayments | 3.0 | 2.1 | 2.1 |
| Value Added Tax | 11.9 | 2.6 | 3.9 |
| Other tax liabilities | 3.7 | 3.7 | 4.5 |
| Other | 4.4 | 10.3 | 15.5 |
| **Non-financial liabilities** | **74.7** | **67.8** | **72.4** |
| **Total** | **112.9** | **134.5** | **184.2** |

## 15. Contingent liabilities

| €m | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|
| Undrawn loan commitments | 1,540.5 | 1,081.1 | 1,088.2 |
| Performance guarantees | 281.9 | 320.9 | 298.4 |
| Financial guarantees | 3.7 | 4.2 | 3.7 |
| Other | 558.4 | 649.6 | 618.1 |
| **Total** | **2,384.5** | **2,055.8** | **2,008.4** |

## 16. Derivatives

| €m | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|
| **Assets** | | | |
| Interest rate-related | 50.9 | 78.7 | 58.2 |
| Currency-related | 10.2 | 9.2 | 8.3 |
| Commodity-related | 59.7 | 4.3 | 4.3 |
| **Total** | **120.8** | **92.2** | **70.8** |
| **Liabilities** | | | |
| Interest rate-related | 102.7 | 56.2 | 53.7 |
| Currency-related | 17.0 | 13.5 | 7.2 |
| Commodity-related | 58.5 | 4.0 | 4.0 |
| **Total** | **178.2** | **73.7** | **64.9** |
| **Notional amounts** | | | |
| Interest rate-related | 3,393.3 | 3,861.2 | 3,949.5 |
| Currency-related | 1,168.8 | 1,012.1 | 1,118.6 |
| Commodity-related | 201.2 | 67.6 | 54.9 |
| **Total** | **4,763.3** | **4,940.9** | **5,123.0** |
| **Fair value hedges: By hedged item and hedging instruments (interest rate swaps)** | | | |
| **Deposits from Customers** | | | |
| Assets | 0.6 | 18.1 | 18.1 |
| Liabilities | - | - | - |
| Notional amount | 500.0 | 875.0 | 875.0 |
| **Debt securities issued** | | | |
| Assets | 6.4 | 32.0 | 11.9 |
| Liabilities | 76.4 | 40.5 | 38.2 |
| Notional amount | 2,200.0 | 1,900.0 | 1,900.0 |

### Hedge accounting

Luminor applies hedge accounting to fair value hedges of Debt securities issued and, from January 2023, part of Deposits from customers. To assess the hedge effectiveness of Debt securities issued, Luminor uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in the fair value of the hedged item attributable to the hedged risk. Ineffectiveness was clearly immaterial as at 31 March and December 2023 and 31 March 2024.

The carrying amount of the derivatives used to hedge Deposits from customers are included in line item ‘Derivatives’ in the Statement of Financial Position, on either the Assets or Liabilities side depending on the fair value of the instruments. The portfolio hedging effect is recognised as ‘Fair value of changes of hedge item in hedges of interest rate’ in the Statement of Financial Position, on the Liabilities side corresponding to the change in fair value of designated customer deposits discounted at market interest rates.

## 17. Fair value of financial instruments

| €m | IFRS 9 measurement | Fair value | | | | Carrying amount |
|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total | |
| **31 March 2023** | | | | | | |
| Cash and balances with central banks | AC | 109.6 | 2,814.4 | 0.0 | **2,924.0** | 2,924.0 |
| Balances with banks | AC | 0.0 | 69.6 | 0.0 | **69.6** | 69.6 |
| Debt securities | AC | 1,010.0 | 9.2 | 0.0 | **1,019.2** | 1,119.5 |
| Debt securities | FVTPLD | 201.3 | 0.0 | 0.0 | **201.3** | 201.3 |
| Debt securities | FVTPLM | 10.2 | 0.0 | 3.9 | **14.1** | 14.1 |
| Debt securities | FVTOCI | 0.0 | 2.7 | 0.0 | **2.7** | 2.7 |
| Loans to customers | AC | 0.0 | 0.0 | 10,907.1 | **10,907.1** | 10,707.1 |
| Derivatives | FVTPLM | 0.0 | 117.9 | 2.9 | **120.8** | 120.8 |
| Equity instruments | FVTPLM | 0.0 | 2.1 | 0.0 | **2.1** | 2.1 |
| Equity instruments | FVTOCI | 0.0 | 0.0 | 0.5 | **0.5** | 0.5 |
| Other | AC | 0.0 | 184.9 | 0.0 | **184.9** | 184.9 |
| **Total assets** | | **1,331.1** | **3,200.8** | **10,914.4** | **15,446.3** | **15,346.6** |
| Loans and deposits from credit institutions | AC | 0.0 | 47.8 | 0.0 | **47.8** | 47.8 |
| Deposits from customers | AC | 0.0 | 9,531.6 | 1.776.8 | **11,308.4** | 11,308.4 |
| Debt securities issued | AC | 0.0 | 2,274.0 | 0.0 | **2,274.0** | 2,125.6 |
| Derivatives | FVTPLM | 0.0 | 178.2 | 0.0 | **178.2** | 178.2 |
| Other | AC | 0.0 | 38.2 | 0.0 | **38.2** | 38.2 |
| **Total liabilities** | | **0.0** | **12,069.8** | **1.776.8** | **13,846.6** | **13,698.2** |
| **31 December 2023** | | | | | | |
| Cash and balances with central banks | AC | 105.4 | 2,963.7 | 0.0 | **3,069.1** | 3,069.1 |
| Balances with banks | AC | 0.0 | 47.5 | 0.0 | **47.5** | 47.5 |
| Debt securities | AC | 1,212.8 | 9.7 | 11.3 | **1,233.8** | 1,295.3 |
| Debt securities | FVTPLD | 175.4 | 0.0 | 0.0 | **175.4** | 175.4 |
| Debt securities | FVTPLM | 13.4 | 0.5 | 4.5 | **18.4** | 18.4 |
| Debt securities | FVTOCI | 0.0 | 2.7 | 0.0 | **2.7** | 2.7 |
| Loans to customers | AC | 0.0 | 0.0 | 10,692.4 | **10,692.4** | 10,502.6 |
| Derivatives | FVTPLM | 0.0 | 90.5 | 1.7 | **92.2** | 92.2 |
| Equity instruments | FVTPLM | 0.0 | 2.4 | 0.0 | **2.4** | 2.4 |
| Equity instruments | FVTOCI | 0.0 | 0.0 | 0.5 | **0.5** | 0.5 |
| Other | AC | 0.0 | 156.0 | 0.0 | **156.0** | 156.0 |
| **Total assets** | | **1,507.0** | **3,273.0** | **10,710.4** | **15,490.4** | **15,362.1** |
| Loans and deposits from credit institutions | AC | 0.0 | 224.3 | 0.0 | **224.3** | 224.3 |
| Deposits from customers | AC | 0.0 | 8,493.4 | 2,788.3 | **11,281.7** | 11,287.2 |
| Debt securities issued | AC | 0,0 | 1,856.6 | 0.0 | **1,856.6** | 1,898.7 |
| Derivatives | FVTPLM | 0.0 | 73.7 | 0.0 | **73.7** | 73.7 |
| Other | AC | 0.0 | 66.7 | 0.0 | **66.7** | 66.7 |
| **Total liabilities** | | **0.0** | **10,714.7** | **2,788.3** | **13,503.0** | **13,550.6** |

| €m | IFRS 9 measurement | Fair value | | | | Carrying amount |
|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total | |
| **31 March 2024** | | | | | | |
| Cash and balances with central banks | AC | 114.0 | 3,102.5 | 0.0 | **3,216.5** | 3,216.5 |
| Balances with banks | AC | 0.0 | 58.6 | 0.0 | **58.6** | 58.6 |
| Debt securities | AC | 1,294.5 | 9.7 | 11.3 | **1,315.5** | 1,377.0 |
| Debt securities | FVTPLD | 177.1 | 0.0 | 0.0 | **177.1** | 177.1 |
| Debt securities | FVTPLM | 8.5 | 0.0 | 4.9 | **13.4** | 13.4 |
| Debt securities | FVTOCI | 0.0 | 2.8 | 0.0 | **2.8** | 2.8 |
| Loans to customers | AC | 0.0 | 0.0 | 10,608.6 | **10,608.6** | 10,374.5 |
| Derivatives | FVTPLM | 0.0 | 69.1 | 1.7 | **70.8** | 70.8 |
| Equity instruments | FVTPLM | 0.0 | 2.5 | 0.0 | **2.5** | 2.5 |
| Equity instruments | FVTOCI | 0.0 | 0.0 | 0.5 | **0.5** | 0.5 |
| Other | AC | 0.0 | 168.4 | 0.0 | **168.4** | 168.4 |
| **Total assets** | | **1,594.1** | **3,413.6** | **10,627.0** | **15,634.7** | **15,462.1** |
| Loans and deposits from credit institutions | AC | 0.0 | 196.7 | 0.0 | **196.7** | 196.7 |
| Deposits from customers | AC | 0.0 | 8,275.2 | 3,035.6 | **11,310.8** | 11,307.0 |
| Debt securities issued | AC | 0.0 | 1,911.8 | 0.0 | **1,911.8** | 1,924.6 |
| Derivatives | FVTPLM | 0.0 | 64.9 | 0.0 | **64.9** | 64.9 |
| Other | AC | 0.0 | 111.8 | 0.0 | **111.8** | 111.8 |
| **Total liabilities** | | **0.0** | **10,560.4** | **3,035.6** | **13,596.0** | **13,605.0** |

**Change in debt securities in Level 3**

| €m | 1Q | | FY |
|---|---|---|---|
| | 2023 | 2024 | 2023 |
| Opening balance | 3.5 | 15.8 | 3.5 |
| Additions or disposals | 0.0 | 0.0 | 0.0 |
| Transferred to Level 3 | 0.0 | 0.0 | 11.1 |
| Unrealised gains for assets held at the end of the reporting period | 0.4 | 0.4 | 1.2 |
| **Closing balance** | **3.9** | **16.2** | **15.8** |

## 18. Customer segments

| €m | 2023 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Retail | Corporate | Other | Total | Retail | Corporate | Other | Total |
| **First quarter** | | | | | | | | |
| Net interest and similar income | 60.3 | 59.8 | 1.7 | **121.8** | 72.7 | 59.8 | 4.8 | **137.3** |
| Net fee and commission income | 13.5 | 7.5 | -0.1 | **20.9** | 13.5 | 6.6 | 0.1 | **20.2** |
| Net other operating income | 1.4 | 3.3 | 3.0 | **7.7** | 1.3 | 2.1 | 2.2 | **5.6** |
| **Total operating income** | **75.2** | **70.6** | **4.6** | **150.4** | **87.5** | **68.5** | **7.1** | **163.1** |
| Total administration expenses | -45.8 | -26.8 | -1.6 | **-74.2** | -49.5 | -27.0 | -1.0 | **-77.5** |
| **Profit before credit losses and taxes** | **29.4** | **43.8** | **3.0** | **76.2** | **38.0** | **41.5** | **6.1** | **85.6** |
| Expected credit losses | -0.5 | -4.4 | 1.0 | **-3.9** | -0.5 | 3.7 | 0.8 | **4.0** |
| Bank taxes and resolution fee | 0.0 | 0.0 | -1.3 | **-1.3** | 0.0 | 0.0 | -11.6 | **-11.6** |
| **Profit (-loss) before tax** | **28.9** | **39.4** | **2.7** | **71.0** | **37.5** | **45.2** | **-4.7** | **78.0** |
| **Full year** | | | | | | | | |
| Net interest and similar income | 280.4 | 247.7 | 13.9 | **542.0** | | | | |
| Net fee and commission income | 54.7 | 30.6 | -0.7 | **84.6** | | | | |
| Net other operating income | 6.0 | 15.6 | 1.6 | **23.2** | | | | |
| **Total operating income** | **341.1** | **293.9** | **14.8** | **649.8** | | | | |
| Total administration expenses | -205.2 | -125.2 | -9.5 | **-339.9** | | | | |
| **Profit before credit losses and taxes** | **135.9** | **168.7** | **5.3** | **309.9** | | | | |
| Expected credit losses | -12.5 | -21.2 | 0.6 | **-33.1** | | | | |
| Bank taxes and resolution fee | 0.0 | 0.0 | -33.7 | **-33.7** | | | | |
| **Profit (-loss) before tax** | **123.4** | **147.5** | **-27.8** | **243.1** | | | | |

**Customer balances**

| €m | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|
| **Loans to customers** | | | |
| Retail | 5,682.6 | 5,700.1 | 5,697.8 |
| Corporate | 5,022.8 | 4,799.2 | 4,671.7 |
| Other | 1.7 | 3.3 | 5.0 |
| **Total** | **10,707.1** | **10,502.6** | **10,374.5** |
| **Deposits from customers** | | | |
| Retail | 5,761.8 | 5,916.7 | 5,811.4 |
| Corporate | 5,475.7 | 5,286.2 | 5,434.7 |
| Other | 70.9 | 84.3 | 60.9 |
| **Total** | **11,308.4** | **11,287.2** | **11,307.0** |

**Fee and commission income**

| €m | 2023 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Retail | Corporate | Other | Total | Retail | Corporate | Other | Total |
| **First quarter** | | | | | | | | |
| Cards | 7.5 | 3.0 | 0.0 | **10.5** | 3.6 | 1.4 | 0.0 | **5.0** |
| Credit products | 0.1 | 1.6 | 0.0 | **1.7** | 0.1 | 0.8 | 0.0 | **0.9** |
| Daily banking plans | 4.9 | 0.1 | 0.0 | **5.0** | 4.8 | 0.2 | 0.0 | **5.0** |
| Deposit products and cash management | 2.0 | 1.8 | 0.0 | **3.8** | 1.2 | 1.1 | 0.0 | **2.3** |
| Insurance | 0.7 | 0.2 | 0.0 | **0.9** | 0.8 | 0.2 | 0.0 | **1.0** |
| Investments | 0.5 | 0.4 | 0.1 | **1.0** | 0.5 | 0.2 | 0.0 | **0.7** |
| Pensions | 2.1 | 0.0 | 0.0 | **2.1** | 2.3 | 0.0 | 0.0 | **2.3** |
| Trade finance | 0.0 | 2.5 | 0.0 | **2.5** | 0.0 | 2.6 | 0.1 | **2.7** |
| Other | 0.1 | 0.1 | 0.0 | **0.2** | 0.2 | 0.1 | 0.0 | **0.3** |
| **Total** | **17.9** | **9.7** | **0.1** | **27.7** | **13.5** | **6.6** | **0.1** | **20.2** |
| **Full year** | | | | | | | | |
| Cards | 31.2 | 12.3 | 0.0 | **43.5** | | | | |
| Credit products | 0.5 | 6.1 | 0.1 | **6.7** | | | | |
| Daily banking plans | 18.9 | 0.5 | 0.0 | **19.4** | | | | |
| Deposit products and cash management | 7.4 | 6.7 | 0.2 | **14.3** | | | | |
| Insurance | 3.1 | 0.7 | 0.0 | **3.8** | | | | |
| Investments | 2.7 | 2.3 | 0.7 | **5.7** | | | | |
| Pensions | 8.9 | 0.0 | 0.0 | **8.9** | | | | |
| Trade finance | 0.1 | 10.9 | 0.4 | **11.4** | | | | |
| Other | 0.4 | 0.6 | 0.1 | **1.1** | | | | |
| **Total** | **73.2** | **40.1** | **1.5** | **114.8** | | | | |

## 19. Related parties

| €m | 1Q | | FY |
|---|---|---|---|
| | 2023 | 2024 | 2023 |
| **Entities with significant influence (DNB Bank)** | | | |
| Net interest and similar income | 0.1 | -0.2 | -0.1 |
| Net fee and commission income | 0.0 | 0.0 | -0.1 |
| Net other financial income | -4.1 | 3.8 | -7.4 |
| Other administration expenses | -0.6 | 0.0 | -0.7 |
| Other income and expenses | -0.1 | 0.2 | -0.1 |
| **Total** | **-4.7** | **3.8** | **-8.4** |
| **Key management personnel** | | | |
| Personnel expenses | -0.5 | -0.8 | -1.6 |

| €m | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|---|---|---|---|
| **Entities with significant influence** | | | |
| **Assets** | | | |
| Balances with banks | 6.6 | 1.2 | 2.1 |
| Derivatives | 25.9 | 17.5 | 18.9 |
| Other | 0.0 | 0.0 | 0.0 |
| **Total** | **32.5** | **18.7** | **21.0** |
| **Liabilities** | | | |
| Loans and deposits from credit institutions | 4.4 | 18.9 | 22.9 |
| Derivatives | 25.2 | 1.6 | 0.1 |
| **Total** | **29.6** | **20.5** | **23.0** |
| **Key management personnel** | | | |
| Loans to customers | 0.1 | 0.1 | 0.1 |
| Deposits from customers | 0.7 | 0.7 | 0.3 |
| **Associates (ALD Automotive – 3 entities)** | | | |
| Loans to customers | 12.0 | 11.9 | 10.3 |
| Deposits from customers | 0.3 | 0.7 | 1.0 |
| Other liabilities | 0.0 | 0.0 | 0.1 |

## 20. Country information

**Interest and fee income by country where generated**

| €m | 1Q | | FY |
|---|---|---|---|
| | 2023 | 2024 | 2023 |
| **Interest and similar income** | | | |
| Estonia | 34.3 | 46.6 | 168.8 |
| Latvia | 41.6 | 59.7 | 209.2 |
| Lithuania | 74.0 | 102.8 | 362.2 |
| **Total** | **149.9** | **209.1** | **740.2** |
| **Fee and commission income** | | | |
| Estonia | 4.7 | 4.3 | 18.2 |
| Latvia | 8.2 | 8.1 | 34.1 |
| Lithuania | 14.8 | 15.0 | 62.5 |
| **Total** | **27.7** | **27.4** | **114.8** |

| **Customer balances**<br>**€m** | **31 Mar**<br>**2023** | **31 Dec**<br>**2023** | **31 Mar**<br>**2024** |
|---|---|---|---|
| **Loans to customers** | | | |
| Estonia | 2,432.1 | 2,391.1 | 2,353.2 |
| Latvia | 2,945.3 | 2,863.2 | 2,842.6 |
| Lithuania | 5,329.7 | 5,248.3 | 5,178.7 |
| **Total** | **10,707.1** | **10,502.6** | **10,374.5** |
| **Deposits from customers** | | | |
| Estonia | 1,270.3 | 1,237.0 | 1,179.8 |
| Latvia | 3,075.2 | 3,043.8 | 3,053.1 |
| Lithuania | 6,962.9 | 7,006.4 | 7,074.1 |
| **Total** | **11,308.4** | **11,287.2** | **11,307.0** |

## 21. Subsequent events

On 22 April we paid a dividend of €194.5 million to Luminor Holding, our parent company. Luminor Holding, in turn, paid €194.0 million to its shareholders and retained €0.5 million EUR to fund its operations. Taking this dividend payment into account, at 31 March 2024 our pro forma Total equity would have been 1,583.6 million EUR and capital ratios 22.6%. The dividend payment had no effect on our capital ratios as measured on a regulatory basis.

On 30 April, Moody's Ratings (Moody's) upgraded their long-term senior unsecured rating of Luminor Bank to A3 from Baa1, and their long-term deposit rating to A2 from A3. Following this, Moody's changed its rating outlook to stable. The credit agency explained the primary drivers for their upgrade were; 'the bank's improved asset quality metrics while maintaining very strong core capitalisation and having successfully managed refinancing hurdles in recent years.'

# ADDITIONAL INFORMATION

## Glossary and abbreviations

**AC**
Amortised cost

**Common Equity Tier 1 ratio**
Shareholders' equity subject to regulatory adjustments as a percentage of total risk exposure amounts

**Companies**
Businesses, Financial institutions, and Public sector customers

**Cost/income ratio**
Total administration expenses as a percentage of total operating income

**FVTOCI**
Fair Value Through Other Comprehensive Income

**FVTPLD**
Designated at Fair Value through Profit or Loss

**FVTPLM**
Measured mandatorily at Fair Value through Profit or Loss

**Leverage ratio**
Tier 1 capital as a percentage of total assets and off-balance sheet items subject to regulatory adjustments

**LCR – Liquidity coverage ratio**
High-quality liquid assets as a percentage of the estimated net liquidity outflow over the next 30 calendar days

**NIM – Net interest margin**
Net interest and similar income as a percentage of average interest earning assets – the average of opening and closing balances of Cash and balances with central banks, Cash balances with banks, Debt securities, and Loans to customers

**NSFR – Net stable funding ratio**
Available stable funding as a percentage of required stable funding over a one-year horizon

**Non-performing loans ratio**
Gross carrying amount for Stage 3 loans as a percentage of gross carrying amount of total loans

**Return on Equity**
Profit for the period (annualised) as a percentage of average shareholders' equity for that period. The average shareholder's equity is calculated using the opening and closing balances for the period

**POCI loans**
Loans which were credit impaired when purchased or originated

## Information about Luminor Bank

| | | |
|---|---|---|
| **Country of registration**<br>Republic of Estonia | **Commercial register code**<br>11315936 | **Main activity**<br>Credit institution |
| **Telephone**<br>+372 628 3300 | **E-mail**<br>info@luminor.ee | **SWIFT/BIC**<br>RIKOEE22 |
| **Balance sheet date**<br>31 March 2024 | **Reporting period**<br>1 January to 31 March 2024 | **Reporting currency**<br>euro (millions) |

### Contacts

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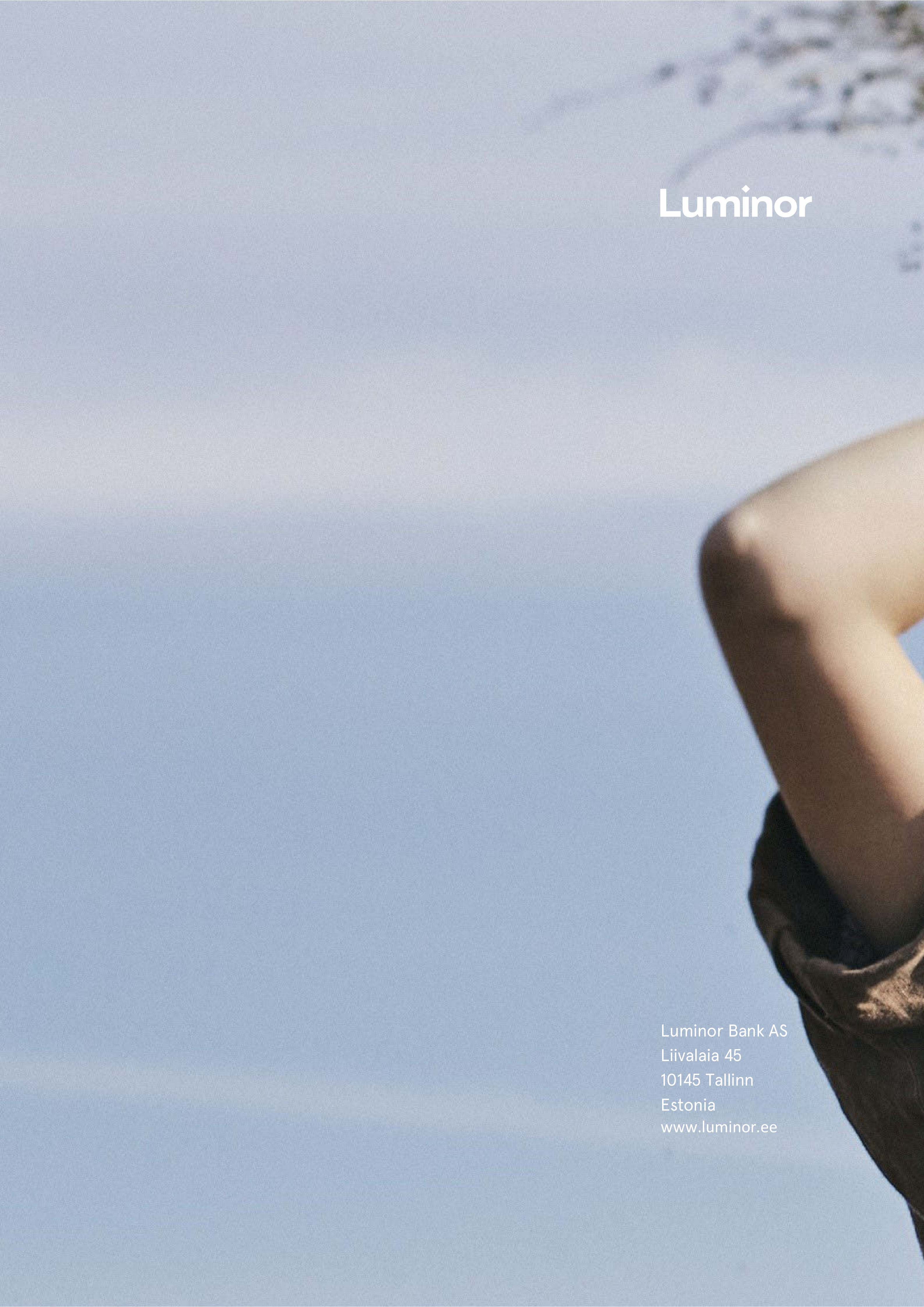
## Financial Calendar 2024

| Date of publication | Report |
|---|---|
| 8 August 2024 | Interim report 2Q 2024 |
| 31 October 2024 | Interim report 3Q 2024 |
| 30 January 2025 | Interim report 4Q 2024 |
| 20 February 2025 | Annual report 2024 |

Cover photo: Still image from our campaign with which we launched our 'Phone Point of Sale' product. This product, introduced in September 2023, enables merchants to collect payments simply via an Android smartphone application, rather than large and inconvenient point of sale terminals.



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