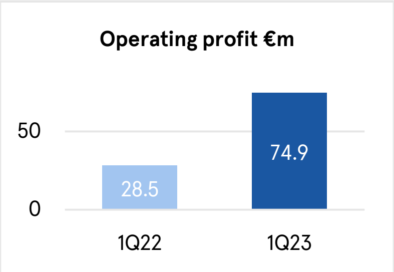
Luminor
Interim Report
1Q 2023

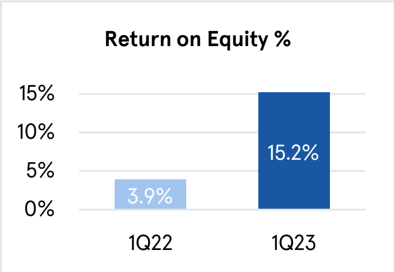
AT A GLANCE

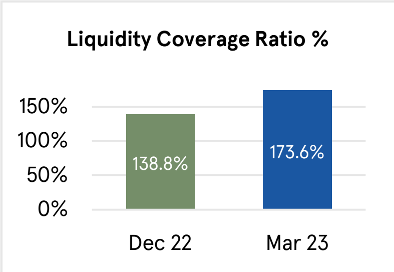
THE QUARTER IN BRIEF

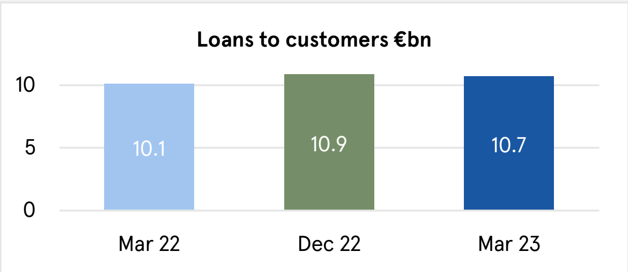
- We increased Net profit four-fold to 60.3 million EUR and generated a Return on Equity of 15.2%
- Strong growth in income used partially to invest in Information Technology and organisation
- Good growth in Deposits from customers, with decline in lending
- Credit quality remained strong, and insignificant exposure to Russia
- Increased liquidity ratios on the back of strong deposit growth
- Strong capitalisation with 21.3% CET1 and 9.7% Leverage ratios

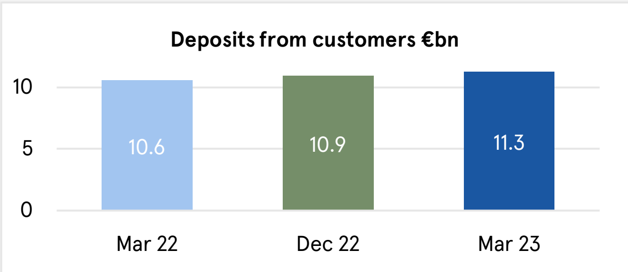
FINANCIAL PERFORMANCE, VOLUMES AND RATIOS











OUR STRATEGY

1. To build our bank around our customers
2. To be the preferred bank for retail mortgages and asset management
3. To be the preferred bank for growing Baltic companies
4. To be more efficient, automated, and agile
5. To elevate our IT platform to market level resilience and capability
6. To become a team who executes with an ownership mindset

While managing our risks sustainably, and building further our Compliance and Risk culture

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

The first quarter saw reduced demand for new loans and increased deposit balances, as customers responded to less certain economic growth and higher reference interest rates. We focused on supporting our customers - individuals and companies resident in the Baltic countries - as we worked to realise our ambition of becoming the independent Baltic banking champion.

We made progress in Retail Banking as we improved our customer offering; we maintained our share of new mortgage lending, introducing a popular fixed rate offering, increased term deposits, and grew our active customer base. In Corporate Banking, we were once again the leading underwriter of new debt securities offered by Baltic corporate issuers, and further we saw strong deposit inflows. We worked closely with Kyndryl, our outsourced-IT services provider, to strengthen our security and regulatory compliance processes, and invested to improve our IT. We will continue to invest to increase IT scalability and performance. We took several further steps to realise our ESG ambitions as we finalised our ESG Risk Materiality Assessment and Disclosure Standard, and completed a climate and environmental risk assessment.

In the first quarter we invested for the future while raising our efficiency. We grew our revenues, and improved our liquidity and capital positions.

Peter Bosek
Chief Executive

We generated a net profit of 60.3 million EUR in the quarter, four times higher than in the first quarter of last year. This improvement was driven principally by a near 80% increase in revenues, as we grew net interest - as interest rates increased after years of extraordinary low rates and limited profitability - and net fee income. As we invested in our IT systems and processes, we increased operating expenses by 37%. We incurred a credit loss allowance, albeit at a lower level than last year, and retained the profit we generated in the quarter. Our cost to income ratio improved by 15 percentage points to 49.9% and we generated an annualised return on equity of 15.2%, up from 3.9% the previous year.

Our liquidity and capital positions are strong. In January we completed the sale of a 300 million EUR senior bond issue, that counts towards our MREL requirement, which, together with an increase in deposits from customers, boosted our LCR to 173.6%. At quarter end our Common Equity, Tier 1 and Total Capital Ratios, including net profit for the period, were 21.3%. All our capital is composed of equity. We are reviewing our capital levels and structure to align with our plans and outlook, and improve the efficiency of our capital resources. We have no direct exposure to companies domiciled in Russia, Belarus or Ukraine, and next to no exposure to residents of these countries. Our credit quality remains robust. Stage 2 loans decreased over the quarter while Stage 3 loans reduced marginally and now account for just 1.2% of gross lending, our lowest ever level.

In line with our commitment to enhance our information technology, I am delighted we recruited Ian Penny to the new role of Chief Operating Officer, which combines the responsibilities of Chief Technology Officer and Chief Operations Officer. Ian, who joined us in January, is an experienced technology professional with global expertise in leading technology and digital transformation, from strategy, development, and engineering to operations and programme execution. Ilja Sovetov stepped down as Chief Technology Officer and as a member of the Management Board in January. Ilja left the Board with my thanks for his contribution over the past three years and warm wishes for the future. Nadim El Gabbani, one of Blackstone's representatives on our Supervisory Council, left the Council in February following his resignation from Blackstone.

The outlook for the Baltic region is strong. We look forward to the year ahead with confidence, despite uncertainty about future economic growth, because of our belief in our home markets and our clear strategy; Luminor is 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 our progress against our six focus areas in the year ahead

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.

Cover photograph: Image from our 'The choice is in your hands' brand and product campaign, launched in April 2023.

MANAGEMENT REPORT

Financial review

RESULT AND PERFORMANCE

Summary income statement	1Q		FY
€m	2022	2023	2022
Net interest and similar income	63.1	121.8	300.8
Net fee and commission income	18.0	20.9	80.3
Net other operating income	2.0	6.7	10.7
Total operating income	**83.1**	**149.4**	**391.8**
Total administration expenses	-54.6	-74.5	-233.3
Profit before credit loss allowances and tax	**28.5**	**74.9**	**158.5**
Credit loss allowances	-11.8	-3.9	-16.1
Profit before tax	**16.7**	**71.0**	**142.4**
Tax expense	-1.7	-10.7	-17.7
Profit for the period	**15.0**	**60.3**	**124.7**
Cost / income ratio, %	65.7	49.9	59.5
Return on equity, %	3.9	15.2	8.0

Profit for the quarter was 60.3 million EUR, four times higher than the same quarter last year. An increase in Total operating income of 66.3 million EUR and a 7.9 million EUR lower credit loss allowances were offset partially by an increase of 19.9 million EUR in Total operating expenses.

Total operating income was 149.4 million EUR, an increase of 79.8%, as compared to the prior year first quarter. Net interest income increased by 58.7 million EUR to 121.8 million EUR. Interest income grew by 83.7 million EUR mainly due to higher volumes of Loans to customers as compared to the first quarter of 2022 and higher interest rates after years of extraordinary low rates and limited profitability. This was offset in part by higher interest expense of 25.0 million EUR. Net fee and commission income increased by 2.9 million EUR due to higher overall customer activity. Notably, Daily banking revenues grew as more customers used Luminor Black VISA cards. Net other operating income increased by 4.7 million EUR, driven by positive impact from the revaluation of foreign currency customer liabilities which were offset in part by the negative revaluation of derivatives which we use to hedge these and other liabilities.

Total administration expenses were 74.5 million EUR, an increase of 36.4% as compared to the same period last year. The increase is a consequence of the significant investments we are making to improve our IT systems and our processes which will lead to improved customer experience in the future. Most of the increase is therefore related to IT expenses and consultancy costs. We have also invested more into staff considering the high inflation in the region. Despite the absolute increase in operating expenses, our cost-to-income ratio improved significantly to 49.9% (1Q22: 65.7%).

Expense change v 1Q22	€m
IT-related	7.4
Consultancy	8.9
Salaries	4.5
Other	-0.9
Total	**19.9**

We incurred a credit loss allowance of 3.9 million EUR. In the first quarter last year we conducted a significant update of our macroeconomic scenarios and changed their probabilities. We also placed on watch list those exposures we believe could be impacted by higher geopolitical risks or high inflation, or exposures for whom energy costs are significant. Our actions resulted in a charge of 11.8 million EUR in the first quarter last year. No such significant changes were made this quarter. For additional details please refer to the 'Asset Quality' section, below.

In the quarter we generated a return on equity of 15.2%, as measured on an annualised basis, as compared to 3.9% in the same period last year.

FINANCIAL CONDITION AND LIQUIDITY

Summary balance sheet €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Cash and central bank balances	2,603.6	2,178.1	3,040.7
Debt securities	773.7	1,289.8	1,337.6
Loans to customers	10,123.3	10,874.7	10,707.1
Other assets	329.5	414.1	402.3
Total assets	**13,830.1**	**14,756.7**	**15,487.7**
Deposits from customers	10,561.1	10,947.9	11,308.4
Debt securities issued	1,146.7	1,813.9	2,125.6
Other liabilities	558.6	411.5	410.1
Equity	1,563.7	1,583.4	1,643.6
Total liabilities and equity	**13,830.1**	**14,756.7**	**15,487.7**

Loans to customers decreased by 167.6 million EUR. Lending to individuals was virtually unchanged over the quarter with growth in Mortgages of 25.2 million EUR offset by a reduction in other personal lending. Lending to companies fell 168.4 million EUR, with lower balances across most sectors. Debt securities grew by 47.8 million EUR, as we increased our investments in low-risk debt securities while Cash and central bank balances grew by 862.6 million EUR, or 39.6%, as our liquidity resources increased.

Deposits from customers increased by 360.5 million EUR. A net fall in deposits from Individuals of 192.5 million EUR was more than offset by increases from Businesses of 474.4 million EUR and from the Public sector of 78.6 million EUR. Debt securities issued increased 17.2% after we sold a 3-year, 300 million EUR senior preferred debt issue. The issue, which we have the right to redeem 1-year prior to maturity, supports our strategy, strengthens our MREL base, and enhances our liability structure. Equity increased by 60.2 million EUR, driven by the retention of the net profit we generated in the period.

The total balance sheet grew 5% in the quarter as Deposits from customers climbed and we increased our Debt securities issued. At quarter end, Loans to customers accounted for almost 70% of Total assets.

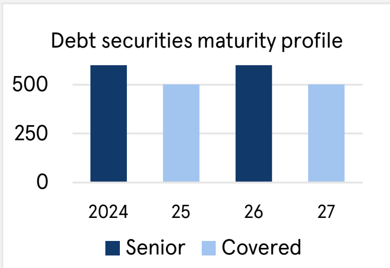
Palle Nordahl
Chief Financial Officer

At quarter end our MREL-eligible securities totalled 35.95% of Total Risk Exposure Amounts and 16.32% of our leverage exposure, as compared to an effective minimum of 27.37% and 5.91% respectively.

Liquidity %	31 Mar 2022	31 Dec 2022	31 Mar 2023
Liquidity Coverage Ratio (LCR)	136.6	138.8	173.6
Net Stable Funding Ratio (NSFR)	136.2	130.5	135.5

We increased our liquid resources as we invested the proceeds of our new debt security in assets which can be held as part of our liquidity buffer. As a consequence, our LCR increased by 34.8 percentage-points over the quarter to 173.6%, as compared to a minimum regulatory requirement of 100%.

The debt security issued, together with the increase in Deposits from customers, boosted our Available Stable Funding. This resulted in a 5 percentage-point increase in our NSFR to 135.5% at quarter end, as compared to a minimum regulatory requirement of 100%.



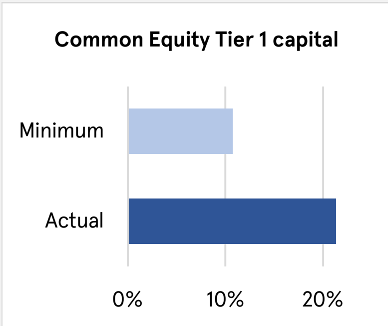
CAPITAL

Capital resources and uses €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Including net profit			
Shareholder's Equity	1,563.7	1,583.4	1,643.6
Regulatory adjustments, excluding foreseeable dividends	-42.5	-94.8	-93.5
Prudential filters	-0.5	-0.6	-0.5
Common Equity Tier 1	**1,520.7**	**1,488.0**	**1,549.6**
Credit risk exposure amounts	6,393.9	6,944.3	6,581.0
Operational risk exposure amounts	648.8	675.2	675.2
Other risk exposure amounts	55.8	43.0	31.4
Total risk exposure amounts	**7,098.5**	**7,662.5**	**7,287.6**
Common Equity Tier 1 ratio, %	21.4	19.4	21.3
Leverage ratio, %	10.6	9.6	9.7
Excluding result for the period[1]			
Common Equity Tier 1, €m	1,503.9	1,407.7	1,427.0
Common Equity Tier 1 ratio, %	21.2	18.4	19.6
Leverage ratio, %	10.4	9.1	8.9

1. 31 December 2022 data includes first and second quarter 2022 profit, but excludes third and fourth quarter 2022 retained profit

At the end of the first quarter, our own funds totalled 1,549.6 million EUR, composed entirely of Common Equity Tier 1 (CET1) capital. Our CET1, Tier 1, and Total capital ratios increased in the quarter to 21.3%. Capital increased with the addition to Shareholder's equity of first quarter net profits, which we retained. Risk Exposure Amounts (REA), which we measure on a standardised basis, reduced as we improved our data quality and refined our methodology for REA measurement, and the balance of Loans to customers reduced.

Our capital ratios remain well above our minimum capital requirements set by our regulators, which increased in the fourth quarter of last year by 20 basis points principally as we incurred a countercyclical buffer of 1% of our risk exposures in Estonia, and require us to have a CET1 ratio exceeding 10.71%, a Tier 1 ratio above 12.62% and a Total Capital ratio greater than 15.17%. These include a Pillar 2 additional own funds requirement of 2.2%. We will be subject to a countercyclical buffer of 1% of our risk exposures in Lithuania from October 2023 and 0.5% in Estonia from December 2023. We estimate these new buffers will add 58 basis points to our minimum CET1, Tier 1 and Total capital requirements, taking them to 11.29%, 13.20% and 15.75% respectively.



We reviewed our capital requirements, set new internal limits and set the Total Capital target to be 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 9.7% during the quarter, as capital growth was marginally greater than the growth in Leverage amounts as the total balance sheet grew. Minimum requirement for leverage ratio is 3.0 %.

Capital, excluding result for the period

Our CET1, Tier 1, and Total capital ratios, measured on a regulatory basis, increased in the quarter to 19.6%. Capital resources increased to 1,427.0 million EUR as audited retained net profits for the third and fourth quarter 2022 were offset in part by higher regulatory deductions as we included foreseeable dividends for the first time - in the amount of 62.3 million EUR or 50% of our 2022 net profit. The application of the foreseeable dividend deduction followed our adoption of a formal dividend policy.

Asset Quality

Loans to customers €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Stage 1	8,083.8	9,205.0	9,142.7
Stage 2	1,977.9	1,637.7	1,541.4
Stage 3	171.1	133.4	124.7
Gross carrying amount	**10,232.8**	**10,976.1**	**10,808.8**
Allowance for impairment	-109.5	-101.4	-101.7
Net carrying amount	**10,123.3**	**10,874.7**	**10,707.1**
Non-performing loans ratio, %	1.7	1.2	1.2

Our exposure to Russia, Belarus and Ukraine is insignificant. We have no direct exposure to companies domiciled in these countries nor investments in the region. The number of our corporate customers with ownership links to Russia, Belarus and Ukraine is limited, sales markets for most customers are diversified, and supply chain risks and risk related to the location of production facilities and operations are mitigated in most cases. In the quarter we reassessed risks related to geopolitics, inflation, and energy prices. We concluded that the risk level is lower as compared to a similar assessment we performed in the first quarter of 2022.

Our total Stage 2 exposures decreased by a net 96.2 million EUR over the first quarter. The outflow of Stage 2 exposures was around 1.3 times higher than the inflow. The inflow was driven primarily by migrations from Stage 1 to Stage 2, as we observed increases in probability of default, registered rating downgrades, applied new forbearance measures or included credits in the Watch-list. Some 80% of exposures we migrated were to legal entities and the remainder to individuals. The outflow was mostly exposure to companies, driven by migrations between stages and exposure decreases. Neither inflows, nor outflows were concentrated in any particular economic sector.

The quality of our loan portfolio remains good and stable though given high and persistent inflation in the Baltic countries the outlook remains uncertain.

Georg Kaltenbrunner
Chief Risk Officer

Total Stage 3 ('non-performing') loans decreased by 8.7 million EUR to 124.7 million EUR, or 1.2% of gross lending, at the end of the quarter. The outflow of non-performing loans was around 1.5 times higher than the inflow, and this left the volume of non-performing loans at its lowest level ever. A little more than a third of the inflow was driven by three larger exposures in the construction and agricultural sectors. Just over half of the outflow were driven by repayments, while cures - driven by two larger exposures affected earlier by COVID-19 - contributed the remainder.

Of the 101.7 million EUR total allowances for expected credit losses on the balance sheet at the end of the quarter, 39.8 million EUR were for Stage 3 exposures. The net carrying amount of Stage 3 loans was 84.9 million EUR against which we held collateral with a fair value of 109.8 million EUR.

Details of the Credit loss allowance for the quarter of 3.9 million EUR can be found in the 'Financial Review' section, above.

Stage 3 Loans, €m	31 Mar 23
Gross carrying amount	124.7
Credit loss allowances	-39.8
Total	**84.9**
Collateral fair value	109.8

Retail Banking

Financial performance	1Q		FY
€m	**2022**	**2023**	**2022**
Net interest income	29.2	60.3	134.2
Net fee income	12.1	13.5	53.0
Net other operating income	1.7	1.4	7.1
Total operating income	**43.0**	**75.2**	**194.3**
Total administration expenses	-34.6	-45.8	-146.1
Profit before credit loss allowances and tax	**8.4**	**29.4**	**48.2**
Credit loss allowances	-0.6	-0.5	1.0
Profit (-loss) before tax	**7.8**	**28.9**	**49.2**
Cost/ income ratio, %	80.5	60.9	75.2

Balances €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Loans to customers	5,412.2	5,667.1	5,682.6
Deposits from customers	5,804.9	6,066.2	5,761.8

Sales volumes for new mortgage lending were 12% lower than they were in the same quarter of last year, while sales volumes for new consumer lending were 6% lower, as customers adjusted their willingness to borrow given retail price inflation and rising reference interest rates. We maintained our share of the market for new lending, with our 3-year fixed rate mortgage offer being well received, and witnessed a pick-up in demand towards the end of the quarter.

Our active customer base continued to grow in the first quarter, with the number of active customers 7% higher than a year ago. Moreover, 31% of our active customers are using e-wallets, well above the general market level. Our flagship card, Luminor Black, grew by 8% during the quarter. Customer activity is also reflected in card usage, with both transactions and volumes for payment cards growing by 14% as compare to the same quarter last year.

We maintained our share of new lending, despite demand falling for new loans, and grew term deposits substantially.

Kerli Vares
Head of Retail Banking

Retail deposits are a key funding source and an area of focus. Consistent with seasonal trends, the balances of Total Deposits from customers of Retail Banking decreased by 5% over the quarter, while term deposits grew by 16% in the same period.

We continued to build our customer experience with the introduction of remote photo onboarding for private customers. The service is available currently in Latvia, and it will be expanded to Estonia and Lithuania over the coming quarters.

Corporate Banking

Financial performance	1Q		FY
€m	2022	2023	2022
Net interest income	32.5	59.8	177.8
Net fee income	6.1	7.5	26.3
Net other operating income	4.4	3.3	16.9
Total operating income	**43.0**	**70.6**	**221.0**
Total operating expenses	−19.3	−26.8	−81.0
Profit before credit loss allowances and tax	**23.7**	**43.8**	**140.0**
Credit loss allowances	−10.5	−4.4	−16.9
Profit before tax	**13.2**	**39.4**	**123.1**
Cost/ income ratio, %	44.9	38.0	36.7

Balances €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Loans to customers	4,710.6	5,205.9	5,022.8
Deposits from customers	4,692.1	4,788.2	5,475.7

Against the backdrop of economic uncertainty caused by the rise in interest rates, high inflation and elevated geopolitical risks arising from the invasion of Ukraine, demand for new credit was lower than last year, notably in the Real Estate sector. Companies refrained from significant investments, and applied for maintenance financing rather than for expansion.

Some slight decrease in working capital facilities is also foreseen because of worsening consumer expectations and because prices for materials and goods fell after their substantial jump in 2022. At the same time, we continued to see strong demand for investment in renewable energy.

In the first quarter we lead-managed three new securities for the issuers, with a total volume of 358 million EUR. We acted as Joint Lead Manager and Bookrunner for an energy sector company's third and final issue under its 200 million EUR domestic green bond programme. We also co-led an MREL-eligible securities issue and were Sole Lead Manager for a highly successful retail-oriented public offering of bonds in Latvia, for an environmental management company.

Loans to customers of corporate banking fell by 3.5% over the quarter, while deposits grew by 14.4%.

We maintained our position as the leading underwriter of new debt securities from Baltic corporate issuers.

Andrius Načinjus
Head of Corporate Banking

We continued to host ESG seminars for our corporate customers in order to contribute to the sustainable growth of the Baltic economies. We delivered a seminar in the first quarter on the climate impact of the construction and real estate sectors, and another on the opportunities offered by the voluntary carbon market and cleantech sector for reducing the climate impact of Baltic companies.

Additional information

ECONOMIC ENVIRONMENT

Data and Luminor economists' forecasts	Public Debt /GDP	Economic growth (GDP)[2]		Inflation (CPI)[2]		Unemployment rate		Wage growth[2]	
%	22Q4	22Q4	23f	Mar 23	23f	22Q4	23f	22Q4	23f
Estonia	18.4	-4.4	0.0	15.3	9.0	5.4	7.0	9.2	10.0
Latvia	40.8	0.5	0.6	17.2	7.2	6.7	7.0	8.0	8.4
Lithuania	38.4	-0.4	1.0	16.6	7.0	6.4	6.6	13.2	11.0

1. Economic data and Luminor economists' forecasts as of March 2023, data as of 27 April 2023. 2. Annual change

Economic growth within the Baltic region in the year to 4Q22 was subdued. While Latvia recorded a marginal increase, GDP in Estonia and Lithuania contracted. That said, economic sentiment improved in the first quarter of 2023 helped by declining energy prices and government support measures.

The pace of price inflation has slowed since August 2022 as governments introduced various measures to protect consumers and the price of energy dropped, then stabilised. While year-on-year inflation rates in March were in the mid-teens, seasonally adjusted price growth rate in the 6 months to March dropped in Estonia to 2.3%, in Latvia to 3.6%, and Lithuania to 4%. Growth in real estate prices moderated through 2022, with a marginal decline observed quarter over quarter in 4Q22 in Latvia.

Wages continued to grow in the year to 4Q22 in all three countries, with the increase being weakest in Latvia and strongest in Lithuania. Though the rate of wage growth was lower than price growth over the full year, real wages started to increase during the last half of year as inflation fell. Employment levels remain strong and unemployment rates stayed low in the fourth quarter of 2022. Compared to the year before, there was a small increase in unemployment in Estonia, but the rates declined somewhat in Latvia and Lithuania.

Government indebtedness remains low because of the strong nominal growth rates. The debt level in Estonia increased by 0.8pp with the issue of new 10 year bonds in October 2022 to finance the planned deficit of 2023. Meanwhile, the public debt-to-GDP ratio fell by 2.9pp in Latvia and 5.3pp in Lithuania. Current low levels of debt leave ample space for economic support in challenging economic conditions and pose little pressure on the government budget because of the rising interest rates.

BUSINESS DEVELOPMENTS

We worked closely with Kyndryl, our outsourced-IT services provider, to strengthen our security and regulatory compliance processes, and invested to improve our IT. We will continue to invest to increase IT scalability and performance.

We strengthened our management team with the recruitment of Ian Penny to the new role of Chief Operating Officer (COO), which combines the responsibilities of Chief Technology Officer and Chief Operations Officer. Ian, who joined Luminor and the Management Board on 16 January 2023, leads the Technology division and Business Operations within it. As Chief Operating Officer, Ian is accountable for IT delivery, digital channels and core banking, together with processing and development of business operations. Ilja Sovetov who lead the technological carve out of our systems from our former parents, stepped down as Chief Technology Officer and from the Board on 15 January 2023. Effective 3 February, Nadim Diaa El Din El Gabbani stepped down from the Supervisory Council. Nadim was one of two representatives of Blackstone. He was recalled from the Council following his resignation from Blackstone.

The Government of Lithuania has proposed a tax to apply in 2023 and 2024 on selected income of banks operating within their jurisdiction. The tax is intended to be levied at a rate of 60% on the amount of net interest income generated in each of 2023 and 2024, from loans to customers advanced before 31 December 2022, as compared to a threshold amount. The threshold amount is calculated as the average annual net interest income of the prior 4-years, multiplied by 1.5, subject to a number of exclusions. The terms of the tax have yet to be finalised and the proposed tax has yet to be passed by the Lithuanian parliament.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

During the quarter, we finalised our ESG Risk Materiality Assessment and ESG Disclosure Standard. These establish principles, roles and responsibilities, and measures about the ESG risk materiality assessments, integration of risk drivers´ into our strategy and underlying sustainability-related disclosures. We completed the first business area climate and environmental risk assessment (CERA). This assessment identified the impact of 32 individual climate and environmental risk drivers on customers by economic sectors, and our business, in the short, medium, and long term, and defined approaches to manage the risks. We approved a risk appetite limit linked to customers' emissions intensity.

We approved the Sustainable Investments Due Diligence Procedure for Pensions products. that describes how sustainability-related risks are integrated into the investment decision making in our pensions' companies. Furthermore, as manufacturers of pension funds, our asset management companies provided periodic annual information in accordance with sustainability-related disclosures in the financial services sector for pension funds that promote, among other characteristics, environmental or social characteristics.

In Estonia, in cooperation with MTÜ Elav Tänav we launched an initiative to promote low emission commuting among our employees. We signed a 3-year cooperation agreement with Cleantech ForEst MTÜ and participated in Digital Clean-up Day to encourage colleagues to make space in their devices and thus reduce their digital footprint. In Latvia, we took part in financial literacy week and participated in the annual "European Money Quiz" for schools to promote financial literacy. In addition, we donated 40 computers to Ukrainian child refuges to support their studies, and to a social entrepreneurship organisation. With the Lithuanian Social Business Association, we created a programme to help social entrepreneurs strengthen their resilience to external crises and to help them grow. Several colleagues will mentor the participants. Finally, six colleagues joined the "Women Go Tech" programme as mentors. The programme supports and encourages women to join the tech industry and promotes gender equality.

PREVENTING FINANCIAL CRIME

We do not tolerate financial crime. We operate only in the Baltic countries and target our products and services at residents of the Baltic countries, and at individuals and companies with a strong connection to these countries. We continued to improve our processes and routines during the quarter to keep them consistent with our low risk appetite and our conservative business model. We also continued to invest in our anti money laundering capabilities, sanctions compliance, and anti-fraud framework and technology, while promoting ethical behaviour and building our risk culture.

We are committed to the protection of human rights, and to countering the financing of terrorism and the proliferation of weapons of mass destruction. For this reason, we fulfil our statutory obligations relating to sanctions imposed by the United Nations, the European Union and the authorities of Estonia, Latvia and Lithuania, and also apply 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 will enhance our risk culture in 2023, and various awareness-raising activities were launched in the quarter. Our commitment to protect our customers and preserve the integrity of the financial system remains at the focus of our endeavours. We continued to implement a new pan-Baltic anti-fraud solution for non-card payments to bolster our fraud prevention capabilities. We also enhanced our existing solutions with improved analytical capabilities. Concurrently we participated in efforts to raise public awareness about fraud prevention.

OTHER EVENTS

On 4 April, the Estonian Financial Supervision Authority fined us 32,000 EUR for a technical disruption to our card platform that occurred in November last year. We have taken measures to prevent a recurrence of such an incident.

Effective 14 April we merged Luminor Līzings Latvija SIA into Luminor Līzings SIA. Following the merger, we now offer leasing facilities in Latvia through a single subsidiary, consistent with our corporate structure for leasing in Estonia and Lithuania.

Statement of the Management Board

The interim report of Luminor Bank AS for the first quarter of 2023 consists of the Management Report and the Condensed Consolidated Interim Financial Statements.

The data and additional information presented in this interim report are 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.

Peter Bosek
Chief Executive Officer and
Chairman of the Management Board
Tallinn, 2 May 2023

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

€m	Notes	1Q		FY
		2022	2023	2022
Interest income calculated using the effective interest method	3	55.7	131.1	270.6
Other similar income	3	10.5	18.8	57.4
Interest and similar expense	3	–3.1	–28.1	–27.2
Net interest and similar income		**63.1**	**121.8**	**300.8**
Fee and commission income	4	25.0	27.7	110.3
Fee and commission expense	4	–7.0	–6.8	–30.0
Net fee and commission income		**18.0**	**20.9**	**80.3**
Net gain (–loss) from financial instruments at fair value	5	6.8	–0.9	17.7
Net gain (–loss) from foreign currency operations		–1.7	9.1	6.7
Other operating expense – net	6	–3.5	–2.0	–15.3
Share of profit from associates		0.4	0.5	1.6
Net other operating income		**2.0**	**6.7**	**10.7**
Total operating income		**83.1**	**149.4**	**391.8**
Salaries and other personnel expenses		–27.0	–31.5	–110.6
Other administration expenses	7	–24.9	–40.6	–112.7
Depreciation, amortisation and impairment		–2.7	–2.4	–10.0
Total administration expenses		**–54.6**	**–74.5**	**–233.3**
Profit before credit loss allowances and tax		**28.5**	**74.9**	**158.5**
Credit loss allowances	9	–11.8	–3.9	–16.1
Profit before tax		**16.7**	**71.0**	**142.4**
Tax expense		–1.7	–10.7	–17.7
Profit for the period		**15.0**	**60.3**	**124.7**
Total other comprehensive income		0.0	0.0	0.0
Total comprehensive income		**15.0**	**60.3**	**124.7**

Balance Sheet

€m	Notes	31 Mar 2022	31 Dec 2022	31 Mar 2023
Assets				
Cash and balances with central banks		2,603.6	2,178.1	3,040.7
Due from other credit institutions		70.1	123.4	114.9
Debt securities	8	773.7	1,289.8	1,337.6
Loans to customers	9	10,123.3	10,874.7	10,707.1
Derivatives	13	143.1	121.6	120.8
Equity instruments		2.9	2.5	2.6
Investments in associates		6.8	5.7	6.2
Intangible assets		9.7	62.8	63.7
Tangible assets		46.0	30.2	28.4
Current tax assets		3.0	0.0	0.0
Deferred tax assets		8.7	12.5	12.2
Other assets		39.2	55.4	53.5
Total		**13,830.1**	**14,756.7**	**15,487.7**
Liabilities				
Loans and deposits from credit institutions		213.1	36.6	47.8
Deposits from customers	10	10,561.1	10,947.9	11,308.4
Debt securities issued	11	1,146.7	1,813.9	2,125.6
Derivatives	13	146.9	194.1	178.2
Fair value of changes of hedge items in hedges of interest rate		0.0	0.0	0.5
Tax liabilities		0.3	10.0	18.1
Lease liabilities		43.0	30.0	28.3
Other liabilities		142.8	118.8	112.9
Provisions		12.5	22.0	24.3
Total		**12,266.4**	**13,173.3**	**13,844.1**
Shareholder’s equity				
Share capital		34.9	34.9	34.9
Share premium		1,412.2	1,412.2	1,412.2
Retained earnings		112.9	132.7	193.0
Other reserves		3.7	3.6	3.5
Total		**1,563.7**	**1,583.4**	**1,643.6**
Total liabilities and shareholder’s equity		**13,830.1**	**14,756.7**	**15,487.7**

Statement of Changes in Equity

€m	Share capital	Share premium	Retained earnings	Other reserves	Total equity
Balance as at 31 December 2021	**34.9**	**1,412.2**	**97.9**	**3.8**	**1,548.8**
Profit for the period	0.0	0.0	15.0	0.0	**15.0**
Total comprehensive income	**0.0**	**0.0**	**15.0**	**0.0**	**15.0**
Dividends	0.0	0.0	0.0	0.0	**0.0**
Other	0.0	0.0	0.0	-0.1	**-0.1**
Balance as at 31 March 2022	**34.9**	**1,412.2**	**112.9**	**3.7**	**1,563.7**
Balance as at 31 December 2022	**34.9**	**1,412.2**	**132.7**	**3.6**	**1,583.4**
Profit for the period	0.0	0.0	60.3	0.0	**60.3**
Total comprehensive income	**0.0**	**0.0**	**60.3**	**0.0**	**60.3**
Dividends	0.0	0.0	0.0	0.0	**0.0**
Other	0.0	0.0	0.0	-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 2021	**34.9**	**1,412.2**	**97.9**	**3.8**	**1,548.8**
Profit for the period	0.0	0.0	124.7	0.0	**124.7**
Total comprehensive income	**0.0**	**0.0**	**124.7**	**0.0**	**124.7**
Dividends	0.0	0.0	-90.0	0.0	**-90.0**
Other	0.0	0.0	0.1	-0.2	**-0.1**
Balance as at 31 December 2022	**34.9**	**1,412.2**	**132.7**	**3.6**	**1,583.4**

Statement of Cash flows

€m	Notes	1Q 2022	1Q 2023	FY 2022
Profit before tax		16.7	71.0	142.4
Adjustment:				
Credit loss allowance		11.8	0.2	16.1
Depreciation and amortisation		2.7	2.4	10.0
Other items		-0.4	-0.5	-1.5
Interest and similar income	3	-66.2	-149.9	-328.0
Interest and similar expense	3	3.1	28.1	27.2
Change in operating assets/liabilities:				
Increase (-) / decrease (+) of lending to customers		-180.2	167.4	-924.6
Increase (-) / decrease (+) of debt securities		-165.5	-43.4	-676.2
Increase (-) / decrease (+) of other assets		-50.9	-10.9	-90.1
Increase (+) / decrease (-) of deposits from customers		385.1	368.2	593.1
Increase (+) / decrease (-) of other liabilities		107.2	-12.6	74.8
Interest received		64.5	141.7	309.8
Interest paid		-3.3	-15.0	-17.6
Income tax paid		-0.6	-2.2	-9.4
Cash flows from operating activities		**124.0**	**544.5**	**-874.0**
Payment for acquisition of subsidiaries, net of cash acquired		0.0	0.0	-48.1
Acquisition of tangible assets and intangible assets		-1.4	-0.1	-6.1
Proceeds from disposal of tangible assets		0.0	0.0	0.1
Dividend received		0.0	0.0	2.3
Cash flows from investing activities		**-1.4**	**-0.1**	**-51.8**
Debt securities issued		0.0	299.3	796.9
Debt securities matured		0.0	0.0	-71.8
Payments of principal on leases		-1.3	-1.2	-5.6
Dividends paid		0.0	0.0	-90.0
Cash flows from financing activities		**-1.3**	**298.1**	**629.5**
Net increase or decrease in cash and cash equivalents		**121.3**	**842.5**	**-296.3**
Cash and cash equivalents at the beginning of the period		2,447.2	2,151.0	2,447.2
Effects of currency translation on cash and cash equivalents		0.0	0.1	0.1
Net increase or decrease in cash and cash equivalents		121.3	842.5	-296.3
Cash and cash equivalents at the end of the period		**2,568.5**	**2,993.6**	**2,151.0**
Cash and cash equivalents				
Cash on hand		148.2	109.6	127.4
Non-restricted current account with central banks		2,352.7	2,814.4	1,938.1
Due from other credit institutions within three months		67.6	69.6	85.5
Total		**2,568.5**	**2,993.6**	**2,151.0**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Material accounting policies, estimates and judgements

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 2022 (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 2023. Several amendments and interpretations are effective for the first time in 2023, but do not have a material impact on the interim condensed consolidated financial statements. Luminor has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

MATERIAL 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, and 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 2022. For more detailed information on the impairment policies, please, refer to the Annual Report, Note 2, ‘General Risk Management Policies’.

A management overlay, to adjust the standard ECL model output for potential credit losses related to COVID-19, was introduced in the fourth quarter of 2020, and at 31 December 2021 totalled 12 million EUR. The overlay was released completely in the fourth quarter of 2022 as concerns about the impact of COVID-19 on credit quality receded.

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 2022. For detailed information on the valuation techniques and inputs, please, refer to the Annual Report.

2. General risk management policies

CREDIT RISK

Luminor recognises credit losses in accordance with the requirements of IFRS 9 applying a forward-looking ECL approach. More detailed information on the impairment policies is contained in the Annual Report, Note 2. During the first quarter of 2023, the impairment calculation approach remained unchanged.

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 2022 to reflect, mainly, possible consequences of the invasion of Ukraine and impact of COVID-19 receding. 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 we used for macroeconomic modelling were:

Economic data, %	**2022a**	**Scenario**								
		Optimistic			**Baseline**			**Pessimistic**		
		23f	**24f**	**25f**	**23f**	**24f**	**25f**	**23f**	**24f**	**25f**
Real GDP[1]										
Estonia	-1.3	2.0	4.0	3.0	0.0	4.0	4.0	-2.0	2.0	4.0
Latvia	2.0	3.0	4.0	4.0	0.0	4.0	4.0	-2.0	3.0	4.0
Lithuania	1.9	3.0	5.0	4.0	-1.2	5.5	3.5	-3.0	3.0	4.0
Unemployment rate										
Estonia	6.0	6.0	5.0	6.0	7.0	8.0	7.0	10.0	8.0	7.0
Latvia	7.0	7.0	6.0	6.0	8.0	7.0	7.0	11.0	8.0	8.0
Lithuania	6.0	6.0	6.0	6.0	7.0	6.8	6.4	10.0	9.0	8.0
Residential Real Estate price[1]										
Estonia	22.2	7.0	6.0	6.0	4.0	5.0	5.0	-7.0	0.0	3.0
Latvia	14.0	8.0	6.0	5.0	4.0	6.0	5.0	-5.0	0.0	2.0
Lithuania	19.0	6.0	5.0	5.0	0.0	4.0	4.0	-6.0	0.0	3.0

1. Annual change

MARKET AND LIQUIDITY RISK

The most significant parts of market risk for Luminor are interest rate risk and credit spread risk. Luminor has a low-risk appetite for market risk and does not have any open positions in commodities, nor equity instruments for trading. Customer related foreign exchange flow is managed through daily hedging activities, and all derivative deals with customers are hedged with back-to-back transactions. 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 2023. The minimum limit for LCR and NSFR ratios is set at 100%, however Luminor has a substantial liquidity buffer and maintains higher ratios than set by regulatory requirements. During the first quarter, Luminor increased its liquidity ratios with LCR growing from 138.8% to 173.5%. There were no external regulatory limit breaches for liquidity risk during the first quarter of 2023.

3. Net interest and similar income

€m	1Q		FY
	2022	2023	2022
Loans and advances to customers at amortised cost	53.3	115.5	264.5
Deposits with central and other banks	0.2	15.6	0.9
Negative interest on financial liabilities	2.2	0.0	5.2
Interest income calculated using effective interest method	**55.7**	**131.1**	**270.6**
Finance leases	10.3	18.5	47.4
Other interest	0.2	0.3	10.0
Other similar income	**10.5**	**18.8**	**57.4**
Interest and similar income	**66.2**	**149.9**	**328.0**
Loans and deposits from credit institutions[1]	−1.8	−1.6	−7.4
Deposits from customers	−0.2	−11.2	−4.7
Debt securities issued	−1.2	−10.3	−15.5
Impact of hedging activities	0.3	−5.7	1.1
Net interest paid or received on derivatives in hedges of liabilities	0.0	0.8	0.0
Other	−0.2	−0.1	−0.7
Interest expense	**−3.1**	**−28.1**	**−27.2**
Net interest and similar income	**63.1**	**121.8**	**300.8**
[1] Of which interest paid on cash balances at central bank	−1.8	10.1	**−0.9**

4. Net fee and commission income

€m	2022			2023		
	Income	Expense	Net	Income	Expense	Net
First quarter						
Cards	8.7	-5.2	**3.5**	10.5	-5.0	**5.5**
Credit products	1.4	-0.3	**1.1**	1.7	-0.6	**1.1**
Daily banking plans	4.1	0.0	**4.1**	5.0	0.0	**5.0**
Deposit products and cash management	4.0	-0.7	**3.3**	3.8	-0.6	**3.2**
Insurance	0.8	0.0	**0.8**	0.9	0.0	**0.9**
Investments	1.1	-0.3	**0.8**	1.0	-0.4	**0.6**
Pensions	2.3	-0.2	**2.1**	2.1	-0.2	**1.9**
Trade finance	2.3	0.0	**2.3**	2.5	0.0	**2.5**
Other	0.3	-0.3	**0.0**	0.2	0.0	**0.2**
Total	**25.0**	**-7.0**	**18.0**	**27.7**	**-6.8**	**20.9**
Full year						
Cards	38.6	-21.5	**17.1**			
Credit products	7.3	-2.5	**4.8**			
Daily banking plans	17.6	0.0	**17.6**			
Deposit products and cash management	16.5	-2.9	**13.6**			
Insurance	3.5	-0.1	**3.4**			
Investments	5.0	-1.3	**3.7**			
Pensions	8.9	-0.8	**8.1**			
Trade finance	9.8	0.0	**9.8**			
Other	3.1	-0.9	**2.2**			
Total	**110.3**	**-30.0**	**80.3**			

Fee and commission income by recognition	2022			2023		
€m	Over time	Point in time	Total	Over time	Point in time	Total
First quarter						
Cards	2.4	6.3	**8.7**	2.7	7.8	**10.5**
Credit products	0.3	1.1	**1.4**	0.4	1.3	**1.7**
Daily banking plans	4.1	0.0	**4.1**	5.0	0.0	**5.0**
Deposit products and cash management	0.7	3.3	**4.0**	1.1	2.7	**3.8**
Insurance	0.0	0.8	**0.8**	0.0	0.9	**0.9**
Investments	0.4	0.7	**1.1**	0.5	0.5	**1.0**
Pensions	2.3	0.0	**2.3**	2.1	0.0	**2.1**
Trade finance	2.1	0.2	**2.3**	2.4	0.1	**2.5**
Other	0.0	0.3	**0.3**	0.0	0.2	**0.2**
Total	**12.3**	**12.7**	**25.0**	**14.2**	**13.5**	**27.7**
Full year						
Cards	10.9	27.7	**38.6**			
Credit products	1.2	6.1	**7.3**			
Daily banking plans	17.6	0.0	**17.6**			
Deposit products and cash management	4.1	12.4	**16.5**			
Insurance	0.0	3.5	**3.5**			
Investments	2.1	2.9	**5.0**			
Pensions	8.9	0.0	**8.9**			
Trade finance	9.0	0.8	**9.8**			
Other	0.1	3.0	**3.1**			
Total	**53.9**	**56.4**	**110.3**			

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

€m	1Q		FY
	2022	2023	2022
Net gain (–loss) from financial derivatives	12.3	–3.8	30.5
Net gain (–loss) on financial assets and liabilities at FVTPL	–0.1	0.3	–0.1
Net gain (–loss) on debt securities designated at FVTPL	–6.8	1.3	–20.4
Net gain (–loss) on financial assets and liabilities held for trading	1.4	1.3	7.7
Total	**6.8**	**–0.9**	**17.7**

6. Other operating expense – net

€m	1Q		FY
	2022	2023	2022
Other income	0.2	0.4	0.6
Other operating income	**0.2**	**0.4**	**0.6**
Cash contribution to resolution funds and deposit guarantee schemes	–3.7	–2.4	–15.9
Other expenses	0.0	0.0	0.0
Other operating expense	**–3.7**	**–2.4**	**–15.9**
Total	**–3.5**	**–2.0**	**–15.3**

7. Other administration expenses

€m	1Q		FY
	2022	2023	2022
Information Technology-related	–16.6	–24.0	–71.3
Consulting and professional services	–1.6	–10.5	–12.7
Advertising and marketing	–1.2	–1.0	–7.6
Real estate	–0.8	–0.9	–3.7
Taxes and duties	–1.3	0.6	–2.6
Other	–3.4	–4.8	–14.8
Total	**–24.9**	**–40.6**	**–112.7**

8. Debt securities

€m	Governments	Credit institutions	Financial institutions	Corporates	Total
31 March 2022					
Amortised cost	443.8	47.4	0.0	45.5	**536.7**
FVTPL (designated)	196.1	23.1	0.0	0.0	**219.2**
FVTPL (mandatory)	0.5	0.0	8.4	7.6	**16.5**
FVTOCI	1.3	0.0	0.0	0.0	**1.3**
Total	**641.7**	**70.5**	**8.4**	**53.1**	**773.7**
31 December 2022					
Amortised cost	881.9	60.7	0.0	108.0	**1,050.6**
FVTPL (designated)	178.0	22.0	0.0	0.0	**200.0**
FVTPL (mandatory)	25.4	0.0	4.7	6.4	**36.5**
FVTOCI	2.7	0.0	0.0	0.0	**2.7**
Total	**1,088.0**	**82.7**	**4.7**	**114.4**	**1,289.8**
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 (mandatory)[1]	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**

1. Balance decreased in the first quarter principally as debt securities issued by Governments and Corporates matured

For the fair value of debt securities see Note 15, 'Fair value of financial assets and liabilities', below

9. Loans to customers

€m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Individuals	5,689.5	5,951.9	5,952.7
Businesses	4,054.8	4,498.0	4,342.9
Financial institutions	205.6	222.2	222.9
Public sector	173.4	202.6	188.6
Total	**10,123.3**	**10,874.7**	**10,707.1**
of which pledged loans	1,372.1	1,925.0	1,925.0
By country of registration			
Estonia, Latvia, and Lithuania	9,875.1	10,685.3	10,539.1
Other EU countries	175.5	158.9	138.5
Other countries	72.7	30.5	29.5
Total	**10,123.3**	**10,874.7**	**10,707.1**

Loans to customers by stage and type

€m	Gross carrying amount				Credit loss allowances				Total
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
31 March 2022									
Mortgages	4,422.5	421.1	45.8	**4,889.4**	-8.5	-9.8	-12.6	-30.9	**4,858.5**
Leasing	421.1	25.3	2.2	**448.6**	-1.2	-0.5	-0.4	-2.1	**446.5**
Consumer loans, cards	103.9	5.4	0.7	**110.0**	-0.5	-0.5	-0.2	-1.2	**108.8**
Other	212.0	57.9	11.9	**281.8**	-1.3	-1.3	-3.5	-6.1	**275.7**
Individuals	**5,159.5**	**509.7**	**60.6**	**5,729.8**	**-11.5**	**-12.1**	**-16.7**	**-40.3**	**5,689.5**
Loans	1,779.5	1,082.7	96.0	**2,958.2**	-5.6	-14.4	-33.3	-53.3	**2,904.9**
Leasing	652.9	242.6	13.9	**909.4**	-3.1	-4.8	-5.0	-12.9	**896.5**
Factoring	173.9	81.3	0.2	**255.4**	-0.7	-0.5	-0.8	-2.0	**253.4**
Businesses	**2,606.3**	**1,406.6**	**110.1**	**4,123.0**	**-9.4**	**-19.7**	**-39.1**	**-68.2**	**4,054.8**
Financial institutions	144.8	61.2	0.3	**206.3**	-0.2	-0.2	-0.3	**-0.7**	**205.6**
Public sector	173.2	0.4	0.1	**173.7**	-0.2	0.0	-0.1	**-0.3**	**173.4**
Total	**8,083.8**	**1,977.9**	**171.1**	**10,232.8**	**-21.3**	**-32.0**	**-56.2**	**-109.5**	**10,123.3**
31 December 2022									
Mortgages	4,842.6	232.7	33.2	**5,108.5**	-10.4	-10.6	-8.0	-29.0	**5,079.5**
Leasing	445.1	33.2	1.5	**479.8**	-1.9	-1.1	-0.3	-3.3	**476.5**
Consumer loans, cards	110.8	9.6	0.6	**121.0**	-0.5	-0.7	-0.2	-1.4	**119.6**
Other	213.9	57.2	11.4	**282.5**	-1.4	-1.6	-3.2	-6.2	**276.3**
Individuals	**5,612.4**	**332.7**	**46.7**	**5,991.8**	**-14.2**	**-14.0**	**-11.7**	**-39.9**	**5,951.9**
Loans	2,184.5	1,023.8	72.7	**3,281.0**	-8.3	-13.7	-24.4	-46.4	**3,234.6**
Leasing	816.2	188.4	9.1	**1,013.7**	-3.6	-2.9	-3.7	-10.2	**1,003.5**
Factoring	224.3	35.0	4.7	**264.0**	-0.4	-0.2	-3.5	-4.1	**259.9**
Businesses	**3,225.0**	**1,247.2**	**86.5**	**4,558.7**	**-12.3**	**-16.8**	**-31.6**	**-60.7**	**4,498.0**
Financial institutions	164.9	57.8	0.1	**222.8**	-0.4	-0.2	0.0	-0.6	**222.2**
Public sector	202.7	0.0	0.1	**202.8**	-0.2	0.0	0.0	-0.2	**202.6**
Total	**9,205.0**	**1,637.7**	**133.4**	**10,976.1**	**-27.1**	**-31.0**	**-43.3**	**-101.4**	**10,874.7**
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**

Lending to businesses by stage and economic sector

€m	Gross carrying amount				Credit loss allowances				Total
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
31 March 2022									
Real estate activities	751.4	443.2	19.3	**1,213.9**	-2.6	-7.6	-2.3	**-12.5**	**1,201.4**
Wholesale and retail	445.6	252.5	19.5	**717.6**	-1.3	-2.0	-3.6	**-6.9**	**710.7**
Manufacturing	345.3	195.0	9.2	**549.5**	-1.1	-1.8	-3.1	**-6.0**	**543.5**
Transport and storage	192.8	111.3	7.3	**311.4**	-0.9	-1.4	-3.9	**-6.2**	**305.2**
Agriculture, forestry, and fishing	223.7	73.7	4.6	**302.0**	-1.0	-1.5	-1.7	**-4.2**	**297.8**
Construction	172.2	45.9	14.5	**232.6**	-0.7	-1.1	-7.2	**-9.0**	**223.6**
Administrative & support services	100.4	94.1	12.3	**206.8**	-0.5	-1.7	-5.6	**-7.8**	**199.0**
Professional, scientific, technical	79.8	72.9	0.3	**153.0**	-0.4	-0.9	-0.1	**-1.4**	**151.6**
Electricity, gas, steam, & aircon	63.5	26.1	2.7	**92.3**	-0.2	-0.2	-2.2	**-2.6**	**89.7**
Other	231.7	92.0	20.2	**343.9**	-0.7	-1.6	-9.3	**-11.6**	**332.3**
Total	**2,606.4**	**1,406.7**	**109.9**	**4,123.0**	**-9.4**	**-19.8**	**-39.0**	**-68.2**	**4,054.8**
31 December 2022									
Real estate activities	1,011.3	331.8	13.6	**1,356.7**	-3.8	-4.7	-1.0	**-9.5**	**1,347.2**
Wholesale and retail	512.5	174.5	20.8	**707.8**	-1.6	-1.3	-5.9	**-8.8**	**699.0**
Manufacturing	410.4	226.0	15.9	**652.3**	-0.9	-2.9	-6.7	**-10.5**	**641.8**
Transport and storage	212.4	108.9	0.8	**322.1**	-1.0	-1.3	-0.3	**-2.6**	**319.5**
Agriculture, forestry, and fishing	285.7	58.7	4.7	**349.1**	-1.0	-0.9	-2.0	**-3.9**	**345.2**
Construction	189.1	43.7	13.0	**245.8**	-1.1	-1.1	-8.4	**-10.6**	**235.2**
Administrative & support services	191.9	61.7	5.1	**258.7**	-1.0	-0.7	-2.5	**-4.2**	**254.5**
Professional, scientific, technical	117.3	56.0	0.5	**173.8**	-0.8	-1.1	-0.4	**-2.3**	**171.5**
Electricity, gas, steam, & aircon	79.9	36.4	1.7	**118.0**	-0.2	-0.3	-1.6	**-2.1**	**115.9**
Other	214.5	149.5	10.4	**374.4**	-0.9	-2.5	-2.8	**-6.2**	**368.2**
Total	**3,225.0**	**1,247.2**	**86.5**	**4,558.7**	**-12.3**	**-16.8**	**-31.6**	**-60.7**	**4,498.0**
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**

Loans to customers by stage and risk category, €m	Stage 1	Stage 2	Stage 3	Total
31 March 2022				
Low risk	6,007.4	540.5	0.0	**6,547.9**
Moderate risk	1,951.5	1,060.4	0.0	**3,011.9**
High risk	124.9	377.0	0.0	**501.9**
Default	0.0	0.0	171.1	**171.1**
Gross carrying amount	**8,083.8**	**1,977.9**	**171.1**	**10,232.8**
of which POCI	**0.0**	**33.1**	**4.7**	**37.8**
31 December 2022				
Low risk	6,900.3	379.2	0.0	**7,279.5**
Moderate risk	2,196.7	890.4	0.2	**3,087.3**
High risk	108.0	368.1	0.0	**476.1**
Default	0.0	0.0	133.2	**133.2**
Gross carrying amount	**9,205.0**	**1,637.7**	**133.4**	**10,976.1**
of which POCI	0.0	13.8	3.0	**16.8**
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**

Movement in allowances and provisions	1Q		FY
€m	**2022**	**2023**	**2022**
Credit loss allowances	-7.9	-0.2	-9.4
Provisions (Credit loss allowances on Contingent liabilities)	-3.5	-3.7	-6.7
Total	**-11.4**	**-3.9**	**-16.1**

Movement in Loans to customers and allowances

First quarter	2022				2023			
€m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	**8,452.0**	**1,411.0**	**185.6**	**10,048.6**	**9,205.0**	**1,637.7**	**133.4**	**10,976.1**
Transfers to Stage 1	110.4	−109.2	−1.2	0.0	165.1	−164.7	−0.4	0.0
Transfers to Stage 2	−798.6	821.6	−23.0	0.0	−255.9	269.7	−13.8	0.0
Transfers to Stage 3	−3.9	−22.1	26.0	0.0	−3.9	−11.8	15.7	0.0
Originated or purchased	597.5	0.0	0.0	597.5	530.0	0.0	0.0	530.0
Derecognised and repaid	−273.5	−123.4	−16.1	−413.0	−497.6	−189.5	−8.8	−695.9
Movement	**−368.1**	**566.9**	**−14.3**	**184.5**	**−62.3**	**−96.3**	**−7.3**	**−165.9**
Write-offs	0.0	0.0	−0.3	−0.3	0.0	0.0	−1.4	−1.4
Closing balance	**8,083.8**	**1,977.9**	**171.1**	**10,232.8**	**9,142.7**	**1,541.4**	**124.7**	**10,808.8**
of which POCI	0.0	33.1	4.7	**37.8**	0.0	7.9	4.2	**12.1**
Credit loss allowances								
Opening balance	**−16.3**	**−29.0**	**−56.6**	**−101.9**	**−27.1**	**−31.0**	**−43.3**	**−101.4**
Transfers to Stage 1	−2.0	1.8	0.2	0.0	−0.6	0.6	0.0	0.0
Transfers to Stage 2	2.0	−3.6	1.6	0.0	7.0	−7.6	0.6	0.0
Transfers to Stage 3	0.2	1.4	−1.6	0.0	1.4	2.4	−3.8	0.0
Originated or purchased	−2.1	0.0	0.0	−2.1	−3.3	0.0	0.0	−3.3
Derecognised and repaid	0.3	0.7	2.5	3.5	0.8	1.5	1.5	3.8
Change in ECL assumptions, Stages & other	−3.4	−9.6	−2.5	−15.5	−4.7	−1.3	3.8	−2.2
Management overlay	0.0	6.3	−0.1	6.2	0.0	0.0	0.0	0.0
Movement	**−5.0**	**−3.0**	**0.1**	**−7.9**	**0.6**	**−4.4**	**2.1**	**−1.7**
Write-offs	0.0	0.0	0.3	0.3	0.0	0.0	1.4	1.4
Closing balance	**−21.3**	**−32.0**	**−56.2**	**−109.5**	**−26.5**	**−35.4**	**−39.8**	**−101.7**
of which POCI	0.0	−0.3	−0.8	**−1.1**	0.0	−0.2	−0.2	**−0.4**

Movement in Loans to customers and allowances

Full year	2022			
€m	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount				
Opening balance	**8,452.0**	**1,411.0**	**185.6**	**10,048.6**
Transfers to Stage 1	476.3	–475.0	–1.3	0.0
Transfers to Stage 2	–1,075.7	1,114.9	–39.2	0.0
Transfers to Stage 3	–83.8	–31.5	115.3	0.0
Originated or purchased	2,938.7	0.0	0.0	2,938.7
Derecognised and repaid	–1,502.5	–381.7	–117.1	-2,001.3
Movement	**753.0**	**226.7**	**–42.3**	**937.4**
Write-offs	0.0	0.0	–9.9	–9.9
Closing balance	**9,205.0**	**1,637.7**	**133.4**	**10,976.1**
of which POCI	0.0	13.8	3.0	**16.8**
Credit loss allowances				
Opening balance	**–16.3**	**–29.0**	**–56.6**	**–101.9**
Transfers to Stage 1	–10.8	10.5	0.3	0.0
Transfers to Stage 2	4.7	–9.4	4.7	0.0
Transfers to Stage 3	5.7	1.7	–7.4	0.0
Originated or purchased	–16.4	0.0	0.0	–16.4
Derecognised and repaid	1.1	3.8	3.1	8.0
Change in ECL assumptions, Stages & other	4.9	–20.5	2.7	–12.9
Management overlay	0.0	11.9	0.0	11.9
Movement	**–10.8**	**–2.0**	**3.4**	**–9.4**
Write-offs	0.0	0.0	9.9	9.9
Closing balance	**–27.1**	**–31.0**	**–43.3**	**–101.4**
of which POCI	0.0	–0.1	–0.4	**–0.5**

10. Deposits from customers

€m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Individuals	4,602.0	4,791.6	4,599.1
Businesses	3,762.7	3,937.3	4,409.0
Financial institutions	227.8	271.7	274.4
Public sector	1,968.6	1,947.3	2,025.9
Total	**10,561.1**	**10,947.9**	**11,308.4**
of which Demand deposits	9,742.5	9,614.0	9,531.6
Term deposits	818.6	1,333.9	1,776.8
By country of registration			
Estonia, Latvia, and Lithuania	10,432.9	10,736.6	11,109.2
Other EU countries	72.1	165.4	151.2
Other countries	56.1	45.9	48.0
Total	**10,561.1**	**10,947.9**	**11,308.4**

11. Debt securities issued

€m	First call date	Maturity date	Notes	31 Mar 2022	31 Dec 2022	31 Mar 2023
€500m, 0.01%	–	Mar 2025	Hedge accounted	480.0	459.3	461.4
€500m, 1.688%	–	Jun 2027	Hedge accounted. Issued May 2022	0.0	467.3	472.4
Covered bonds				**480.0**	**926.6**	**933.8**
€300m, 1.375%	–	Oct 2022	€228.5m repurchased Sep 2021	72.0	0.0	0.0
€300m, 5%	Aug 2023	Aug 2024	Hedge accounted. Issued Aug 2022	0.0	300.4	305.9
€300m, 0.792%	Dec 2023	Dec 2024	Hedge accounted	295.3	290.0	289.7
€300m, 7.25%	Jan 2025	Jan 2026	Hedge accounted. Issued Jan 2023	0.0	0.0	299.0
€300m, 0.539%	Sep 2025	Sep 2026	Hedge accounted	299.4	296.9	297.2
Senior bonds				**666.7**	**887.3**	**1,191.8**
Total				**1,146.7**	**1,813.9**	**2,125.6**

12. Other liabilities

€m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Payments in transit	77.3	43.2	35.5
Other	0.7	4.3	2.7
Financial liabilities	**78.0**	**47.5**	**38.2**
Accrued liabilities	46.7	53.9	51.7
Received prepayments	2.9	3.2	3.0
Value Added Tax liabilities	10.7	2.9	11.9
Other tax liabilities	3.3	2.0	3.7
Other	1.2	9.3	4.4
Non-financial liabilities	**64.8**	**71.3**	**74.7**
Total	**142.8**	**118.8**	**112.9**

13. Derivatives

Fair value €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Interest rate-related	17.3	48.8	50.9
Currency-related	25.2	11.9	10.2
Commodity-related	100.6	60.9	59.7
Total assets	**143.1**	**121.6**	**120.8**
Interest rate-related	30.8	114.1	102.7
Currency-related	16.2	20.3	17.0
Commodity-related	99.9	59.7	58.5
Total liabilities	**146.9**	**194.1**	**178.2**

Notional amounts €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Interest rate-related	2,183.8	2,820.3	3,393.3
Currency-related	1,440.8	1,202.2	1,168.8
Commodity-related	109.6	230.6	201.2
Total	**3,734.2**	**4,253.1**	**4,763.3**

Hedge accounting

Luminor applies hedge accounting to fair value hedges of debt securities issued and, from January 2023, part of Deposits from customers. To test the hedge effectiveness of our 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 31 December 2022, and 31 March 2023. The carrying amount of the derivatives are included in line item 'Derivative financial instruments' in the Balance Sheet, on either the Assets or Liabilities side depending on the fair value of the instruments.

Hedging instruments (interest rate swaps) €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Notional amount	800.0	1,900.0	2,200.0
Carrying amount	-21.8	-84.4	-70.0

14. Contingent liabilities

€m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Undrawn loan commitments	1,248.6	1,528.4	1,540.5
Financial guarantees	551.8	496.1	562.1
Performance guarantees	201.4	256.1	281.9
Total	**2,001.8**	**2,280.6**	**2,384.5**

All off-balance sheet items have a short-term maturity. All exposures have either on demand or less than 1-month settlement.

15. Fair value of financial assets and liabilities

€m	Accounting method	Fair Value				Carrying amount
		Level 1	Level 2	Level 3	Total	
31 March 2022						
Cash and balances with central banks	Amortised cost	148.2	2,455.4	0.0	**2,603.6**	**2,603.6**
Due from other credit institutions	Amortised cost	0.0	70.1	0.0	**70.1**	**70.1**
Debt securities	Amortised cost	497.6	6.6	0.0	**504.2**	**536.7**
Debt securities	FVTPL (designated)	219.2	0.0	0.0	**219.2**	**219.2**
Debt securities	FVTPL (mandatory)	8.2	1.1	7.2	**16.5**	**16.5**
Debt securities	FVTOCI	0.0	1.3	0.0	**1.3**	**1.3**
Loans to customers	Amortised cost	0.0	0.0	10,016.4	**10,016.4**	**10,123.3**
Derivatives	FVTPL (mandatory)	0.0	141.1	2.0	**143.1**	**143.1**
Equity instruments	FVTPL (mandatory)	0.0	2.4	0.0	**2.4**	**2.4**
Equity instruments	FVTOCI	0.0	0.0	0.5	**0.5**	**0.5**
Other	Amortised cost	0.0	0.0	13.0	**13.0**	**13.0**
Total assets		**873.2**	**2,678.0**	**10,039.1**	**13,590.3**	**13,729.7**
Loans and deposits from credit institutions	Amortised cost	0.0	213.1	0.0	**213.1**	**213.1**
Deposits from customers	Amortised cost	0.0	9,742.5	818.6	**10,561.1**	**10,561.1**
Debt securities issued	Amortised cost	0.0	1,140.3	0.0	**1,140.3**	**1,146.7**
Derivatives	FVTPL (mandatory)	0.0	146.9	0.0	**146.9**	**146.9**
Other	Amortised cost	0.0	0.0	78.0	**78.0**	**78.0**
Total liabilities		**0.0**	**11,242.8**	**896.6**	**12,139.4**	**12,145.8**
31 December 2022						
Cash and balances with central banks	Amortised cost	127.4	2,050.7	0.0	**2,178.1**	**2,178.1**
Due from other credit institutions	Amortised cost	0.0	123.4	0.0	**123.4**	**123.4**
Debt securities	Amortised cost	943.4	9.7	0.0	**953.1**	**1,050.6**
Debt securities	FVTPL (designated)	200.0	0.0	0.0	**200.0**	**200.0**
Debt securities	FVTPL (mandatory)	32.0	1.0	3.5	**36.5**	**36.5**
Debt securities	FVTOCI	0.0	2.7	0.0	**2.7**	**2.7**
Loans to customers	Amortised cost	0.0	0.0	11,149.4	**11,149.4**	**10,874.7**
Derivatives	FVTPL (mandatory)	0.0	118.5	3.1	**121.6**	**121.6**
Equity instruments	FVTPL (mandatory)	0.0	2.0	0.0	**2.0**	**2.0**
Equity instruments	FVTOCI	0.0	0.0	0.5	**0.5**	**0.5**
Other	Amortised cost	0.0	25.5	0.0	**25.5**	**25.5**
Total assets		**1,302.8**	**2,333.5**	**11,156.5**	**14,792.8**	**14,615.6**
Loans and deposits from credit institutions	Amortised cost	0.0	36.6	0.0	**36.6**	**36.6**
Deposits from customers	Amortised cost	0.0	9,614.0	1,333.9	**10,947.9**	**10,947.9**
Debt securities issued	Amortised cost	0.0	1,772.5	0.0	**1,772.5**	**1,813.9**
Derivatives	FVTPL (mandatory)	0.0	194.1	0.0	**194.1**	**194.1**
Other	Amortised cost	0.0	47.5	0.0	**47.5**	**47.5**
Total liabilities		**0.0**	**11,664.7**	**1,333.9**	**12,998.6**	**13,040.0**

€m	Accounting method	Fair Value				Carrying amount
		Level 1	Level 2	Level 3	Total	
31 March 2023						
Cash and balances with central banks	Amortised cost	109.6	2,931.1	0.0	**3,040.7**	**3,040.7**
Due from other credit institutions	Amortised cost	0.0	114.9	0.0	**114.9**	**114.9**
Debt securities	Amortised cost	1,010.0	9.2	0.0	**1,019.2**	**1,119.5**
Debt securities	FVTPL (designated)	201.3	0.0	0.0	**201.3**	**201.3**
Debt securities	FVTPL (mandatory)	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	Amortised cost	0.0	0.0	10,907.1	**10,907.1**	**10,707.1**
Derivatives	FVTPL (mandatory)	0.0	117.9	2.9	**120.8**	**120.8**
Equity instruments	FVTPL (mandatory)	0.0	2.1	0.0	**2.1**	**2.1**
Equity instruments	FVTOCI	0.0	0.0	0.5	**0.5**	**0.5**
Other	Amortised cost	0.0	22.9	0.0	**22.9**	**22.9**
Total assets		**1,331.1**	**3,200.8**	**10,914.4**	**15,446.3**	**15,346.6**
Loans and deposits from credit institutions	Amortised cost	0.0	47.8	0.0	**47.8**	**47.8**
Deposits from customers	Amortised cost	0.0	9,531.6	1,776.8	**11,308.4**	**11,308.4**
Debt securities issued	Amortised cost	0.0	2,274.0	0.0	**2,274.0**	**2,125.6**
Derivatives	FVTPL (mandatory)	0.0	178.2	0.0	**178.2**	**178.2**
Other	Amortised cost	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**

Change in debt securities in Level 3	1Q		FY
€m	2022	2023	2022
Opening balance	**6.9**	**3.5**	**6.9**
Additions or disposals	0.0	0.0	-4.0
Unrealised gains for assets held at the end of the reporting period	0.3	0.4	0.6
Closing balance	**7.2**	**3.9**	**3.5**

16. Segment reporting

€m	2022				2023			
	Retail	Corporate	Other	Total	Retail	Corporate	Other	Total
First quarter								
Net interest and similar income	29.2	32.5	1.4	**63.1**	60.3	59.8	1.7	**121.8**
Net fee and commission income	12.1	6.1	-0.2	**18.0**	13.5	7.5	-0.1	**20.9**
Net financial income	1.7	4.2	-0.8	**5.1**	1.5	3.3	3.4	**8.2**
Other income	0.0	0.2	-3.3	**-3.1**	-0.1	0.0	-1.4	**-1.5**
Total operating income	**43.0**	**43.0**	**-2.9**	**83.1**	**75.2**	**70.6**	**3.6**	**149.4**
Total operating expenses	-34.6	-19.3	-0.7	**-54.6**	-45.8	-26.8	-1.9	**-74.5**
Credit loss allowances	-0.6	-10.5	-0.7	**-11.8**	-0.5	-4.4	1.0	**-3.9**
Profit (-loss) before tax	**7.8**	**13.2**	**-4.3**	**16.7**	**28.9**	**39.4**	**2.7**	**71.0**
Full year								
Net interest and similar income	134.2	177.8	-11.2	**300.8**				
Net fee and commission income	53.0	26.3	1.0	**80.3**				
Net financial income	6.9	14.8	2.7	**24.4**				
Other income	0.2	2.1	-16.0	**-13.7**				
Total operating income	**194.3**	**221.0**	**-23.5**	**391.8**				
Total operating expenses	-146.1	-81.0	-6.2	**-233.3**				
Credit loss allowances	1.0	-16.9	-0.2	**-16.1**				
Profit (-loss) before tax	**49.2**	**123.1**	**-29.9**	**142.4**				

Fee and commission income	2022				2023			
€m	**Retail**	**Corporate**	**Other**	**Total**	**Retail**	**Corporate**	**Other**	**Total**
First quarter								
Cards	7.4	1.3	0.0	**8.7**	7.5	3.0	0.0	**10.5**
Credit products	0.1	1.3	0.0	**1.4**	0.1	1.6	0.0	**1.7**
Daily banking plans	4.0	0.1	0.0	**4.1**	4.9	0.1	0.0	**5.0**
Deposit products and cash management	2.0	2.0	0.0	**4.0**	2.0	1.8	0.0	**3.8**
Insurance	0.7	0.1	0.0	**0.8**	0.7	0.2	0.0	**0.9**
Investments	0.5	0.2	0.4	**1.1**	0.5	0.4	0.1	**1.0**
Pensions	2.3	0.0	0.0	**2.3**	2.1	0.0	0.0	**2.1**
Trade finance	0.0	2.3	0.0	**2.3**	0.0	2.5	0.0	**2.5**
Other	0.2	0.1	0.0	**0.3**	0.1	0.1	0.0	**0.2**
Total	**17.2**	**7.4**	**0.4**	**25.0**	**17.9**	**9.7**	**0.1**	**27.7**
Full year								
Cards	32.8	6.1	-0.3	**38.6**				
Credit products	0.4	6.9	0.0	**7.3**				
Daily banking plans	17.1	0.4	0.1	**17.6**				
Deposit products and cash management	8.8	7.5	0.2	**16.5**				
Insurance	3.0	0.5	0.0	**3.5**				
Investments	2.1	1.6	1.3	**5.0**				
Pensions	8.7	0.2	0.0	**8.9**				
Trade finance	0.1	9.6	0.1	**9.8**				
Other	0.4	0.4	2.3	**3.1**				
Total	**73.4**	**33.2**	**3.7**	**110.3**				

€m	**31 Mar 2022**	**31 Dec 2022**	**31 Mar 2023**
Retail	5,412.2	5,667.1	5,682.6
Corporate	4,710.6	5,205.9	5,022.8
Other	0.5	1.7	1.7
Loans to customers	**10,123.3**	**10,874.7**	**10,707.1**
Retail	5,804.9	6,066.2	5,761.8
Corporate	4,692.1	4,788.2	5,475.7
Other	64.1	93.5	70.9
Deposits from customers	**10,561.1**	**10,947.9**	**11,308.4**

17. Related parties

A number of banking transactions are entered into with related parties in the normal course of business, as below. Nordea sold their remaining shareholding in Luminor Holding AS on 1 September 2022 and are no longer treated as a related party. The income statement and balance sheet entries, shown below, include Nordea up to the date of the share sale.

Entities with significant influence

€m	1Q		FY
	2022	2023	2022
Interest income	0.0	0.1	0.1
Interest expense[1]	-17.7	0.0	-50.4
Net fee and commission income	-0.1	0.0	-0.2
Net gain (-loss) from financial instruments at fair value	18.0	-4.1	73.4
Other administration expenses	0.0	-0.6	0.0
Other income and expenses	0.1	-0.1	-0.1
Total	**0.3**	**-4.7**	**22.8**

[1] Interest expense includes reduction in value of interest rate swaps.

€m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Due from other credit institutions	18.5	2.2	6.6
Derivatives	94.9	28.3	25.9
Other	0.0	1.4	0.0
Total assets	**113.4**	**31.9**	**32.5**
Loans and deposits from credit institutions	84.8	4.0	4.4
Derivatives	39.4	30.8	25.2
Total liabilities	**124.2**	**34.8**	**29.6**

Key management personnel

€m	1Q		FY
	2022	2023	2022
Payments of fixed and variable remuneration	0.6	0.5	-1.6

€m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Loans to customers	0.1	0.1	0.1
Deposits from customers	1.5	1.5	0.7

Associated companies

ALD Automotive (3 entities) €m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Loans to customers	5.2	13.5	12.0
Deposits from customers	0.5	0.3	0.3

18. Country information

Interest and similar income	1Q		FY
€m	2022	2023	2022
Estonia	15.3	34.3	75.2
Latvia	21.0	41.6	98.8
Lithuania	29.9	74.0	154.0
Total	**66.2**	**149.9**	**328.0**

Fee and commission income	1Q		FY
€m	2022	2023	2022
Estonia	3.6	4.7	16.8
Latvia	7.5	8.2	32.5
Lithuania	13.9	14.8	61.0
Total	**25.0**	**27.7**	**110.3**

€m	31 Mar 2022	31 Dec 2022	31 Mar 2023
Estonia	2,338.5	2,459.4	2,432.1
Latvia	2,902.0	2,970.6	2,945.3
Lithuania	4,882.8	5,444.7	5,329.7
Loans to customers	**10,123.3**	**10,874.7**	**10,707.1**
Estonia	1,495.9	1,409.7	1,270.3
Latvia	2,845.8	3,051.7	3,075.2
Lithuania	6,219.4	6,486.5	6,962.9
Deposits from customers	**10,561.1**	**10,947.9**	**11,308.4**

GLOSSARY

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

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

FVTOCI
Fair Value through Other Comprehensive Income

FVTPL
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.

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

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 shareholders' equity is calculated using the opening and closing balances for the period.

POCI loans
Purchased or originated credit impaired loans

INFORMATION ABOUT LUMINOR

Luminor Bank AS

Country of registration	Commercial register code	Main activity
Republic of Estonia	11315936	Credit institution
Telephone	**E-mail**	**SWIFT/BIC**
+372 628 3300	info@luminor.ee	RIKOEE22
Balance sheet date	**Reporting period**	**Reporting currency**
31 March 2023	1 January to 31 March 2023	euro

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