Luminor Bank
Interim Report
Q2 2022

AT A GLANCE

THE QUARTER IN BRIEF

- No direct and marginal indirect exposure to Russia, Belarus and Ukraine
- Continued growth in lending to individuals and companies
- Increased operating income and reduced costs leading to improved cost efficiency
- Net profit up to 29.4 million EUR, an increase of 37% as compared to the second quarter 2021
- Credit quality remains strong, with non-performing loans to gross loans unchanged at 1.7%
- Acquisition of Maksekeskus completed at the beginning of July

FINANCIAL PERFORMANCE

€m	Q2		H1		FY
	2021	**2022**	**2021**	**2022**	**2021**
Total operating income	82.8	85.7	160.1	168.9	330.7
Total operating expenses	-68.3	-53.6	-138.8	-108.2	-262.8
Profit before allowances	**14.5**	**32.1**	**21.3**	**60.7**	**67.9**
Credit loss allowance	8.6	2.3	8.3	-9.5	14.5
Tax expense	-1.6	-5.0	-2.3	-6.8	-7.7
Profit for the period	**21.5**	**29.4**	**27.3**	**44.4**	**74.7**
Return on equity, %	5.1	7.5	3.3	5.7	4.6
Return on normalised equity, %	7.1	9.6	4.6	7.2	6.3

VOLUMES & KEY RATIOS

€m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Loans to customers	9,946.7	10,123.3	10,502.8
Deposits from customers	10,305.4	10,561.1	10,615.9
Equity	1,548.8	1,563.7	1,593.2
Common Equity Tier 1 ratio[1], %	21.5	21.4	21.3
Liquidity coverage ratio, %	137.3	136.6	148.1

[1] Including the result for the period

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. Just like our home markets of Estonia, Latvia, and Lithuania we are young, dynamic, and forward looking. Further information about us can be found at www.luminor.ee.

Cover and inside page photographs: Images from our employer branding campaign 'Yes you can', launched in June.

CHIEF EXECUTIVE'S STATEMENT

The second quarter continued to be affected by the geopolitical and economic impacts of the invasion of Ukraine. We have focused on ensuring continuity of service to our customers – individuals and companies resident in the Baltic countries - and have supported our employees and their families. We have assisted Ukrainians who have arrived in the region and have welcomed a number as colleagues. We made opening of accounts for Ukrainians who now live in the Baltic countries easy and simple. We continue to waive fees on all payments to accounts held with Ukrainian banks and have applied all relevant sanctions.

We have no direct exposure to companies domiciled in Russia, Belarus or Ukraine, and next to no exposure to residents of these countries. During the second quarter we identified an insignificant number of new, case-specific, non-performing exposures though Stage 3 loans were virtually unchanged, while Stage 2 exposures decreased by 373 million EUR, principally as we moved exposures modified due to COVID-19 to Stage 1 at the end of 2 years' probation period.

As we adjusted our way of doing business to reflect the new operating environment, we improved our business performance, raised our efficiency which resulted in an increase in our net profits compared to the same quarter last year. As we support our customers, our staff, and the societies we serve, we have three priorities. First, to do more business with more customers – notably more mortgage and consumer lending, and lending to SME customers - widen our product offering and improve customer experience. Second, to raise our efficiency and enhance our IT operations. And third, to build our unique culture.

We have substantial work ahead of us to realise these goals, but I am encouraged by our continued progress. Despite the challenging environment, we supported our customers by increasing the loans to individuals and companies by 3.6% in the quarter. In Lithuania we launched instant payments and established a joint ATM network for rural areas. We advanced our work together with Kyndryl as we prepare to launch additional functionalities and products, and strengthened further our cyber security and regulatory compliance processes. During the quarter, we issued our inaugural sustainability report and published our ESG targets, including our commitment to the Paris Agreement and our aim to reach net zero greenhouse gas emissions by 2050. On 1 July we completed the acquisition of Maksekeskus, which will strengthen our presence in the fast-growing e-commerce payments market and support the expansion of Maksekeskus in Latvia and Lithuania.

We generated a net profit of 29.4 million EUR in the quarter, one third higher than the 21.5 million EUR in the second quarter of last year. This improvement was driven principally by an increase in revenues as we increased net interest and net fee income, supported by a 21% reduction in expenses. We retained the profit we generated in the quarter. Our return on normalised equity improved to 9.6% from 7.1% in the second quarter of last year.

Our liquidity and capital positions remain strong. In May we completed the sale of a 500 million EUR covered bond issue to supplement our Deposits from customers, which remain our principal source of funding. 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 ensure alignment with our plans and outlook, and improve the efficiency of our capital resources.

The outlook for the Baltic region is strong despite the near-term challenges of the impacts from the invasion of Ukraine and high inflation levels. And our current position, trajectory and ambitions are clear. In these uncertain times, we are here for our customers. I look forward to Luminor doing more business, more effectively, with more individuals and companies across our home markets of Estonia, Latvia and Lithuania. In so doing, we will maintain our strong financial standing, exercise prudent risk management, and fulfil our wider obligations to our key stakeholders.

Peter Bosek

CONTENTS

AT A GLANCE **2**

CHIEF EXECUTIVE'S STATEMENT **3**

MANAGEMENT REPORT **5**

INTERIM FINANCIAL STATEMENTS **16**

Condensed consolidated Statement of Profit or Loss and Other Comprehensive Income 16
Condensed consolidated Balance Sheet 17
Condensed consolidated Statement of Changes in Equity 18
Condensed consolidated Statement of Cash Flows 19

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS **20**

1. Significant accounting policies, estimates and judgements 20
2. General risk management policies 21
3. Net interest and similar income 22
4. Net fee and commission income 23
5. Net financial income 25
6. Other administrative expenses 25
7. Debt securities 26
8. Loans to customers 26
9. Deposits from customers 32
10. Debt securities issued 32
11. Other liabilities 33
12. Derivatives 34
13. Contingent liabilities 34
14. Fair value of financial assets and liabilities 35
15. Related parties 38
16. Segment reporting 39
17. Subsequent events 41

INDEPENDENT AUDITOR'S REPORT **42**

GLOSSARY **43**

LUMINOR BANK AS INFORMATION **43**

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 Performance

Summary income statement	Q2		H1		FY
€m	2021	2022	2021	2022	2021
Net interest and similar income	60.3	65.8	116.9	128.9	239.2
Net fee and commission income	19.3	20.9	36.8	38.8	78.5
Net other operating income	3.2	-1.0	6.4	1.2	13.0
Total operating income	**82.8**	**85.7**	**160.1**	**168.9**	**330.7**
Total operating expenses	-68.3	-53.6	-138.8	-108.2	-262.8
Profit before allowances	**14.5**	**32.1**	**21.3**	**60.7**	**67.9**
Credit loss allowances	8.6	2.3	8.3	-9.5	14.5
Profit before tax	**23.1**	**34.4**	**29.6**	**51.2**	**82.4**
Tax expense	-1.6	-5.0	-2.3	-6.8	-7.7
Profit for the period	**21.5**	**29.4**	**27.3**	**44.4**	**74.7**
Cost / income ratio, %	82.5	62.5	86.7	64.1	79.5

We generated a net profit of 29.4 million EUR in the quarter, 37% higher than the 21.5 million EUR in the second quarter of last year. This is a result of an increase in Total operating income of 2.9 million EUR and a 14.7 million EUR decrease in Total operating expenses, offset partly by lower net reversals of credit loss allowances.

Total operating income was 85.7 million EUR, an increase of 3.5%, as compared to the prior year second quarter. Net interest income increased by 5.5 million EUR to 65.8 million EUR. Interest income increased by 3.0 million EUR driven by growing lending volumes to both individuals and companies, while interest expense fell by 2.5 million EUR mainly as we reduced our balances of excess liquidity. Net fee and commission income increased by 1.6 million EUR with growth in fees from daily banking, credit products, and trade finance, while fees from pensions and investment income were lower due to the market downturn. Net other operating income decreased by 4.2 million EUR, driven by negative revaluation of our Treasury bond portfolio and interest rate swaps due to increasing bond spreads.

Total operating expenses were 53.6 million EUR, a decrease of 21.5% as compared to the same period last year, driven by lower IT and other non-staff costs, following the completion of several planned initiatives during 2021. We continue to make considerable investments in our IT operations. Our cost-to-income ratio improved significantly to 62.5% from 82.5% in the same quarter last year.

We recorded a net reversal of credit loss allowances of 2.3 million EUR this quarter as compared to a net reversal of 8.6 million EUR in the second quarter last year. We increased credit loss allowances for an insignificant number of new, case-specific, non-performing exposures, including a larger single exposure. These increases were, however, more than offset by decreases in allowances as we moved exposures modified due to COVID-19 from Stage 2 to Stage 1 after the end of their 2-year probation period, and exited successfully a number of non-performing exposures. More details about these changes can be found in the 'Asset Quality' section, below.

In the quarter we generated a return on normalised equity of 9.6%, as measured on an annualised basis, as compared to 7.1% in the same period last year.

Retail Banking

Financial performance	Q2		H1		FY
€m	2021	2022	2021	2022	2021
Net interest and similar income	27.3	28.5	54.1	56.4	110.2
Net fee and commission income	12.5	13.5	25.1	25.7	52.8
Other net income	1.8	1.8	3.6	3.6	7.5
Total operating income	**41.6**	**43.8**	**82.8**	**85.7**	**170.5**
Total operating expenses	-45.1	-33.2	-91.3	-67.7	-170.3
Profit before allowances	**-3.5**	**10.6**	**-8.5**	**18.0**	**0.2**
Credit loss allowances	4.8	5.3	7.1	4.5	11.4
Profit (-loss) before tax	**1.3**	**15.9**	**-1.4**	**22.5**	**11.6**
Cost/ income ratio, %	108.4	75.8	110.3	79.0	99.9

Balances €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Loans to customers (excludes allowances and accumulated interest)	5,436.5	5,416.5	5,554.0
Deposits from customers	6,066.3	5,804.9	5,813.9

We grew net lending in the second quarter by 137.5 million EUR, as we increased our customer numbers and enhanced our products and offerings.

Despite the uncertain environment, we maintained our volume of new mortgage lending at the same level as the second quarter of 2021, and in May we achieved our record monthly sales this year.

We increased sales of consumer loans as compared to the same quarter last year, supported by the introduction earlier this year of specialised loans for solar panels and heat pump heating systems. Monthly sales of consumer loans in May were the highest of the past three years.

We continued to increase our active customer base during the quarter. Payment card transactions were more than 15% higher in number and over 25% larger in volume than a year earlier. We also have more than 40,000 private customers using ApplePay and GooglePay.

We continue to develop digital solutions and improving customer satisfaction. We are preparing for and rolling out the next steps in Instant Payments. We also introduced 'Safety+' service, which lets our card users protect their cards if they are stolen, lost or used for fraudulent payments.

Corporate Banking

Financial performance	Q2		H1		FY
€m	2021	2022	2021	2022	2021
Net interest and similar income	31.4	40.3	60.4	78.0	125.8
Net fee and commission income	6.4	7.1	11.2	13.2	25.3
Other net income	3.3	3.9	5.6	8.8	11.8
Total operating income	**41.1**	**51.3**	**77.2**	**100.0**	**162.9**
Total operating expenses	-22.7	-19.1	-46.3	-38.2	-89.9
Profit before allowances	**18.4**	**32.2**	**30.9**	**61.8**	**73.0**
Credit loss allowances	3.6	-4.1	0.8	-14.5	2.5
Profit before tax	**22.0**	**28.1**	**31.7**	**47.3**	**75.5**
Cost/ income ratio, %	55.2	37.2	60.0	38.2	55.2

Balances, €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Loans to customers (excludes allowances and accumulated interest)	4,627.9	4,831.1	5,073.9
Deposits from customers	4,196.8	4,692.1	4,736.3

Net lending in the quarter grew by 242.8 million EUR , as we grew new lending by 15% more than in the same quarter of last year.

We saw good demand for credit facilities from large and SME customers alike, principally for working capital but also for investment purposes, across a range of economic sectors.

Baltic debt capital markets remained challenging given the geopolitical background and increases in euro interest rates. Nevertheless, in the second quarter we retained our position as the leading underwriter of corporate bonds for Baltic issuers, lead managing new issues for a Government guaranteed fund to support enterprises in Lithuania and a EUR 100m 5-year green bond from a state-owned utility company, the proceeds of which will be allocated to environment-friendly investment projects.

To contribute to the sustainable growth of the Baltic economies, we hosted climate seminars for our corporate customers, where we addressed relevant topics such climate targets, and EU taxonomy. We initiated a series of podcasts targeted at SME’s and released the first two podcasts; "Entrepreneurs in a turbulent world - what help can the bank offer?", and "Long term planning for business".

Financial condition

Summary balance sheet €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Cash and central bank balances	2,494.2	2,603.6	2,714.6
Debt securities	608.2	773.7	899.6
Loans to customers	9,946.7	10,123.3	10,502.8
Other assets	267.7	329.5	313.5
Total assets	**13,316.8**	**13,830.1**	**14,430.5**
Deposits from customers	10,305.4	10,561.1	10,615.9
Debt securities issued	1,163.6	1,146.7	1,630.8
Other liabilities	299.0	558.6	590.6
Equity	1,548.8	1,563.7	1,593.2
Total liabilities and equity	**13,316.8**	**13,830.1**	**14,430.5**

Loans to customers in the second quarter increased by 3.7%, Deposits from customers increased by 0.5%, while the total balance sheet grew by 4.3%. At quarter end, Loans to customers accounted for nearly three-quarters of Total assets.

Loans to customers increased by 379.5 million EUR, as we grew our lending to both individuals and companies. Debt securities grew by 125.9 million EUR, as we increased our investments in our liquidity portfolio, while Cash and central bank balances rose by 111 million EUR. The 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, if required.

Deposits from customers increased by 54.8 million EUR. Within the net increase, deposits from individuals fell marginally while deposits from companies grew by 57.7 million EUR. In the second quarter we completed a 500 million EUR, 5-year, covered bond issue. The transaction, priced on 11 May, supplements our Deposits from customers, supports our growth strategy and enhances our liability structure. Other liabilities increased by a net 32.0 million EUR to 590.6 million EUR.

Equity increased by 29.4 million EUR as we retained the net profit generated in the period. On 30 June 2022 our MREL-eligible securities were 28.84% of our total Risk Exposure Amounts and 13.95% of our leverage exposure, as compared to our minimum requirement from 1 January 2022 of 26.92% and 5.91%, respectively.

Capital and liquidity

Capital €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Shareholders' Equity	1,548.8	1,563.7	1,593.2
Regulatory adjustments	-43.9	-42.5	-43.9
Prudential filters	-0.4	-0.5	-0.5
Common Equity Tier 1	**1,504.5**	**1,520.7**	**1,548.8**
Credit risk exposure amounts	6,307.2	6,393.9	6,582.4
Operational risk exposure amounts	648.8	648.8	648.8
Other risk exposure amounts	31.7	55.8	46.6
Total risk exposure amounts	**6,987.7**	**7,098.5**	**7,277.8**
Common Equity Tier 1 ratio, %	21.5	21.4	21.3
Capital, excluding interim profits			
Common Equity Tier 1, €m	1,429.8	1,503.9	1,499.2
Common Equity Tier 1 ratio, %	20.5	21.2	20.6
Leverage ratio, %	10.3	10.4	10.0

At the end of the second quarter, our own funds totalled 1,548.8 million EUR, composed entirely of Common Equity Tier 1 (CET1) capital. Our CET1, Tier 1, and Total capital ratios were virtually unchanged over the quarter at 21.3%, as we retained the net profit we generated, and Risk Exposure Amounts (REA), which we measure on a standardised basis, increased as we grew our credit portfolio.

Our capital ratios remain well above our minimum capital requirements set by our regulators which, from 1 March 2022, require us to have a CET1 ratio exceeding 10.24%, a Tier 1 ratio above 12.2% and a Total Capital ratio greater than 14.7%. These include a Pillar 2 additional own funds requirement of 2.2%. With effect from July 2022, we will incur a systemic risk buffer of 2% of our risk weighted retail exposures in Lithuania, which we estimate will add 26 basis points to our minimum capital requirements. Further, from December 2022, we will be subject to a countercyclical buffer of 1% of our risk exposures in Estonia, which we estimate will add a further 20 basis points to our minimum capital requirements.

Our target is to manage our capital at a level 150-300 bps above the minimum regulatory requirements. This target includes Pillar 2 guidance and management buffers. We continue to assess the value of Tier 2 capital to improve the efficiency of our capital resources. Our leverage ratio decreased to 10.0% during the quarter due to the increase in total assets and off-balance sheet exposures.

Liquidity %	31 Dec 2021	31 Mar 2022	30 Jun 2022
Liquidity Coverage Ratio	137.3	136.6	148.1
Net Stable Funding Ratio	140.8	136.2	135.2

We manage our liquidity risk prudently and use a range of measures, one of which is the Liquidity Coverage Ratio (LCR). Our LCR increased over the quarter to 148.1%, supported by our covered bond issue, as compared to a minimum regulatory requirement of 100%. The liquidity buffer is composed of cash and liquid, central bank eligible, securities. Long-term liquidity risk is measured by the Net Stable Funding Ratio (NSFR). On 30 June 2022 our NSFR was 135.2% compared to 136.2% at end of the first quarter, and a minimum regulatory requirement of 100%. The decrease of the ratio during the quarter was driven by an increase in Required Stable Funding as we grew Loans to customers.

Asset Quality

Loans to customers €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Stage 1	8,452.0	8,083.8	8,830.7
Stage 2	1,411.0	1,977.9	1,604.7
Stage 3	185.6	171.1	175.9
Gross carrying amount[1]	**10,048.6**	**10,232.8**	**10,611.3**
Credit loss allowances	-101.9	-109.5	-108.5
Net carrying amount	**9,946.7**	**10,123.3**	**10,502.8**
Non-performing loans ratio, %	1.8	1.7	1.7

[1] POCI loans are spread between Stage 2 and Stage 3

The quality of our loan portfolio remains good and stable. The economic impact of the invasion of Ukraine - including sanctions, disruption to supply chains, and inflation - and heightened geopolitical risk means the outlook for loan losses remains uncertain. Fears of recession increased during the quarter and, while the threat from COVID-19 reduced, it remains a concern as infection rates increased. We left our macroeconomic scenarios unchanged from Q1 as existing scenarios reflected already the more challenging environment, which drove an increase in expected credit losses and hence allowances in the previous quarter.

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. Our exposure to residents of Russia, Belarus and Ukraine is 0.02% of our total gross lending and consists mostly of mortgage loans which are secured against residential real estate in the Baltics. Our counterparty credit risk exposure is also insignificant. In our evaluation, the number of our corporate customers with ownership links to the affected region is limited; sales markets for most customers are diversified; and the risks related to the material sourcing and location of production units and operations are mitigated in most cases. We have performed a systematic assessment and have not identified systemic risk though, in the second quarter, we did identify an insignificant number of new, case-specific, non-performing exposures.

Our total Stage 2 exposures decreased by 373 million EUR, principally as we moved exposures modified due to COVID-19 to Stage 1 at the end of 2 years' probation period.

Total non-performing ('Stage 3') loans increased by 4.8 million to 175.9 million EUR, or 1.7% of gross lending, at the end of the second quarter. The inflow of non-performing loans was around 1.1 times higher than the outflow, and this left the volume of non-performing loans slightly higher than at the end of the previous quarter. The higher inflows were driven mostly by a larger exposure where certain geopolitical risks were realised. The outflow was driven by repayments, collection activities including sales of collateral, and cures resulting from the end of probation periods.

Of the 108.5 million EUR total allowances for expected credit losses on the balance sheet at the end of the quarter, 55.8 million EUR were for Stage 3 exposures (including POCI loans). The net carrying amount of Stage 3 loans was 120.1 million EUR against which we held collateral with a fair value of 140.7 million EUR. Details of a net reversal of the Credit loss allowance for the quarter of 2.3 million EUR can be found in the 'Financial Performance' section, above.

Additional information

ECONOMIC ENVIRONMENT

Latest data and forecasts[1]	Public Debt /GDP	Economic growth (GDP)[2]		Inflation (CPI)[2]		Unemployment rate		Wage growth[2]	
%	21Q4	22Q1	22f	June 22	22f	22Q1	22f	22Q1	22f
Estonia	18.1	4.7	1.0	20.0	12.0	5.5	6.0	8.2	8.0
Latvia	44.8	6.4	1.0	18.9	13.5	7.3	7.0	6.9	10.0
Lithuania	44.3	4.4	1.7	16.9	11.1	6.3	7.2	14.0	8.8

1. Luminor economists' forecasts as of 20 April 2022; 2. Year-on-year change

The first quarter of 2022 was better than expected for the Baltic states, with economic growth between 4.4 and 6.4 percent as compared to a year ago. Industrial production continued to grow in all three states, with Latvia also witnessing high growth in trade. Unemployment rates stabilised at levels close to the historic lows of the past two decades while wages grew in response to increases in consumer prices, and supported by higher profits of enterprises.

Prices across the Baltic countries have increased notably, and the rates of increase are among the highest in the euro area. The prices of oil, natural gas and electricity have increased, as have the cost of metals, transport and food. Wages have grown, but by less than prices, so real wages have fallen, which has supported low levels of unemployment. Public debt levels have decreased in Estonia and Latvia as nominal GDP has grown faster than public debt.

Private debt levels are stable, supported by growth of residential real estate prices of around 20 percent. The balance sheet of households remains strong. High inflation has fuelled inflation expectations, and this has led to higher spending and reduced savings. Profits for firms have remained robust as companies have passed increased costs to consumers, and adjusted price lists for expected further cost increases.

The outlook for 2022 has not changed. The focus of risks has shifted from Baltic specific factors to global risks such as higher interest rates and interruptions to energy supplies. Baltic governments are addressing vigorously energy security. For example, in Estonia, an additional Liquified Natural Gas terminal will open by the end of this year.

BUSINESS DEVELOPMENTS

We advanced our work together with Kyndryl as we prepare to launch additional functionalities and products. We also focused on strengthening our security and regulatory compliance processes further, with particular priority given to ensuring robust cyber-security. We continued our work to raise our IT stability and improve our services, products and performance, and progressed both adoption of cloud computing and modernisation of our core banking system.

In Lithuania we launched SEPA instant payments for individuals, and are preparing to roll out this functionality more widely during the year. We improved our ATM network and services for our customers. A joint ATM network for rural areas was launched with other banks in Lithuania. The new network will increase access to cash in rural areas. Just under a quarter of the 100 ATM-network was installed with the rest will follow in the coming quarters.

Several of our product and brand campaigns were recognised and received awards at this year's Kuldmuna, Estonia's largest creative festival, including first prize for our 'Keep doing your thing' brand campaign.

Following the invasion of Ukraine, we have focused on delivering services to our customers and ensuring the security of our customers' funds. Ensuring our risk framework is robust and aligned with developments is a top priority, and we are following diligently all local and international regulations and guidelines, and working closely with the authorities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

During the quarter, we issued our inaugural sustainability report and ESG targets. We are committed to the Paris Agreement and aim to reach net zero greenhouse gas emissions by 2050. We took a number of steps in the quarter to realise our targets.

In April we completed our ESG Due Diligence Guidelines and in June, we approved Industry ESG Risk Management Guidelines for sectors where we assess climate impact to be high – agriculture, construction, retail trade, manufacturing, and energy. The document defines and provides industry specific ESG risk assessment principles and guidance for credit customers. In addition, we were the first bank in the Baltic region to disclose the emissions of our corporate lending portfolio. Furthermore, we started to transform our car fleet in Estonia to hybrid vehicles and will continue this initiative next in Lithuania.

To help to address the humanitarian impact of the invasion of Ukraine, we made it easier for citizens of the Ukraine to open an account with us, free of charge under a simplified process, and offer free daily banking services for three months. We continue to waive fees on all payments to Ukrainian bank accounts.

We joined the Sustainable Business Association of Lithuania (LAVA), which unites companies and organisations whose practices are based on the principles of sustainable business - respect for human rights and labour rights of employees, protection of the environment, addressing the challenges of climate change, combating corruption, and building a civil society. For the second year we sponsored Negavatt, a green business ideas competition, open to those aged 18 to 30, for ideas to save resources and preserve the natural environment. We supported three teams, held a seminar about financing green start-ups, and awarded a special prize, which was won by a team who wants to bring scale to waste sorting.

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 the Baltic countries. We improved our processes and routines during the quarter consistent with our low level of risk appetite and our conservative business model, and continued to invest in our AML/CFT, sanctions compliance, antifraud framework and technology, while promoting ethical behaviour and building our risk culture.

We comply with sanctions imposed by the countries where we operate, together with the European Union, the United Kingdom, and the United States. We added capacity to meet our obligations under the new sanctions' regimes established in the quarter and maintained close contact with stakeholders. We enhanced our AML monitoring with the introduction of enhanced adverse media screening, and new online and post monitoring scenarios, to mitigate more effectively existing and newly emerging risks.

We also introduced changes in our operating model for AML and sanctions compliance by establishing a separate Group Sanctions Compliance Unit and local AML Compliance Units in each Baltic country. These changes helped us to respond effectively to the rapidly changing sanctions environment, and allowed us to be ready to introduce smoothly the European Banking Authority Guidelines on the role, tasks and responsibilities of the AML/CFT Compliance Officer.

OTHER EVENTS

Elanor Rose ('Elly') Hardwick was appointed to the Supervisory Council with effect from 1 April 2022. Miss Hardwick is a financial services executive with two-decades experience in innovation, markets and technology. Most recently she was Chief Digital Officer at UBS Group AG and, prior to that, Head of Innovation at Deutsche Bank AG. In addition to being a member of the Supervisory Council, Miss Hardwick is a member of the Audit, Nomination and Transformation committees.

EVENTS AFTER 30 JUNE

On 1 July, we completed the acquisition of 99% of the shares of Maksekeskus AS (MKK), the leading e-commerce payment service provider in the Baltic region. The acquisition will strengthen our presence in the fast-growing e-commerce payments market and support the expansion of MKK in Latvia and Lithuania. MKK will operate as a subsidiary, under the continued leadership of its CEO, Art Lukas.

Statement of the Management Board

The interim report of Luminor Bank AS for the second quarter of 2022 consists of the Management Report and the Condensed Consolidated Interim Financial Statements.

The data and additional information presented in the interim report of Luminor Bank AS for the second quarter of 2022 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 the Bank's subsidiaries are going concerns.

Peter Bosek
Chief Executive Officer and
Chairman of the Management Board
Tallinn, 9 August 2022

INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

€m	Notes	Q2		H1		FY
		2021	2022	2021	2022	2021
Interest income calculated using the effective interest method	3	55.9	59.0	109.3	114.7	223.5
Other similar income	3	10.5	10.4	21.0	20.9	42.9
Interest and similar expense	3	-6.1	-3.6	-13.4	-6.7	-27.2
Net interest and similar income		**60.3**	**65.8**	**116.9**	**128.9**	**239.2**
Fee and commission income	4	25.2	28.0	47.7	52.9	102.1
Fee and commission expense	4	-5.9	-7.1	-10.9	-14.1	-23.6
Net fee and commission income		**19.3**	**20.9**	**36.8**	**38.8**	**78.5**
Net gain (-loss) from derivatives	5	-1.1	14.9	10.9	27.2	23.4
Net gain (-loss) from foreign currency operations	5	4.8	-6.9	-4.0	-8.6	-7.9
Net other financial income	5	1.6	-5.9	2.9	-11.4	5.4
Other operating income		0.0	0.4	0.9	0.7	1.6
Other operating expense		-2.7	-3.9	-5.3	-7.5	-11.3
Share profit from associates		0.6	0.4	1.0	0.8	1.8
Net other operating income		**3.2**	**-1.0**	**6.4**	**1.2**	**13.0**
Total operating income		**82.8**	**85.7**	**160.1**	**168.9**	**330.7**
Salaries and other personnel expenses		-24.1	-26.8	-49.7	-53.8	-101.0
Other administrative expenses	6	-41.2	-24.4	-83.1	-49.3	-149.7
Depreciation, amortisation and impairment		-3.0	-2.4	-6.0	-5.1	-12.1
Total operating expenses		**-68.3**	**-53.6**	**-138.8**	**-108.2**	**-262.8**
Profit before credit loss allowance		**14.5**	**32.1**	**21.3**	**60.7**	**67.9**
Credit loss allowance, excluding off-balance sheet commitments	8	6.7	0.6	7.0	-7.7	12.8
Credit loss allowance on off-balance sheet commitments		1.9	1.7	1.3	-1.8	1.7
Profit before tax		**23.1**	**34.4**	**29.6**	**51.2**	**82.4**
Tax expense		-1.6	-5.0	-2.3	-6.8	-7.7
Profit for the period		**21.5**	**29.4**	**27.3**	**44.4**	**74.7**
Total other comprehensive income		0.0	0.0	0.0	0.0	0.0
Total comprehensive income		**21.5**	**29.4**	**27.3**	**44.4**	**74.7**

CONDENSED CONSOLIDATED BALANCE SHEET

€m	Notes	31 Dec 2021	31 Mar 2022	30 Jun 2022
Assets				
Cash and balances with central banks		2,494.2	2,603.6	2,714.6
Due from other credit institutions		64.4	70.1	56.3
Debt securities	7	608.2	773.7	899.6
Loans to customers	8	9,946.7	10,123.3	10,502.8
Derivatives	12	75.5	143.1	137.2
Equity instruments		3.2	2.9	2.7
Investments in associates		6.4	6.8	7.3
Intangible assets		10.0	9.7	10.8
Property, plant and equipment		47.0	46.0	44.0
Current tax assets		2.6	3.0	0.9
Deferred tax assets		8.7	8.7	8.6
Other assets		49.9	39.2	45.7
Total assets		**13,316.8**	**13,830.1**	**14,430.5**
Liabilities				
Loans and deposits from credit institutions	12	83.8	213.1	168.5
Deposits from customers	9	10,305.4	10,561.1	10,615.9
Debt securities issued	10	1,163.6	1,146.7	1,630.8
Derivatives	12	70.3	146.9	145.2
Tax liabilities		0.5	0.3	0.2
Lease liabilities		43.4	43.0	41.6
Other liabilities	11	91.9	142.8	223.6
Provisions		9.1	12.5	11.5
Total liabilities		**11,768.0**	**12,266.4**	**12,837.3**
Shareholder’s equity				
Share capital and premium		1,447.1	1,447.1	1,447.1
Retained earnings		97.9	112.9	142.3
Other reserves		3.8	3.7	3.8
Total shareholder's equity		**1,548.8**	**1,563.7**	**1,593.2**
Total liabilities and shareholder’s equity		**13,316.8**	**13,830.1**	**14,430.5**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€m	Share capital and premium	Retained earnings	Other reserves	Total equity
Balance as at 31 December 2020	**1,447.1**	**215.1**	**3.0**	**1,665.2**
Profit for the period	0.0	27.3	0.0	**27.3**
Total comprehensive income	**0.0**	**27.3**	**0.0**	**27.3**
Transfer to mandatory reserve	0.0	0.0	0.0	**0.0**
Dividends	0.0	-1.0	0.0	**-1.0**
Other	0.0	0.0	0.0	**0.0**
Balance as at 30 June 2021	**1,447.1**	**241.4**	**3.0**	**1,691.5**
Balance as at 31 December 2020	**1,447.1**	**215.1**	**3.0**	**1,665.2**
Profit for the period	0.0	74.7	0.0	**74.7**
Total comprehensive income	**0.0**	**74.7**	**0.0**	**74.7**
Transfer to mandatory reserve	0.0	-0.8	0.8	**0.0**
Dividends	0.0	-191.0	0.0	**-191.0**
Other	0.0	-0.1	0.0	**-0.1**
Balance as at 31 December 2021	**1,447.1**	**97.9**	**3.8**	**1,548.8**
Balance as at 31 December 2021	**1,447.1**	**97.9**	**3.8**	**1,548.8**
Profit for the period	0.0	44.4	0.0	**44.4**
Total comprehensive income	**0.0**	**44.4**	**0.0**	**44.4**
Transfer to mandatory reserve	0.0	0.0	0.0	**0.0**
Dividends	0.0	0.0	0.0	**0.0**
Other	0.0	0.0	0.0	**0.0**
Balance as at 30 June 2022	**1,447.1**	**142.3**	**3.8**	**1,593.2**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

€m	Notes	H1		FY
		2021	2022	2021
Profit before tax		29.6	51.2	82.4
Adjustment for non-cash items:				
Credit loss allowance		-8.6	9.5	-14.8
Depreciation, amortisation, and impairment		6.0	5.1	12.1
Other non-cash items		-0.7	-0.7	-1.5
Interest and similar income	3	-130.3	-135.6	-266.4
Interest and similar expenses	3	13.4	6.7	27.2
Change in operating assets/liabilities:				
Increase (-) / decrease (+) of lending to customers		-201.4	-563.8	-509.1
Increase (-) / decrease (+) of other assets		-10.3	-344.0	-318.5
Increase (+) / decrease (-) of client deposits	9	-1,171.4	395.3	-1,478.5
Increase (+) / decrease (-) of other liabilities		46.0	178.9	31.2
Interest received		127.0	134.2	276.5
Interest paid		-10.0	-7.4	-27.8
Income tax paid		-4.7	-4.7	-8.8
Dividend income		0.0	0.0	-0.7
Cash flow used in operating activities		**-1,315.4**	**-275.3**	**-2,196.7**
Acquisition of property, equipment and intangible assets		-3.2	-2.9	-8.0
Proceeds from disposal of property, equipment and intangible assets		0.3	0.0	0.3
Proceeds from disposal of investment property		0.3	0.0	0.5
Dividend received		0.0	0.0	0.7
Cash flows used in investing activities		**-2.6**	**-2.9**	**-6.5**
Debt securities issued	10	0.0	498.9	299.3
Debt securities bought back		0.0	0.0	-235.5
Debt securities repayment on maturity		0.0	0.0	-100.8
Payments of principal on leases		-3.0	-2.8	-6.4
Dividends paid		-1.0	0.0	-191.0
Cash flows from / (used in) financing activities		**-4.0**	**496.1**	**-234.4**
Net increase or decrease in cash and cash equivalents		**-1,322.0**	**217.9**	**-2,437.6**
Cash and cash equivalents at the beginning of the period		4,884.8	2,447.2	4,884.8
Effects of currency translation on cash and cash equivalents		0.0	0.1	0.0
Net increase or decrease in cash and cash equivalents		-1,322.0	217.9	-2,437.6
Cash and cash equivalents at the end of the period		**3,562.8**	**2,665.2**	**2,447.2**
Cash and cash equivalents comprise:				
Cash on hand		149.3	125.3	136.1
Non-restricted current account with central bank		3,345.5	2,486.1	2,249.3
Due from other credit institutions within three months		68.0	53.8	61.8
Total		**3,562.8**	**2,665.2**	**2,447.2**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. SIGNIFICANT 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 2021 (Luminor Bank Annual Report 2021). The financial information in this interim report is presented to material extent in the same format as in the Luminor Bank Annual Report 2021. Minor changes were made within the statement of profit or loss and other comprehensive income where we have shifted "Share profit of associates" line item so that it forms part of Net other operating income subtotal, being operating in its nature. Additionally, remapping has been done for comparative figures for 2021 in relation to "Other similar income" and "Interest income calculated using the effective interest method" to align with the structure to Luminor Bank Annual Report 2021 (Q2 2021: 1.7 million EUR, H1 2021: 3.1 million EUR).

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Luminor Bank Annual Report 2021, except for the adoption of new standards effective as of 1 January 2022. Several amendments and interpretations are effective for the first time in 2022, 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 continuously evaluated and are based on management's experience and expectations of future events. Consistent with Luminor Bank Annual Report 2021 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 2021 except as noted further. For more detailed information on the impairment policies, please, refer to the Note 4 'General Risk Management Policies' of the Luminor Bank Annual Report 2021.

The applied Expected Credit Loss (the ECL) model was enhanced during the first quarter of 2022 to reflect the effects of the invasion of Ukraine. New collective Significant Increase in Credit Risk (SICR) indicators were incorporated into the ECL model due to different measures taken by governments and companies, such as sanctions and closure of operations. Consequently, an additional collective impairment was established. Implementation of the new SICR indicators had an impact on staging of credit exposures by increasing the amount of exposures classified as Stage 2, as well as by increasing the total amount of impairment due to reclassification of exposures from Stage 1 to Stage 2. Consideration of the new SICR indicators was based on the assessment of the impact of geopolitical risk, inflationary risk (including sustained energy price increase) on credit customers, and on identification of customers with energy intensive operations. This approach remained unchanged in the second quarter of 2022.

A management overlay adjustment introduced to adjust the standard ECL model output for the potential credit losses related to COVID-19, and applied since the fourth quarter of 2020, continued to apply in the first half of 2022, but the amount of the overlay was reduced as compared to 31 December 2021 as Covid-19 related restrictions were lifted, the severity of new variants reduced, and Covid-19 impacted portfolios re-assessed. Macroeconomic scenarios and their weights were re-considered in the first half of 2022 to reflect, mainly, possible consequences of the invasion of Ukraine and COVID-19.

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 2021, except for loans to customers, where differentiated interest rates used to discount future cash flows of mortgage loans to private individuals and all other loans.

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. For more detailed information on the impairment policies, please, refer to the Note 4 'General Risk Management Policies' of the Luminor Bank Annual Report 2021. During the first half of 2022, the impairment calculation approach remained unchanged, except for the amendments disclosed in the Note 1.

Three year projections of macroeconomic variables and probability weights are prepared for each of the Baltic countries. These were most recently prepared in the first quarter of 2022 to reflect, mainly, possible consequences of the invasion of Ukraine and COVID-19. Luminor believes that these projections remain relevant for the purposes of ECL calculation as of 30 June 2022. The probability weights for scenarios changed, with a weight of 20% (previously 10%) probability for the optimistic scenario, 50% (previously 60%) for the baseline, and 30% for the pessimistic scenario. The following table shows the parameters that were used for macroeconomic modelling.

Measure by country, %	2021a	Scenarios								
		Optimistic			Baseline			Pessimistic		
		22f	23f	24f	22f	23f	24f	22f	23f	24f
Real GDP[1]										
Estonia	8.3	1.0	5.0	6.0	0.0	2.0	6.0	-5.0	0.0	7.0
Latvia	4.8	2.0	6.0	5.0	0.0	3.0	7.0	-4.0	0.0	8.0
Lithuania	4.9	1.0	5.0	5.0	0.0	2.0	6.0	-5.0	0.0	7.0
Unemployment rate										
Estonia	6.2	7.0	7.0	6.0	9.0	10.0	7.0	11.0	12.0	8.0
Latvia	7.6	7.0	7.0	7.0	10.0	11.0	8.0	12.0	13.0	9.0
Lithuania	6.9	7.0	7.0	6.0	9.0	10.0	7.0	11.0	12.0	8.0
Residential Real Estate price[1]										
Estonia	15.0	9.0	8.0	7.0	0.0	5.0	7.0	-25.0	-5.0	10.0
Latvia	11.0	9.0	8.0	7.0	0.0	5.0	7.0	-25.0	-5.0	10.0
Lithuania	16.0	9.0	8.0	7.0	0.0	5.0	7.0	-25.0	-5.0	10.0

[1] Annual change

Given the uncertainty caused by COVID-19, Luminor maintained, in part, a management overlay of 5 million EUR at 30 June 2022. The overlay was reduced by 6 million EUR in the first quarter of 2022 and by a further 1 million in the second quarter.

MARKET RISK

Luminor has a low appetite for market risk. The most significant parts of market risk, interest rate risk and credit spread risk, stayed well within internal limits during the second quarter despite the changes in the outlook for interest rates and the impacts of the invasion of Ukraine. Luminor has further increased its banking book bond portfolio holdings during the second quarter from 715.4 million EUR to 843.1 million EUR. The significance of other risks is low as Luminor does not have any open positions in equity instruments for trading, customer related foreign exchange flow is hedged each day, and all derivative contracts with customers are hedged with back-to-back transactions.

LIQUIDITY RISK

Luminor's liquidity position has remained strong in the second quarter, with an LCR ratio of 148.1% at quarter end. There were no external regulatory limit breaches for liquidity risk during the second quarter of 2022.

3. NET INTEREST AND SIMILAR INCOME

€m	Q2		H1		FY
	2021	2022	2021	2022	2021
Loans and advances to customers at amortised cost	54.2	56.6	106.1	109.9	215.9
Deposits with other banks	0.0	0.1	0.1	0.3	0.4
Negative interest on financial liabilities	1.7	2.3	3.1	4.5	7.2
Interest income calculated using effective interest method	**55.9**	**59.0**	**109.3**	**114.7**	**223.5**
Finance leases	10.2	10.1	20.4	20.4	42.0
Other interest	0.3	0.3	0.6	0.5	0.9
Other similar income	**10.5**	**10.4**	**21.0**	**20.9**	**42.9**
Interest and similar income	**66.4**	**69.4**	**130.3**	**135.6**	**266.4**
Loans and deposits from credit institutions[1]	-3.9	-2.1	-8.5	-3.9	-15.1
Deposits from customers	-0.4	-0.2	-0.9	-0.4	-1.3
Impact of hedging activities	0.9	1.2	1.5	1.6	-1.2
Debt securities issued	-2.1	-2.3	-4.1	-3.6	-7.5
Other[2]	-0.6	-0.2	-1.4	-0.4	-2.1
Interest expense	**-6.1**	**-3.6**	**-13.4**	**-6.7**	**-27.2**
Net interest and similar income	**60.3**	**65.8**	**116.9**	**128.9**	**239.2**
[1] Of which interest paid on cash balances at central bank	-3.9	-2.0	-8.4	-3.8	-14.7
[2] Of which interest paid on former parent funding loan commitment	0.0	0.0	-1.2	0.0	-1.2

Interest and similar income by country of income generation	Q2		H1		FY
€m	2021	2022	2021	2022	2021
Estonia	16.6	15.7	32.8	31.0	65.8
Latvia	21.4	21.3	41.5	42.3	85.0
Lithuania	28.4	32.4	56.0	62.3	115.6
Total	**66.4**	**69.4**	**130.3**	**135.6**	**266.4**

4. NET FEE AND COMMISSION INCOME

€m	Q2		H1		FY
	2021	2022	2021	2022	2021
Cards	8.2	9.9	15.0	18.5	34.2
Credit products	1.4	2.3	2.4	3.7	4.9
Daily banking plans	3.9	4.5	7.8	8.5	16.0
Deposit products and cash management	4.4	4.2	8.5	8.2	16.8
Insurance	1.0	0.9	1.9	1.7	3.9
Investments	1.5	1.3	2.6	2.5	5.1
Pensions	2.4	2.2	4.9	4.6	11.5
Trade finance	2.1	2.4	4.2	4.8	8.9
Other fee and commission income	0.3	0.3	0.4	0.4	0.8
Fee and commission income	**25.2**	**28.0**	**47.7**	**52.9**	**102.1**
Cards	-4.4	-4.9	-7.9	-10.1	-17.2
Credit products	-0.1	-0.7	-0.3	-1.1	-0.6
Deposit products and cash management	-0.8	-0.8	-1.5	-1.6	-2.9
Insurance	0.0	-0.1	0.0	-0.1	0.0
Investments	-0.3	-0.3	-0.7	-0.7	-1.4
Pensions	-0.1	-0.2	-0.3	-0.4	-1.3
Other fee and commission expense	-0.2	-0.1	-0.2	-0.1	-0.2
Fee and commission expense	**-5.9**	**-7.1**	**-10.9**	**-14.1**	**-23.6**
Cards	3.8	5.0	7.1	8.4	17.0
Credit products	1.3	1.6	2.1	2.6	4.3
Daily banking plans	3.9	4.5	7.8	8.5	16.0
Deposit products and cash management	3.6	3.4	7.0	6.6	13.9
Insurance	1.0	0.8	1.9	1.6	3.9
Investments	1.2	1.0	1.9	1.8	3.7
Pensions	2.3	2.0	4.6	4.2	10.2
Trade finance	2.1	2.4	4.2	4.8	8.9
Other fee and commission income	0.1	0.2	0.2	0.3	0.6
Net fee and commission income	**19.3**	**20.9**	**36.8**	**38.8**	**78.5**

Fee and commission income by country of income generation	Q2		H1		FY
€m	2021	2022	2021	2022	2021
Estonia	4.1	3.9	7.8	7.6	15.8
Latvia	7.4	8.3	14.4	15.7	31.6
Lithuania	13.7	15.8	25.5	29.6	54.7
Total	**25.2**	**28.0**	**47.7**	**52.9**	**102.1**

Fee and commission income by revenue recognition and product, €m	2021			2022		
	Over time	Point in time	Total	Over time	Point in time	Total
Second quarter						
Cards	2.2	6.0	**8.2**	2.8	7.1	**9.9**
Credit products	0.4	1.0	**1.4**	0.3	2.0	**2.3**
Daily banking plans	3.9	0.0	**3.9**	4.5	0.0	**4.5**
Deposit products and cash management	0.9	3.5	**4.4**	1.1	3.1	**4.2**
Insurance	0.0	1.0	**1.0**	0.0	0.9	**0.9**
Investments	0.7	0.8	**1.5**	0.6	0.7	**1.3**
Pensions	2.4	0.0	**2.4**	2.2	0.0	**2.2**
Trade finance	1.9	0.2	**2.1**	2.2	0.2	**2.4**
Other fee and commission income	0.0	0.3	**0.3**	0.1	0.2	**0.3**
Total	**12.4**	**12.8**	**25.2**	**13.8**	**14.2**	**28.0**
First half						
Cards	4.0	11.0	**15.0**	5.2	13.3	**18.5**
Credit products	0.9	1.5	**2.4**	0.6	3.1	**3.7**
Daily banking plans	7.8	0.0	**7.8**	8.5	0.0	**8.5**
Deposit products and cash management	1.7	6.8	**8.5**	1.8	6.4	**8.2**
Insurance	0.0	1.9	**1.9**	0.0	1.7	**1.7**
Investments	1.1	1.5	**2.6**	1.0	1.5	**2.5**
Pensions	4.9	0.0	**4.9**	4.6	0.0	**4.6**
Trade finance	3.8	0.4	**4.2**	4.3	0.5	**4.8**
Other fee and commission income	0.0	0.4	**0.4**	0.0	0.4	**0.4**
Total	**24.2**	**23.5**	**47.7**	**26.0**	**26.9**	**52.9**
Full year						
Cards	9.3	24.9	**34.2**			
Credit products	1.6	3.3	**4.9**			
Daily banking plans	16.0	0.0	**16.0**			
Deposit products and cash management	3.0	13.8	**16.8**			
Insurance	0.0	3.9	**3.9**			
Investments	2.1	3.0	**5.1**			
Pensions	11.5	0.0	**11.5**			
Trade finance	8.1	0.8	**8.9**			
Other fee and commission income	0.0	0.8	**0.8**			
Total	**51.6**	**50.5**	**102.1**			

5. NET FINANCIAL INCOME

€m	Q2		H1		FY
	2021	2022	2021	2022	2021
Net gain (-loss) from financial derivatives	-1.1	14.9	10.9	27.2	23.4
Net gain (-loss) from foreign currency operations	4.8	-6.9	-4.0	-8.6	-7.9
Net other financial income	1.6	-5.9	2.9	-11.4	5.4
of which Net gain (-loss) on financial assets and liabilities at FVTPL	0.1	-0.2	0.2	-0.4	0.3
of which Net gain (-loss) on debt securities designated at FVTPL	0.0	-8.2	-0.4	-14.9	-1.9
of which Net gain on financial assets and liabilities held for trading	1.5	2.5	3.1	3.9	7.0
Total	**5.3**	**2.1**	**9.8**	**7.2**	**20.9**

The debt securities designated at fair value through profit or loss were negatively impacted by changes in underlying interest rate curves. The portfolio has positive duration (close to 3 years) and therefore an increase in rates lowers the value of the portfolio. The net loss from foreign currency operations reflects mainly the revaluation of foreign currency customer liabilities. The net losses on debt securities designated at fair value through profit or loss and from foreign currency operations are offset by the positive revaluation of derivatives, with which these assets and liabilities are hedged economically.

6. OTHER ADMINISTRATIVE EXPENSES

€m	Q2		H1		FY
	2021	2022	2021	2022	2021
IT related expenses[1]	-27.1	-16.3	-51.3	-32.9	-96.8
Consulting and professional services[2]	-7.8	-2.5	-17.9	-4.1	-24.8
Advertising and marketing expenses	-0.9	-1.9	-1.5	-3.1	-6.5
Real estate expenses	-1.0	-0.7	-2.0	-1.5	-3.7
Taxes and duties	-0.8	0.9	-2.2	-0.4	-3.8
Other expenses	-3.6	-3.9	-8.2	-7.3	-14.1
Total	**-41.2**	**-24.4**	**-83.1**	**-49.3**	**-149.7**

[1] IT related expenses decreased mostly due to completed IT projects in 2021.

[2] Consulting and professional services costs decreased due to completed consultations in 2021 or larger expenses for ongoing consultations incurred in 2021.

7. DEBT SECURITIES

€m	At amortised cost[1]	Designated at FVTPL	Mandatorily measured at FVTPL	Measured at FVTOCI	Total
31 December 2021					
Governments	242.7	242.1	1.4	1.4	**487.6**
Credit institutions	37.4	23.7	5.2	0.0	**66.3**
Other financial corporations	0.0	0.0	7.9	0.0	**7.9**
Corporate bonds	45.4	0.0	1.0	0.0	**46.4**
Total	**325.5**	**265.8**	**15.5**	**1.4**	**608.2**
31 March 2022					
Governments	443.8	196.1	0.5	1.3	**641.7**
Credit institutions	47.4	23.1	0.0	0.0	**70.5**
Other financial corporations	0.0	0.0	8.4	0.0	**8.4**
Corporate bonds	45.5	0.0	7.6	0.0	**53.1**
Total	**536.7**	**219.2**	**16.5**	**1.3**	**773.7**
30 June 2022					
Governments	569.0	185.5	1.4	2.8	**758.7**
Credit institutions	55.7	22.7	0.2	0.0	**78.6**
Other financial corporations	0.0	0.0	7.2	0.0	**7.2**
Corporate bonds	48.5	0.0	6.6	0.0	**55.1**
Total	**673.2**	**208.2**	**15.4**	**2.8**	**899.6**

[1] In the first half of 2022 Luminor increased its liquidity portfolio with investments in debt securities which were designated at amortized cost (purchase of 347.7 million EUR). The investments were made mostly in low-risk government (EU, EIB and EU governments) and covered bonds which are ECB-eligible and can be used to obtain additional liquidity in case of necessity. Debt securities includes information on both banking book and trading book, whereas total portfolio of Debt securities amounts to 899.6 million EUR as of 30 June 2022.

8. LOANS TO CUSTOMERS

€m	31 Dec 2021	31 Mar 2022	30 Jun 2022
By customer type			
Individual customers	5,640.0	5,689.5	5,795.7
Business customers	3,922.9	4,054.8	4,301.8
Financial institutions	199.5	205.6	227.8
Public sector	184.3	173.4	177.5
Total	**9,946.7**	**10,123.3**	**10,502.8**
of which pledged loans	549.1	1,372.1[1]	1,840.0
By country of registration			
Estonia, Latvia, and Lithuania	9,671.9	9,875.1	10,287.6
Other EU countries	178.5	175.5	169.4
Other countries	96.3	72.7	45.8
Total	**9,946.7**	**10,123.3**	**10,502.8**

[1] For the purposes of having higher liquidity buffer Luminor did two issues of retained covered bonds in Q1 2022, presented off-balance. Collateral pool was created and bonds were used as pledge to CB.

Loans and allowances	Gross carrying amount					Credit loss allowances					Net
€m	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	amount
31 December											
Mortgage loans	4,415.4	359.8	52.1	6.3	**4,833.6**	-8.2	-8.2	-13.8	-0.2	**-30.4**	**4,803.2**
Leasing	421.3	30.9	2.7	0.0	**454.9**	-0.7	-0.7	-0.6	0.0	**-2.0**	**452.9**
Consumer loans, cards	102.3	5.3	0.7	0.0	**108.3**	-0.5	-0.5	-0.2	0.0	**-1.2**	**107.1**
Other loans	214.4	54.4	12.4	2.1	**283.3**	-1.0	-1.4	-3.6	-0.5	**-6.5**	**276.8**
Individual customers	**5,153.4**	**450.4**	**67.9**	**8.4**	**5,680.1**	**-10.4**	**-10.8**	**-18.2**	**-0.7**	**-40.1**	**5,640.0**
Loans	1,981.7	732.3	93.7	29.4	**2,837.1**	-3.1	-12.3	-31.4	-0.7	**-47.5**	**2,789.6**
Leasing	704.4	167.7	16.7	0.9	**889.7**	-1.8	-5.2	-4.6	-0.1	**-11.7**	**878.0**
Factoring	237.1	18.1	1.8	0.0	**257.0**	-0.7	-0.1	-0.9	0.0	**-1.7**	**255.3**
Business customers	**2,923.2**	**918.1**	**112.2**	**30.3**	**3,983.8**	**-5.6**	**-17.6**	**-36.9**	**-0.8**	**-60.9**	**3,922.9**
Financial institutions	191.0	8.9	0.3	0.0	200.2	-0.2	-0.2	-0.3	0.0	-0.7	199.5
Public sector	184.4	0.0	0.1	0.0	184.5	-0.1	0.0	-0.1	0.0	-0.2	184.3
Total	**8,452.0**	**1,377.4**	**180.5**	**38.7**	**10,048.6**	**-16.3**	**-28.6**	**-55.5**	**-1.5**	**-101.9**	**9,946.7**
31 March 2022											
Mortgage loans	4,422.4	416.4	44.6	6.0	**4,889.4**	-8.5	-9.8	-12.4	-0.2	**-30.9**	**4,858.5**
Leasing	421.1	25.4	2.1	0.0	**448.6**	-1.2	-0.5	-0.4	0.0	**-2.1**	**446.5**
Consumer loans, cards	103.9	5.4	0.7	0.0	**110.0**	-0.5	-0.5	-0.2	0.0	**-1.2**	**108.8**
Other loans	212.0	57.0	10.8	2.0	**281.8**	-1.3	-1.3	-3.2	-0.3	**-6.1**	**275.7**
Individual customers	**5,159.4**	**504.2**	**58.2**	**8.0**	**5,729.8**	**-11.5**	**-12.1**	**-16.2**	**-0.5**	**-40.3**	**5,689.5**
Loans	1,779.5	1,055.8	93.9	29.0	**2,958.2**	-5.6	-14.2	-33.1	-0.4	**-53.3**	**2,904.9**
Leasing	652.9	242.0	13.7	0.8	**909.4**	-3.0	-4.8	-4.9	-0.2	**-12.9**	**896.5**
Factoring	174.0	81.2	0.2	0.0	**255.4**	-0.8	-0.4	-0.8	0.0	**-2.0**	**253.4**
Business customers	**2,606.4**	**1,379.0**	**107.8**	**29.8**	**4,123.0**	**-9.4**	**-19.4**	**-38.8**	**-0.6**	**-68.2**	**4,054.8**
Financial institutions	144.8	61.2	0.3	0.0	206.3	-0.2	-0.2	-0.3	0.0	-0.7	205.6
Public sector	173.2	0.4	0.1	0.0	173.7	-0.2	0.0	-0.1	0.0	-0.3	173.4
Total	**8,083.8**	**1,944.8**	**166.4**	**37.8**	**10,232.8**	**-21.3**	**-31.7**	**-55.4**	**-1.1**	**-109.5**	**10,123.3**
30 June 2022											
Mortgage loans	4,703.0	210.8	41.2	5.8	**4,960.8**	-8.9	-7.4	-10.2	-0.2	**-26.7**	**4,934.1**
Leasing	437.8	28.9	1.9	0.0	**468.6**	-1.3	-0.8	-0.5	0.0	**-2.6**	**466.0**
Consumer loans, cards	110.2	5.2	0.6	0.0	**116.0**	-0.5	-0.6	-0.2	0.0	**-1.3**	**114.7**
Other loans	217.9	55.2	12.2	1.9	**287.2**	-1.4	-1.5	-3.1	-0.3	**-6.3**	**280.9**
Individual customers	**5,468.9**	**300.1**	**55.9**	**7.7**	**5,832.6**	**-12.1**	**-10.3**	**-14.0**	**-0.5**	**-36.9**	**5,795.7**
Loans	2,030.8	978.0	85.5	10.7	**3,105.0**	-7.0	-14.2	-33.3	-0.3	**-54.8**	**3,050.2**
Leasing	737.7	206.3	11.4	0.8	**956.2**	-3.2	-4.3	-3.7	-0.2	**-11.4**	**944.8**
Factoring	245.5	47.2	18.3	0.0	**311.0**	-0.4	-0.2	-3.6	0.0	**-4.2**	**306.8**
Business customers	**3,014.0**	**1,231.5**	**115.2**	**11.5**	**4,372.2**	**-10.6**	**-18.7**	**-40.6**	**-0.5**	**-70.4**	**4,301.8**
Financial institutions	170.1	58.3	0.3	0.0	228.7	-0.4	-0.2	-0.3	0.0	-0.9	227.8
Public sector	177.7	0.0	0.1	0.0	177.8	-0.2	0.0	-0.1	0.0	-0.3	177.5
Total	**8,830.7**	**1,589.9**	**171.5**	**19.2**	**10,611.3**	**-23.3**	**-29.2**	**-55.0**	**-1.0**	**-108.5**	**10,502.8**

Business customers	Gross carrying amount					Credit loss allowances					Net
Loans and allowances, €m	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	amount
31 December 2021											
Real estate activities	805.3	312.0	35.1	26.6	**1,179.0**	-1.2	-7.2	-2.3	-0.5	**-11.2**	**1,167.8**
Wholesale and retail trade	589.5	170.3	6.3	0.1	**766.2**	-1.2	-2.1	-2.0	-0.1	**-5.4**	**760.8**
Manufacturing	380.1	120.0	8.7	0.1	**508.9**	-0.7	-1.8	-3.0	0.0	**-5.5**	**503.4**
Transport and storage	248.5	48.4	8.6	0.2	**305.7**	-0.6	-1.0	-4.1	-0.2	**-5.9**	**299.8**
Agriculture, forestry, and fishing	243.1	51.4	5.5	0.1	**300.1**	-0.7	-0.9	-1.8	0.0	**-3.4**	**296.7**
Construction	173.6	31.7	15.5	1.6	**222.4**	-0.5	-0.4	-7.2	0.0	**-8.1**	**214.3**
Administrative & support services	111.5	73.8	10.2	0.0	**195.5**	-0.2	-2.7	-5.1	0.0	**-8.0**	**187.5**
Professional, scientific, technical	107.0	18.0	0.4	0.0	**125.4**	-0.1	-0.2	-0.2	0.0	**-0.5**	**124.9**
Electricity, gas, steam, & aircon	69.5	8.1	2.8	0.0	**80.4**	-0.1	-0.2	-1.7	0.0	**-2.0**	**78.4**
Other sectors	195.1	84.4	19.1	1.6	**300.2**	-0.3	-1.1	-9.5	0.0	**-10.9**	**289.3**
Total	**2,923.2**	**918.1**	**112.2**	**30.3**	**3,983.8**	**-5.6**	**-17.6**	**-36.9**	**-0.8**	**-60.9**	**3,922.9**
31 March 2022											
Real estate activities	751.4	417.3	19.0	26.2	**1,213.9**	-2.6	-7.3	-2.3	-0.3	**-12.5**	**1,201.4**
Wholesale and retail trade	445.6	252.4	19.5	0.1	**717.6**	-1.3	-2.0	-3.5	-0.1	**-6.9**	**710.7**
Manufacturing	345.4	195.0	9.1	0.1	**549.6**	-1.1	-1.8	-3.1	0.0	**-6.0**	**543.6**
Transport and storage	192.8	111.3	7.2	0.2	**311.5**	-0.9	-1.4	-3.8	-0.2	**-6.3**	**305.2**
Agriculture, forestry, and fishing	223.7	73.7	4.6	0.0	**302.0**	-1.0	-1.5	-1.7	0.0	**-4.2**	**297.8**
Construction	172.2	44.4	14.5	1.5	**232.6**	-0.7	-1.1	-7.2	0.0	**-9.0**	**223.6**
Administrative & support services	100.3	94.0	12.3	0.0	**206.6**	-0.5	-1.7	-5.6	0.0	**-7.8**	**198.8**
Professional, scientific, technical	79.8	72.9	0.3	0.0	**153.0**	-0.4	-0.9	-0.1	0.0	**-1.4**	**151.6**
Electricity, gas, steam, & aircon	63.5	26.0	2.7	0.0	**92.2**	-0.2	-0.2	-2.2	0.0	**-2.6**	**89.6**
Other sectors	231.7	92.0	18.6	1.7	**344.0**	-0.7	-1.5	-9.3	0.0	**-11.5**	**332.5**
Total	**2,606.4**	**1,379.0**	**107.8**	**29.8**	**4,123.0**	**-9.4**	**-19.4**	**-38.8**	**-0.6**	**-68.2**	**4,054.8**
30 June 2022											
Real estate activities	891.1	305.2	14.2	8.0	**1,218.5**	-2.8	-5.1	-1.7	-0.2	**-9.8**	**1,208.7**
Wholesale and retail trade	427.7	181.5	36.3	0.1	**645.6**	-1.4	-1.4	-6.3	-0.1	**-9.2**	**636.4**
Manufacturing	452.1	215.2	9.4	0.1	**676.8**	-1.4	-2.2	-3.2	0.0	**-6.8**	**670.0**
Transport and storage	200.6	112.8	6.6	0.2	**320.2**	-0.9	-1.9	-3.7	-0.2	**-6.7**	**313.5**
Agriculture, forestry, and fishing	258.1	66.2	3.9	0.0	**328.2**	-1.0	-1.3	-1.6	0.0	**-3.9**	**324.3**
Construction	197.9	65.4	15.3	1.5	**280.1**	-0.8	-1.2	-7.9	0.0	**-9.9**	**270.2**
Administrative & support services	156.0	82.4	9.2	0.0	**247.6**	-0.6	-1.9	-5.0	0.0	**-7.5**	**240.1**
Professional, scientific, technical	112.7	55.9	0.2	0.0	**168.8**	-0.6	-1.1	-0.1	0.0	**-1.8**	**167.0**
Electricity, gas, steam, & aircon	57.7	7.2	1.8	0.0	**66.7**	-0.1	-0.1	-1.6	0.0	**-1.8**	**64.9**
Other sectors	260.1	139.7	18.3	1.6	**419.7**	-1.0	-2.5	-9.5	0.0	**-13.0**	**406.7**
Total	**3,014.0**	**1,231.5**	**115.2**	**11.5**	**4,372.2**	**-10.6**	**-18.7**	**-40.6**	**-0.5**	**-70.4**	**4,301.8**

Loans to customers by risk category and stage, €m	Stage 1	Stage 2	Stage 3	POCI	Total
31 December 2021					
Low risk	5,949.6	307.6	0.0	3.3	**6,260.4**
Moderate risk	2,342.9	745.5	0.0	6.9	**3,095.3**
High risk	159.5	324.3	0.0	23.4	**507.3**
Default	0.0	0.0	180.5	5.1	**185.6**
Gross carrying amount	**8,452.0**	**1,377.4**	**180.5**	**38.7**	**10,048.6**
Allowance for impairment	−16.3	−28.6	−55.5	−1.5	**−101.9**
Net carrying amount	**8,435.7**	**1,348.8**	**125.0**	**37.2**	**9,946.7**
31 March 2022					
Low risk	6,007.4	537.3	0.0	3.2	6,547.9
Moderate risk	1,951.5	1,053.8	0.0	6.6	3,011.9
High risk	124.9	353.7	0.0	23.3	501.9
Default	0.0	0.0	166.4	4.7	171.1
Gross carrying amount	**8,083.8**	**1,944.8**	**166.4**	**37.8**	**10,232.8**
Allowance for impairment	−21.3	−31.7	−55.4	−1.1	**−109.5**
Net carrying amount	**8,062.5**	**1,913.1**	**111.0**	**36.7**	**10,123.3**
30 June 2022					
Low risk	6,559.2	379.1	0.0	3.0	**6,941.3**
Moderate risk	2,131.6	841.8	0.0	7.0	**2,980.4**
High risk	139.9	369.0	0.0	6.7	**515.6**
Default	0.0	0.0	171.5	2.5	**174.0**
Gross carrying amount	**8,830.7**	**1,589.9**	**171.5**	**19.2**	**10,611.3**
Allowance for impairment	−23.3	−29.2	−55.0	−1.0	**−108.5**
Net carrying amount	**8,807.4**	**1,560.7**	**116.5**	**18.2**	**10,502.8**

Information about credit loss allowances

For the purposes of the movement schedules below, Luminor assesses Stages only at the reporting date and transfers between the Stages reflect this. Movements between stages are measured at the beginning of the reporting period.

Loans and allowances movement, €m	1H21					1H22				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount										
Opening balance	7,958.3	1,266.2	288.2	55.0	**9,567.7**	8,452.0	1,377.4	180.5	38.7	**10,048.6**
Transfers between Stages	110.8	-142.2	31.4	0.0	**0.0**	-447.8	376.7	71.1	0.0	**0.0**
Originated or purchased	1,152.0	0.0	0.0	5.8	**1,157.8**	1,502.4	0.0	0.0	0.2	**1,502.6**
Derecognised inc. write offs	-625.5	-257.4	-76.6	-10.1	**-954.8**	-675.9	-164.2	-80.1	-19.7	**-939.9**
Closing balance[1]	**8,595.6**	**866.6**	**243.0**	**50.7**	**9,755.9**	**8,830.7**	**1,589.9**	**171.5**	**19.2**	**10,611.3**
Credit loss allowance										
Opening balance	-21.2	-23.1	-89.1	-3.5	**-136.9**	-16.3	-28.6	-55.5	-1.5	**-101.9**
Transfer to Stage 1	-7.7	5.9	1.8	0.0	**0.0**	-9.7	9.5	0.2	0.0	**0.0**
Transfer to Stage 2	1.2	-5.8	4.6	0.0	**0.0**	3.0	-6.3	3.3	0.0	**0.0**
Transfer to Stage 3	2.5	1.2	-3.7	0.0	**0.0**	1.7	1.6	-3.3	0.0	**0.0**
Originated or purchased	-9.6	0.0	0.0	0.0	**-9.6**	-7.6	0.0	0.0	0.0	**-7.6**
Derecognised and repaid	1.1	1.7	20.7	0.0	**23.5**	0.4	1.3	1.9	0.0	**3.6**
Change in ECL assumptions, Stages & other	15.0	0.7	-14.8	-0.7	**0.2**	5.2	-13.6	-3.2	0.7	**-10.9**
Management overlay	-0.1	-7.0	0.0	0.0	**-7.1**	0.0	6.9	0.0	0.3	**7.2**
Total	**2.4**	**-3.3**	**8.6**	**-0.7**	**7.0**	-7.0	-0.6	-1.1	1.0	**-7.7**
Write-offs	0.0	0.0	14.7	0.3	**15.0**	0.0	0.0	1.6	-0.5	**1.1**
Closing balance[2]	**-18.8**	**-26.4**	**-65.8**	**-3.9**	**-114.9**	**-23.3**	**-29.2**	**-55.0**	**-1.0**	**-108.5**

[1] Of the gross carrying amount of POCI loans as at 30 June 2021, 37.2 million EUR are in non-credit-impaired and 13.5 million EUR in credit-impaired, and as at 30 June 2022 14.8 million EUR are in non-credit-impaired and 4.4 million EUR in credit-impaired.
[2] Of the total POCI loans credit loss allowances as at 30 June 2021, -0.7 million EUR is in non-credit-impaired, and -3.2 million EUR is in credit-impaired, and as at 30 June 2022 -0.2 million EUR is in non-credit-impaired and -0.8 million EUR in credit-impaired.

Of which business customers:

Loans and allowances movements, €m	1H21					1H22				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount										
Opening balance	2,653.3	1,011.8	136.9	44.9	**3,846.9**	2,923.2	918.1	112.2	30.3	**3,983.8**
Transfers within Stages	101.2	-163.9	62.7	0.0	**0.0**	-507.3	436.0	71.3	0.0	**0.0**
Originated or purchased	628.3	0.0	0.0	5.4	**633.7**	917.2	0.0	0.0	0.0	**917.2**
Derecognised inc. write offs	-284.2	-231.3	-56.5	-8.5	**-580.5**	-319.1	-122.6	-68.3	-18.8	**-528.8**
Closing balance[1]	**3,098.6**	**616.6**	**143.1**	**41.8**	**3,900.1**	**3,014.0**	**1,231.5**	**115.2**	**11.5**	**4,372.2**
Credit loss allowance										
Opening balance	-11.5	-10.3	-53.8	-2.5	**-78.1**	-5.6	-17.6	-36.9	-0.8	**-60.9**
Transfer to Stage 1	-3.0	2.5	0.5	0.0	**0.0**	-6.5	6.3	0.2	0.0	**0.0**
Transfer to Stage 2	0.7	-0.9	0.2	0.0	**0.0**	2.4	-3.4	1.0	0.0	**0.0**
Transfer to Stage 3	1.5	0.7	-2.2	0.0	**0.0**	1.4	1.3	-2.7	0.0	**0.0**
Originated or purchased	-6.2	0.0	0.0	0.0	**-6.2**	-6.0	0.0	0.0	0.0	**-6.0**
Derecognised and repaid	0.8	1.2	15.0	0.0	**17.0**	0.3	0.8	0.7	0.0	**1.8**
Change in ECL assumptions, Stages & other	8.3	0.0	-10.2	-0.7	**-2.6**	3.4	-12.6	-3.3	0.3	**-12.2**
Management overlay	1.2	-7.7	0.0	0.0	**-6.5**	0.0	6.5	0.0	0.3	**6.8**
Total	3.3	-4.2	3.3	-0.7	**1.7**	-5.0	-1.1	-4.1	0.6	**-9.6**
Write-offs	0.0	0.0	8.9	0.1	**9.0**	0.0	0.0	0.4	-0.3	**0.1**
Closing balance[2]	**-8.2**	**-14.5**	**-41.6**	**-3.1**	**-67.4**	**-10.6**	**-18.7**	**-40.6**	**-0.5**	**-70.4**

[1] Of the gross carrying amount of POCI loans as at 30 June 2021, 31.8 million EUR are in non-credit-impaired and 10 million EUR in credit-impaired, and as at 30 June 2022 9.5 million EUR are in non-credit-impaired and 2 million EUR in credit-impaired.
[2] Of the total POCI loans credit loss allowances as at 30 June 2021, -0.6 million EUR is in non-credit-impaired, and -2.5 million EUR is in credit-impaired, and as at 30 June 2022 -0.2 million EUR is in non-credit-impaired and -0.3 million EUR in credit-impaired.

9. DEPOSITS FROM CUSTOMERS

€m	31 Dec 2021	31 Mar 2022	30 Jun 2022
By deposit type			
Term deposits	888.5	818.6	951.3
Demand deposits	9,416.9	9,742.5	9,664.6
Total	**10,305.4**	**10,561.1**	**10,615.9**
By customer type			
Individual customers	4,788.6	4,602.0	4,599.1
Business customers	4,044.8	3,762.7	3,812.2
Financial institutions	246.9	227.8	218.2
Public sector	1,225.1	1,968.6	1,986.4
Total	**10,305.4**	**10,561.1**	**10,615.9**
By country of registration			
Estonia, Latvia, and Lithuania	10,075.9	10,432.9	10,400.9
Other EU countries	80.0	72.1	128.4
Other countries	149.5	56.1	86.6
Total	**10,305.4**	**10,561.1**	**10,615.9**

10. DEBT SECURITIES ISSUED

Security Initial notional amount (€m) and coupon	First call date	Maturity date	Carrying amount, €m		
			31 Dec 2021	31 Mar 2022	30 Jun 2022
500.0, 0.01%, Hedge accounted		Mar 2025	494.6	480.0	473.7
500.0, 1.688%[1], Hedge accounted		Jun 2027	0.0	0.0	490.9
Covered bonds			**494.6**	**480.0**	**964.6**
300.0, 1.375%		Oct 2022	71.8	72.0	72.3
300.0, 0.792%, Hedge accounted	Dec 2023	Dec 2024	298.3	295.3	294.0
300.0, 0.539%	Sep 2025	Sep 2026	298.9	299.4	299.9
Senior bonds			**669.0**	**666.7**	**666.2**
Total			**1,163.6**	**1,146.7**	**1,630.8**

[1] New issue, settled 11 May 2022

11. OTHER LIABILITIES

€m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Payments in transit[1]	27.8	77.3	141.1
Other	1.2	0.7	0.7
Financial liabilities	**29.0**	**78.0**	**141.8**
Accrued liabilities	46.9	46.7	67.4
Received prepayments	3.6	2.9	2.8
Other liabilities	9.3	10.7	9.4
Other tax liabilities	1.4	3.3	1.5
VAT liabilities	1.7	1.2	0.7
Non-financial liabilities	**62.9**	**64.8**	**81.8**
Total	**91.9**	**142.8**	**223.6**

[1] Payments in transit increased by 82% to 141.1 million EUR as we verified payments following the implementation of new sanctions in the aftermath of the invasion of Ukraine.

12. DERIVATIVES

Fair value €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Interest rate-related	7.6	17.3	31.7
Currency-related	22.8	25.2	37.1
Commodity-related	45.1	100.6	68.4
Total assets	**75.5**	**143.1**	**137.2**
Interest rate-related	10.0	30.8	55.3
Currency-related	15.5	16.2	21.8
Commodity-related	44.8	99.9	68.1
Total liabilities	**70.3**	**146.9**	**145.2**

Notional amounts €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Interest rate-related	2,023.7	2,183.8	2,621.3
Currency-related	1,351.3	1,440.8	1,373.7
Commodity-related	170.1	109.6	89.1
Total assets	**3,545.1**	**3,734.2**	**4,084.1**

Hedge accounting

Luminor applies hedge accounting only to fair value hedges of several issued debt securities. To test hedge effectiveness, 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 December 2021 and 31 March 2022, and 30 June 2022. The carrying amount of the derivatives are included in line item 'Derivatives' in the Balance Sheet, on either the Assets or Liabilities side depending on the fair value of the instruments. The notional and fair value of hedging instruments are:

Interest rate swaps €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Notional amount	800.0	800.0	1,300.0
Carrying amount	-3.5	-21.8[1]	-36.5[1]

[1] The carrying amount of interest rate swaps fell in the first and second quarters due to the increase in underlying interest rate curves.

Loans and deposits from credit institutions included, at 30 June 2022, cash balances of 120.8 million EUR received as collateral under derivative contracts. The cash balances have increased as compared to 31 December 2021 (62.0 million EUR) and 31 March 2022 (85.3 million EUR) as the value of the derivative contracts changed.

13. CONTINGENT LIABILITIES

€m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Undrawn loan commitments given	1,230.1	1,248.6	1,322.3
Financial guarantees given	498.9	551.8	530.4
Performance guarantees	190.5	201.4	198.0
Total	**1,919.5**	**2,001.8**	**2,050.7**

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

14. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The valuation techniques along with the selection of relevant inputs have not changed in the reporting period, except for loans to customers, where differentiated interest rates used to discount future cash flows of mortgage loans to private individuals and all other loans. For detailed information on the valuation techniques and inputs, please, refer to the Luminor Bank AS Annual Report 2021.

31 December 2021	**Accounting method**	**Fair Value**				**Carrying amount**
€m		**Level 1**	**Level 2**	**Level 3**	**Total**	
Cash on hand	Amortized cost	136.1	0.0	0.0	**136.1**	**136.1**
Balances with central banks	Amortized cost	0.0	2,358.1	0.0	**2,358.1**	**2,358.1**
Due from other credit institutions	Amortized cost	0.0	64.4	0.0	**64.4**	**64.4**
Loans to customers	Amortized cost	0.0	0.0	9,740.6	**9,740.6**	**9,946.7**
Debt securities	Amortized cost	314.4	6.9	0.0	**321.3**	**325.5**
Debt securities	FVTPL (mandatorily)	2.3	6.3	6.9	**15.5**	**15.5**
Debt securities	FVTPL (designated)	265.8	0.0	0.0	**265.8**	**265.8**
Debt securities	FVOCI	0.0	1.4	0.0	**1.4**	**1.4**
Derivatives	FVTPL (mandatorily)	0.0	74.9	0.6	**75.5**	**75.5**
Equity instruments	FVTPL (mandatorily)	0.0	2.7	0.0	**2.7**	**2.7**
Equity instruments	FVOCI	0.0	0.0	0.5	**0.5**	**0.5**
Other financial assets	Amortized cost	0.0	15.3	0.0	**15.3**	**15.3**
Total assets		**718.6**	**2,530.0**	**9,748.6**	**12,997.2**	**13,207.5**
Loans and deposits from credit institutions	Amortized cost	0.0	83.8	0.0	**83.8**	**83.8**
Deposits from customers	Amortized cost	0.0	9,416.9	888.5	**10,305.4**	**10,305.4**
Debt securities issued	Amortized cost	0.0	1,106.4	0.0	**1,106.4**	**1,163.6**
Derivatives	FVTPL (mandatorily)	0.0	70.3	0.0	**70.3**	**70.3**
Other financial liabilities	Amortized cost	0.0	29.0	0.0	**29.0**	**29.0**
Total liabilities		**0.0**	**10,706.4**	**888.5**	**11,594.9**	**11,652.1**

31 March 2022	Accounting method	Fair Value				Carrying amount
€m		Level 1	Level 2	Level 3	Total	
Cash on hand	Amortized cost	148.2	0.0	0.0	**148.2**	**148.2**
Balances with central banks	Amortized cost	0.0	2,455.4	0.0	**2,455.4**	**2,455.4**
Due from other credit institutions	Amortized cost	0.0	70.1	0.0	**70.1**	**70.1**
Loans to customers	Amortized cost	0.0	0.0	10,016.4	**10,016.4**	**10,123.3**
Debt securities	Amortized cost	497.6	6.6	0.0	**504.2**	**536.7**
Debt securities	FVTPL (mandatorily)	8.1	1.1	7.2	**16.4**	**16.5**
Debt securities	FVTPL (designated)	219.2	0.0	0.0	**219.2**	**219.2**
Debt securities	FVOCI	0.0	1.3	0.0	**1.3**	**1.3**
Derivatives	FVTPL (mandatorily)	0.0	141.1	2.0	**143.1**	**143.1**
Equity instruments	FVTPL (mandatorily)	0.0	2.4	0.0	**2.4**	**2.4**
Equity instruments	FVOCI	0.0	0.0	0.5	**0.5**	**0.5**
Other financial assets	Amortized cost	0.0	13.0	0.0	**13.0**	**13.0**
Total assets		**873.1**	**2,691.0**	**10,026.1**	**13,590.2**	**13,729.7**
Loans and deposits from credit institutions	Amortized cost	0.0	213.1	0.0	**213.1**	**213.1**
Deposits from customers	Amortized cost	0.0	9,742.5	818.6	**10,561.1**	**10,561.1**
Debt securities issued	Amortized cost	0.0	1,140.3	0.0	**1,140.3**	**1,146.7**
Derivatives	FVTPL (mandatorily)	0.0	146.9	0.0	**146.9**	**146.9**
Other financial liabilities	Amortized cost	0.0	78.0	0.0	**78.0**	**78.0**
Total liabilities		**0.0**	**11,320.8**	**818.6**	**12,139.4**	**12,145.8**

30 June 2022	Accounting method	Fair Value				Carrying amount
€m		Level 1	Level 2	Level 3	Total	
Cash on hand	Amortized cost	125.3	0.0	0.0	**125.3**	**125.3**
Balances with central banks	Amortized cost	0.0	2,589.3	0.0	**2,589.3**	**2,589.3**
Due from other credit institutions	Amortized cost	0.0	56.3	0.0	**56.3**	**56.3**
Loans to customers	Amortized cost	0.0	0.0	10,698.8	**10,698.8**	**10,502.8**
Debt securities	Amortized cost	598.8	6.8	0.0	**605.5**	**673.2**
Debt securities	FVTPL (mandatorily)	8.2	0.5	7.2	**16.1**	**15.4**
Debt securities	FVTPL (designated)	208.2	0.0	0.0	**208.2**	**208.2**
Debt securities	FVOCI	0.0	2.8	0.0	**2.8**	**2.8**
Derivatives	FVTPL (mandatorily)	0.0	133.5	3.7	**137.2**	**137.2**
Equity instruments	FVTPL (mandatorily)	0.0	2.2	0.0	**2.2**	**2.2**
Equity instruments	FVOCI	0.0	0.0	0.5	**0.5**	**0.5**
Other financial assets	Amortized cost	0.0	14.8	0.0	**14.8**	**14.8**
Total assets		**940.5**	**2,806.2**	**10,710.2**	**14,457.0**	**14,328.0**
Loans and deposits from credit institutions	Amortized cost	0.0	168.5	0.0	**168.5**	**168.5**
Deposits from customers	Amortized cost	0.0	9,664.6	951.3	**10,615.9**	**10,615.9**
Debt securities issued	Amortized cost	0.0	1,607.2	0.0	**1,607.2**	**1,630.8**
Derivatives	FVTPL (mandatorily)	0.0	145.2	0.0	**145.2**	**145.2**
Other financial liabilities	Amortized cost	0.0	141.8	0.0	**141.8**	**141.8**
Total liabilities		**0.0**	**11,727.3**	**951.3**	**12,678.6**	**12,702.2**

Change in debt securities in Level 3	H1		FY
€m	2021	2022	2021
Opening balance	**6.2**	**6.9**	**6.2**
Unrealised gains (-loss) for assets held at the end of the reporting period	0.8	-0.1	0.7
Closing balance	**7.0**	**6.8**	**6.9**

15. RELATED PARTIES

A number of banking transactions are entered into with related parties in the normal course of business, as follows:

Entities with significant influence

€m	Q2		H1		FY
	2021	2022	2021	2022	2021
Interest income calculated using the effective interest method	0.0	0.1	0.0	0.1	0.0
Interest and similar expenses[1]	-0.5	-24.4	-4.4	-42.1	-7.9
Fee and commission income	-0.1	-0.1	-0.1	-0.1	-0.2
Net other financial income	-4.8	34.0	14.9	51.9	27.0
Other administrative expenses	-1.8	0.0	-3.9	0.0	-4.0
Other income and expenses	0.1	-0.3	0.3	-0.2	0.4
Total	**-7.1**	**9.3**	**6.8**	**9.6**	**15.3**

[1] Interest expense includes reduction in value of interest rate swaps used for hedge accounting purposes.

€m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Due from other credit institutions	11.5	18.5	9.4
Derivatives	54.8	94.9	119.6
Other assets	0.3	0.0	0.0
Total assets	**66.6**	**113.4**	**129.0**
Due to credit institutions	59.2	81.3	109.6
Deposits from customers	3.9	3.5	3.8
Derivatives	21.2	39.4	39.6
Total liabilities	**84.3**	**124.2**	**153.0**

Key management personnel

€m	Q2		H1		FY
	2021	2022	2021	2022	2021
Fixed and variable remuneration	-0.5	-0.3	-1.0	-0.9	-2.7

€m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Loans to customers	0.1	0.1	0.1
Deposits from customers	0.9	1.5	1.7

Associated companies

ALD Automotive (3 entities) €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Loans to Customers	5.9	5.2	4.1
Deposits from customers	0.5	0.5	0.3

16. SEGMENT REPORTING

€m	2021				2022			
	Retail	Corporate	Other	Total	Retail	Corporate	Other	Total
Second quarter								
Net interest and similar income	27.3	31.4	1.6	**60.3**	28.5	40.3	-3.0	**65.8**
Net fee and commission income	12.5	6.4	0.4	**19.3**	13.5	7.1	0.3	**20.9**
Net financial income	1.8	2.5	1.0	**5.3**	1.7	3.4	-3.0	**2.1**
Other income	0.0	0.8	-2.9	**-2.1**	0.1	0.5	-3.7	**-3.1**
Total operating income	**41.6**	**41.1**	**0.1**	**82.8**	**43.8**	**51.3**	**-9.4**	**85.7**
Total operating expenses	-45.1	-22.7	-0.5	**-68.3**	-33.2	-19.1	-1.3	**-53.6**
Credit loss allowance	4.8	3.6	0.2	**8.6**	5.3	-4.1	1.1	**2.3**
Profit (-loss) before tax	**1.3**	**22.0**	**-0.2**	**23.1**	**15.9**	**28.1**	**-9.6**	**34.4**
First half								
Net interest and similar income	54.1	60.4	2.4	**116.9**	56.4	78.0	-5.5	**128.9**
Net fee and commission income	25.1	11.2	0.5	**36.8**	25.7	13.2	-0.1	**38.8**
Net financial income	3.4	4.3	2.1	**9.8**	3.4	7.8	-4.0	**7.2**
Other income	0.2	1.3	-4.9	**-3.4**	0.2	1.0	-7.2	**-6.0**
Total operating income	**82.8**	**77.2**	**0.1**	**160.1**	**85.7**	**100.0**	**-16.8**	**168.9**
Total operating expenses	-91.3	-46.3	-1.3	**-138.9**	-67.7	-38.2	-2.3	**-108.2**
Credit loss allowance	7.1	0.8	0.5	**8.4**	4.5	-14.5	0.5	**-9.5**
Profit (-loss) before tax	**-1.4**	**31.7**	**-0.7**	**29.6**	**22.5**	**47.3**	**-18.6**	**51.2**
Full year								
Net interest and similar income	110.2	125.8	3.2	**239.2**				
Net fee and commission income	52.8	25.3	0.4	**78.5**				
Net financial income	7.2	9.7	4.0	**20.9**				
Other income	0.3	2.1	-10.3	**-7.9**				
Total operating income	**170.5**	**162.9**	**-2.7**	**330.7**				
Total operating expenses	-170.3	-89.9	-2.6	**-262.8**				
Credit loss allowance	11.4	2.5	0.6	**14.5**				
Profit (-loss) before tax	**11.6**	**75.5**	**-4.7**	**82.4**				

Fee and commission income by segment	2021				2022			
€m	Retail	Corporate	Other	Total	Retail	Corporate	Other	Total
Second quarter								
Cards	6.9	1.3	0.0	**8.2**	8.3	1.6	0.0	**9.9**
Credit products	0.1	1.3	0.0	**1.4**	0.1	2.2	0.0	**2.3**
Daily banking plans	3.8	0.1	0.0	**3.9**	4.3	0.1	0.1	**4.5**
Deposit products and cash management	2.1	1.9	0.4	**4.4**	2.3	1.9	0.0	**4.2**
Insurance	0.7	0.3	0.0	**1.0**	0.7	0.2	0.0	**0.9**
Investments	1.0	0.3	0.2	**1.5**	0.5	0.4	0.4	**1.3**
Pensions	2.4	0.0	0.0	**2.4**	2.1	0.1	0.0	**2.2**
Trade finance	0.0	2.1	0.0	**2.1**	0.0	2.4	0.0	**2.4**
Other fee and commission income	0.1	0.0	0.2	**0.3**	0.2	0.1	0.0	**0.3**
Total	**17.1**	**7.3**	**0.8**	**25.2**	**18.5**	**9.0**	**0.5**	**28.0**
First half								
Cards	12.8	2.2	0.0	**15.0**	15.6	2.9	0.0	**18.5**
Credit products	0.2	2.0	0.2	**2.4**	0.2	3.5	0.0	**3.7**
Daily banking plans	7.7	0.2	-0.1	**7.8**	8.2	0.2	0.1	**8.5**
Deposit products and cash management	4.1	3.8	0.6	**8.5**	4.2	3.9	0.1	**8.2**
Insurance	1.7	0.2	0.0	**1.9**	1.5	0.2	0.0	**1.7**
Investments	1.6	0.5	0.5	**2.6**	1.2	0.6	0.7	**2.5**
Pensions	4.8	0.1	0.0	**4.9**	4.5	0.1	0.0	**4.6**
Trade finance	0.1	4.1	0.0	**4.2**	0.0	4.8	0.0	**4.8**
Other fee and commission income	0.2	0.1	0.1	**0.4**	0.3	0.1	0.0	**0.4**
Total	**33.2**	**13.2**	**1.3**	**47.7**	**35.7**	**16.3**	**0.9**	**52.9**
Full year								
Cards	29.1	5.1	0.0	**34.2**				
Credit products	0.5	4.2	0.2	**4.9**				
Daily banking plans	15.3	0.3	0.4	**16.0**				
Deposit products and cash management	8.5	8.1	0.2	**16.8**				
Insurance	3.0	0.9	0.0	**3.9**				
Investments	2.8	1.6	0.7	**5.1**				
Pensions	11.3	0.2	0.0	**11.5**				
Trade finance	0.1	8.8	0.0	**8.9**				
Other fee and commission income	0.5	0.3	0.0	**0.8**				
Total	**71.1**	**29.5**	**1.5**	**102.1**				

Customer balances €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Retail	5,436.5	5,416.5	5,554.0
Corporate	4,627.9	4,831.1	5,073.9
Other	19.3	19.7	4.6
Loans to customers (excludes allowances and interest)	**10,083.7**	**10,267.3**	**10,632.4**
Retail	6,066.3	5,804.9	5,813.9
Corporate	4,196.8	4,692.1	4,736.3
Other	42.3	64.1	65.7
Deposits from customers	**10,305.4**	**10,561.1**	**10,615.9**

Loan to customers Reconciliation to the net carrying amount on the Balance Sheet, €m	31 Dec 2021	31 Mar 2022	30 Jun 2022
Total under segment reporting, above	10,083.7	10,267.3	10,632.4
Accrued interest	9.4	9.8	10.3
Allowance	-101.9	-109.5	-108.5
Initial impairment	-15.7	-16.3	-2.3
Amortized fee	-28.8	-28.0	-29.1
Net carrying amount	**9,946.7**	**10,123.3**	**10,502.8**

17. SUBSEQUENT EVENTS

On 1 July 2022, we completed the acquisition of Maksekeskus AS through the execution of a share purchase agreement, on which date control of Maksekeskus passed to Luminor. As this occurred after reporting period end, Maksekeskus has not been consolidated into these financial statements. Total cash consideration transferred as part of acquisition amounted to 54.1 million EUR. The Group incurred acquisition-related costs of 0.3 million EUR in legal fees and due diligence costs. These costs have been included in 'Other administrative expenses'. The goodwill which will be recognized as part of business combination is attributable mainly to business potential of Maksekeskus AS including expected synergies from consolidation into Luminor. None of the goodwill recognised is expected to be deductible for tax purposes.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition. The assessment is preliminary as the exact fair values of the acquired assets is clarified.

€m	Fair value
Due from other credit institutions	5.3
Intangible assets	1.3
Other assets	0.2
Other liabilities	-1.7
Total identifiable net assets acquired	**5.1**

Goodwill arising from the acquisition has been recognised as follows:

€m	Fair value
Consideration transferred	54.1
NCI, based on proportionate interest in the recognized net assets (1%)	0.1
Fair value of identified net assets	-5.1
Goodwill	**49.1**

Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholder of Luminor Bank AS

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Luminor Bank AS and its subsidiaries as at 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management Board is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) (Estonia) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting* as adopted by the European Union.

AS PricewaterhouseCoopers

Ago Vilu
Auditor's certificate no 325

9 August 2022
Tallinn, Estonia

GLOSSARY

Common Equity Tier 1 ratio
Shareholders' equity subject to regulatory adjustments as a percentage of total Risk Exposure Amounts.

Companies
Business customers, Financial institutions, and Public sector

Cost/income ratio
Total operating 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 (annualized) 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.

Return on normalised equity
Profit for the period (annualized) as a percentage of total risk exposure amounts (multiplied by 17%) at period end.

POCI loans
Purchased or originated credit impaired loans

LUMINOR BANK AS INFORMATION

Country of registration
Republic of Estonia

Commercial register code
11315936

Main activity
Credit institution

Telephone
+372 628 3300

E-mail
info@luminor.ee

SWIFT/BIC
RIKOEE22

Balance sheet date
30 June 2022

Reporting period
1 January to 30 June 2022

Reporting currency
euro

Contacts

For media:
Ivi Heldna
ivi.heldna@luminorgroup.com
+372 5231 192

For investors:
Nick Turnor
nick.turnor@luminorgroup.com
+372 5306 7820

Luminor

Luminor Bank AS
Liivalaia 45
10145 Tallinn
Estonia
www.luminor.ee