

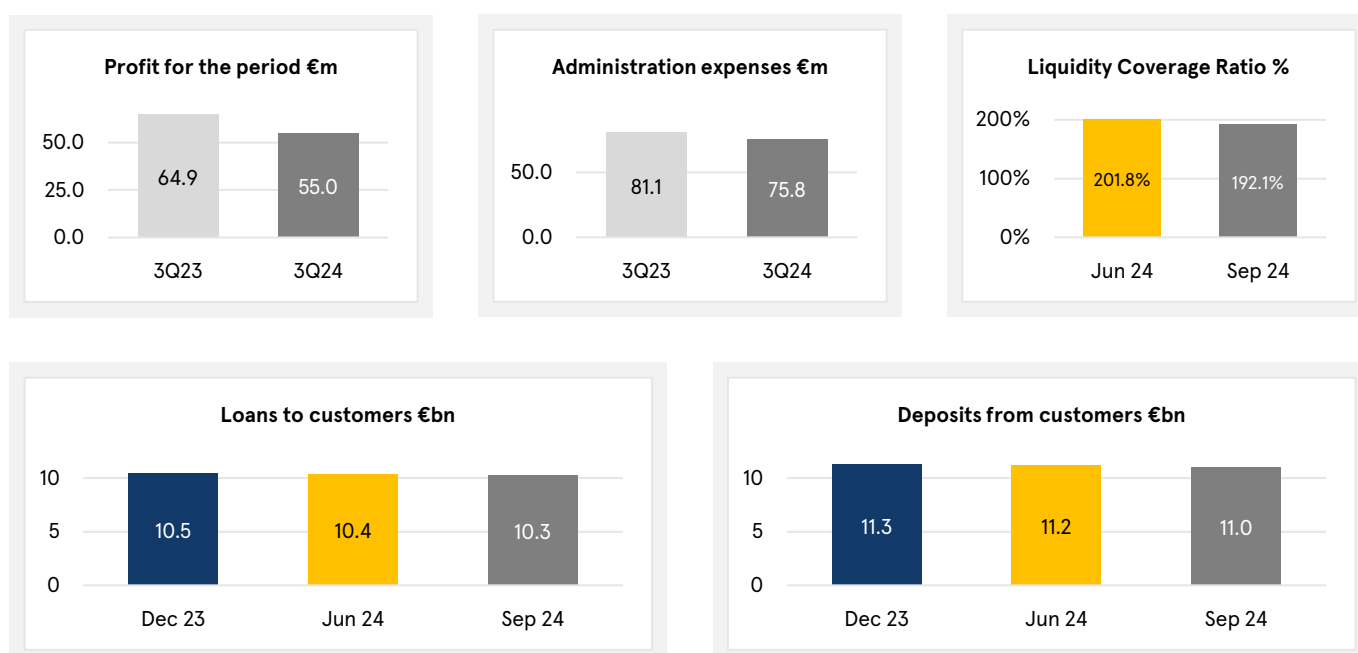
Luminor
Interim Report
3Q 2024

AT A GLANCE

THE QUARTER IN BRIEF

- We recorded profit for the period of 55.0 million EUR (3Q23: €64.9m)
- Lending to individuals increased by 0.6% over the quarter while total Loans to customers decreased by 0.9%
- Credit quality improved, with Stage 3 loans reducing to 1.9% of gross lending
- Liquidity and capital ratios remained strong with an LCR of 192.1% and CET1 of 21.1% at quarter end
- In October, our senior unsecured rating was upgraded by Moody's to A2

PERFORMANCE IN BRIEF



OUR STRATEGIC PRIORITIES

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

ABOUT US

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

CHIEF EXECUTIVE'S STATEMENT

In the third quarter our home markets of Estonia, Latvia, and Lithuania grew modestly as economic activity in export markets remained subdued. Despite this, through the considerable efforts of our employees, over the quarter we increased lending to individuals though total lending decreased. Profit for period fell 9.9 million EUR as compared to the third quarter last year as net interest income reduced, and tax expense increased. In October we issued our inaugural Tier 2 capital security and Moody's upgraded our long-term senior unsecured rating to A2.

We are focused on three areas: first, to improve our value proposition for our customers; second, to streamline our IT for the benefit of our customers, and so be more efficient; and third, to be compliant with changing regulatory requirements. In Retail Banking, enhancements we made to our customer offering and marketing campaigns led to growth in customer lending. In Corporate Banking we saw continued demand for investment in the renewable energy sector albeit overall demand for new credit was subdued and lending reduced as businesses continued to be cautious given the prevailing macroeconomic environment.

We generated a profit after tax of 55.0 million EUR in the quarter as compared to 64.9 million EUR in the same period last year. Total operating income decreased by 15.8 million EUR due mainly to a decrease in Net interest income as lower interest rates reduced interest income and higher deposit interest costs raised interest expense. However, this was offset by a 5.2 million EUR reduction in Total administration expenses, a 2.8 million EUR reduction in Expected credit losses, and an 8.0 million EUR reduction in Bank taxes and resolution fee, leaving Profit before tax virtually unchanged at 67.7 million EUR. Income tax expense increased by 10.1 million EUR following imposition of a tax surcharge in Latvia and normalisation of the tax base in Lithuania.

Loans to customers decreased by 0.9% to 10.3 billion EUR. An increase of 33.4 million EUR in lending to individuals, driven principally by growth in mortgage lending, was more than offset by a decrease in loans to companies of 125.8 million EUR, driven by reductions in lending to the Real estate activities, Transport and storage, and Manufacturing sectors. The quality of Loans to customers improved. Stage 3 loans reduced by 10.1 million to 1.9% of gross loans, driven by repayments and cures. At quarter end the amount of Stage 3 loans was 197.6 million EUR, or 151.1 million EUR after credit loss allowances, against which we held collateral of 183.2 million EUR.

Our liquidity and capital positions are strong. Over the quarter we managed down our Liquidity Coverage ratio by 9.7%-points to 192.1%. At quarter end our Common Equity Tier 1, Tier 1 and Total Capital Ratios were 21.1%, an increase of 1.1%-points, as the inclusion of interim profits increased our capital resources and Risk Exposure Amounts reduced as Loans to customers decreased. In October, we issued our inaugural Tier 2 capital security, a 200 million EUR 11-year subordinated bond. Taking this subordinated debt issue into account, our proforma Total Capital ratio would have been 24.0%. On announcement of the issue, Moody's upgraded our long-term senior unsecured rating to A2 from A3.

Johannes Proksch was appointed as Chief Financial Officer and as a member of the Management Board, in succession to Palle Nordahl who resigned from the Board and Luminor to return home to Denmark. Palle leaves Luminor with my best wishes for the future. Effective 14 October, Enkelejd Zotaj was appointed as Chief Information Officer and a member of the Management Board. Enkelejd brings to Luminor over two decades of experience in IT transformation and financial services in the CEE region. Andrea Granata, Head of the Technology Division, has been appointed Deputy Chief Information Officer. On 1 October we announced our intention to appoint Tanvi Davda, as a representative of Blackstone, to our Supervisory Council replacing Syed Qasim Abbas who stepped down from the Council effective 30 September 2024.

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

We increased lending to individuals and, once again, we improved the quality of our loan book.

We will continue to work to become more efficient and grow our lending in line with customer demand.

Wojciech Sass
Chief Executive

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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.

This report covers the period from January to September 2024, with commentary on the third quarter. Unless stated otherwise, the result for the reporting quarter is compared with the same period in the prior year, while the period end balance sheet is compared to the balance sheet at the end of the prior quarter.

MANAGEMENT REPORT

Financial Review

Summary income statement €m	3Q		9M		FY
	2023	2024	2023	2024	2023
Net interest and similar income	141.6	125.0	399.1	395.8	542.0
Net fee and commission income	21.0	21.2	63.8	62.3	84.6
Net other operating income	4.9	5.5	20.0	15.7	23.2
Total operating income	167.5	151.7	482.9	473.8	649.8
Total administration expenses	-81.0	-75.8	-245.8	-240.1	-339.9
Profit before credit losses, bank taxes, and tax	86.5	75.9	237.1	233.7	309.9
Expected credit losses	-4.1	-1.3	-12.9	2.2	-33.1
Bank taxes and resolution fee	-14.9	-6.9	-23.5	-29.7	-33.7
Profit before tax	67.5	67.7	200.7	206.2	243.1
Income tax expense	-2.6	-12.7	-22.4	-39.3	-48.4
Profit for the period	64.9	55.0	178.3	166.9	194.7
Cost/ income ratio, %	48.4	50.0	50.9	50.7	52.3

We generated a profit of 55.0 million EUR in the quarter as compared to 64.9 million EUR in the same period last year. Total operating income decreased by 15.8 million EUR due mainly to a decrease in Net interest income. However, this was offset by a 5.2 million EUR reduction in Total administration expenses, a 2.8 million EUR reduction in Expected credit losses, and an 8.0 million EUR reduction in Bank taxes and resolution fee, leaving Profit before tax virtually unchanged at 67.7 million EUR. Income tax expense increased by 10.1 million EUR. Our cost/ income ratio increased by 1.6%-points to 50.0%.

Total operating income of 151.7million EUR decreased 9.4% as compared to the same period last year. Net interest income decreased by 16.6 million EUR, or 11.7%, to 125.0 million EUR as interest and other similar income decreased by 3.0 million EUR driven by lower Euribor rates while interest expense grew by 13.6 million EUR as the cost of funding, mainly deposits, increased. We generated a net interest margin of 3.35%, as compared to 3.72% year ago. Net fee and commission income was virtually unchanged at 21.2 million EUR with an increase in fees from Cards, Pensions, and Deposit products offset in part by decreases in fees from Trade finance, Credit products, and Investments. Net other operating income increased slightly to 5.5 million EUR driven to a large extent by FX hedging activities.

Total administration expenses were 75.8 million EUR, a decrease of 6.4% as compared to the same period last year. An 78.8% decrease in Consultancy and professional services expense was offset in part by a 18.1% increase in IT-related expense as we continued to improve our systems and processes.

Expenses, €m	3Q23	3Q24
Personnel	-32.2	-33.6
IT-related	-23.8	-28.1
Consultancy	-13.7	-2.9
Other	-11.3	-11.2
Total	-81.0	-75.8

We recorded a lower Expected credit losses charge of 1.3 million EUR as compared to a charge of 4.1 million EUR in the third quarter 2023. Last year, we made additional provisions for private individuals as we improved our process for identification of unlikeliness to pay based on external data. See 'Asset Quality', below, for further details.

Bank taxes and resolution fees decreased by 53.7% to 6.9 million EUR driven mainly a decrease of 13.8 million EUR to 0.2 million EUR in the temporary bank tax payable in Lithuania, offset in part by the introduction of temporary tax for 2024 in Latvia for which we incurred an expense of 6.9 million EUR. The Latvian tax will remain in force through 2024 and we estimate the total cost to us will be 27.9 million EUR. Income tax expense increased by 10.1 million EUR following imposition of a tax surcharge in Latvia and normalisation of the income tax base in Lithuania which was impacted last year by reversal of accruals. In the third quarter we generated an annualised return on equity of 13.1% (3Q23: 14.9%).

Summary balance sheet €m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Cash and balances with central banks	3,069.1	2,960.2	2,826.5
Debt securities	1,491.8	1,493.2	1,555.7
Loans to customers	10,502.6	10,425.5	10,333.1
Other	429.7	407.4	383.1
Total assets	15,493.2	15,286.3	15,098.4
Deposits from customers	11,277.5	11,189.1	10,993.0
Debt securities issued	1,898.7	1,909.4	2,023.4
Other	538.9	492.3	431.4
Equity	1,778.1	1,695.5	1,650.6
Total liabilities and equity	15,493.2	15,286.3	15,098.4
Liquidity Coverage ratio, %	200.7	201.8	192.1
Net Stable Funding ratio, %	147.1	141.7	141.1

In the third quarter we increased lending to individuals while total Loans to customers reduced by 92.4 million EUR. The total balance sheet decreased to 15.1 billion EUR, with the decrease in Loans to customers complimented by a managed reduction of 133.7 million EUR in Cash and balances with central banks. Loans to customers accounted for two-thirds of total assets at quarter end, funded wholly by deposits.

Loans to customers decreased by 0.9% to 10.3 billion EUR. An increase of 33.4 million EUR in lending to individuals, driven principally by growth in mortgage lending, was more than offset by a decrease in loans to companies of 125.8 million EUR, driven by reductions in lending to the Real estate activities, Transport and storage, and Manufacturing sectors. Cash and balances with central banks decreased by 4.5% and Debt securities increased by 4.2% as we managed our excess resources. Our liquidity portfolio consists, in the main, of high-quality government and covered bonds which can be pledged with the European Central Bank to allow us to obtain additional liquidity.

Deposits from customers decreased by 196.1 million EUR in the quarter as we managed our liabilities and adjusted our deposit rates selectively. A reduction in balances from public institutions was offset in part by a small increase in deposit balances from business customers. Term deposits decreased by 141.4 million EUR, and at period end accounted for just over a quarter of Deposits from customers. Debt securities issued increased by 114.0 million EUR following our sale of a 4-year, 300 million EUR senior preferred debt security and concurrent 214.1 million EUR repurchase of an existing senior debt security which will lose MREL eligibility in January 2025. Shareholder's equity decreased by 44.9 million EUR as the addition of profit for the period of 55.0 million EUR was more than offset by payment of a 100.0 million EUR dividend for 2023.

At quarter end our own funds and MREL-eligible instruments totalled 35.87% of Total Risk Exposure Amount (TREA) and 16.06% of our Leverage Ratio Exposure (LRE). In November last year, the Single Resolution Board confirmed our targets at 23.96% of TREA plus combined buffer requirement, up from 22.42% previously, and 5.91% of LRE.

The Liquidity Coverage ratio decreased over the quarter by 9.7%-points to 192.1%, driven by the dividend payment and reduction in Deposits from customers. The ratio remains nearly twice the regulatory minimum of 100%. The Net Stable Funding ratio at quarter end was 141.1%, a decrease of 0.6%-points over the quarter. Available stable funding decreased as we reduced Deposits from customers and because a 500 million EUR covered bond, due March 2025, we have issued matures in less than 6-months. Required stable funding also decreased, primarily as loans to non-financial customers reduced.

Our balance sheet is robust with diverse, reliable funding, and strong liquidity and capital positions.

Johannes Proksch
Chief Financial Officer

Capital resources and uses	31 Dec	30 Jun	30 Sep
€m	2023	2024	2024
Shareholder's equity	1,778.1	1,695.5	1,650.6
Profit excluded	-194.7	-111.9	-55.0
Foreseeable dividends	-62.4	-100.0	-55.9
Common Equity Tier 1, before regulatory adjustments	1,521.0	1,483.6	1,539.7
Regulatory adjustments	-79.4	-67.8	-68.1
Prudential filters	-0.3	-0.3	-0.3
Common Equity Tier 1	1,441.3	1,415.5	1,471.3
Credit risk exposure amounts	6,145.1	6,158.7	6,060.3
Operational risk exposure amounts	880.2	880.2	880.2
Other risk exposure amounts	31.9	28.9	33.6
Risk exposure amounts	7,057.2	7,067.8	6,974.1
Common Equity Tier 1 ratio, %	20.4	20.0	21.1
Leverage ratio exposure amounts	15,916.1	15,773.4	15,580.4
Leverage ratio, %	9.0	9.0	9.4

At the end of the third quarter our regulatory capital totalled 1,471.3 million EUR and was composed entirely of Common Equity Tier 1 (CET1). Our CET1, Tier 1, and Total Capital ratios increased in the quarter by 1.1%-points to 21.1%. CET1 increased by 55.8 million EUR driven by the inclusion of interim profits. Concurrently, Risk Exposure Amounts (REA), which we measure on a standardised basis, decreased by 93.7 million EUR, driven by lower credit risk exposure amounts as Loans to customers decreased and the proportion of lower risk assets increased.

Our capital ratios remain well above our minimum capital requirements set by our regulators which require us to have a CET1 ratio exceeding 11.52%, a Tier 1 ratio above 13.48% and a Total Capital ratio greater than 16.11%. These include a Pillar 2 additional own funds requirement of 2.5% since January this year.

We will be subject to a countercyclical buffer of 0.5% of our risk exposure amounts in Latvia from December 2024 and an additional countercyclical buffer of 0.5% in Latvia from June 2025. We estimate the combined effect of these new buffers will add 26 basis points to our minimum CET1, Tier 1 and Total capital requirements, taking them ultimately to 11.78%, 13.74%, and 16.37% respectively. Our capital targets, internal limits and Total Capital target are set at the regulatory requirement (excluding P2G) plus a Management Buffer of 150 to 300 basis points.

Our leverage ratio increased by 0.4%-points over the quarter to 9.4%, as capital increased and total assets decreased, more than three times greater than our minimum leverage ratio of 3.0%.

In October, we issued our inaugural capital security, a 200 million EUR Tier 2, 11-year subordinated bond, structured with an issuer call after 6-years. The security, rated Baa3 by Moody's, extended our liability structure, increased the efficiency of our capital resources, and deepened our fixed income investor base. Taking this subordinated debt issue into account, our proforma Total Capital ratio at quarter end would have been 24.0%

On announcement of the issue Moody's upgraded our long-term senior unsecured rating to A2 from A3. Explaining its upgrade, the credit agency noted that the increased volume of loss-absorbing securities provided by the issue of subordinated debt would materially lower the loss severity to our senior unsecured debtholders in a resolution scenario.

Asset quality	31 Dec	30 Jun	30 Sep
Loans to customers, €m	2023	2024	2024
Stage 1	8,895.9	8,969.9	8,891.2
Stage 2	1,526.6	1,357.8	1,355.0
Stage 3	202.2	207.7	197.6
Gross carrying amount	10,624.7	10,535.4	10,443.8
Credit loss allowances	-122.1	-109.9	-110.7
Total	10,502.6	10,425.5	10,333.1
Non-performing loans ratio, %	1.9	2.0	1.9

POCI loans are recorded in Stages 2 and 3

At quarter end, Loans to customers totalled 10.3 billion EUR, a decrease of 0.9% compared to 30 June. The Gross carrying amount of loans was 10.4 billion EUR of which 85.1% were classified as Stage 1. During the quarter the Gross carrying amount of Stage 2 loans remained largely unchanged while Stage 3 loans decreased by 10.1 million EUR and accounted for 1.9% of gross lending at quarter end.

The quality of our loan portfolio – both to individuals and companies – was virtually unchanged over the quarter, including to those sectors perceived as being most impacted by higher reference interest rates.

Our exposure to the Commercial Real Estate sector totalled 1.5 billion EUR at quarter end, a decrease of 3% compared to the previous quarter end. Our CRE portfolio is well-diversified by sub-sector, with over one third of the portfolio to the retail sector and another third to offices, with a number of other sectors accounting for the remainder. We have limited exposure to development risks, with only around 10% of the portfolio in the development stage. The portfolio has an average loan-to-value ratio around 50%.

We have no direct exposure to companies domiciled in Russia, Belarus or Ukraine. Our exposure to residents of these countries, mostly residential mortgages all of which are secured on Baltic properties, is 1 million EUR.

The gross amount of Stage 3 loans decreased by 10.1 million EUR over the quarter to 197.6 million EUR or 1.9% of gross lending at quarter end. The decrease was driven by both repayments and cures after the end of probation periods. The outflow of non-performing loans, most of which were to companies, was around 1.6 times higher than the inflow. Just over half of the outflow was driven by repayments. Exposure to companies accounted for some two-thirds of the inflow. The Gross carrying amount of Stage 3 loans net of credit loss allowances of 46.5 million EUR was 151.1 million EUR against which we held collateral of 183.2 million EUR.

The quality of our loan portfolio – both to individuals and companies – remains good.

Our exposure by customer type and sector is well diversified.

Diego Biondo
Chief Risk Officer

Stage 3 Loans, €m	30 Sep 24
Gross carrying amount	197.6
Credit loss allowances	-46.5
Total	151.1
Collateral fair value	183.2

Details of the Expected credit losses for the quarter of 1.3 million EUR can be found in the commentary on the Summary income statement, which appears at the start of this Financial Review.

Customer segments

Retail Banking €m	3Q		9M		FY
	2023	2024	2023	2024	2023
Net interest and similar income	75.9	69.2	204.9	211.0	280.4
Net fee and commission income	13.5	14.5	40.4	42.2	54.7
Net other operating income	1.3	1.5	4.4	4.3	6.0
Total operating income	90.7	85.2	249.7	257.5	341.1
Total administration expenses	-50.5	-49.8	-151.1	-147.0	-205.2
Profit before credit losses and tax	40.2	35.4	98.6	110.5	135.9
Expected credit losses	-2.2	-0.9	-5.7	-0.6	-12.5
Profit before tax	38.0	34.5	92.9	109.9	123.4
Cost/ income ratio, %	55.7	58.5	60.5	57.1	60.2
Customer balances €m			31 Dec 2023	30 Jun 2024	30 Sep 2024
Loans to customers			5,700.1	5,725.8	5,759.7
Deposits from customers			5,915.5	5,845.6	5,819.3

We continued to increase Loans to customers in the third quarter, maintaining the growth momentum we created in the prior quarter.

Our new sales volumes for mortgages were up 63% on the same quarter of last year aided by our renewed customer offering and marketing campaigns. In contrast new sales for consumer lending were a little lower in the third quarter than they were a year earlier, as demand for new consumer loans from customers decreased.

Deposits from customers fell slightly over the quarter, though deposit balances are higher than they were a year ago. Moreover, we improved further our customer journey, which supported an increase of 7% in new customer numbers and maintained, year on year, the number of active customers.

After streamlining the onboarding process with Smart ID in Latvia during the second quarter, we also developed the same service in Lithuania during the third quarter. This process lets customers open a payment card for their child fully remotely within hours, and receive the card in a couple of days. During our campaign for child onboarding we opened cards for more than 1,300 children. Our customers are increasingly prioritising simplicity and flexibility, which is visible in customer interest for our flagship 'Luminor Black' Visa card. New card sales continue to increase and are 16% higher than they were in the same quarter of last year.

As we focused on our customers' needs, we grew Loans to customers and the number of new customers.

Kerli Vares
Head of Retail Banking

Corporate Banking €m	3Q		9M		FY
	2023	2024	2023	2024	2023
Net interest and similar income	62.9	55.2	185.6	174.8	247.7
Net fee and commission income	7.8	6.4	24.0	19.5	30.6
Net other operating income	1.8	2.2	10.6	8.0	15.6
Total operating income	72.5	63.8	220.2	202.3	293.9
Total administration expenses	-29.7	-23.6	-92.6	-77.4	-125.2
Profit before credit losses and tax	42.8	40.2	127.6	124.9	168.7
Expected credit losses	-1.9	-0.8	-8.5	2.0	-21.2
Profit before tax	40.9	39.4	119.1	126.9	147.5
Cost/ income ratio, %	41.0	37.0	42.1	38.3	42.6
Customer balances €m			31 Dec 2023	30 Jun 2024	30 Sep 2024
Loans to customers			4,799.2	4,698.6	4,572.8
Deposits from customers			5,282.2	5,298.6	5,138.2

Customers remained cautious given the prevailing macroeconomic environment, and demand for new credit was subdued in the third quarter. Our loan portfolio remains well diversified by sector and type, and the overall pipeline of lending deals is robust. The quality of our Loans to customers continues to be strong.

We observed demand for investment in the renewable energy sector, alongside good activity levels in the real estate sector. The competition in corporate financing is anticipated to increase in Lithuania, following the announcement by the Lithuanian National Promotional Institution ILTE of its plans to provide significant financing to Lithuanian businesses and the public sector.

We continued to promote financing to SMEs facilitated by the European Investment Bank with one of the aims to support the green transition of the Baltic economies with a targeted campaign, and further deals were completed under the scheme.

As we continue to support the development of Baltic capital markets, we acted as a Sole Lead Manager and Bookrunner for a 16.1 million EUR bond issued by a closed-ended real estate investment company under its 35 million EUR prospectus.

We continue to see demand for investment in the renewable energy sector

Jonas Urbonas
Head of Corporate Banking

Supplementary information

ECONOMIC ENVIRONMENT

Data and Luminor economists' forecasts (a)	Public Debt	Economic growth		Inflation		Unemployment rate		Wage growth (b)	
	/GDP	(GDP) (b)		(CPI) (b)					
%	24Q1	24Q2	24f (c)	Sept 24	24f (c)	24Q2	24f (c)	24Q2	24f (c)
Estonia	23.6	-1.3	-1.0	3.0	4.0	7.6	8.0	7.1	7.0
Latvia	44.5	0.4	0.5	1.4	1.2	6.9	7.1	9.6	9.0
Lithuania	40.1	1.4	2.4	0.5	0.6	6.9	7.5	9.8	9.6

a. Data as at 17 October 2024, forecasts as at September 2024; b. Annual change; c. Average for the year

The Euro area economic climate continued to improve in the third quarter, but progress was uneven, with the service sectors doing better than manufacturing and construction, and southern Europe outperforming the north. The Estonian economy recorded weak though positive quarter-on-quarter growth, while growth in the economies of Latvia and Lithuania was supported by domestic demand. Weak external demand continues to pressure the exports of Baltic states.

Rates of employment are high for longer-term residents though unemployment rates are elevated somewhat due mainly to the inclusion of refugees from Ukraine in official statistics. Real wages grew. The purchasing power of individuals in Latvia and Lithuania now exceeds their previous peak. An increase in the rate of value added tax in January 2024 and other administrative changes pushed up the rate of inflation in Estonia whereas in Latvia and Lithuanian inflation has stabilised.

Real estate price indices were virtually unchanged in Latvia over the year to the fourth quarter but saw small growth in Estonia and Lithuania despite the strong price increases in 2021 and 2022. The outlook for the real estate market is somewhat optimistic in Latvia and Lithuania as interest rates decline and domestic demand returns. Governments are running budget deficits to support their economy, but debt-to-GDP ratios have remained broadly unchanged over recent years and remain very low.

The economic outlook for the last months for 2024 is optimistic. Estonian GDP is expected increase quarter-on-quarter, while Lithuania may grow close to its potential, with Latvia somewhere in-between. Growth 2025 across the region appears positive.

BUSINESS DEVELOPMENTS

We continued to improve our services to serve our customers better. We launched instant payments in Estonia and started the roll-out of instant payments in Latvia. We invested in our IT-infrastructure, strengthened our security and regulatory compliance processes and systems, and focused on ensuring our compliance with the Digital Operational Resilience Act, which we will continue in the coming quarters.

In Estonia, from 2025 the corporate income tax (CIT) rate will increase to 22% from 20%, and the lower CIT rate on regular dividend distributions will be abolished. The advance CIT rate for credit institutions will increase to 18% from 14%. In addition the Government has proposed to increase VAT to 24% from 22% from mid-2025 for three years, and impose a supplemental 2% CIT on 2025, 2026, and 2027 corporate profits. The terms of the tax have yet to be finalised and the proposed tax has yet to be enacted by the Estonian parliament.

In Latvia, the government has proposed a second temporary bank tax, to be levied for three years starting in 2025. If enacted as drafted, the tax would be levied at a rate of 60% on the net interest income that exceeds by more than 50% the average annual net interest income for the financial years 2018-2022. The amount of taxable may be reduced if a certain rate of credit growth is attained. The terms of the tax have yet to be finalised and the proposed tax has yet to be enacted by the Latvian parliament.

Johannes Proksch was appointed as Chief Financial Officer and as a member of the Management Board, in succession to Palle Nordahl who resigned from the Board and Luminor to return home to Denmark. Johannes, an Austrian citizen, is an accomplished executive with 25 years' experience in the financial services sector. He is Deputy Chairman of the Supervisory Board of Addiko Bank, where he served previously as Group Transformation Officer and Chief Financial Officer. Johannes will lead the Finance division and report to Wojciech Sass.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We analysed carbon-related assets within our corporate credit portfolio. The analysis, based on definitions provided by the Task Force on Climate-related Financial Disclosures (TCFD) using total credit commitments, suggested that our exposure towards carbon-related assets has decreased in energy, materials and buildings and transportation groups, while exposure towards agriculture, food, and forest products group has increased by 1% compared to the same quarter of the previous year.

Among each carbon-related assets group, we analysed the trends with regards to financing for renewable energy projects, national governments participating in Net-Zero Government Initiative (NZGI) and for companies having transition plans in place. Our financing of national governments participating in NZGI decreased by 2.9% while our financing of renewable energy projects increased by 2%. We have established limits for corporate credit portfolio to cap exposure to high physical and transition risk counterparties, which additionally prevents excessive lending to high risk sectors which include also carbon-related assets.

We expect the financing of companies having transition ambitions will increase due to changing regulatory framework and regulatory targets related to decarbonisation on national and industry sector levels, in all Baltic countries, increase in overall awareness of climate risks and the related change in the market and customer preferences, and net-zero commitments of countries that are increasingly implemented through publicly-owned companies operating in different segments.

For the second year, in partnership with the Foundation for Peatland Restoration and Conservation, our employees helped restore wetlands in Kemeru National Park, in Latvia. This year, we also collaborated with partners to organise World Cleanup Day events, notably with regard to the Baltic Sea and how to make it cleaner. In Lithuania, for a second year in a row, we started to collaborate with Impact Academy on a 2-month programme to help 10 local social businesses improve their performance through mentorship and individual consultations. We have also established a partnership with Lithuanian Free Market Institute to publish two economics-citizenship textbooks and workbooks for schools.

PREVENTING FINANCIAL CRIME

We do not tolerate financial crime, and we are committed to maintaining our strong conduct, ethics and risk culture. We market our products and services only to residents of the Baltic countries, and at individuals and companies with a strong connection to those countries. We improved our processes to align them with our low-risk appetite and our conservative approach to business. We have continued to enhance our anti-money laundering (AML) capabilities, sanctions compliance, and anti-fraud framework, which included a major version upgrade of our AML technology. Further improvements to our anti-financial crime technologies are planned for the remainder of 2024 and 2025.

We are committed to the protection of human rights, and to countering the financing of terrorism and the proliferation of weapons of mass destruction. We report possible sanctions breaches and violations to the regulatory authorities. We enhanced our risk culture and carried out various awareness-raising activities. We continued to prioritise and enhance our fraud risk management measures, with continuous technological enhancements, risk mitigation, and training for our staff so they can better address fraudulent activities.

EVENTS AFTER PERIOD END

On 1 October we announced our intention to appoint Tanvi Davda to our Supervisory Council replacing Syed Qasim Abbas who stepped down from the Council and its Nomination and Risk committees effective 30 September 2024. Tanvi is a highly respected financial services executive and has more than 30 years' international experience. She was elected by Blackstone, the majority shareholder of Luminor Holding, our parent company. Her election is subject to regulatory approval.

Effective 14 October, Enkelejd Zotaj was appointed as Chief Information Officer and a member of the Management Board. Enkelejd has over two decades of experience in technology and financial services predominantly with Raiffeisen Bank. Enkelejd will lead the Technology division and report to Wojciech Sass. Andrea Granata, Head of the Technology Division, has been appointed Deputy Chief Information Officer reporting to Enkelejd.

On 14 October we issued our inaugural capital security, a 200 million EUR, 11-year subordinated bond, structured with an issuer call after 6-years. The security, rated Baa3 by Moody's, extends our liability structure, increases the efficiency of our capital resources, and deepened our fixed income investor base. On announcement of the issue, Moody's upgraded our long-term senior unsecured rating to A2 from A3.

Statement of the Management Board

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

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

Luminor Bank AS and its subsidiaries are going concerns.



Wojciech Sass

Chief Executive Officer and
Chairman of the Management Board

Tallinn, 29 October 2024

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Profit or Loss, condensed

€m	Notes	3Q		9M		FY
		2023	2024	2023	2024	2023
Interest income calculated using the effective interest method	3	172.3	166.8	453.9	520.6	629.0
Other similar income	3	29.0	31.5	77.1	92.6	111.2
Interest and similar expense	3	-59.7	-73.3	-131.9	-217.4	-198.2
Net interest and similar income		141.6	125.0	399.1	395.8	542.0
Fee and commission income	4	28.8	29.3	85.7	85.2	114.8
Fee and commission expense	4	-7.8	-8.1	-21.9	-22.9	-30.2
Net fee and commission income		21.0	21.2	63.8	62.3	84.6
Net gain from financial instruments at fair value	5	13.7	-5.9	19.8	14.7	16.1
Net gain (-loss) from foreign currency operations		-5.7	14.3	6.7	9.7	18.6
Other operating expense - net	6	-2.8	-3.2	-7.6	-9.8	-13.1
Share of profit from associates		-0.3	0.3	1.1	1.1	1.6
Net other operating income		4.9	5.5	20.0	15.7	23.2
Total operating income		167.5	151.7	482.9	473.8	649.8
Personnel expenses		-32.2	-33.6	-95.4	-105.1	-131.3
Other administration expenses	7	-46.2	-40.0	-142.7	-116.7	-188.6
Depreciation, amortisation, and impairment		-2.6	-2.2	-8.0	-18.4	-16.8
Gain (-loss) on derecognition of non-financial assets - net		0.0	0.0	0.3	0.1	-3.2
Total administration expenses		-81.0	-75.8	-245.8	-240.1	-339.9
Profit before credit losses, bank taxes, and tax		86.5	75.9	237.1	233.7	309.9
Expected credit losses	10	-4.1	-1.3	-12.9	2.2	-33.1
Bank taxes and resolution fee	8	-14.9	-6.9	-23.5	-29.7	-33.7
Profit before tax		67.5	67.7	200.7	206.2	243.1
Income tax expense		-2.6	-12.7	-22.4	-39.3	-48.4
Profit for the period		64.9	55.0	178.3	166.9	194.7
Total comprehensive income		64.9	55.0	178.3	166.9	194.7

Statement of Financial Position, condensed

€m	Notes	31 Dec 2023	30 Jun 2024	30 Sep 2024
Assets				
Cash and balances with central banks		3,069.1	2,960.2	2,826.5
Balances with banks		47.5	61.1	52.7
Debt securities	9	1,491.8	1,493.2	1,555.7
Loans to customers	10	10,502.6	10,425.5	10,333.1
Derivatives	16	92.2	53.5	53.1
Equity instruments		2.9	3.3	3.3
Investments in associates		5.5	6.3	6.6
Intangible assets		56.0	47.2	48.4
Tangible assets		27.0	24.6	23.2
Current tax assets		0.7	1.4	1.7
Deferred tax assets		10.0	7.3	7.0
Other assets	11	187.9	202.7	187.1
Total		15,493.2	15,286.3	15,098.4
Liabilities				
Loans and deposits from credit institutions		212.3	185.2	167.7
Deposits from customers	12	11,277.5	11,189.1	10,993.0
Fair value of changes of hedge items in portfolio hedges of interest rate		6.9	1.0	6.2
Debt securities issued	13	1,898.7	1,909.4	2,023.4
Derivatives	16	73.7	67.1	46.8
Tax liabilities		26.6	11.8	17.5
Deferred tax liabilities		1.1	1.3	1.3
Lease liabilities		24.8	21.9	20.7
Other liabilities	14	165.5	181.7	149.6
Provisions		28.0	22.3	21.6
Total		13,715.1	13,590.8	13,447.8
Shareholder's equity				
Share capital		34.9	34.9	34.9
Share premium		1,412.2	1,412.2	1,412.2
Retained earnings		327.5	244.9	199.9
Other reserves		3.5	3.5	3.6
Total		1,778.1	1,695.5	1,650.6
Total liabilities and shareholder's equity		15,493.2	15,286.3	15,098.4

Statement of Changes in Equity, condensed

€m	Share capital	Share premium	Retained earnings	Other reserves	Total equity
Balance as at 31 December 2022	34.9	1,412.2	132.7	3.6	1,583.4
Profit for the period	-	-	178.3	-	178.3
Total comprehensive income	-	-	178.3	-	178.3
Dividends	-	-	-	-	-
Other	-	-	0.1	-0.1	0.0
Balance as at 30 September 2023	34.9	1,412.2	311.1	3.5	1,761.7
Balance as at 31 December 2023	34.9	1,412.2	327.5	3.5	1,778.1
Profit for the period	-	-	166.9	-	166.9
Total comprehensive income	-	-	166.9	-	166.9
Dividends	-	-	-294.5	-	-294.5
Other	-	-	-	0.1	0.1
Balance as at 30 September 2024	34.9	1,412.2	199.9	3.6	1,650.6
Balance as at 31 December 2022	34.9	1,412.2	132.7	3.6	1,583.4
Profit for the period	-	-	194.7	-	194.7
Total comprehensive income	-	-	194.7	-	194.7
Dividends	-	-	-	-	-
Other	-	-	0.1	-0.1	0.0
Balance as at 31 December 2023	34.9	1,412.2	327.5	3.5	1,778.1

Statement of Cash flows, condensed

€m	Notes	9M		FY
		2023	2024	2023
Profit before tax		200.7	206.2	243.1
Adjustment for non-cash items:				
Credit loss allowance	10	9.2	-2.2	33.1
Depreciation, amortisation, and impairment		8.0	18.4	16.8
Derecognition of non-financial assets		-1.1	-0.2	3.2
Other non-cash items		-	-1.1	-1.6
Interest and similar income	3	-531.0	-613.2	-740.2
Interest and similar expense	3	131.9	217.4	198.2
Change in operating assets/liabilities:				
Increase (-) / decrease (+) of lending to customers		99.9	168.8	363.3
Increase (-) / decrease (+) of debt securities		-159.4	-61.5	-200.5
Increase (-) / decrease (+) of other assets		451.7	62.7	84.0
Increase (+) / decrease (-) of deposits from customers		112.2	-288.4	300.7
Increase (+) / decrease (-) of other liabilities		-414.1	-84.1	158.2
Interest received		511.1	590.1	687.7
Interest paid		-100	-228.7	-137.7
Income tax paid		-24.0	-46.2	-28.9
Cash flow used in operating activities		295.1	-62.0	979.4
Payment for acquisition of subsidiary, net of cash acquired		-	-	-0.3
Acquisition of tangible and intangible assets		-3.3	-8.2	-8.5
Proceeds from disposal of tangible and intangible assets		1.7	-	0.1
Dividend received		-	0.2	1.8
Cash flows used in investing activities		-1.6	-8.0	-6.9
Debt securities issued	13	598.5	342.5	598.5
Debt securities redeemed or matured		-390.3	-215.4	-600.0
Payments of principal on leases		-4.5	-	-5.5
Dividends paid		-	-294.5	-
Cash flows from / (used in) financing activities		203.7	-167.4	-7.0
Net increase or decrease in cash and cash equivalents		497.2	-237.4	965.5
Cash and cash equivalents at the beginning of the period		2,151.0	3,116.6	2,151.0
Effects of currency translation on cash and cash equivalents		0.2	0.0	0.1
Net increase or decrease in cash and cash equivalents		497.2	-237.4	965.5
Cash and cash equivalents at the end of the period		2,648.4	2,879.2	3,116.6
Cash and cash equivalents				
Cash on hand		124.8	118.2	105.4
Non-restricted current account with central bank		2,467.5	2,708.3	2,963.7
Due from other credit institutions within three months		56.1	52.7	47.5
Total		2,648.4	2,879.2	3,116.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Material accounting policy information

BASIS OF PRESENTATION

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

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

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

Impairment of financial instruments

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

Fair value determination

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

CHANGE IN PRESENTATION

In the Statement of Profit or Loss, previously, resolution fees were included in 'Other operating expense – net' and the Lithuanian bank tax in 'Total income tax'. From 2024 these items are presented in a new row 'Bank taxes and resolution fee'. In addition, we reclassified a number of lease deals as loans and the corresponding income which was recorded in 'Other similar income' is now shown in 'Interest income calculated using the EIM':

Statement of Profit or Loss €m	3Q23			9M23		
	As reported previously	Change	As restated	As reported previously	Change	As Restated
Interest income calculated using the EIM	171.8	+0.5	172.3	452.9	+1.0	453.9
Other similar income	29.5	-0.5	29.0	78.1	-1.0	77.1
Other operating expense – net	-3.7	+0.9	-2.8	-9.9	+2.3	-7.6
Gain on derecognition of non-financial assets – net	-	-	-	-	+0.3	0.3
Bank taxes and resolution fee	-	-14.9	-14.9	-	-23.5	-23.5
Lithuanian bank tax	-14.0	+14.0	-	-20.8	+20.8	-

Statement of Profit or Loss

€m	2023		
	As reported previously	Change	As Restated
Interest income calculated using the EIM	627.6	+1.4	629.0
Other similar income	112.6	-1.4	111.2
Other operating expense - net	-16.7	+3.6	-13.1
Bank taxes and resolution fee	-	-33.7	-33.7
Lithuanian bank tax	-30.1	+30.1	-

In the Statement of Financial Position, from 2024: based on IAS 1 requirements, restricted balances with central and other banks are presented in 'Other assets'; as per IAS 12, deferred tax liabilities are presented separately; a number of account balances were moved from 'Loans and deposits from credit institutions' and 'Deposits from customers' to 'Other liabilities', as we clarified the nature of the balance, and; liabilities related to the Lithuanian bank tax were moved from 'Tax liabilities' to 'Other liabilities':

Consolidated Statement of Financial position

€m	31 December 2023			30 June 2024		
	As reported previously	Change	As restated	As reported previously	Change	As restated
Assets						
Cash and balances with central banks	3,184.9	-115.8	3,069.1			
Balances with banks	56.2	-8.7	47.5			
Deferred tax assets	8.9	+1.1	10.0			
Other assets	63.4	+124.5	187.9			
Total	15,492.1	+1.1	15,493.2			
Liabilities						
Loans and deposits from credit institutions	224.3	-12.0	212.3			
Deposits from customers	11,287.2	-9.7	11,277.5			
Tax liabilities	35.9	-9.3	26.6	14.5	-2.7	11.8
Deferred tax liabilities	-	+1.1	1.1			
Other liabilities	134.5	+31.0	165.5	179.0	2.7	181.7
Total	13,714.0	+1.1	13,715.1			

The effect of these changes on the Statement of Cash flows was:

Consolidated Statement of Cash flows

€m	9M23			2023		
	As reported previously	Change	As restated	As reported previously	Change	As restated
Profit before tax	221.5	-20.8	200.7	273.2	-30.1	243.1
Increase (-) / decrease (+) of other assets	449.0	2.7	451.7	84.0	-	84.0
Increase (+) / decrease (-) of deposits from customers	130.0	-17.8	112.2	310.4	-9.7	300.7
Increase (+) / decrease (-) of other liabilities	-443.0	+28.9	-414.1	139.2	+19.0	158.2
Income tax paid	-31.0	+7.0	-24.0	-49.7	+20.8	-28.9

2. General risk management policies

CREDIT RISK

Impairment policies

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

Three-year projections of macroeconomic variables and probability weights are prepared for each Baltic country. These were most recently prepared in the fourth quarter of 2023 to reflect, mainly, possible consequences of prevailing geopolitics, high and persistent inflation, and increased interest rates. The prevailing probability weights for the three scenarios are 20% for the optimistic scenario, 50% for the baseline, and 30% for the pessimistic scenario. The scenarios will be updated during the fourth quarter of 2024 with most recent baseline outlook and current and emerging risk scenarios. The parameters used for macroeconomic modelling were:

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

a. Annual change

MARKET AND LIQUIDITY RISK

The most significant market risks for Luminor are interest rate risk and credit spread risk. Luminor has low appetite for market risk and does not engage in equity trading. Customer related foreign exchange flow is managed through daily hedging activities, and all derivative deals with customers are fully hedged. There were no major changes in Luminor's market risk profile, and overall market risk exposure remained low and stable during the third quarter of 2024.

Luminor's liquidity position has remained strong in the third quarter of 2024, with an LCR ratio of 192.1% at quarter end. The limits for regulatory ratios, LCR and NSFR, are set well above the minimum requirements. Luminor maintains a substantial liquidity buffer and operates well above regulatory requirements.

3. Net interest and similar income

€m	3Q		9M		FY
	2023	2024	2023	2024	2023
Loans to customers at amortised cost	146.0	141.9	388.7	434.2	536.0
Balances with central banks	26.1	24.7	64.4	86.0	91.9
Balances with banks	0.2	0.2	0.8	0.4	1.1
Interest income calculated using effective interest method	172.3	166.8	453.9	520.6	629.0
Finance leases	24.0	22.3	63.6	69.2	88.4
Other	5.0	9.2	13.5	23.4	22.8
Other similar income	29.0	31.5	77.1	92.6	111.2
Interest and similar income	201.3	198.3	531.0	613.2	740.2
Loans and deposits from credit institutions	-1.4	-1.7	-4.3	-5.6	-1.5
Deposits from customers	-31.6	-43.3	-63.3	-131.2	-101.8
Debt securities issued	-14.7	-14.5	-37.5	-43.1	-55.5
Gain (-loss) on hedging activities	-11.8	-13.6	-26.3	-37.0	-38.8
Other	-0.2	-0.2	-0.5	-0.5	-0.6
Interest expense	-59.7	-73.3	-131.9	-217.4	-198.2
Total	141.6	125.0	399.1	395.8	542.0

4. Net fee and commission income

€m	2023			2024		
	Income	Expense	Total	Income	Expense	Total
Third quarter						
Cards	10.8	-5.7	5.1	11.7	-6.1	5.6
Credit products	1.7	-0.5	1.2	1.3	-0.3	1.0
Daily banking plans	4.9	0.0	4.9	4.9	0.0	4.9
Deposit products and cash management	3.3	-1.0	2.3	3.4	-0.9	2.5
Insurance	1.0	0.0	1.0	1.0	0.0	1.0
Investments	1.2	-0.4	0.8	1.2	-0.5	0.7
Pensions	2.3	-0.3	2.0	2.8	-0.4	2.4
Trade finance	3.0	0.0	3.0	2.7	0.0	2.7
Other	0.6	0.1	0.7	0.3	0.1	0.4
Total	28.8	-7.8	21.0	29.3	-8.1	21.2
Nine months						
Cards	32.6	-16.4	16.2	33.3	-17.0	16.3
Credit products	4.9	-1.3	3.6	4.1	-1.1	3.0
Daily banking plans	14.6	0.0	14.6	14.8	0.0	14.8
Deposit products and cash management	10.9	-2.3	8.6	9.6	-2.4	7.2
Insurance	2.8	0.0	2.8	2.9	0.0	2.9
Investments	4.0	-1.2	2.8	3.5	-1.3	2.2
Pensions	6.6	-0.6	6.0	7.9	-1.1	6.8
Trade finance	8.4	0.0	8.4	8.2	0.0	8.2
Other	0.9	-0.1	0.8	0.9	0.0	0.9
Total	85.7	-21.9	63.8	85.2	-22.9	62.3
Full year						
Cards	43.5	-22.4	21.1			
Credit products	6.7	-2.1	4.6			
Daily banking plans	19.4	0.0	19.4			
Deposit products and cash management	14.3	-3.1	11.2			
Insurance	3.8	0.0	3.8			
Investments	5.7	-1.7	4.0			
Pensions	8.9	-0.8	8.1			
Trade finance	11.4	0.0	11.4			
Other	1.1	-0.1	1.0			
Total	114.8	-30.2	84.6			

Fee and commission income by revenue recognition
€m

	2023			2024		
	Over time	Point in time	Total	Over time	Point in time	Total
Third quarter						
Cards	2.0	8.8	10.8	0.6	11.1	11.7
Credit products	0.4	1.3	1.7	0.2	1.1	1.3
Daily banking plans	4.9	0.0	4.9	4.9	0.0	4.9
Deposit products and cash management	0.7	2.6	3.3	0.9	2.5	3.4
Insurance	0.0	1.0	1.0	0.0	1.0	1.0
Investments	0.8	0.4	1.2	0.8	0.4	1.2
Pensions	2.3	0.0	2.3	2.8	0.0	2.8
Trade finance	2.9	0.1	3.0	2.5	0.2	2.7
Other	0.0	0.6	0.6	0.0	0.3	0.3
Total	14.0	14.8	28.8	12.7	16.6	29.3
Nine months						
Cards	7.7	24.9	32.6	1.7	31.6	33.3
Credit products	1.1	3.8	4.9	0.8	3.3	4.1
Daily banking plans	14.6	0.0	14.6	14.8	0.0	14.8
Deposit products and cash management	2.9	8.0	10.9	2.5	7.1	9.6
Insurance	0.0	2.8	2.8	0.0	2.9	2.9
Investments	2.0	2.0	4.0	2.2	1.3	3.5
Pensions	6.6	0.0	6.6	7.9	0.0	7.9
Trade finance	8.0	0.4	8.4	7.8	0.4	8.2
Other	0.0	0.9	0.9	0.0	0.9	0.9
Total	42.9	42.8	85.7	37.7	47.5	85.2
Full year						
Cards	8.3	35.2	43.5			
Credit products	1.6	5.1	6.7			
Daily banking plans	19.4	0.0	19.4			
Deposit products and cash management	3.7	10.6	14.3			
Insurance	0.0	3.8	3.8			
Investments	2.9	2.8	5.7			
Pensions	8.9	0.0	8.9			
Trade finance	10.8	0.6	11.4			
Other	0.1	1.0	1.1			
Total	55.7	59.1	114.8			

5. Net gain from financial instruments at fair value

€m	3Q		9M		FY
	2023	2024	2023	2024	2023
Derivatives	11.3	-10.7	11.8	2.6	2.1
Financial instruments held for trading	1.5	1.6	4.3	6.0	6.1
Financial instruments at FVTPL	-0.1	0.8	0.6	1.1	1.1
Debt securities designated at FVTPL	1.0	2.4	3.1	5.0	6.8
Total	13.7	-5.9	19.8	14.7	16.1

6. Other operating expense - net

€m	3Q		9M		FY
	2023	2024	2023	2024	2023
Other income	0.1	0.3	0.7	0.7	1.0
Other operating income	0.1	0.3	0.7	0.7	1.0
Contributions to deposit guarantee schemes	-2.2	-2.5	-5.7	-7.6	-10.3
Other expense	-0.7	-1.0	-2.6	-2.9	-3.8
Other operating expense	-2.9	-3.5	-8.3	-10.5	-14.1
Total	-2.8	-3.2	-7.6	-9.8	-13.1

7. Other administration expenses

€m	3Q		9M		FY
	2023	2024	2023	2024	2023
Information Technology-related	-23.8	-28.1	-77.2	-86.1	-98.9
Consulting and professional services	-13.7	-2.9	-43.0	-8.9	-54.6
Advertising and marketing	-2.1	-2.2	-4.7	-5.4	-8.6
Real estate	-0.9	-0.7	-2.5	-2.3	-3.3
Taxes and duties	-2.3	-1.0	-5.0	-3.9	-1.3
Other	-3.4	-5.1	-10.3	-10.1	-21.9
Total	-46.2	-40.0	-142.7	-116.7	-188.6

8. Bank taxes and resolution fee

€m	3Q		9M		FY
	2023	2024	2023	2024	2023
Latvian bank tax	-	-6.9	-	-20.8	-
Lithuanian bank tax	-14.0	-0.2	-20.8	-8.7	-30.1
Resolution fee	-0.9	0.2	-2.7	-0.2	-3.6
Total	-14.9	-6.9	-23.5	-29.7	-33.7

9. Debt securities

By type of obligor and IFRS9 measurement

€m	Govern- ments	Credit institutions	Financial institutions	Corporates	Total
31 December 2023					
AC	1,074.4	109.6	7.1	104.2	1,295.3
FVTPLD	152.7	22.7	0.0	0.0	175.4
FVTPLM	13.7	0.0	4.7	0.0	18.4
FVTOCI	2.7	0.0	0.0	0.0	2.7
Total	1,243.5	132.3	11.8	104.2	1,491.8
30 June 2024					
AC	1,086.9	144.1	7.2	105.3	1,343.5
FVTPLD	112.7	19.5	0.0	0.0	132.2
FVTPLM	9.4	0.0	4.9	0.5	14.8
FVTOCI	2.7	0.0	0.0	0.0	2.7
Total	1,211.7	163.6	12.1	105.8	1,493.2
30 September 2024					
AC	1,133.2	149.8	4.9	102.9	1,390.8
FVTPLD	114.7	19.7	0.0	0.0	134.4
FVTPLM	24.4	1.0	2.3	0.0	27.7
FVTOCI	2.8	0.0	0.0	0.0	2.8
Total	1,275.1	170.5	7.2	102.9	1,555.7

10. Loans to customers

€m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Individuals	5,941.5	5,947.4	5,980.8
Businesses	4,181.3	4,144.6	3,984.4
Financial institutions	190.9	168.0	188.1
Public sector	188.9	165.5	179.8
Total	10,502.6	10,425.5	10,333.1
of which loans pledged as security for covered bonds	1,050.0	1,065.0	1,000.0
By country of registration			
Estonia, Latvia, and Lithuania	10,353.7	10,278.1	10,188.6
Rest of the European Union	123.0	122.3	120.4
Rest of the world	25.9	25.1	24.1
Total	10,502.6	10,425.5	10,333.1

Loans to customers by stage and borrower type

€m	Gross carrying amount				Credit loss allowances				Total
	Stage 1	2	3	Total	Stage 1	2	3	Total	
31 December 2023									
Mortgages	4,903.0	197.4	63.8	5,164.2	-11.6	-15.0	-14.3	-40.9	5,123.3
Leasing	402.1	27.1	2.9	432.1	-1.8	-1.3	-0.7	-3.8	428.3
Consumer loans, cards	116.9	11.2	0.8	128.9	-0.8	-0.8	-0.3	-1.9	127.0
Other	209.7	49.7	9.1	268.5	-1.2	-1.5	-2.9	-5.6	262.9
Individuals	5,631.7	285.4	76.6	5,993.7	-15.4	-18.6	-18.2	-52.2	5,941.5
Loans	1,918.3	1,043.3	99.4	3,061.0	-5.7	-19.0	-28.4	-53.1	3,007.9
Leasing	843.1	118.4	24.5	986.0	-3.0	-3.2	-8.0	-14.2	971.8
Factoring	174.1	27.3	1.5	202.9	-0.3	-0.2	-0.8	-1.3	201.6
Businesses	2,935.5	1,189.0	125.4	4,249.9	-9.0	-22.4	-37.2	-68.6	4,181.3
Financial institutions	139.7	52.2	0.1	192.0	-0.1	-1.0	0.0	-1.1	190.9
Public sector	189.0	0.0	0.1	189.1	-0.1	0.0	-0.1	-0.2	188.9
Total	8,895.9	1,526.6	202.2	10,624.7	-24.6	-42.0	-55.5	-122.1	10,502.6
30 June 2024									
Mortgages	4,914.3	188.1	64.8	5,167.2	-11.6	-14.0	-13.9	-39.5	5,127.7
Leasing	391.5	29.1	4.3	424.9	-1.8	-1.4	-1.4	-4.6	420.3
Consumer loans, cards	122.8	10.5	1.0	134.3	-0.8	-0.9	-0.4	-2.1	132.2
Other	211.2	52.2	9.4	272.8	-1.1	-1.3	-3.2	-5.6	267.2
Individuals	5,639.8	279.9	79.5	5,999.2	-15.3	-17.6	-18.9	-51.8	5,947.4
Loans	2,052.0	885.6	100.2	3,037.8	-6.5	-16.7	-18.7	-41.9	2,995.9
Leasing	785.2	133.9	27.6	946.7	-3.0	-3.5	-7.9	-14.4	932.3
Factoring	192.8	24.0	0.3	217.1	-0.3	-0.1	-0.3	-0.7	216.4
Businesses	3,030.0	1,043.5	128.1	4,201.6	-9.8	-20.3	-26.9	-57.0	4,144.6
Financial institutions	134.6	34.3	0.1	169.0	-0.2	-0.8	0.0	-1.0	168.0
Public sector	165.5	0.1	0.0	165.6	-0.1	0.0	0.0	-0.1	165.5
Total	8,969.9	1,357.8	207.7	10,535.4	-25.4	-38.7	-45.8	-109.9	10,425.5
30 September 2024									
Mortgages	4,936.2	198.3	60.2	5,194.7	-11.9	-14.6	-12.8	-39.3	5,155.4
Leasing	398.5	24.9	4.7	428.1	-1.9	-1.3	-1.6	-4.8	423.3
Consumer loans, cards	124.2	11.0	1.0	136.2	-0.8	-1.0	-0.5	-2.3	133.9
Other	212.5	53.0	8.4	273.9	-1.1	-1.5	-3.1	-5.7	268.2
Individuals	5,671.4	287.2	74.3	6,032.9	-15.7	-18.4	-18.0	-52.1	5,980.8
Loans	1,914.8	898.7	97.9	2,911.4	-6.0	-15.9	-20.5	-42.4	2,869.0
Leasing	778.3	123.1	25.2	926.6	-3.1	-3.6	-7.9	-14.6	912.0
Factoring	190.2	13.5	0.1	203.8	-0.3	0.0	-0.1	-0.4	203.4
Businesses	2,883.3	1,035.3	123.2	4,041.8	-9.4	-19.5	-28.5	-57.4	3,984.4
Financial institutions	156.7	32.4	0.1	189.2	-0.3	-0.8	0.0	-1.1	188.1
Public sector	179.8	0.1	0.0	179.9	-0.1	0.0	0.0	-0.1	179.8
Total	8,891.2	1,355.0	197.6	10,443.8	-25.5	-38.7	-46.5	-110.7	10,333.1

Loans to businesses by stage and sector

€m	Gross carrying amount				Credit loss allowances				Total
	Stage 1	2	3	Total	Stage 1	2	3	Total	
31 December 2023									
Real estate activities	963.2	316.5	7.9	1,287.6	-2.9	-5.5	-0.9	-9.3	1,278.3
Wholesale and retail	312.2	320.2	3.5	635.9	-0.9	-1.5	-2.2	-4.6	631.3
Manufacturing	328.9	173.0	16.7	518.6	-0.7	-3.3	-10.8	-14.8	503.8
Transport and storage	212.9	37.1	14.9	264.9	-0.8	-0.5	-4.2	-5.5	259.4
Agriculture, forestry, and fishing	292.2	58.5	16.9	367.6	-0.7	-1.4	-6.6	-8.7	358.9
Construction	157.9	84.0	11.5	253.4	-0.6	-2.8	-8.1	-11.5	241.9
Administrative and support services	240.5	57.5	1.9	299.9	-1.0	-1.3	-0.7	-3.0	296.9
Professional, scientific, technical	70.3	56.7	0.6	127.6	-0.5	-2.4	-0.3	-3.2	124.4
Electricity, gas, steam, and aircon	173.4	13.9	1.0	188.3	-0.3	-0.1	-0.7	-1.1	187.2
Other	184.0	71.6	50.5	306.1	-0.6	-3.6	-2.7	-6.9	299.2
Total	2,935.5	1,189.0	125.4	4,249.9	-9.0	-22.4	-37.2	-68.6	4,181.3
30 June 2024									
Real estate activities	974.6	311.3	4.3	1,290.2	-3.0	-4.7	-0.3	-8.0	1,282.2
Wholesale and retail	374.0	195.7	9.2	578.9	-1.4	-1.6	-5.5	-8.5	570.4
Manufacturing	361.1	178.2	21.0	560.3	-0.8	-4.0	-6.5	-11.3	549.0
Transport and storage	212.7	28.3	13.0	254.0	-0.9	-0.5	-3.9	-5.3	248.7
Agriculture, forestry, and fishing	280.4	52.2	21.5	354.1	-0.7	-1.9	-4.0	-6.6	347.5
Construction	169.4	86.2	3.4	259.0	-0.5	-2.7	-1.4	-4.6	254.4
Administrative and support services	208.0	77.8	4.8	290.6	-0.9	-1.5	-1.0	-3.4	287.2
Professional, scientific, technical	78.8	49.5	0.4	128.7	-0.6	-1.1	-0.2	-1.9	126.8
Electricity, gas, steam, and aircon	159.2	12.9	0.1	172.2	-0.3	-0.1	-0.1	-0.5	171.7
Other	211.8	51.4	50.4	313.6	-0.7	-2.2	-4.0	-6.9	306.7
Total	3,030.0	1,043.5	128.1	4,201.6	-9.8	-20.3	-26.9	-57.0	4,144.6
30 September 2024									
Real estate activities	894.5	329.1	3.4	1,227.0	-2.6	-4.0	-0.4	-7.0	1,220.0
Wholesale and retail	356.9	215.2	8.9	581.0	-1.1	-2.8	-5.1	-9.0	572.0
Manufacturing	347.8	157.3	18.4	523.5	-0.8	-3.3	-7.1	-11.2	512.3
Transport and storage	178.0	25.3	10.3	213.6	-0.7	-0.6	-3.3	-4.6	209.0
Agriculture, forestry, and fishing	274.7	53.4	19.2	347.3	-0.8	-2.1	-4.0	-6.9	340.4
Construction	153.2	78.6	3.5	235.3	-0.6	-2.6	-1.4	-4.6	230.7
Administrative and support services	220.4	63.4	8.3	292.1	-1.0	-1.4	-2.0	-4.4	287.7
Professional, scientific, technical	85.0	51.3	0.7	137.0	-0.6	-0.9	-0.2	-1.7	135.3
Electricity, gas, steam, and aircon	154.5	12.2	0.1	166.8	-0.3	-0.1	-0.1	-0.5	166.3
Other	218.3	49.5	50.4	318.2	-0.9	-1.7	-4.9	-7.5	310.7
Total	2,883.3	1,035.3	123.2	4,041.8	-9.4	-19.5	-28.5	-57.4	3,984.4

Loans to customers by stage and risk category

€m	Stage 1	2	3	Total
31 December 2023				
Low risk	6,064.7	240.6	0.0	6,305.3
Moderate risk	2,738.3	755.9	0.0	3,494.2
High risk	92.9	530.1	0.0	623.0
Default	0.0	0.0	202.2	202.2
Gross carrying amount	8,895.9	1,526.6	202.2	10,624.7
of which POCI	0.0	6.7	1.3	8.0
30 June 2024				
Low risk	6,000.7	160.8	0.0	6,161.5
Moderate risk	2,858.9	629.2	0.0	3,488.1
High risk	110.3	567.8	0.0	678.1
Default	0.0	0.0	207.7	207.7
Gross carrying amount	8,969.9	1,357.8	207.7	10,535.4
of which POCI	0.0	4.8	1.4	6.2
30 September 2024				
Low risk	5,976.6	138.6	0.0	6,115.2
Moderate risk	2,797.1	704.6	0.0	3,501.7
High risk	117.5	511.8	0.0	629.3
Default	0.0	0.0	197.6	197.6
Gross carrying amount	8,891.2	1,355.0	197.6	10,443.8
of which POCI	0.0	4.3	1.0	5.3

Expected credit losses

€m	3Q		9M		FY
	2023	2024	2023	2024	2023
Expected credit losses	-3.4	0.8	-9.2	0.8	-23.5
Provisions	-0.7	-2.1	-3.7	1.4	-9.6
Total	-4.1	-1.3	-12.9	2.2	-33.1

Movement by Stage in Loans to customers and credit loss allowances
Nine months
2023
2024

€m	2023				2024			
	Stage 1	2	3	Total	Stage 1	2	3	Total
Gross carrying amount								
Opening balance	9,205.0	1,637.7	133.4	10,976.1	8,895.9	1,526.6	202.2	10,624.7
Transfers to Stage 1	346.4	-345.9	-0.5	0.0	204.4	-202.6	-1.8	0.0
Transfers to Stage 2	-890.5	923.5	-33.0	0.0	-379.3	395.4	-16.1	0.0
Transfers to Stage 3	-30.0	-38.3	68.3	0.0	-28.6	-39.7	68.3	0.0
Originated or purchased	1,657.2	0.0	0.0	1,657.2	1,345.4	0.0	0.0	1,345.4
Derecognised and repaid	-1,310.7	-410.2	-29.3	-1,750.2	-1,146.6	-324.7	-45.0	-1,516.3
Movement	-227.6	129.1	5.5	-93.0	-4.7	-171.6	5.4	-170.9
Write-offs, recoveries etc	0.0	0.0	-0.9	-0.9	0.0	0.0	-10.0	-10.0
Closing balance	8,977.4	1,766.8	138.0	10,882.2	8,891.2	1,355.0	197.6	10,443.8
of which POCI	0.0	7.2	2.6	9.8	0.0	4.3	1.0	5.3
Credit loss allowances								
Opening balance	-27.1	-31.0	-43.3	-101.4	-24.6	-42.0	-55.5	-122.1
Transfers to Stage 1	-6.0	5.9	0.1	0.0	-5.9	5.7	0.2	0.0
Transfers to Stage 2	4.3	-10.7	6.4	0.0	3.8	-8.4	4.6	0.0
Transfers to Stage 3	1.7	2.1	-3.8	0.0	2.5	2.8	-5.3	0.0
Originated or purchased	-9.1	0.0	0.0	-9.1	-8.9	0.0	0.0	-8.9
Derecognised and repaid	2.0	5.5	3.6	11.1	0.6	1.0	0.7	2.3
Change in ECL assumptions, Stages & other	8.9	-11.8	-8.3	-11.2	7.0	2.2	-1.2	8.0
Movement	1.8	-9.0	-2.0	-9.2	-0.9	3.3	-1.0	1.4
Write-offs, recoveries etc	0.0	0.0	0.9	0.9	0.0	0.0	10.0	10.0
Closing balance	-25.3	-40.0	-44.4	-109.7	-25.5	-38.7	-46.5	-110.7
of which POCI	0.0	-0.1	-0.2	-0.3	0.0	-0.1	-0.2	-0.3

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

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

11. Other assets

€m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Payments in transit	31.5	49.1	29.7
Mandatory reserve balances with central banks	115.8	112.5	115.1
Term balances with banks	8.7	5.2	7.7
Accounts receivables	4.1	4.6	3.7
Accrued income	5.2	4.3	5.2
Financial assets	165.3	175.7	161.4
Advance payments	11.2	16.7	16.1
Value Added Tax recoverable and other taxes	6.4	4.3	3.1
Other	5.0	6.0	6.5
Non-financial assets	22.6	27.0	25.7
Total	187.9	202.7	187.1

12. Deposits from customers

€m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Individuals	4,738.1	4,725.2	4,706.6
Businesses	4,200.9	3,845.0	3,852.4
Financial institutions	249.6	181.8	177.7
Public sector	2,088.9	2,437.1	2,256.3
Total	11,277.5	11,189.1	10,993.0
of which Demand deposits	8,483.7	8,177.3	8,122.6
Term deposits	2,793.8	3,011.8	2,870.4
By country of registration			
Estonia, Latvia, and Lithuania	11,121.7	11,006.8	10,813.2
Rest of the European Union	76.8	99.3	91.4
Rest of the world	79.0	83.0	88.4
Total	11,277.5	11,189.1	10,993.0

See also Note 17, 'Derivatives', below

13. Debt securities issued

€m	First call date	Maturity date	Further information	31 Dec 2023	30 Jun 2024	30 Sep 2024
€500m, 0.01%	-	Mar 2025		475.3	482.1	487.4
€500m, 1.688%	-	Jun 2027		486.5	477.0	490.7
Covered bonds				961.8	959.1	978.1
€300m, 7.25%	Jan 2025	Jan 2026	€214.1m repurchased Sep 2024	319.9	306.5	89.1
€300m, 0.539%	Sep 2025	Sep 2026		300.5	299.3	300.5
SEK500m, floating rate	Mar 2026	Mar 2027	Issued Mar 2024. Pays 3mSTIBOR+2.25%	-	43.9	44.1
€300m, 7.75%	Jun 2026	Jun 2027		316.5	300.6	309.5
€300m, 4.042%	Sep 2027	Sep 2028	Issued Sep 2024	-	-	302.1
Senior bonds				936.9	950.3	1,045.3
Total				1,898.7	1,909.4	2,023.4

See also Note 17, 'Derivatives', below

14. Other liabilities

€m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Payments in transit	85.3	103.8	77.4
Accrued liabilities	26.0	23.5	28.8
Account payables	4.2	12.6	8.2
Other	3.1	2.0	1.3
Financial liabilities	118.6	141.9	115.7
Accrued liabilities (related to Personnel expenses)	22.3	18.2	18.5
Received prepayments	2.4	2.4	2.2
Value Added Tax	4.6	6.8	3.5
Other tax liabilities	11.1	3.4	1.5
Other	6.5	9.0	8.2
Non-financial liabilities	46.9	39.8	33.9
Total	165.5	181.7	149.6

15. Contingent liabilities

€m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Undrawn loan commitments	1,081.1	1,075.2	1,134.4
Performance guarantees	320.9	300.6	311.2
Financial guarantees	4.2	3.7	3.6
Other guarantees	621.4	598.9	587.1
Other	28.2	41.5	19.4
Total	2,055.8	2,019.9	2,055.7

16. Derivatives

€m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Assets			
Interest rate-related	78.7	39.4	42.1
Currency-related	9.2	10.8	8.2
Commodity-related	4.3	3.3	2.8
Total	92.2	53.5	53.1
Liabilities			
Interest rate-related	56.2	59.9	32.3
Currency-related	13.5	4.1	12.2
Commodity-related	4.0	3.1	2.3
Total	73.7	67.1	46.8
Notional amounts			
Interest rate-related	3,861.2	4,031.6	3,945.8
Currency-related	1,012.1	1,060.9	1,140.7
Commodity-related	67.6	110.1	122.0
Total	4,940.9	5,202.6	5,208.5
Fair value hedges: By hedged item and hedging instruments (interest rate swaps)			
Deposits from Customers			
Assets	18.1	8.3	12.4
Liabilities	-	1.5	-
Notional amount	875.0	775.0	675.0
Debt securities issued			
Assets	32.0	4.2	6.6
Liabilities	40.5	43.6	18.4
Notional amount	1,900.0	1,900.0	1,900.0

Hedge accounting

Luminor applies hedge accounting to fair value hedges of euro-denominated Debt securities issued and, from January 2023, part of Deposits from customers. To assess the hedge effectiveness of Debt securities issued, Luminor uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in the fair value of the hedged item attributable to the hedged risk. Ineffectiveness was clearly immaterial as at 31 December 2023, and 30 June and 30 September 2024.

To assess the hedge effectiveness of Deposits from customers portfolio part, Luminor uses the prospective (regression analysis) and retrospective tests 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. The effectiveness measurement is made on a cumulative basis. Ineffectiveness was clearly immaterial as at 31 December 2023, and 30 June and 30 September 2024.

17. Fair value of financial instruments

€m	IFRS 9 measurement	Fair value				Carrying amount
		Level 1	Level 2	Level 3	Total	
31 December 2023						
Cash and balances with central banks	AC	105.4	2,963.7	0.0	3,069.1	3,069.1
Balances with banks	AC	0.0	47.5	0.0	47.5	47.5
Debt securities	AC	1,222.5	0.0	11.3	1,233.8	1,295.3
Debt securities	FVTPLD	175.4	0.0	0.0	175.4	175.4
Debt securities	FVTPLM	13.9	0.0	4.5	18.4	18.4
Debt securities	FVTOCI	2.7	0.0	0.0	2.7	2.7
Loans to customers	AC	0.0	0.0	10,692.4	10,692.4	10,502.6
Derivatives	FVTPLM	0.0	92.2	0.0	92.2	92.2
Equity instruments	FVTPLM	0.0	2.4	0.0	2.4	2.4
Equity instruments	FVTOCI	0.0	0.0	0.5	0.5	0.5
Other	AC	0.0	165.3	0.0	165.3	165.3
Total assets		1,519.9	3,271.1	10,708.7	15,499.7	15,371.4
Loans and deposits from credit institutions	AC	0.0	212.3	0.0	212.3	212.3
Deposits from customers	AC	0.0	8,483.7	2,799.3	11,283.0	11,277.5
Debt securities issued	AC	0.0	1,856.6	0.0	1,856.6	1,898.7
Derivatives	FVTPLM	0.0	73.7	0.0	73.7	73.7
Other	AC	0.0	118.6	0.0	118.6	118.6
Total liabilities		0.0	10,744.9	2,799.3	13,544.2	13,580.8
30 June 2024						
Cash and balances with central banks	AC	112.9	2,847.3	0.0	2,960.2	2,960.2
Balances with banks	AC	0.0	61.1	0.0	61.1	61.1
Debt securities	AC	1,258.0	0.0	21.6	1,279.6	1,343.5
Debt securities	FVTPLD	132.2	0.0	0.0	132.2	132.2
Debt securities	FVTPLM	10.1	0.0	4.7	14.8	14.8
Debt securities	FVTOCI	2.7	0.0	0.0	2.7	2.7
Loans to customers	AC	0.0	0.0	10,708.8	10,708.8	10,425.5
Derivatives	FVTPLM	0.0	53.5	0.0	53.5	53.5
Equity instruments	FVTPLM	0.0	2.8	0.0	2.8	2.8
Equity instruments	FVTOCI	0.0	0.0	0.5	0.5	0.5
Other	AC	0.0	175.7	0.0	175.7	175.7
Total assets		1,515.9	3,140.4	10,735.6	15,391.9	15,172.5
Loans and deposits from credit institutions	AC	0.0	185.2	0.0	185.2	185.2
Deposits from customers	AC	0.0	8,177.3	3,016.7	11,194.0	11,189.1
Debt securities issued	AC	0.0	1,916.1	0.0	1,916.1	1,909.4
Derivatives	FVTPLM	0.0	67.1	0.0	67.1	67.1
Other	AC	0.0	141.9	0.0	141.9	141.9
Total liabilities		0.0	10,487.6	3,016.7	13,504.3	13,492.7

€m	IFRS 9 measurement	Fair value				Carrying amount
		Level 1	Level 2	Level 3	Total	
30 September 2024						
Cash and balances with central banks	AC	118.2	2,708.3	0.0	2,826.5	2,826.5
Balances with banks	AC	0.0	52.7	0.0	52.7	52.7
Debt securities	AC	1,331.5	0.0	21.9	1,353.4	1,390.8
Debt securities	FVTPLD	134.4	0.0	0.0	134.4	134.4
Debt securities	FVTPLM	25.4	0.0	2.3	27.7	27.7
Debt securities	FVTOCI	2.8	0.0	0.0	2.8	2.8
Loans to customers	AC	0.0	0.0	10,622.9	10,622.9	10,333.1
Derivatives	FVTPLM	0.0	53.1	0.0	53.1	53.1
Equity instruments	FVTPLM	0.0	2.8	0.0	2.8	2.8
Equity instruments	FVTOCI	0.0	0.0	0.5	0.5	0.5
Other	AC	0.0	161.4	0.0	161.4	161.4
Total assets		1,612.3	2,978.3	10,647.6	15,238.2	14,985.8
Loans and deposits from credit institutions	AC	0.0	167.7	0.0	167.7	167.7
Deposits from customers	AC	0.0	8,122.6	2,881.1	11,003.7	10,993.0
Debt securities issued	AC	0.0	1,940.8	0.0	1,940.8	2,023.4
Derivatives	FVTPLM	0.0	46.8	0.0	46.8	46.8
Other	AC	0.0	115.7	0.0	115.7	115.7
Total liabilities		0.0	10,393.6	2,881.1	13,274.7	13,346.6

Change in debt securities in Level 3

€m	9M		FY
	2023	2024	2023
Opening balance	3.5	15.8	3.5
Additions or disposals	0.0	-2.4	0.0
Transferred to Level 3	11.1	9.9	11.1
Unrealised gains for assets held at the end of the reporting period	0.6	0.9	1.2
Closing balance	15.2	24.2	15.8

18. Customer segments

€m	2023				2024			
	Retail	Corporate	Other	Total	Retail	Corporate	Other	Total
Third quarter								
Net interest and similar income	75.9	62.9	2.8	141.6	69.2	55.2	0.6	125.0
Net fee and commission income	13.5	7.8	-0.3	21.0	14.5	6.4	0.3	21.2
Net other operating income	1.3	1.8	1.8	4.9	1.5	2.2	1.8	5.5
Total operating income	90.7	72.5	4.3	167.5	85.2	63.8	2.7	151.7
Total administration expenses	-50.5	-29.7	-0.8	-81.0	-49.8	-23.6	-2.4	-75.8
Profit before credit losses and taxes	40.2	42.8	3.5	86.5	35.4	40.2	0.3	75.9
Expected credit losses	-2.2	-1.9	0.0	-4.1	-0.9	-0.8	0.4	-1.3
Bank taxes and resolution fee	0.0	0.0	-14.9	-14.9	0.0	0.0	-6.9	-6.9
Profit (-loss) before tax	38.0	40.9	-11.4	67.5	34.5	39.4	-6.2	67.7
Nine months								
Net interest and similar income	204.9	185.6	8.6	399.1	211.0	174.8	10.0	395.8
Net fee and commission income	40.4	24.0	-0.6	63.8	42.2	19.5	0.6	62.3
Net other operating income	4.4	10.6	5.0	20.0	4.3	8.0	3.4	15.7
Total operating income	249.7	220.2	13.0	482.9	257.5	202.3	14.0	473.8
Total administration expenses	-151.1	-92.6	-2.1	-245.8	-147.0	-77.4	-15.7	-240.1
Profit before credit losses and taxes	98.6	127.6	10.9	237.1	110.5	124.9	-1.7	233.7
Expected credit losses	-5.7	-8.5	1.3	-12.9	-0.6	2.0	0.8	2.2
Bank taxes and resolution fee	0.0	0.0	-23.5	-23.5	0.0	0.0	-29.7	-29.7
Profit (-loss) before tax	92.9	119.1	-11.3	200.7	109.9	126.9	-30.6	206.2
Full year								
Net interest and similar income	280.4	247.7	13.9	542.0				
Net fee and commission income	54.7	30.6	-0.7	84.6				
Net other operating income	6.0	15.6	1.6	23.2				
Total operating income	341.1	293.9	14.8	649.8				
Total administration expenses	-205.2	-125.2	-9.5	-339.9				
Profit before credit losses and taxes	135.9	168.7	5.3	309.9				
Expected credit losses	-12.5	-21.2	0.6	-33.1				
Bank taxes and resolution fee	0.0	0.0	-33.7	-33.7				
Profit (-loss) before tax	123.4	147.5	-27.8	243.1				

Fee and commission income
€m

	2023				2024			
	Retail	Corporate	Other	Total	Retail	Corporate	Other	Total
Third quarter								
Cards	7.9	2.9	0.0	10.8	8.5	3.2	0.0	11.7
Credit products	0.1	1.6	0.0	1.7	0.1	1.2	0.0	1.3
Daily banking plans	4.8	0.2	-0.1	4.9	4.8	0.1	0.0	4.9
Deposit products and cash management	1.6	1.6	0.1	3.3	1.9	1.4	0.1	3.4
Insurance	1.0	0.2	-0.2	1.0	0.9	0.1	0.0	1.0
Investments	0.6	0.3	0.3	1.2	0.7	0.3	0.2	1.2
Pensions	2.3	0.0	0.0	2.3	2.8	0.0	0.0	2.8
Trade finance	0.0	3.0	0.0	3.0	0.0	2.7	0.0	2.7
Other	0.1	0.4	0.1	0.6	0.1	0.1	0.1	0.3
Total	18.4	10.2	0.2	28.8	19.8	9.1	0.4	29.3
Nine months								
Cards	23.4	9.2	0.0	32.6	23.9	9.4	0.0	33.3
Credit products	0.3	4.6	0.0	4.9	0.3	3.8	0.0	4.1
Daily banking plans	14.2	0.4	0.0	14.6	14.4	0.4	0.0	14.8
Deposit products and cash management	5.7	5.1	0.1	10.9	5.2	4.2	0.2	9.6
Insurance	2.3	0.5	0.0	2.8	2.5	0.4	0.0	2.9
Investments	1.8	1.7	0.5	4.0	2.2	0.8	0.5	3.5
Pensions	6.6	0.0	0.0	6.6	7.9	0.0	0.0	7.9
Trade finance	0.0	8.0	0.4	8.4	0.0	8.0	0.2	8.2
Other	0.3	0.5	0.1	0.9	0.5	0.3	0.1	0.9
Total	54.6	30.0	1.1	85.7	56.9	27.3	1.0	85.2
Full year								
Cards	31.2	12.3	0.0	43.5				
Credit products	0.5	6.1	0.1	6.7				
Daily banking plans	18.9	0.5	0.0	19.4				
Deposit products and cash management	7.4	6.7	0.2	14.3				
Insurance	3.1	0.7	0.0	3.8				
Investments	2.7	2.3	0.7	5.7				
Pensions	8.9	0.0	0.0	8.9				
Trade finance	0.1	10.9	0.4	11.4				
Other	0.4	0.6	0.1	1.1				
Total	73.2	40.1	1.5	114.8				

Customer balances			
€m	31 Dec	30 Jun	30 Sep
	2023	2024	2024
Loans to customers			
Retail	5,700.1	5,725.8	5,759.7
Corporate	4,799.2	4,698.6	4,572.8
Other	3.3	1.1	0.6
Total	10,502.6	10,425.5	10,333.1
Deposits from customers			
Retail	5,915.5	5,845.6	5,819.3
Corporate	5,282.2	5,298.6	5,138.2
Other	79.8	44.9	35.5
Total	11,277.5	11,189.1	10,993.0

19. Related parties

€m	3Q		9M		FY
	2023	2024	2023	2024	2023
Entities with significant influence (DNB Bank ASA)					
Net interest and similar income – needs adjusting	-0.1	0.0	0.0	-0.4	-0.1
Net fee and commission income	-0.1	-0.1	-0.1	-0.1	-0.1
Net gain (-loss) from financial instruments at fair value	3.6	-6.0	0.3	-0.5	-7.4
Other administration expenses – needs adjusting	0.0	0.0	-0.7	0.0	-0.7
Other income and expenses	0.0	0.0	-0.1	0.0	-0.1
Total	3.4	-6.1	-0.6	-1.0	-8.4
Key management personnel					
Personnel expenses	-1.3	-1.7	-3.9	-5.5	-5.2
Associates (ALD Automotive – 3 entities)					
Net interest and similar income	0.0	0.2	0.2	0.4	0.3
Other administration expenses	-0.1	0.0	-0.1	-0.1	-0.1

€m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Entities with significant influence			
Assets			
Balances with banks	1.2	1.7	2.2
Debt securities	0.0	9.4	9.5
Derivatives	17.5	18.1	11.4
Other	0.0	0.0	0.0
Total	18.7	29.2	23.1
Liabilities			
Loans and deposits from credit institutions	18.9	21.1	10.1
Derivatives	1.6	0.0	2.0
Total	20.5	21.1	12.1
Key management personnel			
Loans to customers	0.1	0.1	0.1
Deposits from customers	0.7	0.5	0.7
Provisions	0.2	0.0	0.0
Associates			
Loans to customers	11.9	16.6	19.3
Deposits from customers	0.7	0.5	1.0
Other liabilities	0.0	0.0	0.0

20. Country information

Interest and fee income by country where generated

€m	3Q		9M		FY
	2023	2024	2023	2024	2023
Interest and similar income					
Estonia	45.1	46.0	123.0	139.9	168.8
Latvia	56.4	55.4	150.0	172.9	209.2
Lithuania	99.8	96.9	258.0	300.4	362.2
Total	201.3	198.3	531.0	613.2	740.2
Fee and commission income					
Estonia	4.5	4.6	13.5	13.3	18.2
Latvia	6.9	8.8	25.5	25.6	34.1
Lithuania	17.4	15.9	46.7	46.3	62.5
Total	28.8	29.3	85.7	85.2	114.8

Customer balances

€m	31 Dec 2023	30 Jun 2024	30 Sep 2024
Loans to customers			
Estonia	2,391.1	2,304.5	2,277.2
Latvia	2,863.2	2,884.9	2,837.3
Lithuania	5,248.3	5,236.1	5,218.6
Total	10,502.6	10,425.5	10,333.1
Deposits from customers			
Estonia	1,236.9	1,233.5	1,320.1
Latvia	3,043.8	2,922.2	2,842.1
Lithuania	6,996.8	7,033.4	6,830.8
Total	11,277.5	11,189.1	10,993.0

ADDITIONAL INFORMATION

Glossary and abbreviations

AC

Amortised Cost

Common Equity Tier 1 ratio

Shareholders' equity subject to regulatory adjustments as a percentage of total risk exposure amounts

Companies

Businesses, Financial institutions, and Public sector customers

Cost/income ratio

Total administration expenses as a percentage of total operating income

EIM

Effective Interest Method

FVTOCI

Fair Value Through Other Comprehensive Income

FVTPLD

Designated at Fair Value through Profit or Loss

FVTPLM

Measured mandatorily at Fair Value through Profit or Loss

Leverage ratio

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

LCR - Liquidity Coverage Ratio

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

NIM - Net interest margin

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

NSFR - Net Stable Funding Ratio

Available stable funding as a percentage of required stable funding over a one-year horizon

Non-performing loans ratio

Gross carrying amount for Stage 3 loans as a percentage of gross carrying amount of total loans

Provisions

Expected credit losses on Contingent liabilities

Return on Equity

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

POCI loans

Loans which were credit impaired when purchased or originated

Information about Luminor Bank

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Republic of Estonia

Commercial register code

11315936

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Balance sheet date

30 September 2024

Reporting period

1 January to 30 September 2024

Reporting currency

euro (millions)

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Cover photos: Still images from our latest mortgage campaign; 'Home is a place to unleash your true self'.

This report was designed and produced by Luminor Bank AS

A black dog and a brown cat are sitting on a patterned rug in a room. The dog is on the left, lying down with its mouth open, looking towards the camera. The cat is on the right, sitting upright and looking directly at the camera. The background features floral wallpaper on the left and a plain wall on the right. The lighting is soft and natural.

Luminor

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