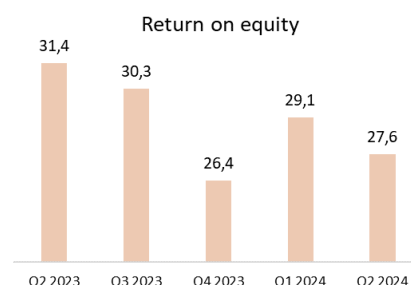
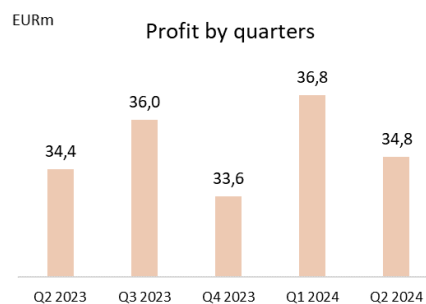


Interim Report January – June 2024

Summary of Results

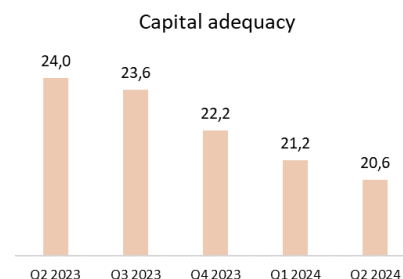
Q2 2024 in comparison with Q1 2024

- Net profit EUR 34.8 m (36.8 m eurot), of which EUR 34.7 m (EUR 36.7 m) is attributable to owners of the parent
- Net income EUR 68.8 m (EUR 68.8 m)
- Operating expenses EUR 23.2 m (EUR 22.8 m)
- Loan and bond provisions EUR 4.9 m (EUR 2.8 m)
- Income tax expenses EUR 5.9 m (EUR 6.4 m)
- Return on equity 27.6% (29.1%)
- Capital adequacy 20.6% (21.2%)



Q2 2024 in comparison with Q2 2023

- Net profit EUR 34.8 m (EUR 34.4 m), of which EUR 34.7 m (EUR 34.2 m) is attributable to owners of the parent
- Net income EUR 68.8 m (EUR 61.4 m)
- Operating expenses EUR 23.2 m (21.1 m)
- Loan and bond provisions EUR 4.9 m (EUR 0.6 m)
- Income tax expenses EUR 5.9 m (EUR 5.2 m)
- Return on equity 27.6% (31.4%)
- Capital adequacy 20.6% (24.0%)



The calculated capital adequacy is in line with COREP.

The return on equity ratio is based on the profit and equity attributed to the owners of AS LHV Pank and do not include any non-controlling interest.

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Business activities

During the quarter, the number of the bank's clients grew by 5 400. The deletion of companies from the Commercial Register – we terminated agreements with 4200 companies as a result – was one reason that the increase in the number of companies was more modest this quarter. New clients accrued at a rate similar to the start of the year and client activity was at a good level. Deposits decreased by EUR 211 million over the quarter, and loans increased by EUR 194 million.

Ordinary clients' deposits grew by EUR 137 million during the quarter and financial intermediaries' deposits decreased by EUR 176 million. The financial situation faced by domestic households and ability to put money in savings has started to improve a bit, but a recovery will take time. Households' savings deposits grew 7.6% year-over-year in May; corporate deposits, 0.6%. Still, the growth rate is clearly lower than the long-term level and the growth is not very broad-based. Deposits are still in the focus, but in Q2, we were more conservative in the interest rates we offered on term deposits. Additionally, we reduced platform deposits by EUR 180 million. Our goal is to raise deposits from the Estonian market. Using the platform, we can quickly grow the deposit volume if necessary.

Loans to non-LHV-Group companies grew by EUR 100 million and consumer loans increased by EUR 94 million. Since the last quarter of 2023, the loan market has stabilized and the growth rate of housing loans issued has stayed around 6.0%. The growth in loans granted to companies slowed slightly – to 5.6%. We outpaced market growth. The strong results were due to both the continuation of the home loan refinancing campaign and active approach to corporate customers. We signed a cooperation agreement with the European Investment Fund (EIF), which allows LHV to offer small and medium-sized companies loans, loans for apartment association renovation projects, and provide leasing enabling private clients to buy electric vehicles and companies to purchase electric vehicles and hybrid vehicles in the context of the EIF's Sustainable Loan sub-programme. Over three years, the programme will allow us to provide EUR 200 million of financing to companies and individuals, which translates to about 150 renovated apartment buildings, and 100 companies investing into more energy efficient solutions or about 500 electric vehicles.

The net profit for the quarter was EUR 35 million. The strong second-quarter result was mainly the result of interest income.

The growth in net interest income is slowing, since the expenses paid on deposits are growing faster. Due to higher interest income and lower write-downs, net profit exceeded the planned target by EUR 13.6 million by the end of the quarter. Income from service charges is lagging slightly behind the target while expenses are a bit higher than planned, but remain under control.

Loan impairments increased by EUR 2.1 million during the quarter. The outlook for the Estonian economy for 2024 continues to be weak, but the conditions for returning to growth have improved. Due to the continuing fragility of the environment, we also made model-based forward-looking write-downs in Q2. The write-downs have also impacted rating changes for individual clients. As a whole, the quality of the bank's loan portfolio has stayed strong and the share of overdue loans continues to be very low. We are seeing growth in consumer loans, but the levels are reasonable and in line with expectations. Compared to the financial plan, write-downs were EUR 1.8 million lower.

Also in Q2, we introduced a number of new features in user friendliness and launched a new product on the market. We automated trading of Baltic bonds, allowing clients to execute transactions over LHV's digital channel in seconds; the trade is sent to the exchange automatically. Moreover, the internet bank now allows delivery versus payment (DVP) transfers of securities to be made without needing assistance from a bank employee. We introduced the LHV instalment payment product, which broadens the choice of payment solutions for merchants even further. Now clients can pay for goods and services in instalments without signing a credit agreement.

We brought home five eggs from the Golden Egg Awards marketing awards competition – two of them gold, one silver and two bronze – for three of our advertisements ("Freedom to Move On", "Where Are You?" and "Bungee Jump"). The annual LHV May Run, a unique running race for women only, drew a record number of entrants. June witnessed the Youth Investment Festival and 30 summer interns started their internships at LHV.

The Kantar Emor employer reputation survey for 2024 revealed that LHV is seen as university students' first choice as an employer.

Financial Summary

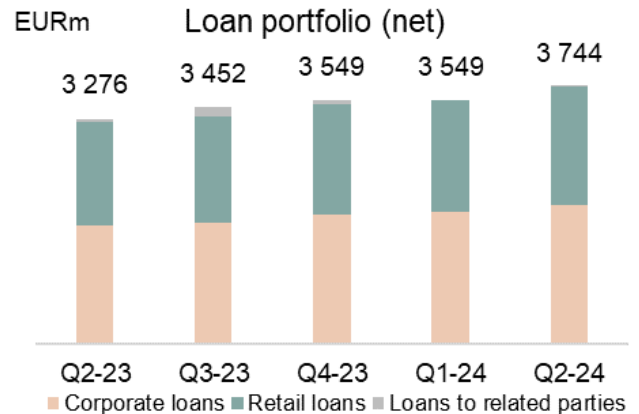
LHV Pank earned EUR 60.1 million in net interest income and EUR 8.2 million in net service fee income in Q2. Net financial income amounted to EUR -0.2 million in Q2. In total, the Bank's income was EUR 68.8 million and expenses were EUR 23.2 million. Net income rose by 12% and expenses increased by 10% over the year. The discounts of loans and bonds amounted to EUR 4.9 million in Q2. We made forward-looking specific and general discounts. We are keeping a very close eye on developments in the credit portfolio.

LHV Pank accounts for and recognises in expenses a 14% advance income tax which was EUR 5.6 million in Q2. Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.3 million in Q2.

The Bank's Q2 profit amounted to EUR 34.8 million, which is 5% less than in Q1 2024 (36.8) and 1% more than in Q2 2023 (34.4).

Income from currency exchange, settlements and investment services contribute the most into service fees.

The total volume of the Bank's loan portfolio reached EUR 3,744 million by the end of Q2 (Q1 2024: EUR 3,549 million). The volume of loans grew by EUR 194 million in Q2 (Q1 2024: a growth of EUR 1 million). The net retail loan portfolio grew by 6% during the quarter, reaching EUR 1,719 million (Q1 2024: EUR 1,625 million). The net corporate loan portfolio grew by 5% during the quarter, reaching EUR 2,024 million (Q1 2024: EUR 1,924 million).



The volume of deposits at the Bank decreased by EUR 211 million from the previous quarter and stood at EUR 5,459 million at the end of the quarter (Q1 2024: EUR 5,671 million). The volume of payment intermediaries' deposits dropped by EUR 176 million during the quarter. Of the deposits, EUR 3,677 million were call deposits, EUR 1,521 million term deposits and EUR 261 million platform deposits. The volume of the deposits of private persons amounted to EUR 1,569 million as at the end of the quarter, having decreased by 9% in a quarter.

The Bank's expense-income ratio was 33.8% in Q2, decreasing by 0.6 percentage points from Q2 2023 (34.3%).

| Income statement | Q2 | Q1 | Quarter | Q2 | Year |
|-------------------------------|--------|--------|---------|--------|------|
| EUR million | 2024 | 2024 | over | 2023 | over |
| | | | quarter | | year |
| Net interest income | 60.06 | 60.25 | 0% | 56.09 | 7% |
| Net fee and commission income | 8.23 | 7.87 | 5% | 5.51 | 49% |
| Other financial income | -0.17 | 0.38 | NA | -0.44 | -60% |
| Total net operating income | 68.12 | 68.50 | -1% | 61.17 | 11% |
| Other income | 0.66 | 0.29 | 128% | 0.22 | 206% |
| Operating expenses | -23.23 | -22.79 | 2% | -21.08 | 10% |
| Loan losses | -4.86 | -2.81 | 73% | -0.60 | 706% |
| Income tax expenses | -5.86 | -6.38 | -8% | -5.25 | 12% |
| Net profit | 34.84 | 36.81 | -5% | 34.45 | 1% |

Business volumes

| EUR million | 30.06.2024 | 31.12.2023 | Change |
|--|------------|------------|--------|
| Loan portfolio | 3 743.8 | 3 548.5 | 6% |
| Financial investments | 142.8 | 328.8 | -57% |
| Deposits of customers | 5 459.4 | 5 534.7 | -1% |
| incl. deposits of financial institutions | 1 183.8 | 1 229.5 | -4% |
| Equity (including minority interest) | 526.9 | 530.0 | -1% |
| Number of bank customers | 433 370 | 417 460 | 4% |

| Ratios | Q2 | Q1 | Quarter | Q2 | Year |
|---|---------|---------|--------------|---------|-----------|
| EUR million | 2024 | 2024 | over quarter | 2023 | over year |
| Net profit | 34.8 | 36.8 | -2.0 | 34.4 | 0.4 |
| Net profit attributable to owners of the parent | 34.7 | 36.7 | -2.0 | 34.2 | 0.5 |
| Average equity | 503.3 | 504.6 | -1.3 | 434.9 | 68.4 |
| Return on equity (ROE), % | 27.6 | 29.1 | 1.5 | 31.4 | -3.8 |
| Return on assets (ROA), % | 2.04 | 2.16 | -0.12 | 2.25 | -0.21 |
| Net interest income | 60.1 | 60.2 | -0.1 | 56.1 | -4.0 |
| Interest-bearing assets, average | 6 808.0 | 6 791.8 | -16.2 | 6 093.3 | 714.7 |
| Net interest margin (NIM) % | 3.5 | 3.6 | -0.1 | 3.7 | -0.2 |
| Price spread (SPREAD) % | 3.3 | 3.3 | 0.0 | 3.6 | -0.3 |
| Cost/income ratio % | 33.8 | 33.2 | 0.6 | 34.3 | -0.5 |

Explanations to ratios (quarterly ratios have been expressed on an annualised basis)

Average equity (attributable to owners of the parent) = (equity as at the end of the reporting period + equity as at the end of the previous reporting period) / 2

Return on equity (ROE) = net profit for the quarter (share of owners of the parent) / average equity (attributable to owners of the parent) * 100

Return on assets (ROA) = net profit for the quarter (share of owners of the parent) / average assets * 100

Net interest margin (NIM) = net interest income / interest-bearing assets, average * 100

Price spread (SPREAD) = interest yield from interest-bearing assets – cost of external capital

Interest yield from interest-bearing assets = interest income / interest-bearing assets, average * 100

Cost of external capital = interest expenses / interest-bearing liabilities, average * 100

Cost/income ratio = total operating cost / total income * 100

Liquidity and capitalisation

The Bank's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 191.5% as at the end of June (31 December 2023: 191.4%). In the second quarter, deposits received from deposit platforms decreased by 177 million euros.

The bank has a significant amount of financial intermediary deposits, which are fully covered by liquid assets and result in 100% in the LCR calculation. Thus, such deposits bring the LCR arithmetically lower without changing the actual liquidity situation. Excluding the financial intermediates' deposits the LCR is 379.9% (31.12.2023: 420.5%). The Bank recognises cash and bond portfolios as liquidity buffers. These accounted for 44% of the balance sheet (31.12.2023: 47%). The ratio of loans to deposits stood at 69% as at the end of the second quarter (31.12.2022: 64%).

LHV Bank includes as part of its own funds only that part of current year's profit, which the European Central Bank has given permission. Obtainment permission is done with the referrer, but is also applied to reported quarter afterwards, which is why the capitalization ratios will also change and bank reflects them in the next report. At the moment, the European Central Bank has given permission to include the profit of the year 2023.

Bank runs every year internal liquidity assessment process (ILAAP), which is done both on static and dynamical balance sheet modelling.

In assessment bank follows both regulative and internal liquidity ratios dynamics and fulfillment of limits. In dynamic assessment bank is following its own risk scenario.

Banks own funds based on CAD calculations at the end of December were EUR 556.8 million (31.12.2023: 550.7 mln euro).

Bank is adequately capitalized at end of the reporting period, capital adequacy was 20.55% (31.12.2023: 22.07%), calculated according to CRR IV directive. Banks capital adequacy exceeds internal capital targets, which is 19.2%.

Both AS LHV Pank and its subsidiary AS LHV Finance are included into capital adequacy calculation.

Bank uses standard methodology for calculating credit and market risk capital charges and basic indicator approach calculating operational risk capital requirement. Bank has fulfilled all capital requirements in current reporting period.

Each year, an internal capital adequacy assessment process (ICAAP) is performed, the goal of which is to identify potential capital needs in addition to regulatory capital requirements.

| Capital base (in thousands of euros) | 30.06.2024 | 31.12.2023 |
|--|-------------------|-------------------|
| Paid-in share capital | 141 500 | 141 500 |
| Legal reserves transferred from net profit | 14 150 | 12 669 |
| Accumulated profit | 287 288 | 222 187 |
| Intangible assets (subtracted) | -2 884 | -2 945 |
| Net profit for the reporting period (COREP) | 8 522 | 140 133 |
| Dividends to be distributed | 0 | -76 300 |
| Deductions | -4 246 | -9 |
| Total Tier 1 capital | 444 330 | 437 235 |
| Subordinated debt | 53 000 | 53 000 |
| Total Tier 1 capital | 497 330 | 490 235 |
| Subordinated debt | 59 427 | 60 434 |
| Total Tier 2 capital | 59 427 | 60 434 |
| Net own funds for capital adequacy | 556 757 | 550 669 |
| Capital requirements | | |
| Central governments and central bank under standard method | 0 | 0 |
| Credit institutions and investment companies under standard method | 11 270 | 23 951 |
| Companies under standard method | 1 348 985 | 1 293 686 |

| | | |
|---|------------------|------------------|
| Retail claims under standard method | 200 775 | 225 907 |
| Public sector under standard method | 16 077 | 0 |
| Exposures secured by mortgages on immovable property | 676 301 | 583 503 |
| Overdue claims under standard methods | 24 529 | 19 759 |
| Particularly high risk exposures | 41 805 | 42 451 |
| Other assets under standard method | 40 788 | 50 473 |
| Total capital requirements for covering the credit risk and counterparty credit risk | 2 360 530 | 2 239 730 |
| Capital requirement against foreign currency risk under standard method | 3 636 | 2 514 |
| Capital requirement against interest position risk under standard method | 0 | 0 |
| Capital requirement against equity portfolio risks under standard method | 1 221 | 745 |
| Capital requirement against credit valuation adjustment risks under standard method | 1 381 | 1 966 |
| Capital requirement for operational risk under base method | 342 354 | 236 380 |
| Total capital requirements for adequacy calculation | 2 709 122 | 2 481 335 |
| Capital adequacy (%) | 20.55 | 22.19 |
| Tier 1 capital ratio (%) | 18.36 | 19.76 |
| Core Tier 1 capital ratio (%) | 16.40 | 17.62 |

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

| <i>(in thousands of euros)</i> | Note | Q2 2024 | 6M 2024 | Q2 2023 | 6M 2023 |
|---|------|---------------|----------------|----------------|----------------|
| Interest income | | 96 804 | 191 815 | 71 737 | 133 385 |
| Interest expense | | -36 744 | -71 506 | -15 643 | -24 391 |
| Net interest income | 7 | 60 060 | 120 309 | 56 094 | 108 994 |
| Fee and commission income | | 14 080 | 27 520 | 11 192 | 23 672 |
| Fee and commission expense | | -5 848 | -11 418 | -5 681 | -10 613 |
| Net fee and commission income | 8 | 8 232 | 16 102 | 5 511 | 13 059 |
| Net gains/losses from financial assets measured at fair value | | 103 | 215 | -493 | -813 |
| Foreign exchange gains/losses | | -277 | -14 | 54 | 1 555 |
| Net gains from financial assets | | -174 | 201 | -439 | 742 |
| Other income | | 662 | 954 | 216 | 246 |
| Total other income | | 662 | 954 | 216 | 246 |
| Staff costs | | -13 867 | -26 646 | -10 410 | -21 707 |
| Administrative and other operating expenses | | -9 358 | -19 382 | -10 674 | -20 163 |
| Total expenses | 9 | 23 225 | 46 028 | -21 084 | -41 870 |
| Profit before impairment losses on loans and advances | | 45 555 | 91 538 | 40 298 | 81 171 |
| Income tax expense | | -5 861 | -12 243 | -5 248 | -10 395 |
| Impairment losses on loans and bonds | | -4 858 | -7 665 | -603 | 989 |
| Net profit for the reporting period | | 34 836 | 71 630 | 34 447 | 71 765 |
| Total profit and other comprehensive income for the reporting period | | 34 836 | 71 630 | 34 447 | 71 765 |
| Total profit of the reporting period attributable to: | | | | | |
| Owners of the parent | | 34 683 | 71 409 | 34 181 | 70 932 |
| Non-controlling interest | | 153 | 221 | 266 | 833 |
| Total profit for the reporting period | | 34 836 | 71 630 | 34 447 | 71 765 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | 34 683 | 71 409 | 34 181 | 70 932 |
| Non-controlling interest | | 153 | 221 | 266 | 833 |
| Total comprehensive income for the reporting period | | 34 836 | 71 630 | 34 447 | 71 765 |

Condensed Consolidated Interim Statement of Financial Position

| <i>(in thousands of euros)</i> | Note | 30.06.2024 | 31.12.2023 |
|--|------|------------------|------------------|
| Assets | | | |
| Cash and balances with central bank | 10 | 2 805 383 | 2 789 752 |
| Due from banks and investment companies | | 50 897 | 48 140 |
| Financial assets at fair value through profit or loss | 6 | 8 138 | 6 945 |
| Financial assets measured at amortised cost | 6 | 134 631 | 321 888 |
| Loans and advances to customers | 5 | 3 743 775 | 3 548 513 |
| Receivables from customers | | 12 649 | 17 833 |
| Other financial assets | | 100 | 100 |
| Other assets | | 2 748 | 2 795 |
| Tangible assets | | 13 833 | 15 732 |
| Intangible assets | | 2 884 | 2 946 |
| Total assets | | 6 775 038 | 6 754 644 |
| Liabilities | | | |
| Deposits of customers | 11 | 5 459 381 | 5 534 720 |
| Loans received and debt securities in issue | 11 | 595 294 | 486 568 |
| Financial liabilities at fair value through profit or loss | 6 | 43 | 1 843 |
| Accounts payable and other liabilities | | 77 359 | 87 430 |
| Subordinated debt | | 114 033 | 114 054 |
| Total liabilities | | 6 248 110 | 6 224 615 |
| Owner's equity | | | |
| Share capital | | 141 500 | 141 500 |
| Statutory reserve capital | | 14 150 | 12 669 |
| Retained earnings | | 365 571 | 369 674 |
| Total equity attributable to owners of the parent | | 521 221 | 523 843 |
| Non-controlling interest | | 5 707 | 6 186 |
| Total equity | | 526 928 | 530 029 |
| Total liabilities and equity | | 6 775 038 | 6 754 644 |

Condensed Consolidated Interim Statement of Cash Flows

| <i>(in thousands of euros)</i> | Note | Q2 2024 | 6M 2024 | Q2 2023 | 6M 2023 |
|--|------|------------------|------------------|------------------|------------------|
| Cash flow from operating activities | | | | | |
| Interest received | | 96 904 | 192 190 | 70 505 | 130 327 |
| Interest paid | | -32 580 | -52 244 | -9 087 | -14 198 |
| Fees and commissions received | | 14 080 | 27 520 | 11 192 | 23 672 |
| Fees and commissions paid | | -5 848 | -11 418 | -5 681 | -10 613 |
| Other income | | 662 | 954 | 216 | 246 |
| Staff costs paid | | -12 240 | -23 224 | -9 633 | -19 129 |
| Administrative and other operating expenses paid | | -7 211 | -14 911 | -9 366 | -17 590 |
| Income tax | | -6 169 | -11 922 | -5 516 | -10 817 |
| Cash flow from operating activities before change in operating assets and liabilities | | 47 598 | 106 945 | 42 630 | 81 898 |
| Net increase/decrease in operating assets: | | | | | |
| Net acquisition/disposal of trading portfolio | | -2 012 | -1 192 | 1 799 | -602 |
| Loans and advances to customers | | -191 651 | -198 109 | -150 380 | -79 460 |
| Net change of investment | | 98 697 | 188 472 | -44 389 | 41 421 |
| Mandatory reserve at central bank | | 2 066 | 853 | -1 674 | -1 925 |
| Other assets | | 1 205 | 93 | -132 | -301 |
| Net increase/decrease in operating liabilities: | | | | | |
| Demand deposits of customers | | -56 941 | -20 805 | -317 924 | -627 539 |
| Term deposits of customers | | -152 763 | -63 334 | 526 283 | 796 230 |
| Repayments of loans received | | 0 | 0 | -49 065 | -97 656 |
| Bonds issued | | 100 000 | 100 000 | 0 | 0 |
| Financial liabilities at fair value through profit and loss | | -310 | -1 801 | -3 143 | -3 292 |
| Other liabilities | | -36 088 | -11 355 | 18 175 | 8 433 |
| Net cash generated from/used in operating activities | | -190 199 | 99 767 | 22 180 | 117 207 |
| Cash flow from investing activities | | | | | |
| Purchase of current and non-current assets | | -792 | -1 535 | -1 681 | -2 518 |
| Net cash flow from investing activities | | -792 | -1 535 | -1 681 | -2 518 |
| Net cash from financing activities | | | | | |
| Dividends paid | | 0 | -77 000 | 0 | -3 500 |
| Repayment of principal of lease liabilities | | -490 | -977 | -426 | -845 |
| Net cash from financing activities | | -490 | -77 977 | -426 | -4 345 |
| Effect of exchange rate changes on cash and cash equivalents | | -1 277 | -1 014 | 54 | 1 555 |
| Net decrease/increase in cash and cash equivalents | | -192 758 | 19 241 | 20 127 | 111 899 |
| Cash and cash equivalents at the beginning of the period | | 2 993 992 | 2 781 993 | 2 522 323 | 2 430 551 |
| Cash and cash equivalents at the end of the period | | 2 801 234 | 2 801 234 | 2 542 450 | 2 542 450 |
| <i>incl balances with central bank</i> | 10 | 2 750 337 | 2 750 337 | 2 418 763 | 2 418 763 |
| <i>incl balances with banks and investment companies</i> | | 50 897 | 50 897 | 123 687 | 123 687 |

Condensed Consolidated Interim Statement of Changes in Equity

| <i>(in thousands of euros)</i> | Share capital | Statutory reserve capital | Accumulated deficit/ retained earnings | Total equity attributable to owners | Non- controlling interest | Total equity |
|---|------------------|------------------------------|---|---|---------------------------------|----------------|
| Balance as at 01.01.2023 | 141 500 | 8 736 | 231 805 | 382 041 | 6 181 | 388 222 |
| Transfer to statutory reserve capital | 0 | 3 933 | -3 933 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | -2 275 | -2 275 | -1 225 | -3 500 |
| Share options | 0 | 0 | 3 944 | 3 944 | 0 | 3 944 |
| <i>Profit for the year</i> | <i>0</i> | <i>0</i> | <i>140 133</i> | <i>140 133</i> | <i>1 230</i> | <i>141 363</i> |
| Total profit and other comprehensive income for the reporting period | 0 | 0 | 140 133 | 140 133 | 1 230 | 141 363 |
| Balance as at 31.12.2023 | 141 500 | 12 669 | 369 674 | 523 843 | 6 186 | 530 029 |
| Balance as at 01.01.2024 | 141 500 | 12 669 | 369 674 | 523 843 | 6 186 | 530 029 |
| Transfer to statutory reserve capital | 0 | 1 481 | -1 481 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | -76 300 | -76 300 | -700 | -77 000 |
| Share options | 0 | 0 | 2 269 | 2 269 | 0 | 2 269 |
| <i>Profit for the year</i> | <i>0</i> | <i>0</i> | <i>71 409</i> | <i>71 409</i> | <i>221</i> | <i>71 630</i> |
| Total profit and other comprehensive income for the reporting period | 0 | 0 | 71 409 | 71 409 | 221 | 71 630 |
| Balance as at 30.06.2024 | 141 500 | 14 150 | 365 571 | 521 221 | 5 707 | 526 928 |

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 Accounting Policies

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted in the European Union and accordance with International Financial Reporting Standards as adopted in European Union. The interim financial statements should be read in conjunction with the group's annual financial statements as at 31 December 2023. The accounting policies adopted are consistent with those of the previous financial year.

The financial figures of the interim financial statements have been presented in thousands of euros, unless otherwise indicated. The interim financial statements have been consolidated and include the results of AS LHV Pank and its subsidiaries AS LHV Finance (65% interest).

NOTE 2 Business Segments

LHV Pank divides its business activities by 3 main business segments: retail banking, corporate banking and financial intermediates. In addition, a separate business segment is hirepurchase and consumer finance in the subsidiary AS LHV Finance. Financial intermediates segment also includes the fee

sharing on the basis of the cooperation agreement concluded with LHV Bank Ltd. Other activities include Treasury and the result of activities related to companies belonging to AS LHV Group consolidation Group.

| Q2 2024 | Retail banking | Corporate banking | Hire-purchase and consumer finance | Financial intermediates | Other activities | Eliminations | Total |
|--|----------------|-------------------|------------------------------------|-------------------------|------------------|--------------|---------------|
| Interest income | 24 371 | 42 793 | 3 725 | -6 008 | 33 627 | -1 703 | 96 804 |
| Interest expense | -13 369 | -16 560 | -1 936 | -2 606 | -3 975 | 1 703 | -36 744 |
| Intrabank interest income/-expense | 16 458 | -2 126 | 2 | 10 451 | -24 785 | 0 | 0 |
| Net interest income | 27 459 | 24 107 | 1 791 | 1 837 | 4 866 | 0 | 60 060 |
| Fee and commission income | 8 192 | 3 817 | 215 | 1 088 | 768 | 0 | 14 080 |
| Fee and commission expense | -4 489 | -936 | -176 | -255 | 10 | 0 | -5 848 |
| Net fee and commission income | 3 703 | 2 881 | 38 | 832 | 778 | 0 | 8 232 |
| Other income | 10 | 591 | 0 | 0 | 61 | 0 | 662 |
| Net income | 31 172 | 27 579 | 1 829 | 2 669 | 5 704 | 0 | 68 954 |
| Net gains from financial assets | -35 | 0 | 0 | -1 | -138 | 0 | -174 |
| Administrative and other operating expenses, staff costs | -11 857 | -7 823 | -926 | -2 479 | -141 | 0 | -23 225 |
| Operating profit | 19 280 | 19 756 | 903 | 190 | 5 426 | 0 | 45 555 |
| Impairment losses on loans and advances | -138 | -3 968 | -779 | 0 | 27 | 0 | -4 858 |
| Income tax | -2 422 | -2 241 | -241 | -558 | -138 | -261 | -5 861 |
| Net profit | 16 720 | 13 547 | -116 | -368 | 5 314 | -261 | 34 836 |

| 6 M 2024 | Retail banking | Corporate banking | Hire-purchase and consumer finance | Financial intermediates | Other activities | Eliminations | Total |
|--|-----------------------|--------------------------|---|--------------------------------|-------------------------|---------------------|------------------|
| Interest income | 48 353 | 84 134 | 7 567 | -11 938 | 67 121 | -3 422 | 191 815 |
| Interest expense | -25 940 | -32 063 | -3 895 | -5 018 | -8 012 | 3 422 | -71 506 |
| Intrabank interest income/-expense | 31 899 | -3 812 | 4 | 21 254 | -49 345 | 0 | 0 |
| Net interest income | 54 311 | 48 259 | 3 676 | 4 298 | 9 765 | 0 | 120 309 |
| Fee and commission income | 16 355 | 7 220 | 443 | 2 071 | 1 430 | 0 | 27 520 |
| Fee and commission expense | -8 628 | -1 919 | -367 | -491 | -13 | 0 | -11 418 |
| Net fee and commission income | 7 727 | 5 302 | 76 | 1 580 | 1 417 | 0 | 16 102 |
| Other income | 0 | 843 | 0 | 0 | 111 | 0 | 954 |
| Net income | 62 039 | 54 403 | 3 753 | 5 878 | 11 293 | 0 | 137 365 |
| Net gains from financial assets | -36 | -1 | 0 | -1 | 1 538 | -1 300 | 201 |
| Administrative and other operating expenses, staff costs | -22 291 | -14 874 | -1 831 | -4 692 | -2 340 | 0 | -46 028 |
| Operating profit | 39 712 | 39 528 | 1 922 | 1 185 | 10 491 | -1 300 | 91 538 |
| Impairment losses on loans and advances | -390 | -6 031 | -1 916 | 0 | 673 | 0 | -7 665 |
| Income tax | -5 017 | -4 629 | -566 | -1 291 | -692 | -47 | -12 243 |
| Net profit | 34 305 | 28 868 | -561 | -106 | 10 472 | -1 347 | 71 630 |
| Total assets 30.06.2024 | 2 707 522 | 3 923 848 | 87 941 | 0 | 125 173 | -69 446 | 6 775 038 |
| Total liabilities 30.06.2024 | 3 476 811 | 1 670 602 | 70 795 | 975 954 | 122 548 | -68 600 | 6 248 111 |

| Q2 2023 | Retail banking | Corporate banking | Hire-purchase and consumer finance | Financial intermediates | Other activities | Eliminations | Total |
|--------------------------------------|-----------------------|--------------------------|---|--------------------------------|-------------------------|---------------------|---------------|
| Interest income | 20 700 | 31 549 | 3 866 | -6 473 | 23 403 | -1 308 | 71 737 |
| Interest expense | -7 542 | -4 498 | -1 440 | -1 406 | -2 066 | 1 308 | -15 643 |
| Intrabank interest income/-expense | 18 211 | -7 835 | 2 | 8 408 | -18 785 | 0 | 0 |
| Net interest income | 31 369 | 19 216 | 2 428 | 529 | 2 553 | 0 | 56 094 |
| Fee and commission income | 8 589 | 1 651 | 233 | 786 | -68 | 0 | 11 192 |
| Fee and commission expense | -4 790 | -764 | -214 | 114 | -26 | 0 | -5 681 |
| Net fee and commission income | 3 799 | 887 | 19 | 900 | -94 | 0 | 5 511 |
| Other income | 2 | 187 | 0 | 0 | 26 | 0 | 216 |
| Net income | 35 170 | 20 290 | 2 447 | 1 429 | 2 485 | 0 | 61 821 |

| | | | | | | | |
|--|---------------|---------------|--------------|---------------|-------------|------------|---------------|
| Net gains from financial assets | 58 | 0 | 0 | 0 | -496 | 0 | -439 |
| Administrative and other operating expenses, staff costs | -10 460 | -4 722 | -1 002 | -2 957 | -1 943 | 0 | -21 084 |
| Operating profit | 24 768 | 15 568 | 1 445 | -1 528 | 46 | 0 | 40 298 |
| Impairment losses on loans and advances | 330 | 365 | -874 | 0 | -424 | 0 | -603 |
| Income tax | -2 420 | -1 891 | -186 | -497 | -160 | -94 | -5 248 |
| Net profit | 22 678 | 14 043 | 385 | -2 025 | -539 | -94 | 34 447 |

| 6M 2023 | Retail banking | Corporate banking | Hire-purchase and consumer finance | Financial intermediates | Other activities | Eliminations | Total |
|--|-----------------------|--------------------------|---|--------------------------------|-------------------------|---------------------|------------------|
| Interest income | 38 111 | 59 066 | 7 661 | -8 683 | 39 656 | -2 426 | 133 385 |
| Interest expense | -10 975 | -7 521 | -2 686 | -2 230 | -3 406 | 2 426 | -24 391 |
| Intrabank interest income/-expense | 32 914 | -16 363 | 2 | 16 325 | -32 877 | | 0 |
| Net interest income | 60 050 | 35 183 | 4 977 | 5 413 | 3 372 | 0 | 108 994 |
| Fee and commission income | 16 014 | 2 946 | 479 | 4 267 | -34 | | 23 672 |
| Fee and commission expense | -8 599 | -1 466 | -398 | -127 | -23 | | -10 613 |
| Net fee and commission income | 7 415 | 1 480 | 81 | 4 139 | -57 | 0 | 13 059 |
| Other income | 1 | 190 | 0 | 0 | 55 | 0 | 246 |
| Net income | 67 465 | 36 853 | 5 058 | 9 553 | 3 371 | 0 | 122 300 |
| Net gains from financial assets | 21 | 0 | 0 | 0 | 2 997 | -2 275 | 742 |
| Administrative and other operating expenses, staff costs | -20 182 | -9 148 | -1 944 | -6 935 | -3 661 | 0 | -41 870 |
| Operating profit | 47 305 | 27 704 | 3 114 | 2 618 | 431 | 0 | 81 171 |
| Impairment losses on loans and advances | 67 | 3 104 | -1 703 | 0 | -479 | 0 | 989 |
| Income tax | -4 186 | -4 004 | -352 | -600 | -219 | -1 033 | -10 395 |
| Net profit | 43 186 | 26 804 | 1 059 | 2 018 | 2 008 | -3 308 | 71 765 |
| Total assets 30.06.2023 | 2 603 783 | 3 350 502 | 94 692 | 0 | 246 195 | -76 339 | 6 218 833 |
| Total liabilities 30.06.2023 | 3 912 052 | 635 236 | 77 698 | 1 132 700 | 78 739 | -75 827 | 5 760 598 |

NOTE 3 Breakdown of Assets and Liabilities by Contractual Maturity Dates

| 30.06.2024 | On demand | 0-3 months | 3-12 months | 1-5 years | Over 5 years | Total |
|--|------------------|-------------------|--------------------|------------------|---------------------|------------------|
| Liabilities by contractual maturity dates | | | | | | |
| Deposits from customers and loans received | 3 677 498 | 886 948 | 880 051 | 39 585 | 334 | 5 484 416 |
| Loans received and debt securities in issue | 0 | 3 425 | 274 728 | 390 776 | 0 | 668 929 |
| Subordinated debt | 0 | 53 811 | 15 691 | 56 538 | 0 | 126 040 |

| | | | | | | |
|--|------------------|------------------|------------------|----------------|------------|------------------|
| Rental payables | 0 | 7 080 | 0 | 0 | 0 | 7 080 |
| Accounts payable and other financial liabilities | 0 | 59 514 | 0 | 0 | 0 | 59 514 |
| Unused loan commitments | 546 267 | 0 | 0 | 0 | 0 | 546 267 |
| Financial guarantees by contractual amounts | 0 | 60 535 | 0 | 0 | 0 | 60 535 |
| Foreign exchange derivatives (gross settled) | 0 | 132 096 | 0 | 0 | 0 | 132 096 |
| Financial liabilities at fair value | 0 | 43 | 0 | 0 | 0 | 43 |
| Total liabilities | 4 223 765 | 1 196 372 | 1 170 470 | 486 899 | 334 | 7 077 840 |

Financial assets by contractual maturity dates

| | | | | | | |
|---|-------------------|-----------------|-----------------|------------------|------------------|------------------|
| Due from central bank, banks and investment companies | 2 856 280 | 0 | 0 | 0 | 0 | 2 856 280 |
| Financial assets at fair value (debt securities) | 0 | 58 841 | 35 918 | 46 438 | 0 | 141 197 |
| Loans and advances to customers | 0 | 222 107 | 635 961 | 2 640 875 | 1 816 152 | 5 315 095 |
| Receivables from customers | 0 | 12 649 | 0 | 0 | 0 | 12 649 |
| Foreign exchange derivatives (gross settled) | 0 | 132 096 | 0 | 0 | 0 | 132 096 |
| Other financial assets | 100 | 0 | 0 | 0 | 0 | 100 |
| Total financial assets | 2 856 380 | 425 693 | 671 879 | 2 687 313 | 1 816 152 | 8 457 417 |
| Maturity gap from financial assets and liabilities | -1 367 385 | -770 679 | -498 591 | 2 200 414 | 1 815 818 | 1 379 577 |

| 31.12.2023 | On demand | 0-3 months | 3-12 months | 1-5 years | Over 5 years | Total |
|--|------------------|------------------|------------------|----------------|--------------|------------------|
| Liabilities by contractual maturity dates | | | | | | |
| Deposits from customers | 3 697 523 | 578 906 | 1 223 758 | 70 035 | 339 | 5 570 561 |
| Loans received | 0 | 0 | 85 318 | 425 250 | 0 | 510 568 |
| Subordinated debt | 0 | 33 311 | 31 782 | 63 913 | 0 | 129 006 |
| Accounts payable and other financial liabilities | 0 | 78 561 | 0 | 0 | 0 | 78 561 |
| Unused loan commitments | 0 | 495 653 | 0 | 0 | 0 | 495 653 |
| Financial guarantees by contractual amounts | 0 | 55 061 | 0 | 0 | 0 | 55 061 |
| Foreign exchange derivatives (gross settled) | 0 | 148 397 | 0 | 0 | 0 | 148 397 |
| Financial liabilities at fair value | 0 | 1 843 | 0 | 0 | 0 | 1 843 |
| Total liabilities | 3 697 523 | 1 391 732 | 1 340 858 | 559 198 | 339 | 6 989 650 |

Financial assets by contractual maturity dates

| | | | | | | |
|---|------------------|-----------------|-----------------|------------------|------------------|------------------|
| Due from central bank, banks and investment companies | 2 837 892 | 0 | 0 | 0 | 0 | 2 837 892 |
| Financial assets at fair value (debt securities) | 0 | 96 722 | 153 577 | 77 944 | | 328 243 |
| Loans and advances to customers | 0 | 233 162 | 538 946 | 2 606 400 | 1 692 834 | 5 071 342 |
| Receivables from customers | 0 | 17 833 | 0 | 0 | 0 | 17 833 |
| Foreign exchange derivatives (gross settled) | 0 | 148 397 | 0 | 0 | 0 | 148 397 |
| Other financial assets | 100 | 0 | 0 | 0 | 0 | 100 |
| Total financial assets | 2 837 992 | 496 114 | 692 523 | 2 684 344 | 1 692 834 | 8 403 807 |
| Maturity gap from financial assets and liabilities | -859 531 | -895 618 | -648 335 | 2 125 146 | 1 692 495 | 1 414 157 |

It is possible to take a short-term loan from the central bank against the security of the majority of instruments in the bond portfolio. All cashflows from financial assets and –liabilities except derivatives include all contractual cash flows.

NOTE 4 Open Foreign Currency Positions

| 30.06.2024 | EUR | CHF | GBP | SEK | USD | Other | Total |
|---|------------------|--------------|---------------|--------------|----------------|---------------|------------------|
| Assets bearing currency risk | | | | | | | |
| Due from central bank, banks and investment companies | 2 818 842 | 887 | 21 311 | 1 353 | 8 688 | 5 199 | 2 856 280 |
| Financial assets at fair value and amortized cost | 136 196 | 1 | 1 | 6 533 | 35 | 3 | 142 769 |
| Loans and advances to customers | 3 736 654 | 11 | 180 | 210 | 6 443 | 277 | 3 743 775 |
| Receivables from customers | 8 172 | 1 | 448 | 312 | 3 550 | 166 | 12 649 |
| Other financial assets | 100 | 0 | 0 | 0 | 0 | 0 | 100 |
| Total assets bearing currency risk | 6 699 965 | 899 | 21 941 | 8 408 | 18 715 | 5 644 | 6 755 573 |
| Liabilities bearing currency risk | | | | | | | |
| Deposits from customers | 5 276 043 | 7 126 | 21 858 | 8 563 | 134 807 | 10 985 | 5 459 381 |
| Loans received and debt securities in issue | 597 294 | 0 | 0 | 0 | 0 | 0 | 597 294 |
| Swaps | 43 | 0 | 0 | 0 | 0 | 0 | 43 |
| Accounts payable and other financial liabilities | 61 244 | 35 | 526 | 599 | 4 087 | 364 | 66 855 |
| Subordinated debt | 114 033 | 0 | 0 | 0 | 0 | 0 | 114 033 |
| Total liabilities bearing currency risk | 6 048 657 | 7 161 | 22 384 | 9 162 | 138 894 | 11 349 | 6 237 606 |
| Open gross position derivative assets at contractual value | 0 | 6 280 | 0 | 792 | 119 010 | 6 014 | 132 096 |
| Open gross position derivative liabilities at contractual value | 132 096 | 0 | 0 | 0 | 0 | 0 | 132 096 |
| Open foreign currency position | 519 213 | 18 | -442 | 37 | -1 168 | 310 | 517 967 |

| 31.12.2023 | EUR | CHF | GBP | SEK | USD | Other | Total |
|---|------------------|--------------|---------------|--------------|----------------|---------------|------------------|
| Assets bearing currency risk | | | | | | | |
| Due from central bank, banks and investment companies | 2 803 213 | 1 047 | 9 734 | 1 480 | 13 570 | 8 849 | 2 837 892 |
| Financial assets at fair value | 322 524 | 1 | 0 | 6 275 | 31 | 2 | 328 833 |
| Loans and advances to customers | 3 472 835 | 23 | 66 674 | 189 | 8 676 | 116 | 3 548 513 |
| Receivables from customers | 17 211 | 0 | 317 | 168 | 1 822 | -1 685 | 17 833 |
| Other financial assets | 100 | 0 | 0 | 0 | 0 | 0 | 100 |
| Total assets bearing currency risk | 6 615 883 | 1 071 | 76 725 | 8 112 | 24 099 | 7 281 | 6 733 171 |
| Liabilities bearing currency risk | | | | | | | |
| Deposits from customers | 5 334 564 | 9 494 | 20 924 | 8 867 | 151 070 | 9 801 | 5 534 720 |
| Loans received | 486 568 | 0 | 0 | 0 | 0 | 0 | 486 568 |
| Swaps | 1 843 | 0 | 0 | 0 | 0 | 0 | 1 843 |
| Accounts payable and other financial liabilities | 68 067 | 30 | 1 380 | 479 | 6 574 | 2 031 | 78 561 |
| Subordinated debt | 114 054 | 0 | 0 | 0 | 0 | 0 | 114 054 |
| Total liabilities bearing currency risk | 6 005 096 | 9 524 | 22 304 | 9 346 | 157 644 | 11 832 | 6 215 746 |
| Open gross position derivative assets at contractual value | 0 | 8 359 | 0 | 1 334 | 133 071 | 5 633 | 148 397 |
| Open gross position derivative liabilities at contractual value | 94 218 | 0 | 54 179 | 0 | 0 | 0 | 148 397 |
| Open foreign currency position | 516 569 | -94 | 242 | 100 | -474 | 1 081 | 517 425 |

NOTE 5 Breakdown of Loan Portfolio by Economic Sectors and by Stages

| 30.06.2024 | Stage 1 | Stage 2 | Stage 3 | Provision | Total | % |
|---|------------------|----------------|----------------|------------------|------------------|-------------|
| Individuals | 1 361 561 | 103 023 | 6 890 | -7 443 | 1 464 031 | 39.2% |
| Agriculture | 87 180 | 15 494 | 5 | -334 | 102 345 | 2.7% |
| Mining and Quarrying | 771 | 494 | 42 | -13 | 1 294 | 0.0% |
| Manufacturing | 152 894 | 25 029 | 19 700 | -8 776 | 188 847 | 5.2% |
| Energy | 174 901 | 1 488 | 0 | -1 336 | 175 053 | 4.7% |
| Water and Utilities | 29 580 | 182 | 0 | -388 | 29 374 | 0.8% |
| Construction | 85 898 | 13 189 | 74 | -1 177 | 97 984 | 2.6% |
| Wholesale and retail | 149 375 | 28 545 | 1 445 | -2 263 | 177 102 | 4.7% |
| Transport and logistics | 66 901 | 8 896 | 7 | -649 | 75 155 | 2.0% |
| Hotels and Restaurants | 13 418 | 3 027 | 163 | -108 | 16 500 | 0.4% |
| Information and communication | 22 890 | 1 527 | 122 | -94 | 24 445 | 0.7% |
| Financial services | 126 365 | 1 403 | 0 | -741 | 127 027 | 3.4% |
| Real estate | 766 358 | 133 055 | 2 294 | -6 528 | 895 179 | 23.9% |
| Professional, scientific and technical activities | 81 315 | 7 367 | 342 | -296 | 88 728 | 2.4% |
| Administrative activities | 110 722 | 2 377 | 65 | -672 | 112 492 | 3.0% |
| Public management | 49 649 | 7 363 | 0 | -172 | 56 840 | 1.5% |
| Education | 2 576 | 3 254 | 1 | -1 257 | 4 574 | 0.1% |
| Health | 22 358 | 496 | 0 | -128 | 22 726 | 0.6% |
| Art and entertainment | 47 329 | 25 292 | 0 | -2 393 | 70 228 | 1.9% |
| Other servicing activities | 12 745 | 1 178 | 16 | -88 | 13 851 | 0.4% |
| Total | 3 364 786 | 382 679 | 31 166 | -34 856 | | |
| Provision | -11 038 | -11 594 | -12 224 | | | |
| Total loan portfolio | 3 353 748 | 371 085 | 18 942 | | 3 743 775 | 100% |

| 31.12.2023 | Stage 1 | Stage 2 | Stage 3 | Provision | Total | % |
|---|----------------|----------------|----------------|------------------|--------------|----------|
| Individuals | 1 266 071 | 89 683 | 7 593 | -6 572 | 1 356 775 | 38,2% |
| Agriculture | 96 489 | 4 410 | 6 | -341 | 100 564 | 2,8% |
| Mining and Quarrying | 915 | 583 | 54 | -81 | 1 471 | 0,0% |
| Manufacturing | 137 540 | 28 214 | 12 816 | -5 035 | 173 535 | 4,9% |
| Energy | 176 400 | 170 | 12 | -1 078 | 175 504 | 4,9% |
| Water and Utilities | 17 619 | 25 | 0 | -209 | 17 435 | 0,5% |
| Construction | 83 200 | 15 426 | 33 | -1 603 | 97 056 | 2,7% |
| Wholesale and retail | 182 818 | 14 518 | 1 336 | -1 898 | 196 774 | 5,5% |
| Transport and logistics | 66 531 | 9 586 | 0 | -691 | 75 426 | 2,1% |
| Hotels and Restaurants | 12 571 | 2 862 | 406 | -153 | 15 686 | 0,4% |
| Information and communication | 15 725 | 551 | 45 | -61 | 16 260 | 0,5% |
| Financial services | 170 081 | 174 | 0 | -1 166 | 169 089 | 4,8% |
| Real estate | 727 905 | 87 849 | 824 | -7 186 | 809 392 | 22,8% |
| Professional, scientific and technical activities | 81 198 | 3 307 | 376 | -268 | 84 613 | 2,4% |
| Administrative activities | 100 311 | 2 746 | 17 | -584 | 102 490 | 2,9% |
| Public management | 58 391 | 4 946 | 0 | -275 | 63 062 | 1,8% |
| Education | 2 487 | 3 300 | 3 | -1 376 | 4 414 | 0,1% |
| Health | 17 002 | 504 | 0 | -92 | 17 414 | 0,5% |
| Art and entertainment | 37 591 | 21 657 | 0 | -1 309 | 57 939 | 1,6% |
| Other servicing activities | 12 858 | 827 | 7 | -78 | 13 614 | 0,4% |

| | | | | | |
|-----------------------------|------------------|----------------|---------------|------------------|-------------|
| Total | 3 263 703 | 291 338 | 23 528 | -30 056 | |
| Provision | -12 237 | -9 766 | -8 053 | | |
| Total loan portfolio | 3 251 466 | 281 572 | 15 475 | 3 548 513 | 100% |

Loans to related parties were 30.06.2024 EUR 37 274 thousand (31.12.2023: 28 579). Loans have been given out on market terms.

NOTE 6 Fair Value of Financial Assets and Liabilities

To determine the fair value, future cash flows are discounted based on the market interest curve. The below table provides an

overview of the assessment techniques, which depend on the hierarchy of assets and liabilities measured at fair value:

| | Level 1 | Level 2 | Level 3 | 30.06.2024 | Level 1 | Level 2 | Level 3 | 31.12.2023 |
|--|--------------|------------|----------|--------------|--------------|--------------|----------|--------------|
| Financial assets at fair value through profit and loss | | | | | | | | |
| Shares and fund units | 610 | 0 | 0 | 610 | 369 | 0 | 0 | 369 |
| Bonds at fair value through profit and loss | 6 533 | 0 | 0 | 6 533 | 6 275 | 0 | 0 | 6 275 |
| Interest rate swaps and foreign exchange forwards | 0 | 995 | 0 | 995 | 0 | 301 | 0 | 301 |
| Total financial assets | 7 143 | 995 | 0 | 8 138 | 6 644 | 301 | 0 | 6 945 |
| Financial liabilities at fair value through profit and loss | | | | | | | | |
| Interest rate swaps and foreign exchange forwards | 0 | 43 | 0 | 43 | 0 | 1 843 | 0 | 1 843 |
| Total financial liabilities | 0 | 43 | 0 | 43 | 0 | 1 843 | 0 | 1 843 |

As of June 30, 2024, the liquidity portfolio in the amount of EUR 134 631 thousand is reflected in the amortised cost and the loss from the revaluation of the portfolio is reflected in the income statement in the line Impairment losses on loans and bonds in the amount of EUR 24 thousand. The fair value of the bonds reflected in the amortised cost as of 30.06.2024 is EUR 133 385 thousand.

Hierarchy levels:

1. Level 1 – the price quoted on active market
2. Level 2 – a technique which uses market information as input (rates and interest curves of arms-length transactions)
3. Level 3 – other methods (e.g. discounted cash flow method) with estimations as input

Interest rate swaps are instruments, where the fair value is determined via the model-based approach by using the inputs available on the active market. The fair value of such non-market derivatives is calculated as a theoretical net present value (NPV), by using independent market parameters and without assuming the presence of any risks or uncertainties. The NPV is discounted by using the risk-free profitability rate available on the market.

Loans are issued in the bank's business segments on market conditions. Therefore, the fair value of loans does not materially differ from their carrying amount as at 30 June 2024 and 31 December 2023. In determining the fair value of loans, considerable management judgements are used (discounted cash flow method with current market interest is used for the valuation). Loans issued are thus categorised under hierarchy level 3.

Other receivables from customers, along with accrued expenses and other current receivables have been generated in the course of ordinary business and are subject to payment over a short period of time. Their fair value does not thus differ from the carrying amount. These receivables and payables do not bear any interest. The fair value of accounts payable, accrued expenses and other payables is determined based on hierarchy level 3.

Customer deposits with fixed interest rates are mostly short-term with the deposits priced pursuant to market conditions. The fair value of the deposits determined via discounting future cash flows does not thus materially differ from the carrying amount. In determining the fair value of customer deposits, considerable management judgements are used. Customer deposits are thus categorised under hierarchy level 3.

All the subordinated loans are received in 2020-2024. Subordinated loans were issued on market terms and considering the movements in loan and interest market, we can say that the market conditions are similar as they were when issuing the subordinated loans so that the fair value of the loans does not materially differ from their net book value. In determining the fair value of loans, considerable management judgements are used. Loans issued are thus categorised under hierarchy level 3.

NOTE 7 Net Interest Income

| Interest income | Q2 2024 | 6M 2024 | Q2 2023 | 6M 2023 |
|--|----------------|----------------|----------------|----------------|
| Business loans | 42 424 | 83 717 | 32 562 | 60 706 |
| including loans between related parties | 657 | 1 278 | 39 | 73 |
| Hire purchase | 733 | 1 521 | 878 | 1 782 |
| Leasing | 3 358 | 6 612 | 2 645 | 4 989 |
| including loans between related parties | 12 | 24 | 9 | 16 |
| Leverage loans and lending of securities | 409 | 806 | 312 | 679 |
| Bonds | 1 655 | 4 315 | 2 537 | 3 067 |
| Creditcard loans | 297 | 591 | 245 | 477 |
| Consumer loans | 2 992 | 6 046 | 2 988 | 5 880 |
| Mortgage loans | 19 055 | 37 598 | 15 196 | 27 625 |
| including loans between related parties | 58 | 118 | 37 | 66 |
| Balances with credit institutions and investment companies | 263 | 615 | 1 486 | 3 335 |
| Balances with the central bank | 24 034 | 46 803 | 11 394 | 22 116 |
| Private loans | 967 | 1 971 | 904 | 1 746 |
| Other loans | 617 | 1 220 | 580 | 983 |
| Including loans between related parties | 13 | 25 | 12 | 23 |
| Total | 96 804 | 191 815 | 71 737 | 133 385 |
| <i>incl calculated based on effective interest rate</i> | 93 419 | 185 143 | 69 092 | 128 396 |
| Interest expense | | | | |
| Deposits of customers and loans received | -34 333 | -66 626 | -11 588 | -16 174 |
| Other interest expenses | -116 | -279 | -92 | -310 |
| Subordinated liabilities | -2 295 | -4 601 | -3 963 | -7 907 |
| Total | -36 744 | -71 506 | -15 643 | -24 391 |
| Net interest income | 60 060 | 120 309 | 56 094 | 108 994 |

NOTE 8 Net Fee and Commission Income

| 2Q 2024 | | | | | | |
|---|-----------------------|--------------------------|---|--------------------------------|-------------------------|---------------|
| Fee and commission income | Retail banking | Corporate banking | Hire-purchase and consumer finance | Financial intermediates | Other activities | Total |
| Security brokerage and commissions paid | 1 132 | 344 | 0 | 8 | 3 | 1 487 |
| Asset management and similar fees | 1 115 | 756 | 0 | 3 | 11 | 1 884 |
| Currency conversion revenues | 874 | 451 | 0 | 253 | 651 | 2 229 |
| Fees from cards and payments | 4 294 | 897 | 0 | 3 073 | 7 | 8 272 |
| Fee sharing | 0 | 0 | 0 | -2 252 | 0 | -2 252 |
| Other fee and commission income | 778 | 1 369 | 215 | 2 | 96 | 2 460 |
| Total | 8 192 | 3 817 | 215 | 1 088 | 768 | 14 080 |
| Fee and commission expense | | | | | | |
| Security brokerage and commissions paid | -637 | -88 | 0 | -1 | -8 | -734 |
| Expenses related to cards | -2 322 | -46 | 0 | -1 | -1 | -2 370 |
| Expenses related to acquiring | -1 148 | -563 | 0 | -41 | 0 | -1 752 |
| Other fee and commission income | -382 | -239 | -176 | -212 | 18 | -991 |
| Total | -4 489 | -936 | -176 | -255 | 10 | -5 848 |
| Net fee and commission income | 3 703 | 2 881 | 38 | 832 | 778 | 8 232 |

| 6M 2024 | | | | | | |
|---|-----------------------|--------------------------|---|--------------------------------|-------------------------|----------------|
| Fee and commission income | Retail banking | Corporate banking | Hire-purchase and consumer finance | Financial intermediates | Other activities | Total |
| Security brokerage and commissions paid | 2 586 | 638 | 0 | 11 | 9 | 3 243 |
| Asset management and similar fees | 2 203 | 1 462 | 0 | 12 | 16 | 3 692 |
| Currency conversion revenues | 1 872 | 855 | 0 | 449 | 1 203 | 4 378 |
| Fees from cards and payments | 8 131 | 1 717 | 0 | 6 224 | 16 | 16 089 |
| Fee sharing | 0 | 0 | 0 | -4 617 | 0 | -4 617 |
| Other fee and commission income | 1 564 | 2 549 | 443 | -9 | 188 | 4 735 |
| Total | 16 355 | 7 220 | 443 | 2 071 | 1 430 | 27 520 |
| Fee and commission expense | | | | | | |
| Security brokerage and commissions paid | -1 282 | -238 | 0 | -3 | -18 | -1 542 |
| Expenses related to cards | -4 430 | -101 | 0 | -2 | -2 | -4 535 |
| Expenses related to acquiring | -2 169 | -1 102 | 0 | -95 | -1 | -3 366 |
| Other fee and commission income | -748 | -478 | -367 | -390 | 8 | -1 975 |
| Total | -8 628 | -1 919 | -367 | -491 | -13 | -11 418 |
| Net fee and commission income | 7 727 | 5 302 | 76 | 1 580 | 1 417 | 16 102 |

| 2Q 2023 | | | | | | |
|---|-----------------------|--------------------------|---|--------------------------------|-------------------------|---------------|
| Fee and commission income | Retail banking | Corporate banking | Hire-purchase and consumer finance | Financial intermediates | Other activities | Total |
| Security brokerage and commissions paid | 949 | 91 | 0 | 0 | 6 | 1 046 |
| Asset management and similar fees | 1 609 | 41 | 0 | 4 | 2 | 1 656 |
| Currency conversion revenues | 696 | 103 | 0 | 587 | -112 | 1 275 |
| Fees from cards and payments | 4 283 | 642 | 0 | 2 871 | 7 | 7 803 |
| Fee sharing | 0 | 0 | 0 | -2 385 | 0 | -2 385 |
| Other fee and commission income | 1 052 | 774 | 233 | -292 | 30 | 1 797 |
| Total | 8 589 | 1 651 | 233 | 786 | -68 | 11 192 |
| Fee and commission expense | | | | | | |
| Security brokerage and commissions paid | -587 | -19 | 0 | -4 | -16 | -626 |
| Expenses related to cards | -2 446 | -13 | 0 | -1 | -1 | -2 461 |

| | | | | | | |
|---------------------------------|---------------|-------------|-------------|------------|------------|---------------|
| Expenses related to acquiring | -1 366 | -522 | 0 | -152 | 0 | -2 040 |
| Other fee and commission income | -392 | -210 | -214 | 271 | -9 | -554 |
| Total | -4 790 | -764 | -214 | 114 | -26 | -5 681 |

| | | | | | | |
|--------------------------------------|--------------|------------|-----------|------------|------------|--------------|
| Net fee and commission income | 3 799 | 887 | 18 | 901 | -94 | 5 551 |
|--------------------------------------|--------------|------------|-----------|------------|------------|--------------|

| 6M 2023 | Retail banking | Corporate banking | Hire-purchase and consumer finance | Financial intermediates | Other activities | Total |
|---|----------------|-------------------|------------------------------------|-------------------------|------------------|----------------|
| Fee and commission income | | | | | | |
| Security brokerage and commissions paid | 1 996 | 143 | 0 | 7 | 8 | 2 154 |
| Asset management and similar fees | 3 166 | 79 | 0 | 7 | 2 | 3 255 |
| Currency conversion revenues | 696 | 103 | 0 | 2 016 | -112 | 2 704 |
| Fees from cards and payments | 7 995 | 1 228 | 0 | 5 672 | 12 | 14 908 |
| Fee sharing | 0 | 0 | 0 | -3 126 | 0 | -3 126 |
| Other fee and commission income | 2 159 | 1 394 | 479 | -310 | 55 | 3 777 |
| Total | 16 013 | 2 946 | 479 | 4 267 | -34 | 23 672 |
| Fee and commission expense | | | | | | |
| Security brokerage and commissions paid | -1 154 | -44 | 0 | -8 | -24 | -1 230 |
| Expenses related to cards | -4 268 | -28 | 0 | -3 | -1 | -4 299 |
| Expenses related to acquiring | -2 423 | -984 | 0 | -336 | 0 | -3 743 |
| Other fee and commission income | -754 | -411 | -398 | 219 | 3 | -1 341 |
| Total | -8 599 | -1 466 | -398 | -127 | -23 | -10 613 |

| | | | | | | |
|--------------------------------------|--------------|--------------|-----------|--------------|------------|---------------|
| Net fee and commission income | 7 415 | 1 480 | 81 | 4 140 | -57 | 13 059 |
|--------------------------------------|--------------|--------------|-----------|--------------|------------|---------------|

| Fee and commission income by customer location: | Q2 2024 | 6M 2024 | Q2 2023 | 6M 2023 |
|---|---------------|---------------|---------------|---------------|
| Estonia | 12 255 | 23 962 | 9 089 | 19 747 |
| Great Britain | 1 825 | 3 558 | 2 103 | 3 925 |
| Total | 14 080 | 27 520 | 11 192 | 23 672 |

NOTE 9 Operating Expenses

| | Q2 2024 | 6M 2024 | Q2 2023 | 6M 2023 |
|---|---------------|---------------|---------------|---------------|
| Wages, salaries and bonuses | 10 794 | 20 766 | 7 906 | 16 719 |
| Social security and other taxes* | 3 073 | 5 880 | 2 504 | 4 988 |
| Total personnel expenses | 13 867 | 26 646 | 10 410 | 21 707 |
| IT expenses | 1 885 | 3 474 | 1 542 | 2 902 |
| Information services and bank services | 435 | 872 | 381 | 785 |
| Marketing expenses | 647 | 1 130 | 754 | 1 364 |
| Office expenses | 391 | 814 | 375 | 806 |
| Transportation and communication expenses | 144 | 299 | 117 | 256 |
| Staff training and business trip expenses | 258 | 485 | 293 | 566 |
| Other outsourced services | 1 269 | 2 493 | 1 910 | 3 188 |
| Other administrative expenses | 2 249 | 5 593 | 4 100 | 7 987 |
| Depreciation of non-current assets | 1 657 | 3 493 | 881 | 1 727 |
| Operational lease payments | 37 | 71 | 86 | 185 |
| Other operating expenses | 386 | 658 | 235 | 397 |
| Total other operating expenses | 9 358 | 19 382 | 10 674 | 20 163 |
| Total operating expenses | 23 225 | 46 028 | 21 084 | 41 870 |

*lump-sum payment of social, health and other insurances

NOTE 10 Balances with the Central Bank

| | 30.06.2024 | 31.12.2023 |
|--|------------------|------------------|
| Cash and balances with central bank | 2 805 383 | 2 789 752 |
| Total | 2 805 383 | 2 789 752 |
| incl legal reserv with the central bank | 55 046 | 55 899 |
| Total balance with central bank less legal reserv | 2 750 337 | 2 733 853 |

The minimum reserve requirement as at 30 June 2024 was 1% (31 December 2023: 1%) of all financial resources (customer deposits and loans received). The reserve requirement is to be

fulfilled as a monthly average in euros or in the foreign financial assets approved by the central bank.

NOTE 11 Deposits of Customers and Debt Securities in issue

| Deposits by type | Individuals | Financial entities | Non-financial | | 30.06.2024 |
|------------------|------------------|--------------------|------------------|----------------|------------------|
| | | | entities | Public sector | |
| Demand deposits | 815 288 | 1 060 262 | 1 721 172 | 80 777 | 3 677 499 |
| Term deposits | 753 684 | 123 549 | 857 937 | 46 712 | 1 781 882 |
| Total | 1 568 972 | 1 183 811 | 2 579 109 | 127 489 | 5 459 381 |

| Deposits by type | Individuals | Financial entities | Non-financial | | 31.12.2023 |
|------------------|------------------|--------------------|------------------|----------------|------------------|
| | | | entities | Public sector | |
| Demand deposits | 745 430 | 1 130 125 | 1 747 191 | 74 778 | 3 697 524 |
| Term deposits | 932 974 | 99 406 | 761 184 | 43 632 | 1 837 196 |
| Total | 1 678 404 | 1 229 531 | 2 508 375 | 118 410 | 5 534 720 |

| Debt securities in issue | Mortgage bond | Preferred senior bond | 30.06.2024 |
|--------------------------|----------------|-----------------------|----------------|
| Debt securities in issue | 249 738 | 347 556 | 597 294 |
| Total | 249 738 | 347 556 | 597 294 |

| Debt securities in issue | Mortgage bond | Preferred senior bond | 31.12.2023 |
|--------------------------|----------------|-----------------------|----------------|
| Debt securities in issue | 249 718 | 236 850 | 486 568 |
| Total | 249 718 | 236 850 | 486 568 |

The nominal interest rate of the deposits of customers and loans granted equals to their effective interest rate, as no other significant fees have been implemented.

NOTE 12 Assets Under management

| | | |
|--|-------------------|-------------------|
| AS LHV Pank, operating as an account manager for its customers, has custody of or intermediates the following customer assets: | 30.06.2024 | 31.12.2023 |
| Cash balance of customers | 17 965 | 13 780 |
| Securities of customers | 3 586 583 | 3 490 269 |
| <i>Incl. parent company</i> | 151 129 | 151 129 |
| <i>Incl. shareholders of the parent company and related entities</i> | 550 868 | 562 486 |
| Total | 3 604 548 | 3 504 049 |

NOTE 13 Contingent Liabilities

| Irrevocable transactions | Performance guarantees | Financial guarantees | Letter of credit | Unused loan commitments | Total |
|--|-------------------------------|-----------------------------|-------------------------|--------------------------------|----------------|
| Liability in the contractual amount as at 30 June 2024 | 85 206 | 60 535 | 3 253 | 546 267 | 695 261 |
| Liability in the contractual amount as at 31 December 2023 | 56 217 | 55 061 | 3 732 | 495 653 | 610 663 |

General information

| | |
|-------------------------------|---|
| Legal name | AS LHV Pank |
| Commercial Registry no | 10539549 |
| Legal address | Tartu mnt. 2, 10145 Tallinn |
| Phone | (372) 6800400 |
| Fax | (372) 6800410 |
| BIC / Swift | LHVBEE22 |
| E-mail | lhv@lhv.ee |
| Web page | www.lhv.ee |
| Main activities | banking, finance lease and other lending, security brokerage |
| Auditor | PricewaterhouseCoopers AS |
| Supervisory board | Madis Toomsalu, Raivo Hein, Rain Lõhmus, Heldur Meerits, Tiina Mõis, Andres Viisemann, Liisi Znatokov |
| Management board | Kadri Kiisel, Jüri Heero, Annika Goroško, Indrek Nuume, Martti Singi, Meelis Paakspuu |