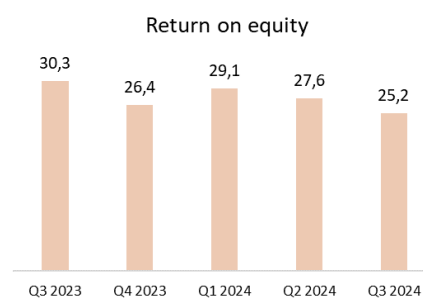
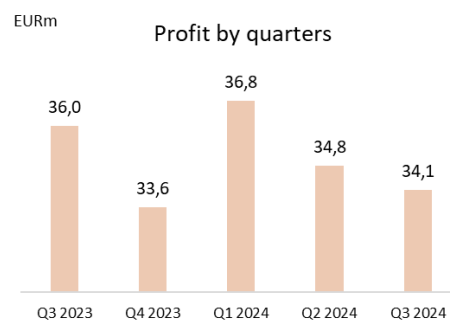


Interim Report January – September 2024

Summary of Results

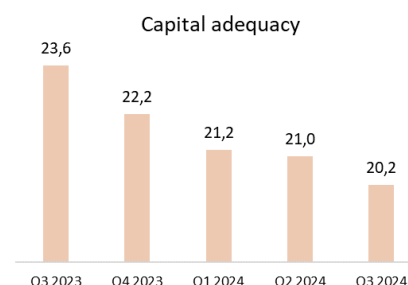
Q3 2024 in comparison with Q2 2024

- Net profit EUR 34.1 m (EUR 34.8 m), of which EUR 34.8 m (EUR 34.7 m) is attributable to owners of the parent
- Net income EUR 69.8 m (EUR 68.8 m)
- Operating expenses EUR 22.8 m (EUR 23.2 m)
- Impairment losses on loans and bonds EUR 7.1 m (EUR 4.9 m)
- Income tax expenses EUR 5.7 m (EUR 5.9 m)
- Return on equity 25.2% (27.6%)
- Capital adequacy 20.2% (21.0%)



Q3 2024 in comparison with Q3 2023

- Net profit EUR 34.1 m (EUR 36.0 m), of which EUR 33.9 m (EUR 35.7 m) is attributable to owners of the parent
- Net income EUR 69.8 m (EUR 65.5 m)
- Operating expenses EUR 22.8 m (20.5 m)
- Impairment losses on loans and bonds EUR 7.1 m (EUR 2.8 m)
- Income tax expenses EUR 5.7 m (EUR 6.2 m)
- Return on equity 25.2% (30.3%)
- Capital adequacy 20.2% (23.6%)



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 more than 11,000. New clients were added at a solid clip and clients' activity level was high. Deposits grew by EUR 257 million over the quarter and loans were up by EUR 160 million.

Ordinary clients' deposits increased by EUR 174 million during the quarter and financial intermediaries' deposits by EUR 52 million. The financial situation and savings capacity of households has started gradually improving, but recovery will take time. The annual growth of households' deposits in Estonia reached to 8.7% and corporate deposits to 1.6%. Still, the growth rate is clearly less than the long-term average and the growth is not broad-based. The goal is to attract deposits from the Estonian market, and this effort was successful in Q3, but due to faster loan portfolio growth, we also increased deposits attracted via platforms by EUR 92 million. Deposits remain in the focus.

Loans to businesses grew by EUR 47 million and retail loans increased by EUR 113 million. Lending activity has remained solid despite the slumping economy. The annual growth of the business loan portfolio in Estonia was 7.2% at the end of August while domestic households' loan portfolio grew 7.6%. The growth of businesses' loan portfolio has shown signs of accelerating in recent months. We are outpacing growth on the market; our market share of new loans to businesses is close to 30%. In addition, the strong result is also due to the continuation of the home loan refinancing campaign and the general activation of the home loan market, which also keeps new applications coming in. September marked the start of the student loan issuing period.

Net profit for the quarter was EUR 34.1 million. The strong result in Q3 was mainly impacted by higher interest rate income, due in turn to larger than planned volumes in the loan portfolio. The growth in interest income will slow since the expenses paid on deposits are growing faster. Service charge income fell short of planned levels, mainly due to profit shared with the UK bank, while expenses were as planned. Since we outperformed planned results significantly, we updated the financial plan at the end of Q3.

Loan impairments grew somewhat during the quarter. The environment is still fragile and Q3 also saw model-based forward-looking impairments. In addition, impairments were also affected by changes in ratings of individual clients. There were also movements in the positive direction, which levelled the results. As a whole, the bank's loan portfolio quality has remained strong and the share of overdue loans continues to be low. We see increase in arrears in consumer loans, but the levels are reasonable and consistent with expectations.

We entered into a contract of sale with TBB Pank for part of the loan portfolio. At the time of the signing, the portfolio being purchased was EUR 36 million, which may go down to EUR 25 million. The transaction will be completed by late October.

In August, we launched a comprehensive offer aimed at apartment associations, which combines a convenient payment solution, insurance and financing at low rates for investments into energy efficiency. The offer has been very well received.

We took part in organizing a 200-million-euro Estonian government bond issue. Held in early September, it drew institutional investors and more than 7000 retail investors and was oversubscribed four times.

The internship summer, highly popular among young people, came to a close. This summer, 31 interns worked at LHV. Besides their everyday work, they attended workshops where they learned more about their strengths, the history of LHV, investing and pensions, job-seeking and LinkedIn and Youth Bank. As part of Book Club they also read the LHV book Pangasaladus. Grouped into teams, interns presented projects for making LHV even better.

Instar's job expectations and employer reputation survey found that LHV Pank was seen as the most attractive employer among experienced employees, youth and economics students. LHV placed third among IT students.

Financial Summary

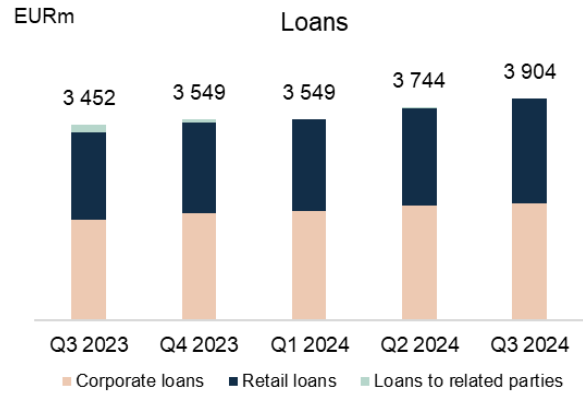
LHV Pank earned net interest income of EUR 60 million and EUR 8.7 million in net service fee income in Q3. Net financial income amounted to EUR 0.6 million in Q3. In total, the Bank's income was EUR 69.8 million and expenses were EUR 22.8 million. Net income rose by 7% and expenses increased by 11% over the year. The discounts of loans and bonds amounted to EUR 7.1 million in Q3. 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 5.5 million in Q3. Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.3 million in Q3.

The Bank's Q3 profit amounted to EUR 34.1 million, which is 2% less than in Q2 2024 (34.8) and 5% less than in Q3 2023 (36.0).

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

The total volume of the Bank's loan portfolio reached EUR 3 904 million by the end of Q3 (Q2 2024: EUR 3 744 million). The volume of loans grew by EUR 160 million in Q3 (Q2 2024: a growth of EUR 194 million). The net retail loan portfolio grew by 7% during the quarter, reaching EUR 1,832 million (Q2 2024: EUR 1 719 million). The net corporate loan portfolio grew by 2% during the quarter, reaching EUR 2 072 million (Q2 2024: EUR 2 024 million).



The volume of deposits at the Bank increased by EUR 257 million from the previous quarter and stood at EUR 5,716 million at the end of the quarter (Q2 2024: EUR 5,459 million). The volume of payment intermediaries' deposits grew by EUR 52 million during the quarter. Of the deposits, EUR 3,714 million were call deposits, EUR 1,650 million term deposits and EUR 352 million platform deposits. The volume of individuals' deposits was EUR 1 699 million as at the end of the quarter, having grown by 8% since the previous quarter.

The Bank's expense-income ratio was 32.7% in Q3, increasing by 1.4 percentage points from Q3 2023 (31.3%).

Income statement	Q3	Q2	Quarter	Q3	Year
EUR million	2024	2024	over quarter	2023	over year
Net interest income	59.99	60.06	0%	59.90	0%
Net fee and commission income	8.74	8.23	6%	5.72	53%
Other financial income	0.65	-0.17	NA	-0.46	NA
Total net operating income	69.38	68.12	2%	65.16	6%
Other income	0.39	0.66	-42%	0.33	18%
Operating expenses	-22.83	-23.23	-2%	-20.50	11%
Loan losses	-7.09	-4.86	46%	-2.77	156%
Income tax expenses	-5.74	-5.86	-2%	-6.19	-7%
Net profit	34.10	34.84	-2%	36.03	-5%

Business volumes

EUR million	30.09.2024	31.12.2023	Change
Loan portfolio	3 903.5	3 548.5	10%
Financial investments	244.7	328.8	-26%
Deposits of customers	5 716.1	5 534.7	3%
incl. deposits of financial institutions	1 193.3	1 229.5	-3%
Equity (including minority interest)	562.2	530.0	6%
Number of bank customers	444 592	417 460	6%

Ratios	Q3	Q2	Quarter	Q3	Year
EUR million	2024	2024	over quarter	2023	over year
Net profit	34.1	34.8	-0.7	36.0	-1.9
Net profit attributable to owners of the parent	33.9	34.7	-0.8	35.7	-1.8
Average equity	538.8	503.3	35.5	470.8	68.0
Return on equity (ROE), %	25.2	27.6	-2.4	30.4	-5.2
Return on assets (ROA), %	1.97	2.04	-0.07	2.30	-0.33
Net interest income	60.0	60.1	-0.1	59.9	0.1
Interest-bearing assets, average	6 920.6	6 808.0	112.6	6 249.8	670.8
Net interest margin (NIM) %	3.47	3.5	-0.03	3.8	-0.33
Price spread (SPREAD) %	3.2	3.3	-0.1	3.7	-0.5
Cost/income ratio %	32.7	33.8	-1.1	31.3	1.4

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 (annualised)

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

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

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

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 193.6% as at the end of September (31 December 2023: 191.4%). In the third quarter, deposits received from deposit platforms decreased by 94 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 379.0% (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 68% as at the end of the third 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. Obtaining permission is done with the referrer, but applies retrospectively also for already reported quarter, 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 first quarter 2024.

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

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

Banks own funds based on CAD calculations at the end of September were EUR 564.1 million (31.12.2023: 550.7 mln euro).

Bank is adequately capitalized at end of the reporting period, capital adequacy was 20.19% (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)	30.09.2024	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)	-2 709	-2 945
Net profit for the reporting period (COREP)	16 257	140 133
Dividends to be distributed	0	-76 300
Deductions	-6 847	-9
Total Tier 1 capital	449 639	437 235
Subordinated debt	53 368	53 000
Total Tier 1 capital	503 007	490 235
Subordinated debt	61 116	60 434
Total Tier 2 capital	61 116	60 434
Net own funds for capital adequacy	564 123	550 669
Capital requirements		
Central governments and central bank under standard method	0	0
Credit institutions and investment companies under standard method	12 448	23 951
Companies under standard method	1 397 541	1 293 686

Retail claims under standard method	212 021	225 907
Public sector under standard method	0	0
Exposures secured by mortgages on immovable property	718 030	583 503
Overdue claims under standard methods	19 783	19 759
Particularly high risk exposures	50 607	42 451
Other assets under standard method	35 387	50 473
Total capital requirements for covering the credit risk and counterparty credit risk	2 445 817	2 239 730
Capital requirement against foreign currency risk under standard method	3 650	2 514
Capital requirement against interest position risk under standard method	0	0
Capital requirement against equity portfolio risks under standard method	1 195	745
Capital requirement against credit valuation adjustment risks under standard method	1 646	1 966
Capital requirement for operational risk under base method	342 354	236 380
Total capital requirements for adequacy calculation	2 794 662	2 481 335
Capital adequacy (%)	20.19	22.19
Tier 1 capital ratio (%)	18.00	19.76
Core Tier 1 capital ratio (%)	16.09	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	Q3 2024	9M 2024	Q3 2023	9M 2023
Interest income		98 233	290 048	82 548	215 933
Interest expense		-38 243	-109 749	-22 648	-47 039
Net interest income	7	59 990	180 299	59 900	168 894
Fee and commission income		15 020	42 540	11 639	35 311
Fee and commission expense		-6 280	-17 698	-5 924	-16 537
Net fee and commission income	8	8 740	24 842	5 715	18 774
Net gains/losses from financial assets measured at fair value		-112	103	-457	-1 270
Foreign exchange gains/losses		760	746	-2	1 553
Net gain/loss from financial assets		648	849	-459	283
Other income		386	1 340	328	574
Staff costs		-12 543	-39 189	-10 444	-32 151
Administrative and other operating expenses		-10 289	-29 671	-10 051	-30 214
Profit before impairment losses on loans and advances		46 932	138 470	44 989	126 160
Impairment losses on financial instruments		-7 092	-14 757	-2 773	-1 784
Income tax expense		-5 741	-17 984	-6 191	-16 586
Net profit for the reporting period		34 099	105 729	36 025	107 790
Other comprehensive income:					
Items that may be reclassified subsequently to other profit or loss					
		0	0	0	0
Total profit and other comprehensive income for the reporting period		34 099	105 729	36 025	107 790
Total profit of the reporting period attributable to:					
Owners of the parent		33 945	105 354	35 711	106 643
Non-controlling interest		154	375	314	1 147
Total profit for the reporting period		34 099	105 729	36 025	107 790
Total comprehensive income attributable to:					
Owners of the parent		33 945	105 354	35 711	106 643
Non-controlling interest		154	375	314	1 147
Total comprehensive income for the reporting period		34 099	105 729	36 025	107 790

Condensed Consolidated Interim Statement of Financial Position

<i>(in thousands of euros)</i>	Note	30.09.2024	31.12.2023
Assets			
Cash and balances with central bank	10	2 847 934	2 789 752
Due from banks and investment companies		56 771	48 140
Financial assets at fair value through profit or loss	6	6 599	6 945
Investments in debt securities at amortised cost	6	238 098	321 888
Loans and advances to customers	5	3 903 518	3 548 513
Other receivables		7 855	17 833
Other financial assets		100	100
Other assets		3 456	2 795
Property and equipment		13 450	15 732
Intangible assets		2 709	2 946
Total assets		7 080 490	6 754 644
Liabilities			
Deposits of customers	11	5 716 112	5 534 720
Loans received and debt securities in issue	11	601 099	486 568
Financial liabilities at fair value through profit or loss	6	1 172	1 843
Accounts payable and other liabilities		85 437	87 430
Subordinated debt		114 484	114 054
Total liabilities		6 518 304	6 224 615
Owner's equity			
Share capital		141 500	141 500
Statutory reserve capital		14 150	12 669
Retained earnings		400 675	369 674
Total equity attributable to owners of the parent		556 325	523 843
Non-controlling interest		5 861	6 186
Total equity		562 186	530 029
Total liabilities and equity		7 080 490	6 754 644

Condensed Consolidated Interim Statement of Cash Flows

<i>(in thousands of euros)</i>	Note	Q3 2024	9M 2024	Q3 2023* restated	9M 2023* restated
Cash flow from operating activities					
Interest received		99 258	291 448	80 564	210 891
Interest paid		-36 861	-89 105	-13 868	-28 066
Fees and commissions received		15 020	42 540	11 639	35 311
Fees and commissions paid		-6 280	-17 698	-5 924	-16 537
Other income		386	1 340	328	574
Staff costs paid		-12 097	-35 321	-9 969	-29 098
Administrative and other operating expenses paid		-8 680	-24 568	-9 155	-27 590
Income tax paid		-5 600	-17 522	-5 188	-16 005
Cash flow from operating activities before change in operating assets and liabilities		45 146	151 114	48 427	129 480
Net increase/decrease in operating assets:					
Net acquisition/disposal of trading portfolio		1 538	346	-3 050	-3 652
Loans and advances to customers		-163 064	-361 173	-183 234	-267 988
Net change in debt and equity securities		-103 579	83 893	69 108	110 529
Mandatory reserve at central bank		-2 547	-1 694	-2 231	-4 156
Security deposits		0	0	24	24
Other assets		-700	-607	-344	-645
Net increase/decrease in operating liabilities:					
Demand deposits of customers		36 208	15 403	-319 861	-947 400
Term deposits of customers		222 810	159 476	435 170	1 231 400
Repayments of loans received		0	0	-49 864	-147 520
Bonds issued		36 000	136 000	0	0
Bonds redeemed		-35 500	-35 500	0	0
Financial liabilities at fair value through profit and loss		1 204	-671	-123	-3 415
Other liabilities		8 690	-1 614	-4 188	10 384
Net cash generated from/used in operating activities		46 206	144 973	-10 166	107 041
Cash flow from investing activities					
Purchase of non-current assets		-1 051	-2 586	-690	-3 208
Net cash flow from/used in investing activities		-1 051	-2 586	-690	-3 208
Dividends paid		0	-77 000	0	-3 500
Repayment of principal of lease liabilities		-37	-1 014	-431	-1 276
Net cash from/used in financing activities		-37	-78 014	-431	-4 776
Effect of exchange rate changes on cash and cash equivalents		760	746	-2	1 553
Net decrease/increase in cash and cash equivalents		45 878	65 119	-11 289	100 610
Cash and cash equivalents at the beginning of the period		2 801 234	2 781 993	2 545 450	2 430 551
Cash and cash equivalents at the end of the period		2 847 112	2 847 112	2 531 161	2 531 161
<i>incl balances with central bank</i>	10	2 790 341	2 790 341	2 484 452	2 4184 452
<i>incl balances with banks and investment companies</i>		56 771	56 771	46 709	46 709

Condensed Consolidated Interim Statement of Changes in Equity

<i>(in thousands of euros)</i>	Share capital	Statutory reserve capital	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	2 729	2 729	0	2 729
<i>Profit for the period</i>	<i>0</i>	<i>0</i>	<i>106 643</i>	<i>106 643</i>	<i>1 147</i>	<i>107 790</i>
Total profit and other comprehensive income for the reporting period	0	0	106 643	106 643	1 147	107 790
Balance as at 30.09.2023	141 500	12 669	334 969	489 138	6 103	495 241
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	3 428	3 428	0	3 428
<i>Profit for the period</i>	<i>0</i>	<i>0</i>	<i>105 354</i>	<i>105 354</i>	<i>375</i>	<i>105 729</i>
Total profit and other comprehensive income for the reporting period	0	0	105 354	105 354	375	105 729
Balance as at 30.09.2024	141 500	14 150	400 675	556 325	5 861	562 186

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. The condensed consolidated interim financial statements does not contain all the information necessary to be presented in the annual report. These condensed consolidated interim financial statements should be read in conjunction with the group's annual financial statements as at 31 December 2023. The same accounting policies and methods of computation are followed in the condensed consolidated interim financial statements as compared with the most recent annual financial statements.

There are no significant changes in risk policies of the group, all the results including estimates and judgement of expected credit losses are in line with principles described in group's annual financial statements as at 31 December 2023.

The financial figures of the condensed consolidated interim financial statements have been presented in thousands of euros, unless otherwise indicated. The condensed consolidated interim

financial statements have been consolidated and include the results of AS LHV Pank and its subsidiary AS LHV Finance (65% interest).

Correction in classification of investing and operating cash flows

Management identified a classification misstatement related to financial investments. Such purchased and sales have been previously classified under net cash flow from/used in investing activities but as these assets are operating activities in nature then the cash flows from purchases and sales should be classified under net cash generated from/used in operating activities. The presentation has been corrected by reclassifying the affected cash flow statement line items for the prior periods as follows:

	Q3 2023	Increase/(Decrease)	Q3 2023 restated
Administrative and other operating expenses paid	-8 724	-431	-9 155
Cash flow from operating activities before change in operating assets and liabilities	48 858	-431	48 427
Net change in debt and equity securities	0	69 108	69 108
Other liabilities	-4 619	431	-4 188
Net cash generated from/used in operating activities	-79 274	-69 108	-10 166
Net change in debt and equity securities	69 108	-69 108	0
Net cash flow from/used in investing activities	68 418	69 108	-690
	9M 2023	Increase/(Decrease)	9M 2023 restated
Administrative and other operating expenses paid	-26 314	-1 276	-27 590
Cash flow from operating activities before change in operating assets and liabilities	130 756	-1 276	129 480
Loans and advances to customers	-262 694	-5 294	-267 988
Net change in debt and equity securities	0	110 529	110 529
Other liabilities	3 814	6 570	10 384
Net cash generated from/used in operating activities	-3 488	110 529	107 041
Net change in debt and equity securities	110 529	-110 529	0
Net cash flow from/used in investing activities	107 321	-110 529	-3 208

NOTE 2 Segments

LHV Pank divides its business activities by 3 main segments: retail banking, corporate banking and financial intermediates. In addition, a separate segment is hire purchase 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 (not allocated to any segments) include Treasury and the result of activities related to companies belonging to AS LHV Group consolidation Group. LHV Pank ise largest company in LHV Group, meaning that many teams like HR, internal audit, IT maintenance etc are handled centrally by Pank for all or most of the LHV Group's companies.

Q3 2024	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Eliminations	Total
Interest income	24 579	43 651	3 756	-3 473	31 402	-1 682	98 233
Interest expense	-13 608	-17 230	-1 917	-2 697	-4 473	1 682	-38 243
Intrabank interest income/-expense	16 879	-2 420	2	9 324	-23 785	0	0
Net interest income	27 850	24 001	1 841	3 154	3 144	0	59 990
Fee and commission income	8 278	4 799	221	1 199	523	0	15 020
Fee and commission expense	-4 607	-1 236	-190	-244	-3	0	-6 280
Net fee and commission income	3 671	3 563	31	955	520	0	8 740
Other income	3	358	0	0	24	0	386
Net gains/losses from financial assets	0	0	0	-1	649	0	648
Administrative and other operating expenses, staff costs	-11 251	-7 170	-997	-2 252	-1 162	0	-22 832
Operating profit	20 274	20 752	875	1 856	3 175	0	46 932
Impairment losses on loans and advances	-94	-6 278	-695	0	-25	0	-7 092
Income tax	-2 667	-2 113	0	-542	-158	-261	-5 741
Net profit	17 513	12 361	180	1 314	2 992	-261	34 099

9 M 2024	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Eliminations	Total
Interest income	72 932	127 786	11 324	-15 412	98 523	-5 105	290 048
Interest expense	-39 548	-49 294	-5 813	-7 714	-12 485	5 105	-109 749
Intrabank interest income/-expense	48 778	-6 232	6	30 578	-73 130	0	0
Net interest income	82 162	72 260	5 517	7 452	12 908	0	180 299
Fee and commission income	24 634	12 019	664	3 270	1 953	0	42 540
Fee and commission expense	-13 235	-3 155	-556	-735	-16	0	-17 698
Net fee and commission income	11 399	8 864	108	2 535	1 937	0	24 842
Other income	5	1 200	0	0	135	0	1 340
Net gains from financial assets	-35	-1	0	-2	2 187	-1 300	849

Administrative and other operating expenses, staff costs	-33 542	-22 044	-2 828	-6 944	-3 502	0	-68 860
Operating profit	59 989	60 279	2 797	3 041	13 665	-1 300	138 470
Impairment losses on loans and advances	-485	-12 309	-2 611	0	648	0	-14 757
Income tax	-7 685	-6 742	-566	-1 833	-850	-308	-17 984
Net profit	51 819	41 228	-380	1 208	13 463	-1 608	105 729
Total assets 30.09.2024	2 912 702	4 025 400	87 400	4	123 202	-68 218	7 080 490
Total liabilities 30.09.2024	3 629 530	1 802 808	69 541	1 031 831	51 704	-67 110	6 518 304

	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Eliminations	Total
Q3 2023							
Interest income	23 254	34 759	3 965	-7 408	29 555	-1 577	82 548
Interest expense	-10 570	-6 201	-1 710	-1 917	-3 827	1 577	-22 648
Intrabank interest income/-expense	20 703	-8 465	0	9 573	-21 811	0	0
Net interest income	33 387	20 093	2 255	248	3 917	0	59 900
Fee and commission income	9 070	1 717	236	565	51	0	11 639
Fee and commission expense	-4 926	-934	-180	147	-31	0	-5 924
Net fee and commission income	4 144	783	56	712	20	0	5 715
Other income	-9	254	0	0	83	0	328
Net gains from financial assets	-2	0	0	-1	-456	0	-459
Administrative and other operating expenses, staff costs	-10 669	-4 889	-765	-4 166	-6	0	-20 495
Operating profit	26 851	16 241	1 546	-3 207	3 558	0	44 989
Impairment losses on loans and advances	-273	-1 062	-804	0	-634	0	-2 773
Income tax	-3 208	-1 735	-160	-693	-301	-94	-6 191
Net profit	23 370	13 444	582	-3 900	2 623	-94	36 025

	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Eliminations	Total
9M 2023							
Interest income	61 364	93 825	11 626	-16 090	69 211	-4 003	215 933
Interest expense	-21 544	-13 722	-4 395	-4 148	-7 232	4 003	-47 039
Intrabank interest income/-expense	53 616	-24 829	2	25 898	-54 688	0	0
Net interest income	93 436	55 274	7 233	5 660	7 291	0	168 894
Fee and commission income	25 084	4 663	715	4 832	16	0	35 311
Fee and commission expense	-13 526	-2 400	-578	20	-53	0	-16 537

Net fee and commission income	11 558	2 263	137	4 852	-37	0	18 774
Other income	-9	444	0	0	139	0	574
Net gains from financial assets	19	0	0	-1	2 540	-2 275	283
Administrative and other operating expenses, staff costs	-30 851	-14 037	-2 709	-11 101	-3 667	0	-62 365
Operating profit	74 153	43 944	4 661	-590	6 266	-2 275	126 160
Impairment losses on loans and advances	-206	2 042	-2 507	0	-1 113	0	-1 784
Income tax	-7 395	-5 739	-512	-1 293	-520	-1 127	-16 586
Net profit	66 552	40 247	1 642	-1 883	4 633	-3 402	107 790
Total assets 30.09.2023	2 665 140	3 250 120	95 962	0	391 009	-76 470	6 325 761
Total liabilities 30.09.2023	4 063 048	674 215	77 966	1 008 882	82 274	-75 864	5 830 521

NOTE 3 Breakdown of Assets and Liabilities by Maturity Dates (undiscounted contractual cash flows)

30.09.2024	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits from customers	3 713 574	1 080 706	926 979	21 073	381	5 742 713
Loans received and debt securities in issue	0	118 140	324 767	200 561	0	643 468
Subordinated debt	0	25 454	20 604	92 989	0	139 047
Lease liability	0	7 043	0	0	0	7 043
Accounts payable and other financial liabilities (excluding lease liability)	0	67 705	0	0	0	67 705
Unused loan commitments	558 333	0	0	0	0	558 333
Financial liabilities at fair value	0	1 172	0	0	0	1 172
Financial guarantees by contractual amounts	0	61 500	0	0	0	61 500
Foreign exchange derivatives liabilities notional (gross settled)	0	139 573	0	0	0	139 573
Foreign exchange derivatives assets notional (gross settled)	0	-139 573	0	0	0	-139 573
Total liabilities	4 271 907	1 361 720	1 272 350	314 623	381	7 220 981
Financial assets by contractual maturity dates						
Due from central bank, banks and investment companies	2 904 705	0	0	0	0	2 904 705
Financial assets at fair value and amortized cost	0	4 236	165 614	73 999	0	243 849
Loans and advances to customers	0	222 135	687 039	2 632 759	1 977 785	5 519 718
Receivables from customers	0	7 855	0	0	0	7 855
Other financial assets	100	0	0	0	0	100
Total financial assets	2 904 805	234 226	852 653	2 706 758	1 977 785	8 676 227
Maturity gap from financial assets and liabilities	-1 367 102	-1 127 494	-419 697	2 392 135	1 977 404	1 455 246

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 and debt securities in issue	0	0	85 318	425 250	0	510 568
Subordinated debt	0	33 311	31 782	63 913	0	129 006
Lease liability	0	8 057	0	0	0	8 057
Accounts payable and other financial liabilities (excluding lease liability)	0	70 504	0	0	0	70 504
Unused loan commitments	495 653	0	0	0	0	495 653
Financial liabilities at fair value	0	1 843	0	0	0	1 843
Financial guarantees by contractual amounts	0	55 061	0	0	0	55 061
Foreign exchange derivatives liabilities notional (gross settled)	0	148 397	0	0	0	148 397
Foreign exchange derivatives assets notional (gross settled)	0	-148 397	0	0	0	-148 397
Total liabilities	4 193 176	747 682	1 340 858	559 198	339	6 841 253
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 and amortized cost	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
Other financial assets	100	0	0	0	0	100
Total financial assets	2 837 992	347 717	692 523	2 684 344	1 692 834	8 255 410
Maturity gap from financial assets and liabilities	-1 355 184	-399 965	-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. Fair value of the derivative contracts is presented in balance sheet and remaining of notional cashflows in off-balance.

NOTE 4 Open Foreign Currency Positions

30.09.2024	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from central bank, banks and investment companies	2 859 493	2 705	25 501	1 228	8 660	7 119	2 904 705
Financial assets at fair value and amortized cost	238 978	1	1	5 692	23	2	244 697
Loans and advances to customers	3 896 359	18	162	209	6 522	248	3 903 518
Receivables from customers	7 660	1	-45	-103	4 269	-3 927	7 855
Other financial assets	100	0	0	0	0	0	100
Total assets bearing currency risk	7 002 591	2 724	25 620	7 026	19 473	3 441	7 060 875
Liabilities bearing currency risk							
Deposits from customers	5 527 950	7 544	24 600	7 137	138 362	10 520	5 716 112
Loans received and debt securities in issue	601 099	0	0	0	0	0	601 099
Financial liabilities at fair value through profit or loss	0	0	0	0	0	1 172	1 172
Accounts payable and other financial liabilities	65 256	106	1 451	658	7 188	89	74 748
Subordinated debt	114 484	0	0	0	0	0	114 484
Total liabilities bearing currency risk	6 308 790	7 650	26 051	7 795	145 550	11 780	6 507 615
Open gross position derivative assets at contractual value	195	4 979	0	796	125 666	7 937	139 573
Open gross position derivative liabilities at contractual value	139 378	0	0	0	195	0	139 573

Open foreign currency position	554 618	53	-431	28	-606	-402	553 260
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 and amortized cost	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 and debt securities in issue	486 568	0	0	0	0	0	486 568
Financial liabilities at fair value through profit or loss	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

30.09.2024	Stage 1	Stage 2	Stage 3	Provision	Total	%
Individuals	1 364 062	205 735	7 248	-8 193	1 568 852	40.2%
Agriculture	87 124	15 392	2	-300	102 218	2.6%
Mining and Quarrying	727	417	39	-17	1 166	0.0%
Manufacturing	126 925	50 353	18 791	-13 602	182 467	4.7%
Energy	177 205	2 773	0	-1 676	178 302	4.6%
Water and Utilities	29 478	270	0	-388	29 360	0.8%
Construction	88 063	14 962	87	-1 142	101 970	2.6%
Wholesale and retail	127 581	50 553	662	-2 328	176 468	4.5%
Transport and logistics	69 504	8 590	6	-652	77 448	2.0%
Hotels and Restaurants	13 604	2 885	151	-79	16 561	0.4%
Information and communication	20 189	3 636	119	-132	23 812	0.6%
Financial services	145 637	1 375	0	-1 169	145 843	3.7%
Real estate	789 111	146 887	8 420	-7 658	936 760	24.0%
Professional, scientific and technical activities	76 081	11 037	335	-313	87 140	2.2%
Administrative activities	87 982	19 782	63	-697	107 130	2.7%
Public management	48 556	4 786	0	-127	53 215	1.4%
Education	2 552	3 267	0	-1 198	4 621	0.1%
Health	26 932	737	0	-143	27 526	0.7%
Art and entertainment	45 681	24 534	0	-1 976	68 239	1.7%
Other servicing activities	12 688	1 798	15	-81	14 420	0.4%
Total	3 339 682	569 769	35 938	-41 871		
Provision	-10 705	-18 219	-12 947			
Total loan portfolio	3 328 977	551 550	22 991		3 903 518	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 30.09.2024 EUR 37 018 thousand (31.12.2023: 28 579). Loans have been given out on market terms.

ECL has increased by EUR 7 014 thousand, mostly related to Stage 3 loans. Several manufacturing companies financials have weakened and we have decided to reclassify them into Stage 3 despite they are servicing the loans without issues.

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:

	IFRS 9 measurement	Level 1	Level 2	Level 3	Total
30.09.2024					
Cash and balances with central bank	AC	0	2 847 934	0	2 847 934
Due from banks and investment companies	AC	0	56 771	0	56 771
Debt securities	FVTPL	5 692	0	0	5 692
Debt securities	AC	0	238 098	0	238 098
Loans and advances to customers	AC	0	0	3 903 518	3 903 518
Receivables from customers	AC	0	7 855	0	7 855
Derivatives	FVTPL	0	311	0	311
Other financial assets	AC	0	0	100	100
Total assets		5 692	3 150 969	3 903 618	7 060 279
Deposits from customers	AC	0	5 716 112	0	5 716 112
Loans received and debt securities in issue	AC	0	601 099	0	601 099
Subordinated debt	AC	0	114 484	0	114 484
Derivatives	FVTPL	0	1 172	0	1 172
Accounts payable and other liabilities	AC	0	0	74 748	74 748
Total liabilities		0	6 432 867	74 748	6 507 615

31.12.2023					
Cash and balances with central bank	AC	0	2 789 752	0	2 789 752
Due from banks and investment companies	AC	0	48 140	0	48 140
Debt securities	FVTPL	6 275	0	0	6 275
Debt securities	AC	0	321 888	0	321 888
Loans and advances to customers	AC	0	0	3 548 513	3 548 513
Receivables from customers	AC	0	17 833	0	17 833
Derivatives	FVTPL	0	301	0	301
Other financial assets	AC	0	0	100	100
Total assets		6 275	3 177 914	3 548 613	6 732 802
Deposits from customers	AC	0	5 534 720	0	5 534 720
Loans received and debt securities in issue	AC	0	486 567	0	486 567
Subordinated debt	AC	0	114 054	0	114 054
Derivatives	FVTPL	0	1 843	0	1 843
Accounts payable and other liabilities	AC	0	0	78 561	78 561
Total liabilities		0	6 137 184	78 561	6 215 745

As of September 30, 2024, the liquidity portfolio includes only bonds in the amount of EUR 238 098 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 26 thousand. The fair value of the bonds reflected in the amortised cost as of 30.09.2024 is EUR 238 804 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

Cash and balances with central banks are treated as Level 2 and as their duration is very short, then there is no difference between balance sheet and fair value.

Bonds in FVTPL are included under Level 1, as these are accounted based on market rates, but others in Level 2 as reference rates are used for calculating fair value.

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 September 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 2.

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. Customer deposits are thus categorised under hierarchy level 2.

All the Loans received, securities issued and subordinated loans are received in 2019-2024. All instruments 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 loans or the maturity/call date is so close, that the fair value of the loans does not materially differ from their net book value. Loans issued are thus categorised under hierarchy level 2.

Swaps and forwards 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.

NOTE 7 Net Interest Income

Interest income	Q3 2024	9M 2024	Q3 2023	9M 2023
Business loans	42 952	126 669	35 653	96 038
Hire purchase	723	2 244	855	2 637
Leasing	3 392	10 004	3 098	8 087
Leverage loans and lending of securities	437	1 243	362	1 041
Debt securities	1 662	5 977	2 318	5 385
Creditcard loans	320	911	265	742
Consumer loans	3 034	9 080	3 109	8 989
Mortgage loans	19 473	57 071	17 045	44 670
Balances with credit institutions and investment companies	283	898	775	4 222
Balances with the central bank	24 318	71 121	16 212	38 328
Private loans	954	2 925	982	2 728
Loans to other group companies	0	0	1 357	1 678
Other loans	685	1 905	517	1 388
Total	98 233	290 048	82 548	215 933
<i>incl calculated based on effective interest rate</i>	94 786	279 929	79 450	207 846
Interest expense				
Deposits of customers and loans received	-35 822	-102 448	-18 563	-34 737
Other interest expenses	-102	-381	-89	-3 99
Subordinated liabilities	-2 319	-6 920	-3 996	-11 903
Total	-38 243	-109 749	-22 648	-47 039
Net interest income	59 990	180 299	59 900	168 894

NOTE 8 Net Fee and Commission Income

3Q 2024	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial inter-mediatees	Other activities	Total
Fee and commission income						
Security brokerage and commission fees	1 070	1 079	0	7	2	2 158
Asset management and similar fees	1 135	784	0	3	15	1 937
Currency conversion revenues	852	439	0	151	393	1 835
Fees from cards and payments	4 409	1 081	0	3 135	8	8 633
Other fee and commission income	813	1 415	221	-2 098	106	457
Total	8 278	4 798	221	1 199	523	15 020
Fee and commission expense						
Security brokerage and commission expenses	-425	-148	0	-2	-9	-585
Expenses related to cards	-2 376	-48	0	-1	-1	-2 427
Expenses related to acquiring	-1 417	-798	0	-44	0	-2 259
Other fee and commission expense	-389	-242	-190	-197	7	-1 009
Total	-4 607	-1 236	-190	-244	-3	-6 280
Net fee and commission income	3 671	3 563	32	954	520	8 740

9M 2024						
Fee and commission income	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Total
Security brokerage and commission fees	3 656	1 716	0	20	10	5 402
Asset management and similar fees	3 337	2 247	0	15	30	5 629
Currency conversion revenues	2 723	1 294	0	599	1 596	6 212
Fees from cards and payments	12 540	2 798	0	4 743	24	20 105
Other fee and commission income	2 378	3 964	664	-2 107	293	5 192
Total	24 634	12 019	664	3 270	1 953	42 540
Fee and commission expense						
Security brokerage and commission expenses	-1 707	-386	0	-5	-28	-2 126
Expenses related to cards	-6 805	-150	0	-4	-2	-6 961
Expenses related to acquiring	-3 586	-1 899	0	-139	-1	-5 625
Other fee and commission expense	-1 138	-720	-556	-587	15	-2 986
Total	-13 236	-3 155	-556	-735	-16	-17 698
Net fee and commission income	11 398	8 864	108	2 535	1 937	24 842

3Q 2023						
Fee and commission income	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Total
Security brokerage and commission fees	912	24	0	0	0	936
Asset management and similar fees	1 657	36	0	2	9	1 704
Currency conversion revenues	1 128	136	0	189	-45	1 408
Fees from cards and payments	4 240	746	0	720	8	5 714
Other fee and commission income	1 134	775	236	-347	79	1 877
Total	9 071	1 717	236	564	51	11 639
Fee and commission expense						
Security brokerage and commission expenses	-572	-17	0	-1	-18	-608
Expenses related to cards	-2 397	-16	0	-2	-1	-2 416
Expenses related to acquiring	-1 537	-682	0	-148	0	-2 367
Other fee and commission expense	-421	-219	-180	299	-12	-533
Total	-4 927	-934	-180	148	-31	-5 924
Net fee and commission income	4 144	783	56	712	20	5 715

9M 2023						
Fee and commission income	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Total
Security brokerage and commission fees	2 908	167	0	7	8	3 090
Asset management and similar fees	4 823	116	0	9	11	4 959
Currency conversion revenues	1 825	239	0	2 205	-157	4 112
Fees from cards and payments	12 235	1 973	0	3 267	21	17 496
Other fee and commission income	3 293	2 168	715	-656	134	5 654
Total	25 084	4 663	715	4 832	17	35 311
Fee and commission expense						
Security brokerage and commission expenses	-1 726	-61	0	-9	-42	-1 838
Expenses related to cards	-6 665	-43	0	-5	-2	-6 715
Expenses related to acquiring	-3 961	-1 665	0	-484	0	-6 110
Other fee and commission expenses	-1 175	-630	-578	518	-9	-1 874
Total	-13 527	-2 399	-578	20	-53	-16 537
Net fee and commission income	11 557	2 264	137	4 852	-36	18 774

Fee and commission income by customer location:	Q3 2024	9M 2024	Q3 2023	9M 2023
Estonia	13 401	37 363	9 556	29 037
Great Britain	1 619	5 177	2 083	6 274
Total	15 020	42 540	11 639	35 311

NOTE 9 Operating Expenses

	Q3 2024	9M 2024	Q3 2023	9M 2023
Wages, salaries and bonuses	9 446	30 212	7 888	24 607
Social security and other taxes*	3 097	8 977	2 556	7 544
Total personnel expenses	12 543	39 189	10 444	32 151
IT expenses	2 224	5 698	1 549	4 451
Information services and bank services	462	1 334	349	1 134
Marketing expenses	1 131	2 261	600	1 964
Office expenses	395	1 209	332	1 138
Transportation and communication expenses	166	465	111	367
Staff training and business trip expenses	313	798	209	775
Other outsourced services	1 252	3 745	2 522	5 710
Other administrative expenses	2 248	7 841	3 278	11 265
Depreciation of non-current assets	1 609	5 102	896	2 623
Other operating expenses	45	116	91	276
Total other operating expenses	444	1 102	10 051	30 214
Total operating expenses	10 289	29 671	20 495	62 365

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

NOTE 10 Balances with the Central Bank

	30.09.2024	31.12.2023
Cash and balances with central bank	2 904 705	2 837 892
Total	2 904 705	2 837 892
incl legal reserv with the central bank	57 593	55 899
Total balance with central bank less legal reserv	2 847 112	2 781 993

The minimum reserve requirement as at 30 September 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		30.09.2024
			entities	Public sector	
Demand deposits	840 848	1 038 630	1 751 118	82 979	3 713 575
Term deposits	857 755	154 663	952 031	38 088	2 002 537
Total	1 698 603	1 193 293	2 703 149	121 067	5 716 112

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	30.09.2024
Debt securities in issue	249 876	351 223	601 099
Total	249 876	351 223	601 099

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

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:

	30.09.2024	31.12.2023
Cash balance of customers	20 119	13 780
Securities of customers	3 533 701	3 490 269
<i>Incl. parent company</i>	151 129	151 129
<i>Incl. shareholders of the parent company and related entities</i>	519 197	562 486
Total	3 553 820	3 504 049

LHV has a cooperation with IB, providing our customers access to IB's trading platform. This collaboration allows our customers to leverage their investment portfolios by using equities as collateral to obtain loans, which can then be reinvested into additional equities. IB employs sophisticated monitoring systems that closely tracks customer's positions. These systems are designed with pre-emptive thresholds to ensure proactive measures are taken well before the collateral's value approaches critical levels. Specifically, the system intervenes before the collateral value falls below the outstanding loan balance, prompting customers to either reduce their loan balance or provide additional collateral. If customer does not take the necessary corrective action, the system is programmed to automatically liquidate the collateral to satisfy the outstanding loan.

The loans extended to our customers, are managed with a high degree of prudence, including the application of a "haircut" to the collateral value, ensuring that the collateral always exceeds the loan amount. LHV has entered into an agreement with IB, wherein we assume responsibility for any shortfall. Should the proceeds

from collateral liquidation be insufficient to cover the loan, the platform charges the deficit to LHV. This arrangement underscores our commitment to safeguarding the financial integrity of our clients' leveraged investments.

To date, there has not been any instance where LHV has been required to cover a loss under this arrangement.

The fair value of these guarantees is considered to be zero, based on the following methodology:

The fair value of the guarantee is calculated as the discounted value of the Expected Loss (EL), where:

$$EL = \text{Probability of Default (PD)} \times \text{Loss Given Default (LGD)}$$

LHV considers the LGD for these loans to be zero euros, due to the highly automated processes employed by IB. If either the PD or LGD is considered zero in this calculation, the resulting fair value of the guarantee is also zero.

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 September 2024	112 864	61 500	1 412	558 333	734 109
Liability in the contractual amount as at 31 December 2023	56 217	55 061	3 732	495 653	610 663

NOTE 14 Transactions with related parties

Transactions

<i>euro thousand</i>	Q3 2024	9M 2024	Q3 2023	9M 2023
Interest income	726	2 171	101	279
<i>Incl. management</i>	65	200	49	129
Interest expenses	68	162	37	81
<i>Incl. management</i>	14	49	8	12
<i>Incl. shareholders with significant influence, companies related to them and their close family members</i>	54	113	29	69
Fee and commission income	41	135	33	149
<i>Incl. management</i>	3	21	8	24
<i>Incl. shareholders with significant influence, companies related to them and their close family members</i>	38	114	25	125
Key management personnel				
<i>Personnel expenses</i>	811	2 421	693	2 263

Balances

<i>euro thousand</i>	30.09.2024	31.12.2023
Loans and receivables	37 018	28 579
<i>Incl. management</i>	1 453	2 104
<i>Incl. shareholders with significant influence, companies related to them and their close family members</i>	35 565	26 475
Deposits	35 687	47 452
<i>Incl. management</i>	165	1 519
<i>Incl. parent company</i>	25 167	25 946
<i>Incl. shareholders with significant influence, companies related to them and their close family members</i>	10 355	19 987

General information

Legal name	AS LHV Pank
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Legal address	Tartu mnt. 2, 10145 Tallinn
Phone	(372) 6800400
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