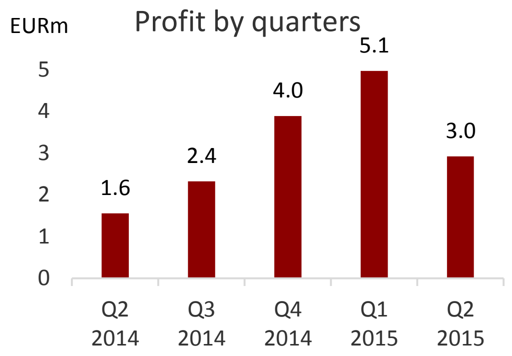
Interim Report January – June 2015
Summary of Results

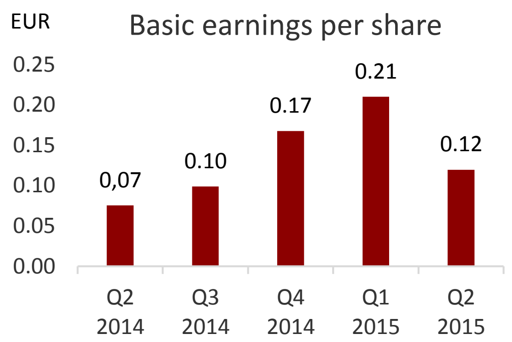
Q2 2015 in comparison with Q1 2015

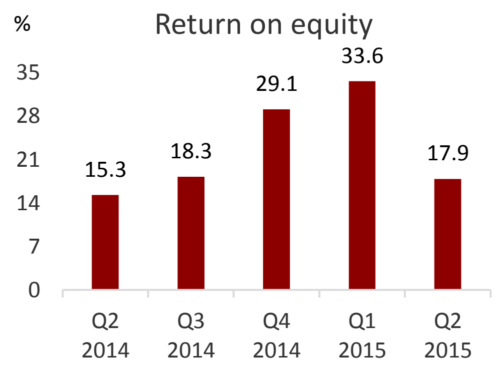
- Net profit EUR 3,0 m (EUR 5,1 m), of which EUR 2,8 m (EUR 4,9 m) is attributable to owners of the parent
- Earnings per share EUR 0,12 (EUR 0,21)
- Net income EUR 8,8 m (EUR 9,0 m)
- Operating expenses EUR 5,6 m (EUR 5,5 m)
- Loan provisions EUR 0,1 m (EUR 0,7 m)
- Return on equity 17,9% (33,6%)
- Capital adequacy 20,6% (21,4%)

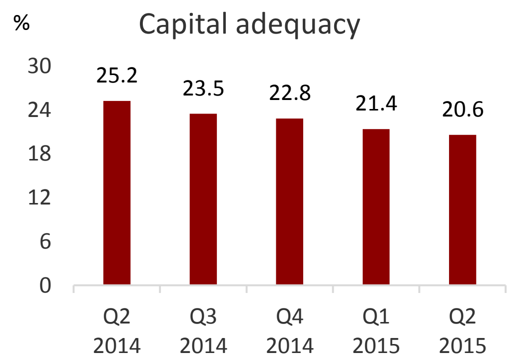
Q2 2015 in comparison with Q2 2014*

- Net profit EUR 3,0 m (EUR 1,6 m), of which EUR 2,8 m (EUR 1,5 m) is attributable to owners of the parent
- Earnings per share EUR 0,12 (EUR 0,07)
- Net income EUR 8,8 m (EUR 7,0 m)
- Operating expenses EUR 5,6 m (EUR 5,1 m)
- Loan provisions EUR 0,1 m (EUR 0,5 m)
- Return on equity 17,9% (15,6%)
- Capital adequacy 20,6% (25,2%)









* Data for 2014 does not include the income and expenses of discontinued operations

Earnings per share and return on equity ratios are based on the profit attributed to the shareholders and equity of AS LHV Group and do not include non-controlling interest.

Managing Director's Statement

The economic environment in the Baltic states was stable in Q2. A deflationary period that lasted more than a year is now ending, with a return to low inflation. As local productivity is seeing slow growth, the situation on export markets has not improved and little investment is taking place, there is no expectation that economic growth will accelerate any time soon. The risks in regard to external shocks persist, however the trend is to continuously learn to live with them better. The primary securities markets saw a limited correction in Q2, which also had a minor negative impact on LHV's economic results.

LHV's consolidated profit for Q2 2015 was EUR 3.0 million, which is EUR 2.1 million less than in Q1 2015 and EUR 1.4 million more than in Q2 2014. The results for the two preceding quarters were influenced in a positive direction by the sell-off of LHV's Finnish operation and thus the results are not suitable for assessing longer term trends and developments. Not including income and expenses of a one-time nature, the quarterly results were in the expected range. Consolidated loans grew by EUR 31 million (Q1: +EUR 26 million) and deposits grew EUR 21 million (Q1: + EUR 31 million). The volume of funds managed by LHV grew by EUR 2 million (Q1: +EUR 21 million).

In the first six months of 2015, LHV Group has earned EUR 8.1 million in profit. Loans grew by EUR 57 million, deposits by EUR 52 million and the volume of funds managed by LHV by EUR 23 million.

The bank's profit was EUR 1.8 million in Q2, which is EUR 2.0 million less than in the previous quarter. With regard to primary income, net income from interest and net income from fees and commissions grew. In connection with a drop in securities prices, net financial income was negative: EUR -0.2 million.

The bank's loan portfolio grew EUR 31 million in Q2 and reached EUR 354 million. Lending activity has been active and the number of signed but as yet undispensed loans is the largest in history. Credit quality remains strong. The decrease in the average risk level of portfolios led to a decrease in impairment of loans of EUR 0.2 million. The bank's deposits grew EUR 23 million (Q1: EUR 33 million) and reached EUR 518 million by the end of the quarter.

Asset Management posted a profit of EUR 1.2 million in Q2, which is EUR 75,000 less than in the previous quarter. Profit was impacted negatively by the abovementioned securities market correction and higher expenses – this being a one-off occurrence – in connection with the relocation of the Persian Gulf Fund to Luxembourg jurisdiction. During Q2, the volume of funds grew by EUR 2 million, of which Pillar 2 pension fund growth was EUR 3 million. The volume of the Persian Gulf Fund dropped by EUR 1 million.

While the EPI index – descriptive of Estonia's obligatory pension fund yields – rose 5.8% in Q1, then in Q2 the EPI fell 1.98%. LHV's funds that invest into equity markets held up better in the face of the declining market than those of competitors did. Funds that invested primarily into bonds found themselves in the same narrow range of yields as competitors. During the quarter, the number of active Pillar 2 pension customers dropped by 2,400 and stood at 127,660 by the end of the quarter.

Mokilizingas's profit in Q2 was EUR 0.2 million – the same level as the previous quarter. The loan portfolio grew by EUR 2 million, driven by successful hire-purchase sales. The quality of loans remains strong. The Lithuanian consumer credit market is characterized by strong price competition, which also affects Mokilizingas. In Q3, we will introduce new offer to the market, through which we hope to gradually boost the profitability of the business.

The LHV Group shareholders' meeting took place on April 29. The shareholders decided to select Sten Tamkivi as the new member of the supervisory board. Tamkivi was the director of Skype Estonia from 2005–2012, served as the presidential adviser on innovation, was an entrepreneur-in-residence at the venture capital firm Andreessen Horowitz and is currently CEO of the company Teleport, which he co-founded.

The first half of 2015 has gone fairly well for LHV Group. Most of the set targets have been fulfilled, but there is also room for improvement. The second half of the year will expectedly be very active and full of new offers for current and new customers.

Erkki Raasuke

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Financial Summary

Income statement EUR million	**Q2** **2015**	**Q1** **2015**	**Quarter** **over quarter**	**Q2** **2014**	**Year** **over year**
Net interest income	5,44	5,22	4%	3,82	42%
Net fee and commission income	3,60	3,34	8%	3,05	18%
Other financial income	-0,30	0,47	-164%	0,15	-300%
Total net operating income	8,74	9,03	-3%	7,02	25%
Other income	0,03	0,00	N/A	-0,01	-400%
Operating expenses	-5,59	-5,45	3%	-5,05	11%
Loan losses	-0,11	-0,66	-83%	-0,50	-78%
Income tax expenses	-0,07	-0,07	0%	-0,02	250%
Discontinued operations	0,00	2,26	N/A	0,16	N/A
Net profit	3,00	5,11	-41%	1,60	87%
including attributable to owners of the parent	2,80	4,90	-43%	1,55	81%

Business volumes EUR million	**Q2** **2015**	**Q1** **2015**	**Quarter** **over quarter**	**Q2** **2014**	**Year** **over year**
Loan portfolio*	357,6	326,8	9%	238,9	50%
Financial investments	141,3	146,8	-4%	102,5	38%
Deposits of customers	510,2	489,4	4%	358,8	42%
Equity (including minority interest)	66,3	63,2	5%	51,4	29%
Equity (owners' share)	63,7	60,8	5%	49,4	29%
Volume of funds managed	527,5	525,1	0,5%	467,5	13%
Assets managed by bank	589,7	582,4	1%	474,5	24%

* Data for 2014 does not include the loan portfolio of discontinued operations

Ratios EUR million	**Q2** **2015**	**Q1** **2015**	**Quarter** **over quarter**	**Q2** **2014**	**Year** **over year**
Average equity (attributable to owners of the parent)	62,3	58,4	3,9	39,8	22,5
Return on equity (ROE), %	17,9	33,6	-15,7	15,6	2,4
Interest-bearing assets, average	578,9	559,4	19,5	408,5	170,4
Net interest margin (NIM) %	3,76	3,73	0,02	3,74	0,02
Price spread (SPREAD) %	3,68	3,66	0,02	3,68	0,00
Cost/income ratio %	63,7	60,3	3,4	72,0	-8,3

* Data for 2014 does not include the loan portfolio of discontinued operations

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

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

Operating Environment

The first half of 2015 is characterized by continued central bank intervention in money markets as a stimulus measure. China started lowering prime interest rates last November and with economic growth continuing to slow down, this is a process that will last for some time. The US is expected to hike interest rates in Q4, yet in June the Federal Reserve downgraded the economic outlook and the workforce market is sending out ambiguous signals.

In parallel, the European Central Bank is continuing the measures it launched in Q1, which are primarily designed to achieve higher growth in consumer prices. Buying up sovereign bonds is intended to stimulate higher prices of assets and spur companies and individuals to invest and consume more. According to Eurostat, this May consumer prices in the Eurozone were 0.3% higher than they were a year ago. The European Central Bank is aiming at a target of 2% growth in prices.

The increase in the money supply has, as expected, had an effect on the euro's value against other currencies – the EUR dropped against USD close to 15% in the first half of the year. The weaker euro has a significant impact on Eurozone companies' competitiveness on global markets, and this should start having a knock-on effect in the real economy. In Q1, all four of the Eurozone's biggest economies – Germany, France, Italy and Spain – were back in growth, for the first time since 2010. Moreover, the gross domestic product of the Eurozone grew faster than the corresponding figures in the US and the UK.

In the Q2, the problematic situation facing Greece was in the spotlight. The second bailout package agreed by creditors expired and negotiations on further steps have thus far been unfruitful. The list of consequences that a default might have is long, ranging from a Greek exit from the Eurozone and loss of European taxpayer money to escalation of economic and political problems in other southern European countries.

In Estonia's immediate neighbourhood, Russia's economic and political situation and the related economic sanctions continue to spawn tensions. The establishment of sanctions has had a direct negative impact on the Baltic states' economies as formerly close trading relations have sustained noteworthy damage. Scandinavia – key trade partners for the Baltics – is also impacted, although increasingly less over time. The exchange rate of the rouble, which was in freefall last year, recovered substantially in the first half of 2015, translating into improved prospects for trading partners exporting to Russia.

The price of oil, which dropped significantly last year, hit a bottom in Q1 of this year and has stabilized at a slightly higher price level in Q2, while still remaining much lower than it was in 2014. The easing of economic sanctions against Iran may exert significant influence on the oil prices in near future – the negotiations related ti the sanctions are hoped to be concluded in Q3. Savings from the drop in energy prices improves the financial standing of local companies and consumers, with the direct influence manifested mainly in lower prices for fuel and electricity.

The Baltics have moderately good prospects for this year. Analysts project that the economies will grow 2% or more, which will lay a positive footing for a stable business environment. In the economic projections published in June, the Bank of Estonia marginally upgraded Estonia's economic growth projections for this year and emphasized that growth of external demand had an important role. Although the growth factors vary from one country to another, increased domestic consumption and investments are, broadly speaking, the drivers of the economy. Growth of real wages and employment makes a substantial contribution. A key objective for LHV in all three Baltics, but above all in Latvia and Lithuania, is finding new export markets to compensate for the loss of the Russian market.

LHV's position with regard to 2015 is moderately optimistic. The economy will grow, investment volume will increase and credit institutions are open to financing. The drop in interest rates has led to an increase in competition between banks on Baltic markets, which has a positive effect for local businesses. In the case of Estonia, risks are higher than average in agriculture, and about to increase in tourism-related sectors. In addition, LHV has become more cautious toward the real estate market, following developments on the local and Scandinavian markets. Supply has increased both for residential property and real estate properties with rent flows. To preserve balance, it would be wise to pursue stabilization of the quantity of supply and prices.

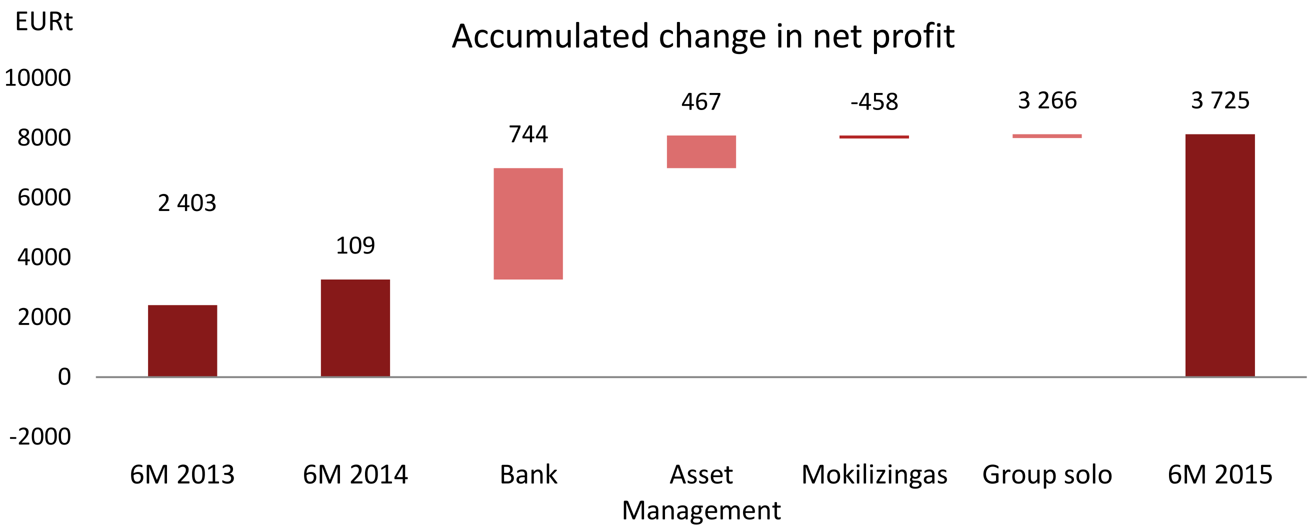
Due to the economic environment, LHV is also placing emphasis not just on the selection of high-quality financing projects but general portfolio management as well. The strategy for the near future calls for a rise in the share of lower-risk projects being financed. To achieve the goal, LHV is offering competitive interest rates on projects with solid fundamentals.

Financial Results of the Group

Compared to Q1, the Group's net interest income grew by 4%, standing at EUR 5,4 (Q1: 5,2) million. Net fee and commission income grew by 8% and stood at EUR 3,6 (Q1: 3,3) million. Financial income decreased by 164% and stood at EUR -0,3 (Q1: 0,5) million. In total, the net income of the Group decreased by 3% in Q2, compared to Q1, amounting to EUR 8,7 (Q1: 9,0) million, with expenses climbing by 3% and amounting to EUR 5,6 (Q1: 5,4) million. The Group's operating profit for Q2 amounted to EUR 3,2 (Q1: 3,6) million. Impairments amounted to EUR 0,1 (Q1: 0,7) million in Q2. The Group's total profit for Q2 amounted to EUR 3,0 million (Q1: 5,1 million, of which 2,85 million can be attributed to continued operations and 2,25 million to discontinued operations).

Compared to Q2 2014, the Group's net interest income increased by 42% and net fee and commission income by 18%, with financial income decreasing by 300%.

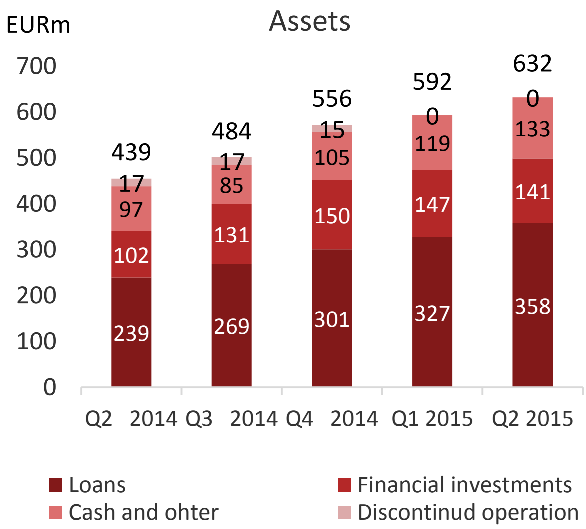
In terms of business entities, AS LHV Pank posted a consolidated profit of EUR 1,8 million, AS LHV Varahaldus a profit of EUR 1,2 million and UAB Mokilizingas a profit of EUR 0,2 million. The LHV Group separately posted a loss of EUR 0,1 million, as it does not have a separate revenue generating unit and the main type of expense of the Group is interest expense from subordinated liabilities.



The Group's volume of deposits as at the end of Q2 amounted to EUR 510 (Q1: 489) million, of which demand deposits formed EUR 305 (Q1: 275) million and term deposits EUR 205 (Q1: 214) million.

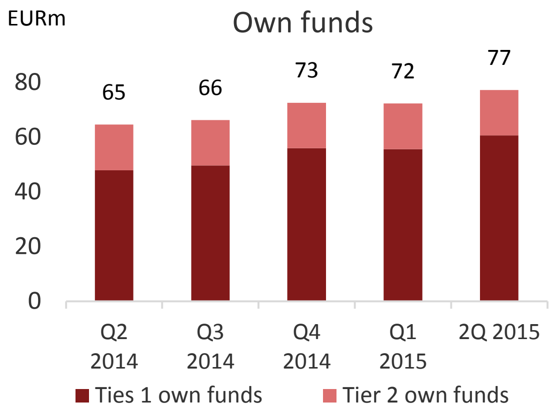
As at the end of Q2, the volume of loans granted by the Group amounted to EUR 358 (Q1: 327) million and the volume of financial investments to EUR 141 (Q1: 147) million, which respectively is 9% more and 4% less than at the end of Q1.

Compared to Q2 2014, the volume of the Group's deposits has increased by 42%, the volume of loans by 50% and the volume of financial investments by 38%.



The Group's Liquidity, Capitalisation and Asset Quality

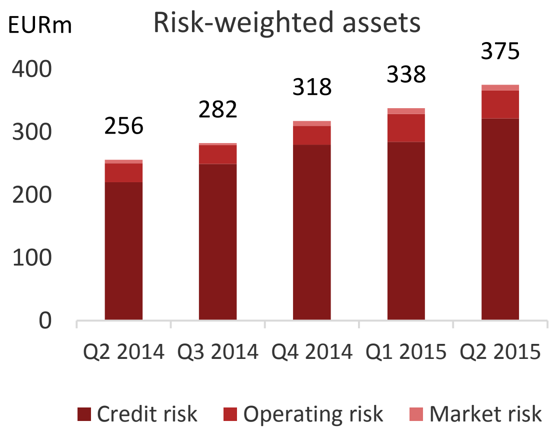
As at 30 June 2015, the Group's own funds stood at EUR 77,2 million (31 December 2014: EUR 72,5 million). The own funds of the Group increased in Q2 due to the interim audit of the Q1 in April.



The Group is well capitalised as at the end of the reporting period, with the capital adequacy ratio amounting to 20,6% (31 December 2014: 22,8%).

The Group's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 204,93% as at the end of June (31 December 2014: 190%). The Group recognises cash and bond portfolios as liquidity buffers. These accounted for 42% of the balance sheet (31 December 2014: 41%). The ratio of loans to deposits stood at 70% as at the end of the second quarter (31 December 2014: 70%). Group's maturity structure is presented in Note 5.

The Group's credit quality was good. As at the end of June, provisions for estimated loan losses amounted to EUR 4,4 million in the balance sheet, i.e. approximately 1,2% of the loan portfolio (31 December 2014: EUR 4,1 million, 1,3%). Estimated loan losses make up 239,8% of the portfolio of loans overdue for more than 90 days.

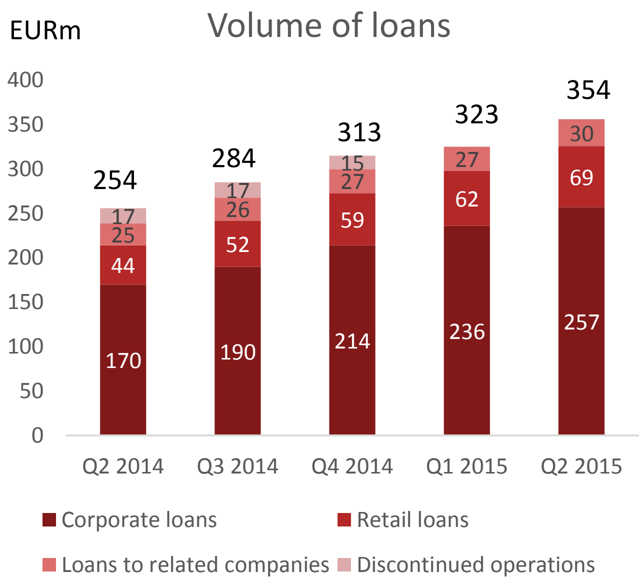


EUR thousand	30.06.2015	Proportion	31.12.2014	Proportion	30.06.2014	Proportion
Loans to customers	362 011		305 099		244 988	
including overdue loans:	14 565	4,0%	12 420	4,1%	10 930	4,5%
1-30 days	7 000	1,9%	4 910	1,6%	5 245	2,1%
31-60 days	2 546	0,7%	1 328	0,4%	1 585	0,6%
61-90 days	3 168	0,9%	2 755	0,9%	1 134	0,5%
91 and more days	1 850	0,5%	3 427	1,1%	2 966	0,2%
Impairment of loans	-4 438	-1,2%	-4 067	-1,3%	-4 765	-1,9%
Impairment % of loans overdue for more than 90 days	239,8%		118,7%		160,7%	

Capital base	30.06.2015	31.12.2014
Paid-in share capital	23 356	23 356
Share premium	33 992	33 992
Reserves	435	435
Accumulated loss	-2 043	-11 244
Intangible assets (subtracted)	-1 639	-1 574
Profit for the reporting period	4 903	9 203
Non-controlling interest	1 550	1 727
Total Tier 1 capital	**60 554**	**55 895**
Subordinated liabilities	16 650	16 650
Total Tier 2 capital	**16 650**	**16 650**
Net own funds for calculation of capital adequacy	**77 204**	**72 545**
Risk-weighted assets		
Credit institutions and investment companies under standard method	16 320	8 237
Companies under standard method	186 742	153 250
Retail claims under standard method	99 582	101 741
Overdue claims under standard methods	8 675	5 438
Units and shares of investment funds under standard method	5 729	5 608
Shares of associated companies	36	0
Other assets under standard method	4 524	5 675
Total capital required for credit risk and counterparty's credit risk	**321 608**	**279 949**
Currency risk	5 875	5 735
Interest position risk	3 073	2 028
Share position risk	82	96
Operating risk under base method	44 367	30 066
Total risk-weighted assets	**375 005**	**317 874**
Capital adequacy (%)	**20,59**	**22,82**
Tier 1 capital ratio (%)	**16,15**	**17,58**

Overview of AS LHV Pank Consolidation Group

- Strong profit in Q2
- (Net) growth in loan volume in Q2 – EUR 31 million (Q1: EUR 25 million
- As of 1 April, the bank has a Latvian branch, following transformation from the previous cross-border activities



EUR million	Q2 2015	Q1 2015	Change %	Q2 2014	Change %	From the beginning of 2015	From the beginning of 2014	Change %
Net interest income	4,35	4,17	4%	3,03	44%	8,52	5,70	49%
Net fee and commission income	1,01	1,01	0%	0,8	27%	2,02	1,71	18%
Other financial income	-0,21	0,24	-188%	0,07	-397%	0,03	0,26	-88%
Total net operating income	5,15	5,42	-5%	3,9	32%	10,57	7,66	38%
Other income	0,05	0,01	400%	0,0	N/A	0,06	0,02	200%
Operating expenses	-3,56	-3,45	3%	-2,77	28%	-7,01	-5,50	27%
Loan losses	0,15	-0,43	-136%	-0,33	-147%	-0,28	-0,55	-49%
Discontinued operations	0	2,26	N/A	0,16	N/A	2,26	0,24	N/A
Net profit	1,79	3,81	-53%	0,95	88%	5,6	1,87	199%
Loan portfolio	354	323	10%	237	49%			
Financial investments	135	140	-4%	96	41%			
Deposits of customers	518	495	5%	362	43%			
Subordinated liabilities	12	12	0%	12	0%			
Equity	51	49	4%	41	24%			

In the overview of financial results, the revenue, expenses and loan portfolio of the Finnish branch – a now discontinued operation – are listed separately.

Q2 was successful both in terms of growth of business volumes and profitability. In Q2, LHV Pank earned EUR 4.4 million in net interest income and EUR 1.0 million in net fee and commission income. The bank's net income amounted to EUR 5.2 million, expenses to EUR 3.6 million and loan provisions to EUR -0.2 million. The bank's Q2 profit from continued operations was EUR 1.8 million.

LHV Bank's Q2 net profit from continued operations was EUR 1.8 million, which is 15% more than in Q1 2015 (EUR 1.5 million) and 88% more than in Q2 2014 (EUR 1.0 million). Net interest income grew by 4% during the quarter, while net fee and commission income remained at the same level as in Q1. Net operating income shrank by 5% due to a drop in bond prices.

Securities brokerage remained the biggest contributor to fee and commission income, but the contribution of card fees and transaction fees is already showing a significant trend of growth.

The huge increase in net interest income stems from growth in business volumes. By the end of Q2, the total volume of the bank' loan portfolios amounted to EUR 354 million (2014: EUR 298 million). The volume of portfolios grew 10% over the quarter. Loans to companies account for the largest portion of the loan portfolio, having increased by 9% over the quarter to a level of EUR 257 (Q1: 236) million. The portfolio of retail loans has grown by 11%, amounting to EUR 69 (Q1: 62) million). Total volume of loan growth in Q2 was EUR 31 (Q1: 25) million.

Revaluation of loans resulted in the recognition of EUR 0.2 million as income in Q2. The volume of deposits grew by EUR 23 million over the quarter – 5% – and by the end of June stood at EUR 518 million (Q1: EUR 495 million). Of total deposits, EUR 310 million was demand deposits and EUR 208 million was term deposits. Demand deposits grew by EUR 29 million and term deposits shrank by EUR 7 million. In a low-interest-rate environment, it is natural for demand deposits to grow faster than term deposits and customers devote less attention to opening and renewing term deposits.

In Q2, more than 4,600 new customers opened accounts, as a result of which the number of customers reached 66,800 by the end of the quarter. Close to 80% of the bank’s customers are individuals and 20% are SMEs. Customer activity in payments and making and receiving card payments remained high, setting new records in each successive month. The numbers of both payments and card payments have reached 250,000 payments a month.

The growth of the corporate credit portfolio that contains loans and quarantees met the set target, growing by EUR 92.4 million during the year (+52%) and EUR 25.2 million (+10%) in the quarter. The greatest source of the growth was the financial services and insurance field, which grew by EUR 22.1 million compared to the year before (+118%). It was followed by real estate activity, which is traditionally the field that receives the greatest financing from commercial banks. Compared to the previous year, loans and guarantees for real estate activity grew by EUR 21.9 million (+32%). In addition, loans in the field of art and entertainment, including sports federations, grew the most (EUR 11.5 million, +84%).

Compared to last quarter, the most loans and guarantees were provided to real estate activities (EUR 10.9 million; +14%), wholesale and retail trade (EUR 4.2 million, +36%), and water supply, sewerage, waste treatment and pollution abatement sector (EUR 2.8 million; +47%).

The most corporate loans were granted in the real estate sector, which makes up 33% of the bank’s corporate credit portfolio. The bulk of the real estate loans have been issued to projects with a high-quality rent flow; a second major category comprises real estate development projects. The majority of the real estate developments financed are located in Tallinn, some are in the city of Tartu. LHV’s market share in the financing of new developments in Tallinn was approximately 18% at the end of Q2. The drop in the market share compared to previous quarters reflects the growing risks in the sector, in the fact that the number of listings on the secondary market for apartments has seen a noteworthy increase. Yet transaction activity has also grown along with the supply, and this has supported the market. LHV’s real estate development portfolio is well-positioned should market trends change – financed developments are sited in good locations, the major developments are nearing completion and the average risk to price ratio is around 50%.

Alongside the real estate sector, the most credit was provided to companies pursuing financial and insurance activities (share: 15%) and the processing industry (share: 13%). Agriculture, which is under increased attention due to the geopolitical situation, accounts for just 2% of the portfolio. Credit provided to the agricultural sector saw a quarterly decrease of 10%.

In Q2, interest rates were cut on demand and term deposits. In the case of the term deposits, interest rates were decreased in the case of shorter terms, and opening of deposits for terms of less than one month was discontinued. The interest rate for a one-year deposit stayed at 1%. The interest rate for demand deposits was lowered from 0.1% to 0.01%.

From April 1, a branch of the bank is operating in Latvia. The bank’s heretofore cross-border activity in Latvia – meaning all contracts with customers, employees and third parties – were migrated to the Latvian branch. The customers at the Latvian branch are offered payment, deposit and investment services.

The legal formalities of liquidation of the Finnish operation were completed in Q2. On April 24, the cross-border representation was dissolved, followed by LHV Finance OY on June 26 and the bank’s Finnish branch on June 30.

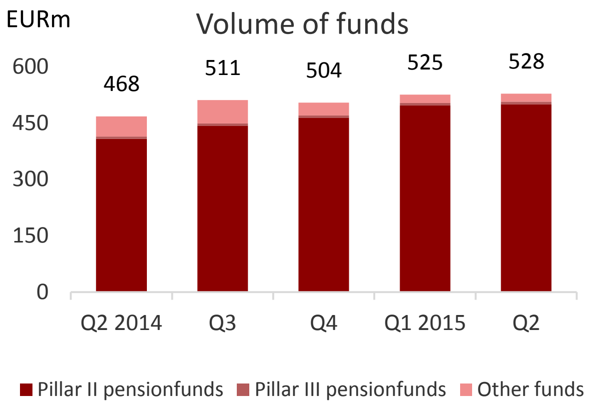
As to new developments, testing of CUBER APP began and the first quantity of cuber certificates of deposit was issued.

In March, the bank became the first pan-Baltic advisor on the First North market. The bank has taken an active role to help institutional clients enter the market and operate there, serving as contractual advisor on both Nasdaq Baltic stock exchange and the alternative market. The first company to receive advice from LHV in listing its shares on the Baltic First North alternative market was Estonian beverage manufacturer AS Linda Nektar.

As to internal corporate activities, a major, long-term mid-level manager development programme and product manager training programme were launched. An Intranet was introduced to improve the flow of information.

Overview of AS LHV Varahaldus

- Market share of Pillar 2 by volume as at the end of Q2: 20,4% (as at the end of 2014: 21,1%)
- Total volume of Pillar 2 funds: EUR 500 million (as at the end of 2014: EUR 464 million)



EUR million	Q2 2015	Q1 2015	Change %	Q2 2014	Change %	From the beginning of 2015	From the beginning of 2014	Change %
Net fee and commission income	2,43	2,19	11%	2,06	18%	4,61	3,83	20%
Net financial income	-0,11	0,23	-147%	0,07	-265%	0,12	0,1	17%
Operating expenses	-1,15	-1,17	2%	-1,31	-12%	-2,31	-2,6	-11%
Profit	1,18	1,25	-6%	0,82	44%	2,43	1,34	81%
Financial investments	6,44	6,97	-8%	6,44	0%			
Subordinated liabilities	1,50	1,50	0%	0,55	173%			
Equity	8,97	7,77	15%	6,53	37%			
Assets under management	527,5	525,1	0,5%	467,5	13%			

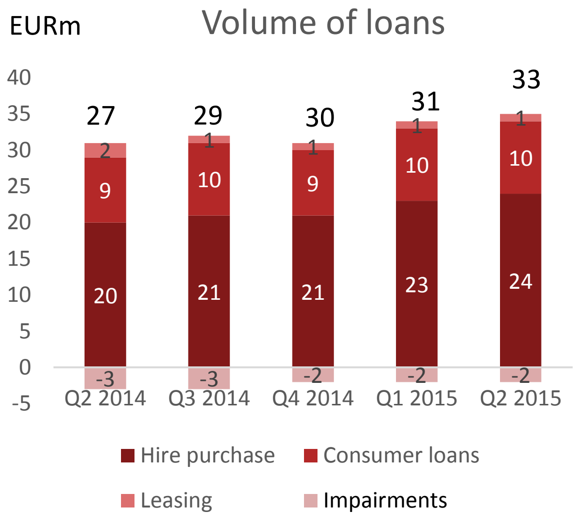
The financial results of LHV Varahaldus were similar to Q1. Operating income was EUR 2.43 million in Q2, increasing by EUR 0.24 million during the quarter, mainly due to pension fund redemption fees. Operating expenses were EUR 1.15 million, a decrease of EUR 0.02 million. Volume of managed funds rose by EUR 2.4 million during the quarter + 0.5% growth. The number of active Pillar 2 pension customers dropped by 2,400.

While the EPI index – descriptive of Estonia's obligatory pension fund yields – rose 5.8% in Q1, then in Q2 the EPI fell 1.98%. LHV pension funds have reduced stock market risk and in Q2, when there was a general drop in securities prices in Estonian pension funds, LHV's equity-investing pension funds fared the best. Starting in mid-April, bond markets also sagged, and the value of fund units fell, even at Estonia's most conservative retirement funds. The yields on the latter were clustered in a narrow 0.45% range and two LHV funds were in the first and last position in this ranking.

In February, LHV Varahaldus notified that LHV Persian Gulf Fund would be relocating to Luxembourg, which took place by way of cross-border merger on April 13. The new name of the fund is SEF-LHV Persian Gulf Fund. The fund manager is Swedbank Management Company S.A. and LHV Varahaldus provides investment advice service to the fund. The LHV Varahaldus fee for managing investments remained at the same level. As expected, the relocation to Luxembourg makes the fund more attractive for European institutional investors. The yield on the fund was +5.0% in Q2.

Overview of UAB Mokilizingas

- Loan portfolio grew by 6% in Q2



EUR million	Q2 2015	Q1 2015	Change %	Q2 2014	Change %	From the beginning of 2015	From the beginning of 2014	Change %
Net interest income	1,1	1,1	0%	0,9	22%	2,2	1,7	29%
Net fee and commission income	0,2	0,2	0%	0,2	0%	0,4	0,5	-20%
Operating expenses	-0,8	-0,8	0%	-0,9	-11%	-1,6	-1,5	7%
Loan losses	-0,2	-0,2	0%	-0,2	0%	-0,4	-0,2	100%
Income tax expenses	-0,1	-0,1	0%	0,0	N/A	-0,2	-0,1	100%
Profit	0,2	0,2	0%	0,0	N/A	0,4	0,4	0%
Loan portfolio	33,2	31,3	6%	27,4	21%			
Equity	4,2	4,1	2%	3,7	14%			

The consumer credit market, which consists of hire-purchase and consumer loan segments, has been expanding steadily during FY2014 and is expected to grow steadily during FY2015 as well.

Hire-purchase sales in March exceeded expectations, and the gained momentum and trend continued into Q2 as well. An anticipated decrease in sales after the end of Easter was present; however, the monthly performance of April and the performance of the whole quarter exceeded the budgeted targets. With the competition remaining intense, the result achieved for the first half-year suggests a further strengthening of the current position in the market. The growth of Q2 was achieved due to long-term strategic actions taken in the past which focused on the needs of the client and strong partnership with several of the largest partners as well as constant care for smaller ones.

The consumer loan segment is expected to have increased in Q2 with the increase being larger than in the hire-purchase segment. The small loan market (up to EUR 290) remained stable during FY2014 and decreased during Q1 2015, suggesting that the full capacity has been reached, which results in payday loan providers actively targeting and moving into the larger loans segment. With increased focus on the clients and intensive marketing, the segment of loans above EUR 290 has been growing at substantial rates during FY2014 and Q1 2015 and is expected to continue at a similar pace in Q2 as well. Mokilizingas has been working on improvements of products and extra features available to clients, which were followed by several campaigns, which should continue in the second half year as well. The effort put in throughout the first half-year showed positive results which resulted in the increase in sales volume and portfolio and which are expected to continue in the upcoming quarters.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

EUR thousand	Note	Q2 2015	6 months 2015	Q2 2014	6 months 2014
Continued operations					
Interest income		6 485	12 699	4 560	8 677
Interest expense		-1 046	-2 038	-739	-1 494
Net interest income	9	**5 439**	**10 661**	**3 821**	**7 183**
Fee and commission income		4 057	7 794	3 272	6 439
Fee and commission expense		-457	-852	-208	-443
Net fee and commission income	10	**3 600**	**6 942**	**3 064**	**5 996**
Net gains/losses from financial assets measured at fair value		-362	120	150	368
Foreign exchange gains/losses		60	43	-5	-9
Net gains from financial assets		**-302**	**163**	**145**	**359**
Other income and expenses		34	35	-11	0
Personnel expenses	11	-2 725	-5 310	-2 138	-4 109
Operating expenses	11	-2 865	-5 728	-2 915	-5 602
Profit before impairment losses on loans and advances		**3 181**	**6 763**	**1 966**	**3 827**
Impairment losses on loans		-105	-761	-498	-721
Profit before tax		**3 076**	**6 002**	**1 468**	**3 106**
Income tax expense		-67	-136	-23	-79
Net profit for the reporting period from continued operations		**3 009**	**5 866**	**1 445**	**3 027**
Profit from discontinued operations	12	**0**	**2 258**	**158**	**239**
Net profit for the reporting period	2	**3 009**	**8 124**	**1 603**	**3 266**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale investments:					
Revaluation of available-for-sale financial assets		7	-1	18	24
Total comprehensive income for the reporting period		**3 016**	**8 123**	**1 621**	**3 290**
Total profit of the reporting period attributable to:					
Owners of the parent		2 796	7 699	1 549	2 975
Non-controlling interest		213	425	54	291
Total profit for the reporting period	2	**3 009**	**8 124**	**1 603**	**3 266**
Total comprehensive income attributable to:					
Owners of the parent		2 803	7 698	1 567	2 999
Non-controlling interest		213	425	54	291
Total comprehensive income for the reporting period		**3 016**	**8 123**	**1 621**	**3 290**
Basic earnings per share (in euros)	17	0,12	0,33	0,08	0,15
Diluted earnings per share (in euros)	17	0,11	0,32	0,08	0,15

The Notes on pages 17 to 28 are an integral part of the consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

EUR thousand	Note	30.06.2015	31.12.2014
Assets			
Balances with central banks	4, 5, 6, 13	56 241	45 427
Due from credit institutions	4, 5, 6, 13	17 100	24 218
Due from investment companies	4, 6, 13	53 735	14 484
Available-for-sale financial assets	4, 6, 7	3 876	4 273
Financial assets designated at fair value through profit and loss	4, 6, 7	137 391	145 252
Assets of discontinued operations, classified as held for sale		0	15 473
Loans and advances to customers	4, 6, 8	357 574	301 032
Other receivables from customers		1 677	1 566
Other assets		2 693	2 048
Goodwill		1 044	1 044
Property, plant and equipment		334	308
Intangible assets		596	530
Investments in associates		36	36
Total assets	2	**632 297**	**555 691**
Liabilities			
Deposits of customers and loans received	14	532 184	475 013
Financial liabilities designated at fair value through profit and loss	6	218	302
Accounts payable and other liabilities	15	16 884	5 435
Liabilities of discontinued operations, classified as held for sale		0	220
Subordinated liabilities	6	16 683	16 688
Total liabilities	2	**565 969**	**497 658**
Owner's equity			
Share capital		23 356	23 356
Share premium		33 992	33 992
Statutory reserve capital		435	435
Other reserves		303	132
Retained earnings / accumulated deficit		5 658	-2 041
Total equity attributable to owners of the parent		**63 744**	**55 874**
Non-controlling interest		2 584	2 159
Total equity		**66 328**	**58 033**
Total liabilities and equity		**632 297**	**555 691**

The Notes on pages 17 to 28 are an integral part of the consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

EUR thousand	Note	Q2 2015	6M 2015	Q2 2014	6M 2014
Cash flow from operating activities					
Interest received		6 395	13 446	4748	8 898
Interest paid		-924	-2 021	-677	-1 364
Fee and commission income and other income received		3 961	7 974	3 237	6 374
Fees and commissions paid		-459	-854	-208	-443
Personnel expenses paid		-2 639	-5 148	-1 951	-3 883
Administrative and other operating expenses paid		-3 025	-5 424	-2 761	-4 934
Income tax paid		-67	-136	-23	-79
Cash flow from operating activities before change in operating assets and liabilities		**3 242**	**7 837**	**2 365**	**4 569**
Net increase/decrease in operating assets:					
Net acquisition/disposal of trading portfolio		-35	-31	-265	-56
Loans and advances to customers		-31 104	-43 650	-21 648	-47 714
Term deposits with banks		0	0	0	-494
Mandatory reserve at central bank		-278	-583	-15	-78
Security deposits		-4	-111	-105	-305
Other assets		-263	-50	1 147	2 035
Net increase/decrease in operating liabilities:					
Demand deposits of customers		27 481	29 817	3 458	14 162
Term deposits of customers		-6 818	22 214	-2 273	-8 377
Loans received		5 864	5 645	354	215
Repayments of loans received		-570	-747	-46	-107
Financial liabilities held for trading at fair value through profit and loss		-66	-84	-63	-62
Other liabilities		10 840	11 174	1 641	539
Net cash generated/used in operating activities from continuing operations		**8 289**	**31 431**	**-15 450**	**-35 673**
Cash generated from/ used in operating activities from discontinued operations		0	2 858	-692	-1 799
Net cash generated from/used in operating activities		**8 289**	**34 289**	**-16 142**	**-37 472**
Cash flow from investing activities					
Purchase of non-current assets		-176	-363	-152	-251
Acquisition and disposal of associates		0	0	79	79
Proceeds from disposal and redemption of investment securities available for sale		406	423	1 043	7 687
Net change of investments at fair value through profit or loss		4 745	7 971	-46 440	-61 115
Net cash flow from investing activities		**4 975**	**8 031**	**-45 470**	**-53 600**
Cash flow from financing activitises					
Contribution in share capital		0	0	13 825	13 825
Subordinated loans received		0	0	15 900	15 900
Repayment of subordinated debt		0	0	-15 450	-16 450
Net cash flow from financing activities		**0**	**0**	**14 275**	**13 275**
Effect of exchange rate changes on cash and cash equivalents	**6**	**60**	**43**	**-5**	**-9**
Net decrease/increase in cash and cash equivalents		**13 324**	**42 363**	**-47 342**	**-77 806**
Cash and cash equivalents at the beginning of the period		108 671	79 632	118 448	148 912
Cash and cash equivalents at the end of the period	**13**	**121 995**	**121 995**	**71 106**	**71 106**

The Notes on pages 17 to 28 are an integral part of the consolidated interim financial statements

Condensed Consolidated Interim Statement of Changes in Equity

EUR thousand	Share capital	Share premium	Statutory reserve capital	Other reserves	Accumu-lated profit/-deficit	**Total equity attributable to owners of the parent**	Non-controlling interest	**Total equity**
Balance as at 1.01.2014	**19 202**	**21 871**	**223**	**-12**	**-11 032**	**30 252**	**1 695**	**31 947**
Conversion of subordinated bonds issued in 2012 to share capital	627	1 723	0	-15	0	2 335	0	**2 335**
Paid in share capital	3 500	10 325	0	0	0	13 825	0	**13 825**
Profit for the year	*0*	*0*	*0*	*0*	*2 975*	*2 975*	*291*	***3 266***
Other comprehensive income	*0*	*0*	*0*	*24*	*0*	*24*	*0*	***24***
Total comprehensive income for the reporting period	0	0	0	24	2 975	2 999	291	**3 290**
Balance as at 30.06.2014	**23 329**	**33 919**	**223**	**-3**	**-8 057**	**49 411**	**1 986**	**51 397**
Balance as at 1.01.2015	**23 356**	**33 992**	**435**	**132**	**-2 041**	**55 874**	**2 159**	**58 033**
Share options	0	0	0	172	0	172	0	**172**
Net profit	*0*	*0*	*0*	*0*	*7 699*	*7 699*	*425*	***8 124***
Other comprehensive income	*0*	*0*	*0*	*-1*	*0*	*-1*	*0*	***-1***
Total comprehensive income for the reporting period	0	0	0	-1	7 699	7 698	425	**8 123**
Balance as at 30.06.2015	**23 356**	**33 992**	**435**	**303**	**5 658**	**63 744**	**2 584**	**66 328**

The Notes on pages 17 to 28 are an integral part of the consolidated interim financial statements

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 Accounting Policies

The interim financial statements have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted in the European Union. The interim financial statements should be viewed together with the Annual Report for the financial year ended on 31 December 2014, which has been prepared in accordance with International Financial Reporting Standards as adopted by European Union for the year ended 31 December 2014.

The accounting policies adopted are consistent with those of the previous financial year. Specification has been added to cash and cash equivalents accounting policy:

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, demand deposits with central bank and other banks and investment companies, term deposits with original maturities of three months or less, that are available for use without any significant restrictions and which are subject to an insignificant risk of changes in value.

The new and revised standard and interpretations which entered into force on 1 January 2015 have no significant impact on the Group's financial statements as at the moment of the preparation of the interim financial statements. These condensed consolidated interim financial statements have been reviewed, not audited and do not contain the entire range of data required for the preparation of the financial statements.

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 Group and its subsidiaries AS LHV Varahaldus (100% interest), AS LHV Pank (100% interest), AS LHV Finance (65% interest) and UAB Mokilizingas (50% interest + 1 share).

At 09.01.2015, the Group disposed of the business of the branch in Finland. In the overview of financial results, the revenue, expenses and loan portfolio of the Finnish branch – a now discontinued operation – are listed separately.

NOTE 2 Business Segments

The Group divides its business activities into segments according to its legal structure. The business segments form a part of the Group, with a separate access to financial data and which are subject to regular monitoring of operating profit by the Group's decision-maker. The Management Board of AS LHV Group has been designated as the decision-maker responsible for allocation of funds and assessment of the profitability of the business activities. The result posted by a segment includes revenue and expenditure directly related to the segment.

The revenue of a reported segment includes gains from transactions between the segments, i.e. loans granted by AS LHV Pank to other group companies. The division of interest income and fee and commission income by customer location has been presented in Notes 9 and 10. The breakdown of interest income by customer location does not include the income from current accounts, deposits and investments in securities. The Group does not have any customers, whose income would account for more than 10% of the corresponding type of revenue.

	Q2 2015				Q2 2014			
Income of reported segments	**Interest income**	**Intra-segment income**	**Fee and commission income**	**Income from external customers**	**Interest income**	**Intra-segment income**	**Fee and commission income**	**Income from external customers**
AS LHV Pank (consolidated)	5 314	-285	1 457	6 486	3 637	-275	1 013	4 375
AS LHV Varahaldus	11	0	2 428	2 439	0	0	2 062	2 062
UAB Mokilizingas	1 445	0	172	1 617	1 197	0	197	1 394
Total	**6 770**	**-285**	**4 057**	**10 542**	**4 834**	**-275**	**3 272**	**7 831**

Generation of operating profit and net profit	Q2 2015 Operating profit	Q2 2015 Impair-ments	Q2 2015 Income tax	Q2 2015 Dis-continued operations	Q2 2015 Net profit	Q2 2014 Operating profit	Q2 2014 Impair-ments	Q2 2014 Income tax	Q2 2014 Dis-continued operations	Q2 2014 Net Profit
AS LHV Pank (consolidated)	1 637	154	0	0	1 791	1 123	-328	0	158	953
AS LHV Varahaldus	1 175	0	0	0	1 175	819	0	0	0	819
UAB Mokilizingas	501	-259	-67	0	175	234	-170	-23	0	41
AS LHV Group	-132	0	0	0	-132	-210	0	0	0	-210
Total	**3 181**	**-105**	**-67**	**0**	**3 009**	**1 966**	**-498**	**-23**	**158**	**1 603**

Income of reported segments	6M 2015 Interest income	6M 2015 Intra-segment income	6M 2015 Fee and commission income	6M 2015 Income from external customers	6M 2014 Interest income	6M 2014 Intra-segment income	6M 2014 Fee and commission income	6M 2014 Income from external customers
AS LHV Pank (consolidated)	10 386	-540	2 853	12 699	6 897	-552	2 184	8 529
AS LHV Varahaldus	28	0	4 615	4 643	27	0	3 834	3 861
UAB Mokilizingas	2 825	0	326	3 151	2 305	0	421	2 726
Total	**13 239**	**-540**	**7 794**	**20 493**	**9 229**	**-552**	**6 439**	**15 116**

Generation of operating profit and net profit	6M 2015 Operating profit	6M 2015 Impair-ments	6M 2015 Income tax	6M 2015 Dis-continued operations	6M 2015 Net profit	6M 2014 Operating profit	6M 2014 Impair-ments	6M 2014 Income tax	6M 2014 Dis-continued operations	6M 2014 Net Profit
AS LHV Pank (consolidated)	3 617	-276	0	2 258	5 599	2 184	-549	0	239	1 874
AS LHV Varahaldus	2 425	0	0	0	2 425	1 339	0	0	0	1 339
UAB Mokilizingas	1 005	-485	-136	0	384	717	-172	-79	0	466
AS LHV Group	-284	0	0	0	-284	-413	0	0	0	-413
Total	**6 763**	**-761**	**-136**	**2 258**	**8 124**	**3 827**	**-721**	**-79**	**239**	**3 266**

	30.06.2015 Assets	30.06.2015 Liabilities	31.12.2014 Assets	31.12.2014 Liabilities
AS LHV Pank (consolidated)	631 153	579 967	551 863	506 397
AS LHV Varahaldus	10 947	1 977	9 794	941
UAB Mokilizingas	35 730	31 494	31 956	28 104
AS LHV Group	70 193	16 743	70 291	16 729
Intercompany assets/liabilities	-115 726	-64 212	-108 213	-54 513
Total	**632 297**	**565 969**	**555 691**	**497 658**

NOTE 3 Risk Management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2014.

There have been no changes in the risk management department or in any risk management policies since the year end.

NOTE 4 Breakdown of Financial Assets and Liabilities by Countries

30.06.2015	**Estonia**	**Latvia**	**Lithuania**	**Finland**	**Netherlands**	**Germany**	**Other EU**	**USA**	**Other**	**Total**
Balances with other banks and investment companies	67 117	11	2 498	0	172	3	3 356	53 630	289	**127 076**
Financial instruments and securities	6 855	4 232	3 378	0	284	13 073	96 016	17 429	0	**141 267**
Loans to customers	303 830	115	33 856	14 550	9	0	5 195	0	19	**357 574**
Receivables from customers	1 379	105	189	3	0	0	0	0	1	**1 677**
Other financial assets	108	0	0	0	0	0	0	786	0	**894**
Total financial assets	**379 289**	**4 463**	**39 921**	**14 553**	**465**	**13 076**	**104 567**	**71 845**	**309**	**628 488**
Deposits of customers and loans received	460 067	1 061	9 484	480	181	2 973	27 569	6 416	23 953	**532 184**
Subordinated liabilities	16 683	0	0	0	0	0	0	0	0	**16 683**
Other financial liabilities	13 469	0	899	0	0	0	13	3	0	**14 384**
Total financial liabilities	**490 219**	**1 061**	**10 383**	**480**	**181**	**2 973**	**27 582**	**6 419**	**23 953**	**563 251**

Unused loan commitments in the amount of EUR 98 943 thousand are for the residents of Estonia.

31.12.2014	**Estonia**	**Latvia**	**Lithuania**	**Finland**	**Netherlands**	**Germany**	**Other EU**	**USA**	**Other**	**Total**
Balances with other banks and investment companies	61 800	295	2 504	1 902	550	1	2 691	14 268	118	**84 129**
Financial instruments and securities	6 919	4 237	3 828	0	285	14 313	76 287	43 656	0	**149 525**
Loans to customers	264 008	521	30 919	2 444	15	0	3 108	0	17	**301 032**
Receivables from customers	1 383	2	180	0	0	0	0	0	1	**1 566**
Other financial assets	108	0	0	0	0	0	0	675	0	**783**
Total financial assets	**334 218**	**5 055**	**37 431**	**4 346**	**850**	**14 314**	**82 086**	**58 599**	**136**	**537 035**
Deposits of customers and loans received	402 500	1 556	1 680	361	2	125	53 992	598	14 199	**475 013**
Subordinated liabilities	16 688	0	0	0	0	0	0	0	0	**16 688**
Other financial liabilities	2 835	0	708	0	0	0	13	3	0	**3 559**
Total financial liabilities	**422 023**	**1 556**	**2 388**	**361**	**2**	**125**	**54 005**	**601**	**14 199**	**495 260**

Unused loan commitments in the amount of EUR 61 334 thousand are for the residents of Estonia.

NOTE 5 Breakdown of Assets and Liabilities by Contractual Maturity Dates

30.06.2015	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits of customers and loans received	305 575	87 059	124 708	15 013	846	**533 201**
Subordinated liabilities	0	301	904	4 823	21 288	**27 316**
Other liabilities	0	16 057	0	0	0	**16 057**
Unused loan commitments	0	98 943	0	0	0	**98 943**
Financial and performance guarantees by contractual amounts	0	14 105	0	0	0	**14 105**
Interest rate swaps	0	25	167	26	0	**218**
Total liabilities	**305 575**	**216 490**	**125 779**	**19 862**	**22 134**	**689 840**
Assets held for managing liquidity risk by contractual maturity dates						
Balances with other banks and investment companies	127 076	0	0	0	0	**127 076**
Bonds at market value	0	19 372	59 840	53 627	3 006	**135 845**
Loans to customers	0	35 262	115 252	219 356	27 220	**397 091**
Receivables from customers	0	1 566	0	0	0	**1 566**
Total assets held for managing liquidity risk	**127 076**	**56 200**	**175 092**	**272 983**	**30 226**	**661 578**
Maturity gap from financial liabilities and assets	**-178 499**	**-160 290**	**49 313**	**253 121**	**8 092**	**-28 262**

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.

31.12.2014	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits of customers and loans received	272 830	76 666	110 303	15 292	982	**476 073**
Subordinated liabilities	0	301	904	4 823	21 890	**27 918**
Other liabilities	0	4 855	0	0	0	**4 855**
Unused loan commitments	0	61 334	0	0	0	**61 334**
Financial guarantees by contractual amounts	0	9 791	0	0	0	**9 791**
Interest rate swaps	0	24	161	118	0	**303**
Total liabilities	**272 830**	**152 971**	**111 368**	**20 233**	**22 872**	**580 274**
Assets held for managing liquidity risk by contractual maturity dates						
Balances with other banks and investment companies	83 149	980	0	0	0	**84 129**
Bonds at market value	0	55 516	51 555	33 279	5 353	**145 703**
Loans to customers	0	26 635	78 501	211 142	27 174	**343 451**
Receivables from customers	0	1 566	0	0	0	**1 566**
Total assets held for managing liquidity risk	**83 149**	**84 697**	**130 056**	**244 421**	**32 527**	**574 849**
Maturity gap from financial liabilities and assets	**-189 681**	**-68 274**	**18 688**	**224 188**	**9 655**	**-5 425**

All cashflows from financial assets and –liabilities except derivatives include all contractual cash flows.

NOTE 6 Open Foreign Currency Positions

30.06.2015	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Balances with other banks and investment companies	98 333	570	18 050	707	8 325	1 091	**127 076**
Securities	123 824	0	0	2	17 436	5	**141 267**
Loans granted	356 765	0	0	1	782	26	**357 574**
Receivables from customers	1 675	0	0	0	1	1	**1 677**
Other assets	206	0	0	0	688	0	**894**
Total assets bearing currency risk	**580 803**	**570**	**18 050**	**710**	**27 232**	**1 123**	**628 488**
Liabilities bearing currency risk							
Deposits of customers and loans received	482 232	453	10 817	694	37 037	951	**532 184**
Interest rate swaps	218	0	0	0	0	0	**218**
Accrued expenses and other liabilities	17 913	116	7 227	14	-9 810	470	**15 930**
Subordinated liabilities	16 683	0	0	0	0	0	**16 683**
Total liabilities bearing currency risk	**517 046**	**569**	**18 044**	**708**	**27 227**	**1 421**	**565 015**
Off-balance sheet assets by contractual amounts	0	0	0	0	10 000	0	**10 000**
Off-balance sheet liabilities by contractual amounts	10 000	0	0	0	0	0	**10 000**
Open foreign currency position	**53 757**	**1**	**6**	**2**	**10 006**	**-299**	**63 473**

31.12.2014	EUR	LTL	LVL	SEK	USD	Other	Total
Assets bearing currency risk							
Balances with other banks and investment companies	79 917	826	576	538	1 507	765	**84 129**
Securities	102 888	2 970	0	2	43 664	1	**149 525**
Loans granted	271 057	29 019	6	19	915	16	**301 032**
Receivables from customers	1 390	174	0	0	2	0	**1 566**
Other assets	149	0	0	0	634	0	**783**
Total assets bearing currency risk	**455 401**	**32 989**	**582**	**559**	**46 722**	**782**	**537 035**
Liabilities bearing currency risk							
Deposits of customers and loans received	416 865	808	275	521	55 866	678	**475 013**
Interest rate swaps	302	0	0	0	0	0	**302**
Accrued expenses and other liabilities	747	3 321	305	35	133	314	**4 855**
Subordinated liabilities	16 688	0	0	0	0	0	**16 688**
Total liabilities bearing currency risk	**434 602**	**4 129**	**580**	**556**	**55 999**	**992**	**496 858**
Off-balance sheet assets by contractual amounts	33 608	0	0	0	9 275	0	**42 883**
Off-balance sheet liabilities by contractual amounts	9 275	33 608	0	0	0	0	**42 883**
Open foreign currency position	**45 132**	**-4 748**	**2**	**3**	**-2**	**-210**	**40 177**

NOTE 7 Fair Value of Financial Assets and Liabilities

The Management Board of the Group has determined the fair value of assets and liabilities recognised at amortised cost in the balance sheet. 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	30.06.2015	Level 1	Level 2	Level 3	31.12.2014
Financial assets at fair value through profit and loss								
Shares and fund units*	0	6 049**	0	**6 049**	0	6 107**	0	**6 107**
Available-for-sale bonds	3 876	0	0	**3 876**	4 273	0	0	**4 273**
Bonds at fair value through profit and loss	131 342	0	0	**131 342**	139 145	0	0	**139 145**
Total financial assets	**135 218**	**6 049**	**0**	**141 267**	**143 418**	**6 107**	**0**	**149 525**
Financial liabilities at fair value through profit and loss								
Interest rate swaps	0	218	0	**218**	0	302	0	**302**
Total financial liabilities	**0**	**218**	**0**	**218**	**0**	**302**	**0**	**302**

*Shares and fund units include the Group companies' AS LHV Varahaldus investment into pension fund units in the amount of EUR 5 708 (31.12.2014: 5 588) thousand. Pursuant to the Investment Funds Act, the mandatory shares of LHV Varahaldus as the management company is 1% of the number of units in each of the mandatory pension fund managed by it.
** The mandatory pension fund shares were disclosed as level 1 in 2014 financial statements, however due to above information the comparatives information has been restated in this condensed interim financial statements.

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.

AS at 30.06.2015 the fair value of corporate loans and overdraft is EUR 850 thousand (0.3%) lower than their carrying amount (31.12.2014: 228 thousand, 1% lower) . 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 2015 and 31 December 2014. 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.

Lease interest rates offered to customers generally correspond to interest rates prevailing in the market for such products. Considering that the interest rate environment has been relatively stable since the Group started to provide leasing, consequently the fair value of lease agreements does not materially differ from their carrying amount. As significant management judgment is required to determine fair value, leases are classified as level 3 in the fair value hierarchy.

Leveraged loans, hire-purchase and credit cards granted to customers are of sufficiently short-term nature and they have been issued at market terms, therefore the fair market rate of interest and also the fair value of loans do not change significantly during the loan term. The effective interest rate of consumer loans issued is at the same level as the interest rate of the loan product offered in the market and it can be stated that the carrying amount of loans does not significantly differ from their fair value. The fair value level of leveraged loans, hirepurchase, credit cards and consumer loans is 3 as significant judgmental assumptions are used for the valuation process.

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.

A bulk of the subordinated loans were received in 2014, and the remainder in 2012. The interest rate levels of these loans are more or less the same. Considering the short term of the loan received in June 2014, no major changes have occurred in the interest rate levels. Thus, 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 8 Breakdown of Loan Portfolio by Economic Sectors

	30.06.2015	%	31.12.2014	%
Individuals	71 371	19,70%	61 965	20,32%
Real estate activities	98 140	27,11%	87 516	28,68%
Financial activities	31 607	8,73%	22 097	7,24%
Manufacturing	34 863	9,63%	26 804	8,79%
Professional, scientific and technical activities	4 107	1,13%	2 443	0,80%
Wholesale and retail trade	17 081	4,72%	14 838	4,86%
Other service activities	9 851	2,72%	7 646	2,51%
Arts and entertainment	26 449	7,31%	24 812	8,13%
Transportation and storage	14 355	3,97%	11 136	3,65%
Agriculture	8 770	2,42%	8 065	2,64%
Administrative and support service activities	14 770	4,08%	11 321	3,71%
Construction	6 076	1,68%	4 853	1,59%
Education	1 684	0,47%	1 717	0,56%
Information and communication	6 757	1,87%	4 049	1,33%
Other sectors	16 130	4,46%	15 837	5,19%
Total	**362 011**	**100%**	**305 099**	**100%**

The loan portfolio has been provisioned in the amount of EUR 4 437 thousand (31 December 2014: EUR 4 067 thousand). As at 30 June 2015, the loan portfolio totalled EUR 357 574 thousand (31 December 2014: EUR 301 032 thousand).

NOTE 9 Net Interest Income

Interest income	**Q2 2015**	**6M 2015**	**Q2 2014**	**6M 2014**
Balances with credit institutions and investment companies	24	44	8	15
Balances with the central bank	-36	-67	27	48
Bonds	98	213	112	273
Leasing	334	641	238	445
Leverage loans and lending of securities	193	404	215	431
Consumer loans	592	1 148	457	888
Hire purchase	1 616	3 152	1 029	1 927
Business loans	3 409	6 671	2 259	4 244
Other loans	255	493	215	406
Total	**6 485**	**12 699**	**4 560**	**8 677**
Interest expense				
Deposits of customers and loans received	-746	-1 441	-430	-856
Subordinated liabilities	-300	-597	-309	-638
including loans between related parties	*-100*	*-200*	*-69*	*-129*
Total	**-1 046**	**-2 038**	**-739**	**-1 494**
Net interest income	**5 439**	**10 661**	**3 821**	**7 183**

Interest income on loans by customer location (interest on bank balances and bonds excluded):	**Q2 2015**	**6M 2015**	**Q2 2014**	**6M 2014**
Estonia	4 925	9 626	3 191	5 985
Latvia	6	16	7	15
Lithuania	1 468	2 867	1 215	2 341
Total	**6 399**	**12 509**	**4 413**	**8 341**

NOTE 10 Net Fee and Commission Income

Fee and commission income	Q2 2015	6M 2015	Q2 2014	6M 2014
Security brokerage and commissions paid	605	1 194	489	1 176
Asset management and similar fees	2 669	5 077	2 240	4 186
Currency conversion revenues	91	251	70	150
Fees from cards and payments	409	730	167	304
Fee from Snoras's portfolio management*	75	159	142	311
Other fee and commission income	208	383	164	312
Total	**4 057**	**7 794**	**3 272**	**6 439**
Fee and commission expense				
Security brokerage and commissions paid	-156	-305	-104	-227
Other fee and commission expense	-301	-547	-104	-216
Total	**-457**	**-852**	**-208**	**-443**
Net fee and commission income	**3 600**	**6 942**	**3 064**	**5 996**

** Mokilizingas provides portfolio management services to Snoras Bank, to whom the portfolio was sold in 2011.*

Fee and commission income by customer location:	Q2 2015	6M 2015	Q2 2014	6M 2014
Estonia	3 724	7 127	2 774	5 492
Finland	3	8	5	8
Latvia	25	48	32	65
Lithuania	268	515	249	541
Sweden	37	96	212	333
Total	**4 057**	**7 794**	**3 272**	**6 439**

NOTE 11 Operating Expenses

	Q2 2015	6M 2015	Q2 2014	6M 2014
Wages, salaries and bonuses	2 072	4 042	1 623	3 121
Social security and other taxes	653	1 268	515	988
Total personnel expenses	**2 725**	**5 310**	**2 138**	**4 109**
IT expenses	301	641	275	562
Information services and bank services	180	343	137	271
Marketing expenses	742	1 582	1 097	2 155
Office expenses	87	215	94	198
Transportation and communication expenses	53	103	41	81
Staff training and business trip expenses	90	147	74	124
Other outsourced services	630	1 250	508	885
Other administrative expenses	353	614	246	505
Depreciation of non-current assets	165	318	218	365
Operational lease payments	226	443	205	409
Other operating expenses	38	72	20	47
Total other operating expenses	**2 865**	**5 728**	**2 915**	**5 602**
Total operating expenses	**5 590**	**11 038**	**5 053**	**9 711**

NOTE 12 Discontinued operations

Profit from discontinued operations	Q2 2015	6 M 2015	Q2 2014	6M 2014
Other financial income	0	2 936	0	0
Net interest income	0	0	982	1 872
Net fee and commission income	0	0	53	105
Personnel expenses	0	0	-121	-278
Operating expenses	0	-78	-326	-676
Impairment losses on loans	0	0	-430	-784
Income tax expenses	0	-600	0	0
Net profit from discontinued operations	**0**	**2 258**	**158**	**239**

NOTE 13 Balances with the Central Bank, Credit Institutions and Investment Companies

	30.06.2015	31.12.2014
Term deposits with maturity less than 3 months*	81 643	38 702
Legal reserve with the central bank	5 081	4 498
Other receivables from central bank*	40 352	40 929
Total	**127 076**	**84 129**
*Cash and cash equivalents in the Statement of Cash Flows	121 995	79 631

The breakdown of receivables by countries has been presented in Note 4. Demand deposits include receivables from investment companies in the total amount of EUR 53 735 thousand (31 December 2014: EUR 14 484 thousand). All other demand and term deposits are held with credit institutions and the central bank. The minimum reserve requirement as at 30 June 2015 was 1% (2014: 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 14 Deposits of Customers and Loans Received

Deposits/loans by type	30.06.2015	31.12.2014
Demand deposits	305 568	273 732
Term deposits	204 617	184 190
Loans received	21 999	17 091
Total	**532 184**	**475 013**
Deposits/loans by customer category		
Individuals	183 215	156 444
Legal persons	339 660	307 671
Public sector	9 309	10 898
Total	**532 184**	**475 013**

Loans received include loans granted by the Estonian Rural Development Foundation in the amount of EUR 2 810 thousand (31 December 2014: EUR 3 557 thousand) for the purpose of financing loans to small companies in rural areas, overdraft received, and the loan from the European Central Bank in the amount of EUR 13 010 thousand (31 December 2014: EUR 13 005 thousand). As a rule, 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 paid.

NOTE 15 Accounts payable and other liabilities

Financial liabilities	30.06.2015	31.12.2014
Trade payables	*1 266*	*1 845*
Payables to merchants	*379*	*490*
Other short-term liabilities	*587*	*613*
Payments in transit	*11 979*	*611*
Subtotal	**14 211**	**3 559**
Non-financial liabilities		
Tax liabilities	*634*	*491*
Payables to employees	*1 185*	*902*
Other short-term liabilities	*854*	*483*
Subtotal	**2 673**	**1 876**
Total	**16 884**	**5 435**

Payables to employees consist of unpaid salaries; bonus accruals and vacation pay accrual for the reporting period and the increase in liabilities is caused by the increase in the number of employees during the year. Payments in transit consist of foreign payments and payables to customers related to intermediation of securities transactions. All liabilities, except for financial guarantees, are payable within 12 months and are therefore recognised as current liabilities.

NOTE 16 Contingent Liabilities

Irrevocable transactions	Performance guarantees	Financial guarantees	Unused loan commitments	Total
Liability in the contractual amount as at 30 June 2015	8 756	5 349	98 943	**113 048**
Liability in the contractual amount as at 31 December 2014	6 892	2 899	61 334	**71 125**

NOTE 17 Basic Earnings and Diluted Earnings Per Share

In order to calculate basic earnings per share, net profit has been divided by the weighted average number of shares issued. In order to calculate diluted earnings per share, contingent shares have been added to ordinary shares in accordance with the right of the shareholders of subordinated shares issued in December 2012 to convert bonds to shares, if the issuer conducts a new issue of shares with a price up to 10% lower than the price of the new issue of shares.

	Q2 2015	6M 2015	Q2 2014	6M 2014
Profit attributable to owners of the parent (EUR thousand)	2 796	7 699	1 549	2 975
Weighted average number of shares (in thousands of units)	23 356	23 356	20 578	19 890
Basic earnings per share (EUR)	0,12	0,33	0,08	0,15
Weighted average number of shares used for calculating the diluted earnings per shares (in thousands of units)	24 464	24 324	21 436	20 853
Diluted earnings per share (EUR)	0,11	0,32	0,08	0,15

NOTE 18 Capital Management

The goal of the Group's capital management is to:

- ✓ ensure continuity of the Group's business and ability to generate return for its shareholders;
- ✓ maintain a strong capital base supporting the development of business;
- ✓ comply with capital requirements as established by supervision authorities.

The amount of capital that the Group managed as of 30.06.2015 was 77 204 thousand euros (31.12.2014: 72 545 thousand euros). The goals of the Group's capital management are set based on both the regulative requirements and additional internal buffer.

The Group follows the general principles in its capital management:

- The Group must be adquatly capitalized at all times, ensuring the necessary capital to ensure economic preservation and enables financing of new profitable growth opportunities;
- The main focus of the capital management is on tier 1 own funds, because only tier 1 own funds can absorbe losses. All other capital layers in use are dependent of tier 1 own funds volume;
- Capital of the Group can be divided in two: 1) regulative minimum capital and 2) capital buffer held by the Group. In order to reach its long-term economic goals the Group must on one hand strive towards proportional lowerinf of the regulative minimumcapital (through minimizing risks and high transparency). On the other hand, the Group must strive towards sufficient and conservative capital reserve, which will esure economic preservation even in the event of severe negative risk scenario;
- The risk appetite set by the Group is an important input to capital management planning and capital goal setting. Higher risk appetite requires marinating higher capital buffer.

Capital base	**30.06.2015**	**31.12.2014**
Paid-in share capital	23 356	23 356
Share premium	33 992	33 992
Reserves	435	435
Accumulated loss	-2 043	-11 244
Intangible assets (subtracted)	-1 639	-1 574
Profit for the reporting period	4 903	9 203
Non-controlling interest	1 550	1 727
Total Tier 1 capital	**60 554**	**55 895**
Subordinated liabilities	16 650	16 650
Total Tier 2 capital	**16 650**	**16 650**
Total net own funds	**77 204**	**72 545**

The Group has complied with all capital requirements during the financial year and in previous year.

NOTE 19 Transactions with related parties

In preparing the financial statements of the Group, the following entities have been considered related parties:

- owners that have significant impact on the Group and the entities related to them;
- associates;
- members of the management board, head of internal audit unit and legal entities controlled by them (together referred to as management);
- members of the supervisory board;
- close relatives of the persons mentioned above and the entities related to them.

Transactions	6M 2015	6M 2014
Interest income	**24**	**32**
incl. management	*1*	*1*
incl. shareholders and their related entities that have significant influence	*23*	*31*
Fee and commission income	**5**	**0**
incl. shareholders and their related entities that have significant influence	*5*	*0*
Interest expenses from deposits	**19**	**63**
incl. management	*0*	*1*
incl. shareholders and their related entities that have significant influence	*19*	*62*
Interest expenses from subordinated loans	**199**	**128**
incl. management	*11*	*11*
incl. shareholders and their related entities that have significant influence	*188*	*117*

Balances	30.06.2015	31.12.2014
Loans and receivables as at the year-end	**2 442**	**2 023**
incl. management	*532*	*347*
incl. shareholders and their related entities that have significant influence	*1 910*	*1 676*
Deposits as at the year-end	**6 247**	**11 632**
incl. management	*18*	*1 010*
incl. shareholders and their related entities that have significant influence	*6 229*	*10 622*
Subordinated loans as at the year-end	**5 700**	**5 700**
incl. management	*300*	*300*
incl. shareholders and their related entities that have significant influence	*5 400*	*5 400*

The table provides an overview of the material balances and transactions involving related parties. All other transactions involving the close relatives and the entities related to members of the management board and supervisory board and the minority shareholders of the parent company AS LHV Group have occurred according to the overall price list.

Loans granted to related parties are issued at market conditions.

In the first half of 2015, salaries and other compensations paid to the management of the parent AS LHV Group and its subsidiaries totalled EUR 563 thousand (6M 2014: EUR 520 thousand), including all taxes. As at 30.06.2015, remuneration for June and accrued holiday pay in the amount of EUR 82 thousand (31.12.2014: EUR 140 thousand) is reported as a payable to management (Note 15). The Group did not have any long-term payables or commitments to the members of the Management Board and the Supervisory Board as at 30.06.2015 and 31.12.2014 (pension liabilities, termination benefits, etc.). In the first half of 2015, the remuneration paid to the members of the Group's Supervisory Board totalled EUR 20 thousand (6M 2014: EUR 6 thousand).
Management is related to the share-based compensation plan. In the first half of 2015 the share-based compensation to management amounted to 62 thousand euros (6M 2014: 0 thousand euros).

The Group has signed contracts with the members of the Management Board, which do not provide for severance benefits upon termination of the contract. In any matters not regulated by the contract, the parties adhere to the procedure specified in the legislation of the Republic of Estonia.

Shareholders of AS LHV Group

AS LHV Group has a total of 23 356 005 ordinary shares, with a nominal value of 1 euro.

As at 30 june 2015, AS LHV Group has 268 shareholders:

- 13 370 738 shares (57,2%) were held by members of the Supervisory Board and Management Board, and related parties.
- 9 201 778 shares (39,4%) were held by Estonian entrepreneurs and investors, and related parties.
- 783 489 shares (3,4%) was held by LHV's current and former employees, and related parties.

Top ten shareholders as at 30 June 2015:

Number of	Participation	Name of shareholder
3 357 920	14,4%	AS Lõhmus Holdings
2 978 367	12,8%	Rain Lõhmus
1 637 897	7,0%	Andres Viisemann
1 418 000	6,1%	Ambient Sound Investments OÜ
1 210 215	5,2%	OÜ Krenno
995 000	4,3%	AS Genteel
931 978	4,0%	AS Amalfi
696 297	3,0%	OÜ Kristobal
653 165	2,8%	SIA Krugmans
576 667	2,5%	Bonaares OÜ

Shares held by members of the Management Board and Supervisory Board

Erkki Raasuke holds 80 000 shares.
Rain Lõhmus holds 2 978 367 shares, AS Lõhmus Holdings 3 357 920 shares and OÜ Merona Systems 200 000 shares.
Andres Viisemann, parties related to him and Viisemann Holdings OÜ hold a total of 2 472 822 shares.
Tauno Tats does not hold shares. Ambient Sound Investments OÜ holds 1 418 000 shares.
Tiina Mõis does not hold shares. AS Genteel holds 995 000 shares.
Heldur Meerits does not hold shares. AS Amalfi holds 931 978 shares.
Raivo Hein does not hold shares. OÜ Kakssada Kakskümmend Volti holds 536 651 shares.
HTB Investeeringute OÜ and parties related to Hannes Tamjärv hold 400 000 shares.

Supervisory Boards and Management Boards of AS LHV Group and its Subsidiaries

AS LHV Group
Supervisory Board: Raivo Hein, Rain Lõhmus, Heldur Meerits, Tiina Mõis, Hannes Tamjärv (until 29.04.2015), Tauno Tats, Andres Viisemann, Sten Tamkivi (since 29.04.2015)
Management Board: Erkki Raasuke

AS LHV Varahaldus
Supervisory Board: Erki Kilu, Erkki Raasuke, Andres Viisemann
Management Board: Mihkel Oja, Joel Kukemelk

AS LHV Pank
Supervisory Board: Raivo Hein, Rain Lõhmus, Heldur Meerits, Tiina Mõis, Erkki Raasuke, Hannes Tamjärv (until 29.04.2015), Andres Viisemann, Sten Tamkivi (since 29.04.2015)
Management Board: Jüri Heero, Erki Kilu, Andres Kitter, Martin Lengi, Indrek Nuume, Martti Singi

UAB Mokilizingas
Supervisory Board: AS LHV Group, AS LHV Pank, UAB „K2Z", KŪB „RAZFin
Management Board: Khalid Bouzerda, Erki Kilu, Erkki Raasuke, Alvydas Žabolis
Managing director: Jurgis Rubazevicius

Signatures of the Management Board to the Condensed Consolidated Interim Report

The Management Board has prepared the summary of results for January to June 2015 period the condensed consolidated interim financial statements of AS LHV Group for the 6-month period ended 30 June 2015. The condensed consolidated interim financial statements present a true and fair view of the Group's financial position, the results of operations and its cash flows.

28.09.2015

Erkki Raasuke

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders of AS LHV Group

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of AS LHV Group (the Company) and its subsidiaries (the Group) as of 30 June 2015 and the related condensed consolidated statements of profit or loss and other comprehensive income and cash flows for the three-month and six-month period then ended, and condensed consolidated statement of changes in equity for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management Board is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, 'Interim financial reporting', as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

AS PricewaterhouseCoopers

Ago Vilu
Auditor's Certificate No. 325

Verner Uibo
Auditor's Certificate No. 568

28 September 2015