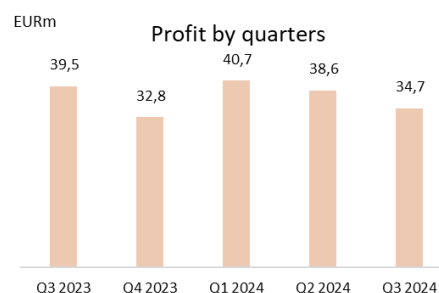


Interim Report January – September 2024

Summary of Results

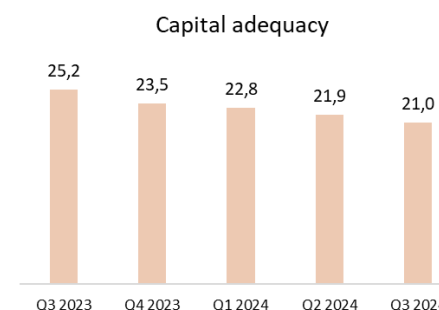
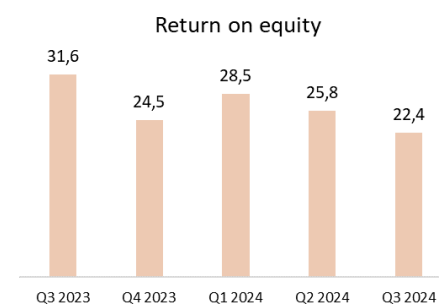
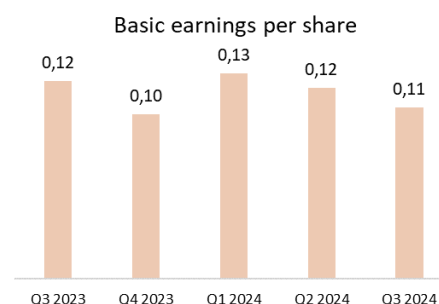
Q3 2024 in comparison with Q2 2024

- Net profit EUR 34.7 m (EUR 38.6 m), of which EUR 34.4 m (EUR 38.3 m) is attributable to owners of the parent
- Earnings per share EUR 0.11 (EUR 0.12)
- Net income EUR 84.9 m (EUR 87.3 m)
- Operating expenses EUR 37.2 m (EUR 37.6 m)
- Loan and bond provisions EUR 7.3 m (EUR 5.0 m)
- Income tax expenses EUR 5.7 m (EUR 6.1 m)
- Return on equity 22.4% (25.8%)
- Capital adequacy 21.0% (21.9%)



Q3 2024 in comparison with Q3 2023

- Net profit EUR 34.7 m (EUR 39.5 m), of which EUR 34.4 m (EUR 39.1 m) is attributable to owners of the parent
- Earnings per share EUR 0.11 (EUR 0.12)
- Net income EUR 84.9 (EUR 81.5 m)
- Operating expenses EUR 37.2 m (EUR 32.8 m)
- Loan and bond provisions EUR 7.3 m (EUR 2.9 m)
- Income tax expenses EUR 5.7 m (EUR 6.3 m)
- Return on equity 22.4% (31.6%)
- Capital adequacy 21.0% (25.2%)



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.

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Financial Summary

The Group's consolidated net profit in Q3 2024 was EUR 34.7 million, having decreased by EUR 3.9 million compared to Q2 2024 and by EUR 4.8 million compared to Q3 2023. The profit for the Group's shareholders was EUR 34.4 million in Q3 2024, which was EUR 3.9 million less than in Q2 2024. Net profit for 9 months 2024 compared to 2023 has increased by EUR 5.9 million.

The Group's consolidated net income in Q3 2024 amounted to EUR 84.9 million, having decreased by EUR 2.4 million compared to Q2 2024 and increased by EUR 3.4 million compared to Q3 2023.

The Group's net interest income decreased by 4% in Q3 2024 compared to Q2 2024, amounting to EUR 67.4 million (EUR 70.4 million in Q2 2024). The Group's net interest income grew by 1% compared to Q3 2023.

Net service fee income remained the same, amounting to EUR 16.3 million (EUR 16.3 million in Q2 2024). The Group's net interest income grew by 20% compared to Q3 2023. In total, the Group's net income decreased by 2.7% in Q3 2024 compared to Q2 2024, amounting to EUR 84.9 million (EUR 87.3 million in Q2 2024).

Operating expenses amounted to EUR 37.2 million in Q3, having decreased by EUR 0.3 million compared to Q2 2024 and grown by EUR 4.4 million compared to Q3 2023.

The Group's Q3 operating profit was EUR 47.7 million (EUR 49.7 million in Q2 2024). Write-downs amounted to EUR 7.3 million in Q3 (EUR 5.0 million in Q2 2024).

Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.4 million in Q3.

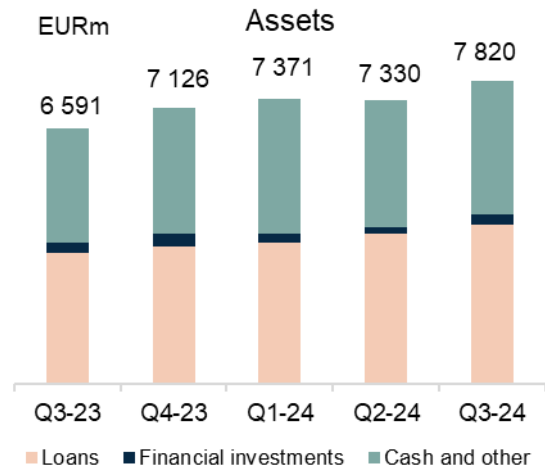
The Group's Q3 net profit was EUR 34.7 million (EUR 38.6 million in Q2 2024).

The return on equity owned by LHV's shareholders was 22.4% in Q3 2024, which was 3.4 percentage points lower than in Q2 2024 (25.8%) and 9.2 percentage points lower than in Q3 2023 (31.6%).

The Group's loan volume grew to EUR 4 126 million by the end of Q3 (EUR 3 891 million in Q2 2024), having grown by 6% or EUR 236 million in a quarter (a growth of EUR 246 million in Q2 2024). Compared to Q3 2023, the Group's loan volume has grown by 22%.

The volume of deposits increased by EUR 502 million in a quarter (an increase of EUR 150 million in Q2 2024). The volume of

deposits of clients who are financial intermediaries grew by EUR 79.8 million. The volume of deposits of ordinary clients increased by EUR 174.8 million and the volume of platform deposits decreased by EUR 247.8 million. Of the deposits, EUR 3 785 million (EUR 3 660 million in Q2 2024) were call deposits, EUR 1 646 million (EUR 1,517 million in Q2) term deposits and EUR 855 million (EUR 607 million in Q2) platform deposits.

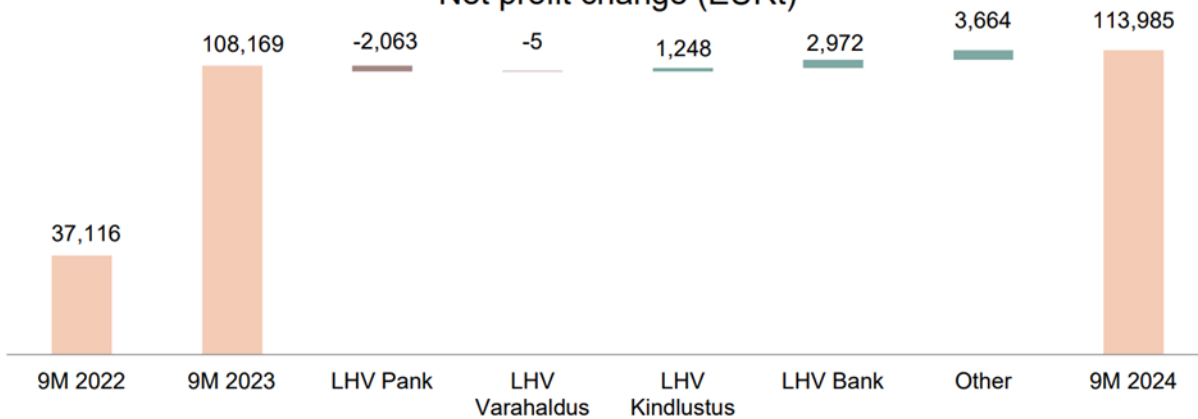


By business units, AS LHV Pank's consolidated net profit amounted to EUR 34.1 million in Q3 and that of AS LHV Varahaldus amounted to EUR 0.6 million. AS LHV Kindlustus earned a net profit of EUR 0.5 million. The net profit of LHV Bank was EUR 0.6 million. The net profit of LHV Paytech was EUR 0.2 million. Viewed separately, LHV Group made a net profit of EUR 0.1 million.

Management emphasized better-than-expected performance in business volumes and profitability, with net profit exceeding financial plans and better than results in last year. Therefore, LHV Grupp updated the financial plan for 2024 in September, increasing the profitability goals by a third. We expect that all business lines will fulfill their 2024. financial targets.

LHV Management has acknowledged the importance of maintaining quality in the loan portfolio amidst rapid growth, especially in negative GDP growth environment. This is the largest factor generating volatility in profitability.

Net profit change (EURt)



The Bank's net profit at the consolidated level was EUR 34.1 million in Q3 2024, which is EUR 0.7 million less than the result in the previous quarter (EUR 34.8 million in Q2 2024) and EUR 1.9 million less than the net profit of Q3 2023. The number of the Bank's clients grew by 11,200 during the quarter (5,400 in Q2 2024) and the total number of the Bank's clients is 445,000.

The Bank's loan portfolio grew by EUR 160 million in Q3 (EUR 194 million in Q2 2024), reaching EUR 3,904 million.

The deposits of the Bank's clients increased by EUR 257 million in Q3, while the balance of the deposits of payment intermediaries increased by EUR 52 million, platform deposits grew by EUR 92 million, and the deposits of the remaining clients grew by EUR 113 million. The total volume of deposits was EUR 5,716 million at the end of Q3.

As at the end of Q3 2024, the net loan portfolio of LHV Bank amounted to EUR 223 million and the volume of deposits was EUR 635 million. The net loss of LHV Bank was EUR 0.6 million in Q3 2024 (a profit of EUR 0.9 million in Q2 2024). The net income of LHV Bank was EUR 9.4 million in Q3 2024 (EUR 12.0 million in Q2 2024).

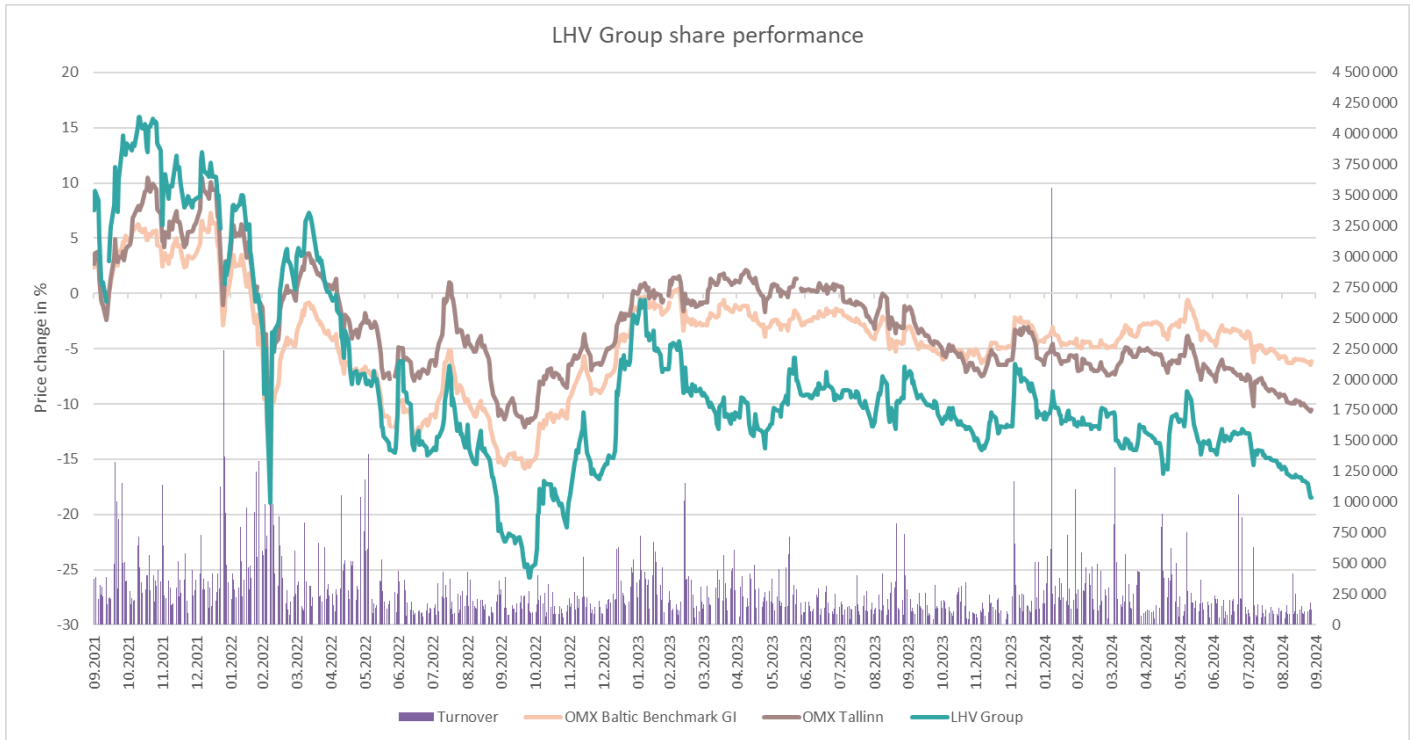
The net profit of LHV Varahaldus was EUR 0.6 million in Q3 2024 (EUR 0.7 million in Q2 2024). The service fee income of LHV Varahaldus amounted to EUR 2.3 million (EUR 2.2 million in Q2 2024). The operating expenses of LHV Varahaldus were EUR 1.5 million in Q3 2024 (EUR 1.4 million in Q2 2024). Expenses related

to non-current assets (including depreciation on client agreements) were EUR 0.3 million in Q3 2024 (EUR 0.3 million in Q2 2024).

The total volume of funds managed by LHV decreased by EUR 8 million in a quarter (a decrease of EUR 11 million in Q2 2024). The number of active 2nd pillar clients decreased by 2,400 in a quarter (a decrease of 1,600 in Q2 2024).

The net profit of LHV Kindlustus was EUR 0.5 million in Q3 2024 (EUR 0.4 million in Q2 2024). The volume of premiums from concluded contracts decreased by EUR 0.5 million in the quarter, reaching EUR 8.5 million. The result of the insurance activities of LHV Kindlustus was EUR 0.3 million, having decreased by EUR 0.1 million in a quarter.

There is only one class of shares issued by LHV, each share gives 1 voting right. The shares of LHV Group is traded on NASDAQ Tallinn main list since May 2016. Graph below presents LHV Group share performance against OMX Tallinn index and OMX Baltics benchmark index over last three years. The performance of the LHV Group share has fallen short of both indices, falling by 18.95% in three years, while the reference indices fell by 10.78% and 6.39 %, respectively. LHV Group share price has been 3.23 euros in the end of year and based on the stock price, LHV's market value was EUR 1 047 million.



Business volumes

EUR million	Quarter			Year	
	Q3 2024	Q2 2024	over quarter	Q3 2023	over year
Loan portfolio	4 126.2	3 890.5	6%	3 375.6	22%
Financial investments	255.2	151.6	68%	270.8	-6%
Deposits of customers	6 286.4	5 783.9	9%	5 316.2	18%
incl. deposits of financial intermediates	2 711.0	2 572.0	5%	1 287.7	111%
Equity (including minority interest)	639.8	602.3	6%	522.2	23%
Equity (owners' share)	631.7	594.6	6%	514.5	23%
Volume of funds managed	1 521.4	1 529.3	-1%	1 451.3	5%
Client securities	3 553.8	3 604.5	-1%	3 552.1	0%

Income statement			Quarter	Q3	Year			Year
EUR million	Q3 2024	Q2 2024	over quarter	2023	over year	9M 2024	9M 2023	over year
Net interest income	67.43	70.42	-4%	68.14	-1%	206.77	186.15	11%
Net fee and commission income	67.43	16.26	0%	12.52	20%	48.12	35.81	27%
Other financial income	16.32	-0.04	NA	-0.59	NA	1.30	0.25	420%
Total net operating income	84.55	86.64	-2%	80.07	4%	256.19	222.21	14%
Other income	0.36	0.64	-44%	0.31	16%	1.42	0.52	173%
Operating expenses	-37.25	-37.59	-1%	-32.81	14%	-110.37	-96.47	14%
Loan and bond portfolio gains/(-losses)	-7.28	-5.04	44%	-2.88	153%	-15.17	-2.11	619%
Income tax expenses	-5.68	-6.07	-6%	-6.31	-10%	-18.09	-18.02	0%
Net profit	34.70	34.70	-10%	39.48	-12%	113.98	108.17	5%
Including attributable to owners of the parent	34.39	34.39	-10%	39.06	-12%	113.22	107.06	6%

Ratios			Quarter	Q3	Year			Year
EUR million	Q3 2024	Q2 2024	over quarter	2023	over year	9M 2024	9M 2023	over year
Average equity (attributable to owners of the parent)	613.2	593.0	20.2	494.5	118.7	590.1	463.7	126.4
Return on equity (ROE), %	22.4	25.8	-3.4	31.6	-9,2	25.6	30.8	-5.2
Return on assets (ROA), %	1.8	2.1	-0.3	2.4	-0.6	2.0	2.3	-0.3
Interest-bearing assets, average	7 529.6	7 291.7	237.9	6 364.7	1 164.9	7 405.5	6 286.0	1 119.5
Net interest margin (NIM) %	3.58	3.86	-0.28	4.28	-0.70	3.72	3.95	-0.23
Price spread (SPREAD) %	3.30	3.52	-0.22	4.13	-0.83	3.46	3.85	-0.39
Cost/income ratio %	43.9	43.1	0.8	40.3	3.6	42.8	42.9	-0.1
Profit attributable to owners before income tax	40.0	44.3	-4.3	45.3	-5.3	131.0	125.1	5.9

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

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

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

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

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

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

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

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

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

Operating Environment

In Q3 of 2024, the world's economy remained stable and inflation continued to slow toward the 2% target level. Monetary easing through interest rate cuts had an impact on more economic regions (such as the US and the UK). The continuing growth of real wages supports household incomes, yet in many countries purchasing power has not returned to pre-pandemic levels. Economic activity, which was stable early in the year, slipped to the lowest level of the last 8 months by the end of Q3, mainly due to a drop in manufacturing output.¹ On the other hand, activity continued to grow in the service sector, albeit at a slower pace. The outlook of the industrial sector as to the growth rate of output and new orders fell throughout the quarter, foremost in the Eurozone, Canada and China. At the same time, economic growth remained stable in the US; Japan, UK and Brazil. By the end of September, signs of slowing economic growth apparent in Q3, coupled with geopolitical tensions, pushed business confidence to the lowest level of the last two years.

Risks to global outlook are generally balanced yet are still very much present. Geopolitical tensions, including from the war in Ukraine and Gaza-Israel war, may lead to a new rise in the prices of energy (oil, electricity natural gas) and certain foodstuffs (olive oil, sugar). Secondly, the persistent strength of the labour market allows the price growth in the services to be maintained at a level higher than desired. These factors contribute their share of uncertainty to the scale and speed of subsequent interest rate cuts by central banks. Global economic growth will nevertheless remain modest in years to come, since fiscal policy measures are being tightened, taxes are raised and government sector spending is being reined in. Economic growth is forecast to be 3.2% in 2024-25².

The US economy grew 3% in Q2 of 2024 and economic growth for the year is expected to be 2.6%, but slowing to 1.6% is expected for 2025³. With inflation decreasing, the Federal Reserve cut interest rates by 0.5 percentage point in September and further cuts are expected. The Chinese economy grew 0.4 percentage point less than expected – 4.7% – in Q2. Despite the

recently announced aid package, Chinese economic growth will slow to 4.9% in 2024 and to 4.5% in 2025, since consumer demand is still muted and a deep correction continues in the real estate sector. India, however, is expected to see a continuation of strong growth in internal demand and economic growth in 2024-25 is expected to be 6.7% and 2025-26, 6.8%.¹

The performance of the world's largest stock indexes in Q3 was characterized by high volatility. S&P 500 set a new record in mid-July then in early August retreated 8.5% from the high-water mark. By the quarter's end, the index had set another record and overall quarterly growth was 5.5%. Tokyo's Nikkei 225 started the quarter with strong growth but then suffered a steep drop in August (including -12.4% in a single day), followed by a return to growth, but finished the quarter down 4.2%. Europe's STOXX 600 was stable in July, then also declined in August (-2.2% in one day), then started rising again with the result for the quarter a net positive 2.2%. London's FTSE 100 made lateral strides for most of the quarter, then also fell in August (-2% in a single day) but ended the quarter positive by 0.9%. The Shanghai SSE Composite Index fell nearly the entire Q3 but saw rapid growth at the end of the September and closed out the quarter up 12.4%. The steep growth of Chinese stock markets stemmed from planned economic stimulus package from the government but by the start of Q4, it had given up some of the ground.

Economic growth in the EU was 0.8% in Q2 of 2024. Compared to previous quarters, growth sped up slightly. Growth in the Eurozone also stayed low, at 0.6% year over year. The trends between countries remain quite different and some are still in recession (Germany, Austria and Finland). The Eurozone economy is still hampered by low consumer confidence, the after-effects of high energy prices and weakness of investments and interest-rate-sensitive businesses. At the end of Q3, difficulties spread to manufacturing, above all in Germany. Expected output volumes and number of orders received fell to the lowest point since January and this causes concern about the outlook for the Eurozone. Private sector output in France began diminishing in

¹ S&P Global. J.P.Morgan Global Composite PMI®, October 2024. [WWW]
<https://www.pmi.spglobal.com/Public/Home/PressRelease/80a2d5d7d8554f7f909ba9ae30fd4016>

² OECD Economic Outlook, Interim Report September 2024. [WWW]
<https://www.oecd.org/en/publications/oecd-economic-outlook-interim-report-september->

[2024_1517c196-en/full-report.html#section-d1e478-455e658ef2](https://www.bea.gov/sites/default/files/2024-09/gdp2q24-3rd.pdf)

³ Bureau of Economic Analysis. Gross Domestic Product (Third Estimate), Corporate Profits (Revised Estimate), and GDP by Industry, Second Quarter 2024 and Annual Update, September 2024. [WWW]
<https://www.bea.gov/sites/default/files/2024-09/gdp2q24-3rd.pdf>

September again.⁴ The labour market in the Eurozone has remained strong overall and unemployment level is at a record low, 6.4%. Inflation fell in Q3 and in September hit 1.8%, below the central bank's target. At the same time, temporary acceleration of inflation is expected in Q4 due to the low comparison base in energy prices before the inflation target is reached by the end of 2025.

The latest forecast from the European Central Bank is that economic growth in the Eurozone will continue but at a lower than expected level. Growth outlook is lower since consumer spending and corporate investment have proven weaker than expected. Real wages are continuing to grow, which increases consumer confidence and, as expected, drives internal demand. Eurozone economic growth is forecasted to be 0.8% in 2024 and 1.3% in 2025.⁵

The European Central Bank (EKP) has cut interest rates twice so far: 0.25 percentage point in June and September. On the backdrop of the changes, the 6-month Euribor fell more steeply than expected, reaching 3.105% in late September. The ECB will probably continue cutting interest rates, but the timing and extent are based on the outlook for the inflation and monetary policy transmission. Financial markets are expecting two more 0.25-percentage-point cuts this year.

The UK economy grew 0.7% year-over-year in Q2 and annual GDP growth was 0.9% in July and 1% in August. Similarly to the Eurozone, UK growth is driven by the service sector but output continues to decline in manufacturing and construction. Some signs of improvement could be seen in consumer spending in Q3. Inflation rose back to 2.2% in August after falling to 2% in May and June.⁶ With inflation having approached the target, the Bank

of England lowered the prime interest rate by 0.25 percentage point in August. Further interest rate decisions will be based on inflation outlook and the strength of monetary policy transmission, but financial markets await the next cut in November 2024. Unemployment dropped to 4.1% in July and the number of job openings also decreased. The workforce participation rate grew slightly but remains lower than a year ago. The outlook for the British economy has improved in recent months and it is expected to grow 1.1% this year and 1.3% in 2025.⁷

Estonia's main trading partners' economies trended in opposite directions in Q3. Scandinavian countries contended with low foreign demand (including export to Germany) and this also posed challenges for Estonian as an indirect effect. The Finnish economy shrank by 1.5% in Q2 in 2024, above all due to low consumer spending and investment. The Bank of Finland forecasts 0.5% growth in 2024 and 1.1% in 2025, but recovery will be slow.⁸ The Swedish economy and labour market are still dogged by weakness, while the economy grew 0.6% year-over-year in Q2, it contracted 0.3% quarter-over-quarter. Economic recovery is progressing a little slower than expected and unemployment stubbornly remains a high 8.3%. GDP growth is expected to be 0.8% in 2024 and 1.9% in 2025. Due to the weak outlook and lower inflationary pressure, the Swedish central bank continued lowering interest rates to 3.25% and the next cuts are expected in November and December.⁹ The situation in the Lithuanian economy has improved, with 1.3% year-over-year growth in Q2 in 2024. The stronger than expected recovery of consumer spending and gradual improvement of export markets leads the Lithuanian central bank to call for higher economic

⁴ HCOB Eurozone Composite PMI®, October 2024. [WWW] <https://www.pmi.spglobal.com/Public/Home/PressRelease/cf694df7d0cd4523886a14a068f0007e>

⁵ Eurosystem staff macroeconomic projections for the euro area, September 2024. [WWW] https://www.ecb.europa.eu/press/projections/html/ecb.projections202409_ecbstaff~9c88364c57.en.html

⁶ Office for National Statistics. GDP quarterly national accounts, UK: April to June 2024. September 2024. [WWW] <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/quarterlynationalaccounts/apriltojune2024>

⁷ HM Treasury. Forecasts for the UK economy: a comparison of independent forecasts, September

2024. [WWW] https://assets.publishing.service.gov.uk/media/66e997517f20ecc7ec3aa2ff/Forecasts_for_the_UK_economy_September_2024.pdf

⁸ Bank of Finland. Interim forecast – September 2024. [WWW] <https://www.bofbulletin.fi/en/2024/articles/sticky-recovery-in-finland-s-economy/#:~:text=and%20public%20demand.,According%20to%20the%20Bank%20of%20Finland's%20September%20interim%20forecast,growth%20will%20rise%20to%201.8%25>

⁹ Sveriges Riksbank. Monetary Policy Report. September 2024. [WWW] <https://www.riksbank.se/globalassets/media/rapporter/ppr/penningspolitiska-rapporter-och-uppdateringar/engelska/2024/monetary-policy-report-september-2024.pdf>

growth: 2.2% in 2024 and 3.1% in 2025.¹⁰ At the same time, economic growth in Latvia continues to hover around 0%. In Q1, the economy grew but in Q2 contraction was -0.1%. The Latvian central bank lowered its growth forecast by 1.2 percentage points to 0.6% in 2024 and 2.6% in 2025 due to a weaker than expected first half-year and a significant revision of economic figures¹¹.

The Estonian economy shrank 1.3% in Q2 of 2023, but reached zero growth quarter-over-quarter. Trade has declined since March 2023 and remains weak. The 12-month sliding average annual growth in trade in August was -12.8%, the monthly year-over-year growth was -1.1% and the speed of the decline has slowed to the lowest level in the past year. Weak export also keeps production volumes in decline and the speed of the decline rose in the Q3 to the same level seen in the beginning of the year (-6% in August). The difficulties can be expected to be felt in manufacturing in future after a lag time. Sales volumes in retail continue to decline, but not as fast in recent months (-3.8% in August). Confidence is still at historical lows but has improved somewhat in manufacturing. Still, consumer and retail and construction companies' confidence slipped in Q3 back to the same level seen at the start of the year. Tax hikes played a role in this process, as they exert a negative impact on purchasing power and consumer spending.

Estonia's workforce market is in good health, and the saving grace has been the retention of employees on the payroll at businesses. Unemployment fell to 7.6% in Q2 of 2024 and the Bank of Estonia is predicting that level to be the average for 2024. The number of employees has fallen the most in construction, real estate, manufacturing and water supply fields of activity. Wage growth rate has begun to melt quicker, down to 7.2% in Q2. Due to tax increases, the recovery of purchasing power will be deferred an additional year compared to expectations, pushed back to 2026. Consumer prices increased 3.2% in Q3, which is higher than the previous quarter. The growth in the prices of services continues high and the prices of foodstuffs have started rising but will probably stabilize going forward. The Bank of Estonia forecasts the average inflation to be 3.5% for 2024 and 3.9% in 2025, due mainly to the tax hikes and state-regulated prices.¹² Foreign price pressure will also gain strength because after a year of decline, import prices have returned to growth.

The housing price index increased 6.7% year-over-year in Q2. Apartment prices rose 2.9% compared to Q1 of 2024; houses, 2.4%. The monetary volume of transactions was lower in H1 of 2024 than in the same period in the past three years. At the same time, the supply of apartments remained high and the sales were slow. Transaction volumes were even lower than in H1 of 2020 at the start of the pandemic.

The financial state and savings capacity of domestic households has gradually started to improve, but recovery will take time. Annual growth in deposits of households was 8.7% in August and that of companies was 1.6%. Nevertheless, the growth rate is clearly under the long-term level and growth is not broad-based. In August, the average interest rate on term deposits fell to 3.54% for households and 3.51% for businesses. In the context of sputtering economic activity, loan activity has remained strong. The annual growth of businesses' loan portfolio as of the end of August was 7.2%; the corresponding indicator for households was 6.6%. The growth in businesses' loan portfolio has had a slight acceleration in recent months. Long-term loans taken by energy and real estate companies and retailers are responsible for the growth. The industrial sector's loan portfolio has also had gradually increasing month-over-month since spring. The average interest rate on home loans has dropped to 5% due to the lower 6-month Euribor, and the figure is 6.1% for long-term business loans. While the fraught economic situation has increased banks' risk assessments, the trend has been counterbalanced by increase in pressure from the competition and the fact that companies and households have thus far managed repayment of loans well. Home loans more than 60 days in arrears make up just 0.17% of the loan portfolio, 0.25% in the case of companies. The share of consumer loans in arrears is up slightly as of Q3, but still at a low 3.2%.

Two years into a recession in Estonia, the conditions for economic recovery are better. Prices of energy and other goods are down, inflation is lower and people's purchasing power in Estonia and the rest of Europe is gradually improving. Estonian businesses are making efforts to become more competitive. The recently established tax hikes and budget cuts will curb the stimulus effect and thus rapid growth of demand is not expected on either internal or external markets. Gradual increase in foreign demand (e.g. Scandinavia) can be expected in the second half of 2025, but

¹⁰ Bank of Lithuania. Macroeconomic Projections (September 2024). [WWW] https://www.lb.lt/uploads/publications/doc/s/47132_f6b4b91434526aafcbcfac9ec3574e95.pdf

¹¹ Bank of Latvia. Macroeconomic forecasts. October 2024. [WWW] <https://www.bank.lv/en/news-and->

[events/news-and-articles/news/17054-macroeconomic-forecasts-october-2024](https://www.bankofestonia.ee/estonia/en/press-releases/news-events/news-and-articles/news/17054-macroeconomic-forecasts-october-2024)

¹² Eesti Pank. Rahapoliitika ja Majandus, 3/2024 [WWW] https://haldus.eestipank.ee/sites/default/files/2024-09/rpm2024_3.pdf

consumer spending growth will remain weak in 2025 or even on par with 2024, since the recovery of purchasing power is slow. The Bank of Estonia is forecasting -0.4% economic growth in 2024, 1.9% in 2025 and 3.0% in 2026.

The Group's Liquidity, Capitalisation and Asset Quality

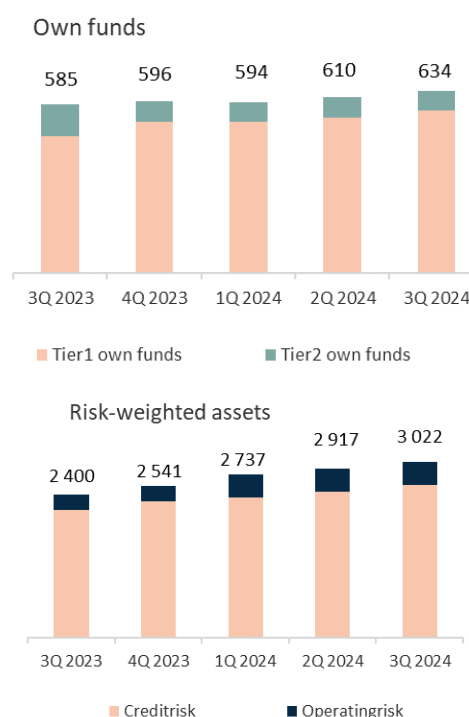
As at 30 September 2024, the Group's own funds stood at EUR 634.3 million (31 December 2023: EUR 596.4 million). LHV Group own funds are calculated based on regulative requirements.

Compared to Group's internal capital adequacy ratio target 19.7%, the Group is capitalised good enough as at the end of the reporting period, with the capital adequacy ratio is amounting to 21.0% (31 December 2023: 23.5%). In addition to total capital adequacy targets the Group has also set internal targets for the core Tier 1 capital adequacy ratio to 14.70% and Tier 1 capital adequacy ratio to 16.85%. The internal targets were approved in December 2023 by the Group's Supervisory Board, after the completion of the annual supervisory assessment by the ECB. LHV Group includes only that part of the current year's profit for which the European Central Bank has given permission as part of its own funds. Obtaining the permit is done with the referrer, but it is also applied to the reporting quarter afterwards, which is why the capitalization ratios also change, and the Group reflects them in the next report.

The minimum requirement for own funds and eligible liabilities (MREL) is a building block of the resolution plan and LHV has to maintain sufficient own funds and qualifying liabilities which can be used to cover losses in resolution planning. On 21st of June 2021 Estonian FSA set two separate MREL ratios on the consolidation group level for LHV Group. MREL-TREA is calculated based on total risk weighted assets. MREL-LRE is calculated based on total assets. Each year regulator reviews the targets and recalibrates the requirements, if needed. As at the end of Q3 2024 the regulatory targets are 26.30% (MREL-TREA) and 5.91% (MREL-LRE). Group needs to meet higher MREL-TREA target to distribute dividends. This target is equal to sum of regulatory minimum requirement and combined buffer which is 32.30%. As at 30 September 2024, MREL-TREA ratio was 34.81% (31.12.2023: 35.68%) and MREL-LRE was 13.23% (31.12.2023: 12.62%).

The Group's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 211.0% as at the end of September (31 December 2023: 194.2%).

Financial intermediates' deposits in Bank are covered 100% with liquid assets. Excluding the financial intermediates deposits the Groups LCR is 447.2% (31.12.2023: 449.9%). The Group recognises cash and bond portfolios as liquidity buffers. These accounted for 46% of the balance sheet (31 December 2023: 48%). The ratio of loans to deposits stood at 64% as at the end of the third quarter (31 December 2023: 60%). Group's maturity structure is presented in Note 5.



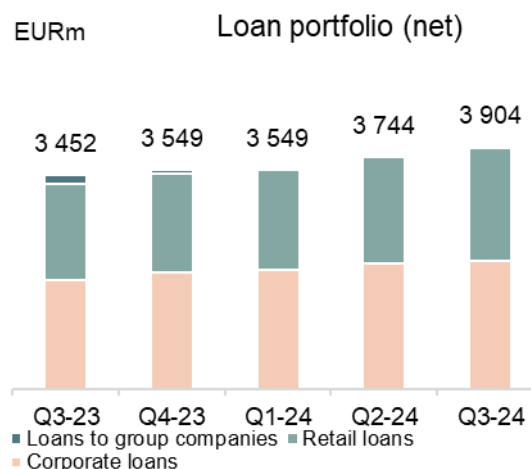
Capital base	30.09.2024	31.12.2023	31.12.2022
Paid-in share capital	32 419	31 983	31 542
Share premium	146 958	143 372	141 186
Statutory reserves transferred from net profit	4 713	4 713	4 713
Other reserves	1 826	-996	-1 441
Retained earnings	320 757	229 287	170 010
Intangible assets (subtracted)	-20 705	-21 278	-23 333
Net profit for the reporting period (COREP)	55 285	129 740	46 180
Other adjustments	-7	-8	-369
Dividends to be distributed	0	-41 578	0
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-1 028	0	0
CET1 capital elements or deductions	-7 035	-382	0
CET1 instruments of financial sector entities where the institution has a significant investment	-4 262	-3 496	-3 351
CET1 instruments of financial sector entities where the institution has not a significant investment	0	0	-181
Tier 1 capital	528 921	471 357	364 956
Additional Tier 1 capital	35 307	55 000	55 000
Total Tier 1 capital	564 228	526 357	419 956
Subordinated debt	70 026	70 000	75 000
Total Tier 2 capital	70 026	70 000	75 000
Net own funds for capital adequacy	634 254	596 357	494 956
Risk weighted assets			
Central governments and central bank under standard method	0	0	0
Credit institutions and investment companies under standard method	9 205	12 316	11 553
Companies under standard method	1 413 839	1 300 707	1 204 523
Retail claims under standard method	213 624	226 592	219 031
Public sector under standard method	0	0	0
Housing real estate under standard method	787 225	610 181	513 483
Overdue claims under standard methods	19 783	19 759	8 004
Investment funds' shares under standard method	188	188	186
Other assets under standard method	101 159	109 295	102 697
Total capital requirements for covering the credit risk and counterparty credit risk	2 545 023	2 279 038	2 059 477
Foreign currency risk	90 513	1 793	18 324
Interest position risk	0	0	0
Equity portfolio risk	1 194	746	740
Credit valuation adjustment risk	1 648	1 966	2 228
Operational risk under base method	385 579	259 437	197 920
Total risk weighted assets	3 023 957	2 542 980	2 278 689
Capital adequacy (%)	20.97	23.45	21.72
Tier 1 capital ratio (%)	18.66	20.70	18.43
Core Tier 1 capital ratio (%)	17.49	18.54	16.02

The credit quality of the group remained at a good level. A loan discount reserve of 42.5 million euros was formed in the balance sheet at the end of September to cover estimated loan losses. As of the end of the third quarter, the fair value of the collateral of the loan portfolio is 3% higher than the book value of the loan portfolio.

Loan portfolio distribution	Over-collateralized loans		Under-collateralized loans		Total	
	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral
Stage 1	1 670 913	2 517 804	1 880 881	1 009 662	3 551 794	3 527 466
Corporate Lending	707 174	980 621	1 365 241	617 379	2 072 415	1 598 000
Consumer Financing	0	0	62 060	0	62 060	0
Investment Financing	6 556	28 034	1 984	1 611	8 540	29 645
Leasing	18 342	26 415	124 692	90 410	143 034	116 825
Private Lending	938 841	1 482 734	326 904	300 262	1 265 745	1 782 996
Stage 2	313 666	540 407	237 762	142 210	551 428	682 617
Corporate Lending	162 688	205 214	157 298	110 344	319 986	315 558
Consumer Financing	0	0	37 412	0	37 412	0
Investment Financing	9	13	3	3	12	16
Leasing	6 687	10 086	23 884	17 461	30 571	27 547
Private Lending	144 282	325 094	19 165	14 402	163 447	339 496
Stage 3	19 491	31 693	3 522	2 671	23 013	34 364
Corporate Lending	15 740	21 539	1 869	1 644	17 609	23 183
Consumer Financing	0	0	526	0	526	0
Investment Financing	5	9	0	0	5	9
Leasing	1 018	1 268	1 119	1 027	2 137	2 295
Private Lending	2 728	8 877	8	0	2 736	8 877

Overview of AS LHV Pank Consolidation Group

- Net profit EUR 34.1 million
- The volume of loans grew by EUR 355 million
- Deposits increased by 257 million euros in the quarter
- The number of customers increased by 11 thousand in the quarter



EUR million	Q3 2024	Q2 2024	Change %	Q3 2023	Change %	From the beginning of 2024	From the beginning of 2023	Change %
Net interest income	59.99	59.99	0%	59.90	0%	180.30	168.89	7%
Net fee and commission income	8.74	8.74	6%	5.72	53%	24.84	18.78	32%
Other financial income	0.65	0.65	NA	-0.46	NA	0.85	0.28	203%
Total net operating income	69.38	69.38	2%	65.16	6%	206.00	187.95	10%
Other income	0.39	0.39	-42%	0.33	18%	1.34	0.57	133%
Operating expenses	-22.83	-22.83	-2%	-20.50	11%	-68.85	-62.36	10%
Loan and bond portfolio gains/(-losses)	-7.09	-7.09	46%	-2.77	156%	-14.76	-1.78	728%
Income tax expenses	-5.74	-5.74	-2%	-6.19	-7%	-17.98	-16.59	8%
Net profit	34.10	34.10	-2%	36.03	-5%	105.75	107.80	-2%
Loan portfolio	3 904	3 744	4%	3 452	13%			
Financial investments	245	143	71%	257	-5%			
Deposits of customers incl. deposits of financial entities	5 716	5 459	5%	5 256	9%			
Subordinated liabilities	114	114	7%	114	14%			
Equity	562	527	3%	495	9%			

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).

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.

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%).

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.

The corporate credit portfolio, which includes loans and guarantees, grew EUR 400.9 million over the year (+21%) with a quarter-over-quarter growth of EUR 106.7 million (+5%). Loans granted to companies in the sector of real estate related activities were the largest source of growth, growing by EUR 158.3 million (+22%) in a year. Next came loans to companies in the construction sector, which grew EUR 71.5 million from the year before (+155%) and loans issued to companies in the transport and warehousing sector, which grew EUR 47.8 million (+360%) over the year.

Compared to Q2 2024, the portfolio growth was most influenced by the sector engaged in real estate activities (quarterly growth EUR 34.7 million; +4%), followed by the construction sector (EUR 28.3 million; +32%) and the administrative and support activities sector (EUR 14.7 million; +20%).

The majority of corporate loans were granted to the real estate sector, which makes up 39% of the Bank's corporate loan

portfolio. Of real estate loans, the principal part was issued to projects with high-quality rental streams, with real estate developments making up a much smaller share. Most of the financed real estate developments are located in Tallinn, while projects located in other major Estonian cities and in the vicinity of Tallinn made up about 26% of development projects. LHV's market share of new development financing in Tallinn made up about one-third by estimate at the end of Q3 2024. The LHV real estate development portfolio is well-positioned in case market trends should change – the financed developments are in good locations and the risk to planned sales price ratio averages 56%.

After the real estate sector, the largest amount of credit has been issued to companies in the power, gas, steam and conditioned air sector (9%) and to manufacturing industry companies (8%). Of sectors that usually run a higher credit risk, construction makes up 5%, transport and warehousing 3% and HoReCa 2% of the total volume of the portfolio.

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.

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.

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.

Overview of LHV Bank Limited

In Q3, the bank continued to actively grow its business volumes. Deposits grew more than 40% during the quarter and the loan portfolio saw over 50% growth for the second quarter in a row. Deposits grew from EUR 189 million to EUR 635 million. By the end of the quarter, the bank had almost 10,000 depositors. Deposits are attracted from three deposit platforms, with interest rates adjusted on the deposits as needed to optimize the interest expenses incurred. On 1 August the Bank of England cut the reference interest rate by 0.25% to 5.00%, resulting in the bank's interest rates and financing expenses falling as well.

Loans grew by EUR 76 million to EUR 223 million during the quarter. Loans approved by the Credit Committee but yet to be issued stood at EUR 150 million at the end of the quarter. The quality of the loan portfolio was strong, and no borrowers were in arrears as of the end of the quarter. In Q3, the focus was on expanding the network of loan brokers and team-building. The bank now has partnership agreements with over 50 loan brokers. By the quarter's end, the whole team was together – loan managers and support functions in both London and Manchester.

Business volumes of payments of financial intermediary clients stayed at the same level as last quarter. The volumes of deposits, which dropped in Q2, recovered to some degree but remained lower than planned. The reason for the lower deposits was tougher competition in competitors' pricing of deposits and the fact that the bank had a more conservative risk appetite than competitors in servicing some clients.

Net profit for the quarter was EUR 0.6 million. The quarterly profitability result fell short of the target due to the slow growth in

the loan portfolio in the beginning of the year; which led to slower growth of interest income, and the decrease in financial intermediaries' deposits and greater volatility, which led to lower than planned interest income. The "other expenses" outperformed expectations due to the introduction of the mobile bank for retail banking clients. A few major one-time expenses also occurred in Q3. Overall, "other expenses" at the nine-month mark were less than last year in the same period.

Work continued on developing the new retail banking services, mobile bank and website. In early October, the mobile bank was opened for LHV staff for testing, the first accounts were opened and the first payments made. The public opening of the mobile bank will take place a few months from now depending on the results of the in-house testing. Direct debiting and cards are planned to be ready in Q1 2025.

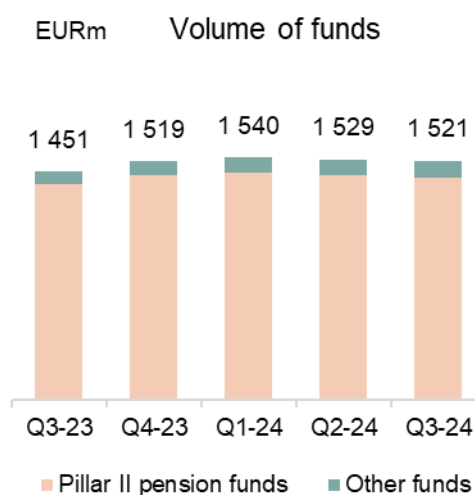
In early July, the bank joined the SEPA system of ordinary payments. Preparations for accession proved more time-consuming than planned and the accession window planned for December will actually be realized in April 2025.

In Q3, supervisory authorities published several policy statements on the implementation of Basel 3.1 standards and the implementation date was postponed to 1 January 2026. The bank is engaged in conducting impact analysis of the new rules.

EUR million	Q3 2024	Q2 2024	change %
Net interest income	7.21	9.63	-25%
Net fee and commission income	2.23	2.44	-9%
Other financial income	-0.06	-0.03	100%
Total net operating income	9.38	12.04	-22%
Other income	0.00	0.00	NA
Operating expenses	-10.0	-9.82	2%
Loan and bond portfolio gains/(-losses)	-0.18	-0.19	-5%
Income tax expenses	0.2	-1.09	NA
Net profit	0.6	0.94	-36%
Loan portfolio	222.7	146.8	52%
Deposits of customers	635.3	446.2	42%
Equity	84.4	83.8	1%

Overview of AS LHV Varahaldus

- Net profit for Q2 was EUR 0.6 million
- Number of active second-pillar clients at the end of the quarter –116 thousand
- Volume of assets in second-pillar funds by the end of the September – EUR 1 413 million
- Volume of third-pillar assets exceeded EUR 100 million



EUR million	Q3 2024	Q2 2024	Change %	Q3 2023	Change %	From the beginning of 2024	From the beginning of 2023	Change %
Net fee and commission income	2.25	2.24	0%	2.26	0%	6.68	6.60	1%
Net financial income	0.11	0.17	-35%	-0.03	NA	0.50	0.15	233%
Operating expenses	-1.46	-1.37	7%	-1.26	16%	-4.29	-4.03	6%
Depreciation of non-current assets	-0.32	-0.30	7%	-0.37	-14%	-0.99	-1.12	-12%
Profit	0.58	0.74	-22%	0.60	-3%	1.90	1.60	19%
Financial investments	6.0	6.0	0%	8.0	-25%			
Equity	19.0	19.0	0%	22.0	-14%			
Assets under management	1 521.0	1 529.0	-1%	1 451.0	5%			

In Q3, the operating income of LHV Varahaldus amounted to EUR 2.3 million and the net profit was EUR 0.6 million. Operating income largely corresponds to what was expected at the beginning of the year, while operating expenses were influenced by one-time personnel expenses at the beginning of the quarter. Profitability has been positively influenced by a good yield of major funds that also continued in the past quarter and the resulting financial income earned from a growth in the value of own shares. The financial plan that was updated in September did not have an extensive impact on the forecasts of LHV Varahaldus.

Compared to the first half of the year, Q3 was considerably more restless in equity markets. The major equity markets ended the quarter at new peaks, but a sudden drop of a few days was seen in the markets at the beginning of both August and September, followed by a quick recovery. The long-awaited reduction of the US base interest by 50 base points also took place in Q3, but the future trend on the backdrop of a strong economy remains unclear. Measured in euros, the values of MSCI World and SP500

grew by 2.1% and 1.4%, respectively. The dollar weakened towards the euro by 3.8% during the quarter.

All LHV's pension funds showed a positive yield in the past quarter. The values of M, L and XL shares grew by 1.8%, 1.2% and 2.2%, respectively. Pension fund Roheline grew by 1.9% and the three-month yield of pension fund Indeks was 1.9%. The conservative funds S and XS rose by 2.8% and 2.5%, respectively. In the largest funds of L and XL, the yield was positively influenced mainly by investments related to precious metals, while the quarter was weaker for other listed assets contained in the portfolio, both shares and bonds.

The number of LHV's active second-pillar clients at the quarter's end was more than 116 thousand, having dropped by nearly two thousand in the three months. The drop was mainly caused by clients who left the second pillar at the beginning of September, but the sales figures have also been more modest. The rate of clients leaving the second pillar remains lower compared to previous periods, with the four-month window of applications for

leaving the second pillar that ended in July bringing a smaller-than-before number of exiting clients. The volume of assets managed by LHV Varahaldus was EUR 1,521 million by the end of the quarter. Clients also continue actively increasing the second pillar payments – by the end of September, 7,700 LHV pension fund clients had submitted the respective application.

Long-term Management Board member and fund manager of LHV Varahaldus, Joel Kukemelk left his position on 31 July and the Management Board now has two members since August. Erko Rebane with his long-standing experience became the portfolio manager responsible for index funds, and Jani Mäenpää

became the portfolio manager of pension funds Roheline and Roheline III.

The portfolio of all actively managed funds and distribution of asset classes largely correspond to the long-term goal, where M, L and XL portfolios are mainly invested in unlisted asset classes less dependent on stock markets. We keep a close eye on developments on the stock market and are prepared to quickly adjust our positions depending on the conditions. We also devote extra attention to liquidity to ensure capability to more aggressively invest and naturally make disbursements to customers if they change or exit funds.

Overview of AS LHV Kindlustus

The Q2 2024 sales results of AS LHV Kindlustus decreased from the The Q3 2024 sales results of AS LHV Kindlustus decreased from the previous quarter, largely due to competitors' price changes and the seasonal low consumer activity. Of insurance products, the results were the best in home and travel insurance – the sales figures of both products have exceeded the financial plan throughout 2024. The results of all-risks and motor TPL were largely influenced by competitors whose price changes reduced LHV's sales volumes a little. In August, we also applied some changes in the pricing of all-risks insurance in order to better adapt to market developments. The volume of insurance premiums from the health insurance product solution marketed in cooperation with Confido was EUR 1,709 thousand in Q3. The number of insurance contracts continues its slow but stable growth. As at the end of Q3, the company exceeded the main goals of the 2024 financial plan.

In the development of information systems, several important updates were completed in the claims adjustment programme and in the data warehouse created to improve the company's analytical capability. The development of both systems continues in Q4 2024. A great focus continues to be on improving cooperation and making processes more efficient with other LHV Group companies. The improvement and updating of several insurance terms and conditions commenced in Q3. All the amendments to the terms and conditions will be approved by the Management Board of the company and will enter into force at the beginning of Q4 2024.

As at 30 September 2024, LHV Kindlustus had 245 thousand valid insurance contracts and 169 thousand clients. Both indicators grew from the previous quarter.

The volume of gross insurance premiums was EUR 8,452 thousand and the net earned insurance premiums totalled EUR 7,985 thousand in Q3. The proportions of the products in the insurance portfolio remained the same as in the previous quarter.

During Q3, 24,729 new loss events were registered, and claims adjustment was completed in the case of 24,753 incidents. As at the end of the quarter, a total of 2,818 claim files were open. The net losses incurred in the period together with indirect claims adjustment costs were EUR 5,322 thousand.

The quarterly loss frequency of insurance products corresponded to the financial plan. There were a few major loss events. Of insurance products, the gross loss ratios were good in home and travel insurance. The company's profit in Q3 was EUR 452 thousand. Cumulatively, we are exceeding the 2024 profitability objectives. The volume of the company's operating expenses as at 30 September 2024 was below the planned level.

EUR thousand	Q3 2024	Q2 2024	Change %	Q3 2023	Change %
Gross insurance premiums	8 452	8 963	6%	7 525	19%
Net earned insurance premiums	7 985	7 564	-5%	6 335	19%
Net losses incurred	-5 322	-4 767	-10%	-4 108	16%
Total net operating expenses	-2 304	-2 411	5%	-1 930	25%
Underwriting result	359	385	7%	298	29%
Net profit	452	428	-5%	299	43%

As of the end of Q3, LHV Kindlustus employed 55 people.

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		112 493	330 498	92 119	235 908
Interest expense		-45 066	-123 728	-23 978	-49 759
Net interest income	9	67 427	206 770	68 141	186 149
Fee and commission income		21 808	62 974	18 493	51 287
Fee and commission expense		-5 488	-14 849	-4 876	-13 441
Net fee and commission income	10	16 320	48 125	13 617	37 846
Net gains/losses from financial assets measured at fair value		103	678	-564	-1 214
Foreign exchange gains/losses		695	619	-25	1 463
Net gain/loss from financial assets		798	1 297	-589	249
Other income		359	1 430	319	546
Other expense		-4	-19	-8	-25
Staff costs		-20 166	-61 549	-16 309	-47 827
Administrative and other operating expenses		-17 079	-48 811	-16 498	-48 642
Profit before impairment losses on loans and advances		47 655	147 243	48 673	128 296
Change in financial investments		0	0	0	-180
Impairment losses on financial instruments	21	-7 276	-15 170	-2 883	-1 929
Income tax expense		-5 682	-18 088	-6 314	-18 017
Net profit for the reporting period	2	34 697	113 985	39 476	108 170

Other comprehensive income/loss:

Items that may be reclassified subsequently to profit or loss:

Unrealized exchange differences arising on the translation of the financial statements of foreign operations		1 094	2 821	-221	894
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Total profit and other comprehensive income for the reporting period		35 791	116 806	39 255	109 064
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Total profit of the reporting period attributable to:

Owners of the parent		34 385	113 215	39 058	107 065
Non-controlling interest		312	770	418	1 105

Total profit for the reporting period	2	34 697	113 985	39 476	108 170
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Total profit and other comprehensive income attributable to:

Owners of the parent		35 479	116 036	38 837	107 959
Non-controlling interest		312	770	418	1 105

Total profit and other comprehensive income for the reporting period		35 791	116 806	39 255	109 064
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Basic earnings per share (in euros)	16	0.11	0.35	0.12	0.34
Diluted earnings per share (in euros)	16	0.10	0.35	0.12	0.33

The Notes on pages 25 to 41 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

<i>(in thousands of euros)</i>	Note	30.09.2024	31.12.2023
Assets			
Due from central bank	4, 5, 6, 12	3 224 974	3 052 890
Cash and cash equivalents	4, 5, 6, 12	141 770	52 145
Due from investment companies	4, 6, 12	7 671	12 509
Due from credit institutions		1 600	1 850
Financial assets at fair value through profit or loss	4, 6, 7	21 835	18 453
Investments in debt securities at amortised cost	7	238 098	321 888
Loans and advances to customers	4, 6, 8, 21	4 126 235	3 561 791
Receivables from customers		10 598	49 505
Other financial assets		280	273
Other assets		6 162	8 184
Financial investment		1 000	1 000
Property and equipment	19	17 969	22 109
Intangible assets	19	13 008	13 843
Goodwill		9 148	9 150
Total assets	2	7 820 348	7 125 590
Liabilities			
Deposits of customers	13	6 286 360	5 731 005
Loans received and debt securities in issue	13	679 551	563 728
Financial liabilities at fair value through profit or loss	7	1 172	1 843
Accounts payable and other liabilities	14	107 433	145 995
Subordinated debt	6, 20	106 079	126 653
Total liabilities	2	7 180 595	6 569 224
Owner's equity			
Share capital		32 419	31 983
Share premium		146 958	143 372
Statutory reserve capital		4 713	4 713
Other reserves		13 683	9 333
Retained earnings		433 974	359 029
Total equity attributable to owners of the parent		631 747	548 430
Non-controlling interest		8 006	7 936
Total equity		639 753	556 366
Total liabilities and equity		7 820 348	7 125 590

The Notes on pages 25 to 41 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

<i>(in thousands of euros)</i>	Note	Q3 2024	9M 2024	Q3 2023	9M 2023
Cash flows from operating activities					
Interest received		114 020	332 642	89 996	230 897
Interest paid		-45 126	-103 322	-15 188	-30 780
Fees and commissions received		21 904	63 101	18 456	51 302
Fees and commissions paid		-5 509	-14 880	-4 877	-13 442
Other income received		289	1 032	189	-183
Staff costs paid		-19 391	-56 562	-15 383	-43 588
Administrative and other operating expenses paid		-17 237	-40 825	-13 672	-40 467
Income tax paid		-11 917	-23 996	-5 188	-17 557
Cash flows from operating activities before change in operating assets and liabilities		37 033	157 190	54 333	136 182
Net increase/decrease in operating assets:					
Net increase/(decrease) in financial assets at fair value through profit or loss		1 538	346	-3 050	-3 652
Loans and advances to customers		-238 570	-570 296	-128 087	-162 690
Mandatory reserve at central bank		-2 547	-1 694	-2 231	-4 156
Security deposits		0	0	24	24
Other assets		-2 582	-4 126	-6 199	-20 397
Net changes of investment securities at fair value through profit or loss and of investment securities at amortized cost		-105 218	80 741	101 538	105 974
Deposits with more than 3 months maturity		0	250	0	0
Net increase/decrease in operating liabilities:					
Demand deposits of customers		110 442	18 610	-190 784	-831 965
Term deposits of customers		388 679	515 954	436 714	1 232 944
Financial liabilities held for trading at fair value through profit and loss		1 130	-671	-123	-3 415
Other liabilities		23 828	9 887	6 513	34 381
Net cash generated from/used in operating activities		213 733	186 417	268 648	483 230
Cash flows from investing activities					
Purchase of non-current assets		-1 560	-4 040	-1 375	-6 797
Net cash flows from/used in investing activities		-1 560	-4 040	-1 375	-6 797
Cash flows from financing activities					
Paid in share capital (incl. share premium)		0	4 021	0	2 627
Dividends paid		0	-42 278	0	-13 842
Loans received		0	300 000	35 000	53 631
Prepayments of loans received		-62 830	-200 000	-49 864	-147 520
Repayments of the principal of lease liabilities		674	-1 640	-533	-1 484
Net cash flows from/used in financing activities		-62 156	60 103	-15 398	-106 588
Effect of exchange rate changes on cash and cash equivalents	6	6 004	12 697	-251	1 675
Net increase/decrease in cash and cash equivalents		156 021	255 177	251 624	371 520
Cash and cash equivalents at the beginning of the period		3 160 801	3 061 645	2 553 495	2 433 599
Cash and cash equivalents at the end of the period	12	3 316 822	3 316 822	2 805 119	2 805 119

The Notes on pages 25 to 41 are an integral part of the condensed consolidated interim financial statements

Condensed Consolidated Interim Statement of Changes in Equity

<i>(in thousands of euros)</i>	Share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings	Total equity attributable to owners of LHV Group	Non-controlling interest	Total equity
Balance as at 01.01.2023	31 542	141 186	4 713	5 683	229 817	412 941	7 908	420 849
Paid in share capital	441	2 186	0	0	0	2 627	0	2 627
Dividends paid	0	0	0	0	-12 617	-12 617	-1 225	-13 842
Change in accounting methods	0	0	0	0	-153	-153	-83	-236
Share options	0	0	0	1 405	2 379	3 784	0	3 784
<i>Profit for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>107 065</i>	<i>107 065</i>	<i>1 105</i>	<i>108 170</i>
<i>Other comprehensive income/loss</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>894</i>	<i>0</i>	<i>894</i>	<i>0</i>	<i>894</i>
Total profit and other comprehensive income for the reporting period	0	0	0	894	107 065	107 959	1 105	109 064
Balance as at 30.09.2023	31 983	143 372	4 713	7 982	326 492	514 542	7 705	522 246
Balance as at 01.01.2024	31 983	143 372	4 713	9 333	359 029	548 430	7 936	556 366
Paid in share capital	436	3 586	0	0	0	4 022	0	4 022
Dividends paid	0	0	0	0	-41 578	0	-700	-42 278
Share options	0	0	0	1 529	3 308	4 837	0	4 837
<i>Profit for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>113 215</i>	<i>113 215</i>	<i>770</i>	<i>113 985</i>
<i>Other comprehensive income/loss</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2 821</i>	<i>0</i>	<i>2 821</i>	<i>0</i>	<i>2 821</i>
Total profit and other comprehensive income for the reporting period	0	0	0	2 821	113 215	116 036	770	116 806
Balance as at 30.09.2024	32 419	146 958	4 713	13 683	433 974	631 747	8 006	639 753

The Notes on pages 25 to 41 are an integral part of the condensed consolidated interim financial statements

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 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), LHV Bank Ltd (100% interest), AS LHV Paytech (100% interest) and AS LHV Finance (65% interest) and AS LHV Kindlustus (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	-13 672	-431	-14 103
Cash flow from operating activities before change in operating assets and liabilities	54 333	-431	53 902
Net change in debt and equity securities	0	101 538	101 538
Other liabilities	6 513	431	6 944
Net cash generated from/used in operating activities	117 246	151 402	268 648
Net change in debt and equity securities	101 538	-101 538	0
Net cash flow from/used in investing activities	100 163	101 538	-1 375
	9M 2023	Increase/(Decrease)	9M 2023 restated
Administrative and other operating expenses paid	-40 467	-1 276	-41 743
Cash flow from operating activities before change in operating assets and liabilities	136 182	-1 276	134 906
Net change in debt and equity securities	0	105 974	105 974
Other liabilities	34 381	1 276	35 637
Net cash generated from/used in operating activities	229 736	253 494	483 230
Net change in debt and equity securities	105 974	-105 974	0
Net cash flow from/used in investing activities	99 177	-105 974	-6 797

NOTE 2 Business Segments

The Group divides its business activities into segments according to its legal structure, except LHV Pank divides its business activities by 3 main segments: retail banking, corporate banking and financial intermediates. Financial intermediates segment also includes the fee sharing on the basis of the cooperation agreement concluded with LHV Bank Ltd. The 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.

	Retail banking	Corporate banking	Asset management	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	LHV Bank	Other activities	Eliminations	Total
Q3 2024										
Interest income	24 579	43 651	16	3 756	-3 473	104	13 524	41 738	-11 402	112 493
Interest expense	-13 609	-17 230	0	-1 917	-2 697	-75	-6 311	-14 629	11 402	-45 066
Intrabank interest income/-expense	16 879	-2 420	0	2	9 324	0	0	-23 785	0	0
Net interest income	27 849	24 001	16	1 841	3 154	29	7 213	3 324	0	67 427
Fee and commission income	8 278	4 799	2 251	221	1 199	1 578	2 868	2 135	-1 521	21 808
Fee and commission expense	-4 607	-1 236	0	-190	-244	-20	-638	-3	1 450	-5 488
Net fee and commission income	3 671	3 563	2 251	32	954	1 558	2 230	2 132	-71	16 320
Other income	3	358	0	0	0	-6	-2	24	-23	355
Net gains/(-losses) from financial assets	0	0	96	0	-1	120	-66	649	0	798
Administrative and other operating expenses, staff costs	-11 251	-7 170	-1 780	-997	-2 252	-1 249	-9 992	-2 648	94	-37 245
Operating profit	20 273	20 752	583	876	1 856	452	-617	3 481	0	47 655
Impairment losses on loans and advances	-95	-6 278	0	-695	0	0	-184	-25		-7 276
Income tax	-2 666	-2 113	0	0	-542	0	200	-158	-402	-5 682
Net profit	17 512	12 360	583	181	1 314	452	-601	3 298	-403	34 697

	Retail banking	Corporate banking	Asset management	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	LHV Bank	Other activities	Eliminations	Total
9M 2024										
Interest income	72 931	127 786	89	11 324	-15 412	427	39 197	125 212	-31 056	330 498
Interest expense	-39 549	-49 294	0	-5 813	-7 714	-215	-13 560	-20 111	12 528	-123 728

Intrabank interest income/-expense	48 778	-6 232	0	6	30 578	0	0	-73 130	0	0
Net interest income	82 161	72 260	89	5 517	7 452	212	25 637	31 970	-18 528	206 770
Fee and commission income	24 634	12 019	6 673	664	3 270	4 837	8 845	6 741	-4 709	62 974
Fee and commission expense	-13 235	-3 155	0	-556	-735	-48	-1 611	-17	4 508	-14 849
Net fee and commission income	11 399	8 865	6 673	108	2 535	4 789	7 234	6 724	-201	48 125
Other income	3	1 200	0	0	0	-14	155	136	-70	1 411
Net gains/(-losses) from financial assets	-36	-1	423	0	-2	158	-132	83 387	-82 500	1 297
Administrative and other operating expenses, staff costs	-33 542	-22 044	-5 278	-2 828	-6 944	-4 015	-28 202	-7 778	271	-110 360
Operating profit	59 985	60 280	1 907	2 798	3 041	1 130	4 692	114 440	-101 029	147 243
Impairment gains/(-losses) on loans and bond portfolio	-484	-12 309	0	-2 611	0	0	-413	648	0	-15 170
Income tax	-7 683	-6 742	-800	-566	-1 833	0	926	-1 046	-343	-18 088
Net profit	51 817	41 228	1 107	-380	1 208	1 130	5 205	114 042	-101 372	113 985
Total assets 30.09.2024	2 912 702	4 025 400	19 931	87 400	4	25 282	727 430	885 344	-863 146	7 820 348
Total liabilities 30.09.2024	3 629 531	1 802 808	567	69 541	1 031 831	18 875	642 997	587 302	-602 857	7 180 595

Q3 2023	Retail banking	Corporate banking	Asset management	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	LHV UK	Other activities	Eliminations	Total
Interest income	23 255	34 759	18	3 965	-7 408	95	10 725	33 649	-6 938	92 119
Interest expense	-10 568	-6 201	0	-1 711	-1 917	-45	-1 636	-8 837	6 938	-23 978
Intrabank interest income/-expense	20 701	-8 465	0	2	9 573	0	0	-21 811	0	0
Net interest income	33 388	20 092	18	2 255	248	50	9 089	3 001	0	68 141
Fee and commission income	9 071	1 717	2 257	236	565	1 489	2 748	1 563	-1 152	18 493
Fee and commission expense	-4 927	-934	0	-180	147	0	-45	-31	1 093	-4 876
Net fee and commission income	4 144	783	2 257	56	712	1 489	2 703	1 532	-59	13 617
Other income	-8	254	0	0	0	-3	0	83	-15	311

Net gains/(-losses) from financial assets	-2	0	-31	0	-1	-72	-13	-470	0	-589
Administrative and other operating expenses, staff costs	-10 669	-4 889	-1 640	-765	-4 166	-1 165	-8 503	-1 084	75	-32 807
Operating profit	26 852	16 240	604	1 547	-3 207	299	3 276	3 062	0	48 673
Impairment gains/(-losses) on loans and bond portfolio	-273	-1 062	0	-804	0	0	-110	-634	0	-2 883
Income tax	-3 210	-1 735	0	-160	-693	0	0	-301	-216	-6 314
Net profit	23 369	13 443	604	584	-3 900	299	3 166	2 127	-216	39 476

9M 2023	Retail banking	Corporate banking	Asset management	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	UK LHV	Other activities	Eliminations	Total
Interest income	61 365	93 825	19	11 626	-16 090	201	21 312	81 216	-17 565	235 908
Interest expense	-21 541	-13 723	0	-4 397	-4 147	-107	-2 041	-21 367	17 565	-49 759
Intrabank interest income/-expense	53 614	-24 828	0	3	25 898	0	0	-54 688	0	0
Net interest income	93 437	55 274	19	7 232	5 660	94	19 271	5 161	0	186 149
Fee and commission income	25 084	4 663	6 593	715	4 832	3 301	5 725	3 751	-3 377	51 287
Fee and commission expense	-13 526	-2 400	0	-578	20	0	-114	-54	3 210	-13 441
Net fee and commission income	11 559	2 263	6 593	137	4 852	3 301	5 611	3 698	-167	37 846
Other income	-7	444	0	0	0	-9	0	139	-46	521
Net gains/(-losses) from financial assets	19	0	147	0	0	-88	-80	7 802	-7 550	249
Administrative and other operating expenses, staff costs	-30 851	-14 037	-5 159	-2 709	-11 101	-3 415	-22 425	-6 982	211	-96 469
Operating profit	74 157	43 944	1 600	4 661	-590	-117	2 377	9 819	-7 553	128 296
Impairment losses on loans and advances	-206	2 040	0	-2 507	0	0	-145	-1 293	0	-2 109
Income tax	-7 396	-5 739	-488	-512	-1 293	0	0	-1 678	-911	-18 017
Net profit	66 555	40 246	1 112	1 642	-1 883	-117	2 232	6 848	-8 464	108 170
Total assets 30.09.2023	2 665 140	3 250 120	22 506	95 962	0	47 904	337 557	946 946	774 965	6 591 170
Total liabilities 30.09.2023	4 063 048	674 215	700	77 966	1 008 882	43 081	286 957	461 552	547 477	6 068 924

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 2023. There have been no major changes in the risk management department or in any risk management policies since the year end.

To reduce liquidity risk, LHV Pank has issued mortgage bonds and involved funds from deposit platforms.

The escalated conflict in Ukraine in early 2022, did not have direct impact to LHV credit portfolio, because of historical restrictive

lending to customers exposed to risks outside EU. However, changed environment needs to be considered, when issuing credits both to corporates and retail clients going forward.

The Estonian economy has been in recession for 3 years. So far, the cooling economy has had no significant negative impact on the credit portfolio quality. LHV is continuously monitoring credit portfolio quality and is in close dialog with customers, so that in case of a need, potential risks could be mitigated.

NOTE 4 Breakdown of Financial Assets and Liabilities by Countries

30.09.2024	Estonia	Germany	Other EU	USA	UK	Other	Total
Due from banks and investment companies	2 594 744	0	271 611	18 236	490 547	877	3 376 015
Financial assets at fair value	8 193	612	12 602	19	402	7	21 835
Financial assets at amortized cost	159 746	0	78 352	0	0	0	238 098
Loans and advances to customers	3 864 181	1 269	31 214	669	223 474	5 428	4 126 235
Receivables from customers	10 598	0	0	0	0	0	10 598
Other financial assets	180	0	0	100	0	0	280
Total financial assets	6 637 642	1 881	393 779	19 024	714 423	6 312	7 773 061
Deposits of customers	4 470 949	26 177	1 018 324	40 743	374 342	355 825	6 286 360
Loans received and debt securities in issue	0	0	679 551	0	0	0	679 551
Subordinated debt	106 079	0	0	0	0	0	106 079
Financial liabilities at fair value	1 172	0	0	0	0	0	1 172
Accounts payable and other financial liabilities	87 908	0	0	0	0	0	87 908
Total financial liabilities	4 666 108	26 177	1 697 875	40 743	374 342	355 825	7 161 070

Unused loan commitments in the amount of EUR 558 333 thousand are for the residents of Estonia.

31.12.2023	Estonia	Germany	Other EU	USA	UK	Other	Total
Due from banks and investment companies	2 444 445	0	367 348	27 363	280 092	146	3 119 394
Financial assets at fair value	8 998	6	9 140	303	1	5	18 453
Financial assets at amortized cost	166 205	0	155 683	0	0	0	321 888
Loans and advances to customers	3 448 545	845	25 917	560	80 913	5 011	3 561 791
Receivables from customers	49 505	0	0	0	0	0	49 505
Other financial assets	173	0	0	100	0	0	273
Total financial assets	6 117 871	851	558 088	28 326	361 006	5 162	7 071 304
Deposits of customers	4 028 335	132 432	1 023 330	72 933	372 131	101 844	5 731 005
Loans received and debt securities in issue	0	0	563 728	0	0	0	563 728
Subordinated debt	126 653	0	0	0	0	0	126 653
Financial liabilities at fair value	1 843	0	0	0	0	0	1 843
Accounts payable and other financial liabilities	128 456	0	0	0	0	0	128 456
Total financial liabilities	4 285 287	132 432	1 587 058	72 933	372 131	101 844	6 551 685

Unused loan commitments in the amount of EUR 495 653 thousand are for the residents of Estonia.

NOTE 5 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	3 785 852	1 078 305	1 417 084	21 073	381	6 302 695
Loans received and debt securities in issue	0	9 068	267 328	468 853	0	745 249
Subordinated debt	0	2 325	56 619	70 750	0	129 694
Lease liability	0	10 252	0	0	0	10 252
Accounts payable and other financial liabilities (excluding lease liability)	0	77 656	0	0	0	77 656
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	4 344 185	1 240 278	1 741 031	560 676	381	7 886 551
Financial assets by contractual maturity dates						
Due from central bank, banks and investment companies	3 374 415	0	1 600	0	0	3 376 015
Financial assets at fair value and at amortised cost (debt securities)	0	5 831	166 404	79 234	1 044	252 513
Loans and advances to customers	0	240 717	705 435	2 911 064	1 977 785	5 835 001
Receivables from customers	0	10 598	0	0	0	10 598
Other financial assets	280	0	0	0	0	280
Total financial assets	3 374 695	257 146	873 439	2 990 298	1 978 829	9 474 407
Maturity gap from financial assets and liabilities	-969 490	-983 132	-867 592	2 429 622	1 978 448	1 587 856
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	3 789 133	578 393	1 328 891	70 035	339	5 766 791
Loans received and debt securities in issue	0	318	211 703	379 056	0	591 077
Subordinated debt	0	1 806	28 809	127 368	0	157 983
Accounts payable and other financial liabilities (excluding lease liability)	0	128 456	0	0	0	128 456
Unused loan commitments	0	495 653	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	3 789 133	1 261 530	1 569 403	576 459	339	7 196 864
Financial assets by contractual maturity dates						
Due from central bank, banks and investment companies	3 117 544	0	1 850	0	0	3 119 394
Financial assets at fair value and at amortised cost (debt securities)	0	98 658	153 577	79 856	1 380	333 471
Loans and advances to customers	0	234 191	542 038	2 641 711	1 692 834	5 110 774

Receivables from customers	0	49 505	0	0	0	49 505
Other financial assets	273	0	0	0	0	273
Total financial assets	3 117 817	382 354	697 465	2 721 567	1 694 214	8 613 417
Maturity gap from financial assets and liabilities	-671 316	-879 176	-871 938	2 145 108	1 693 875	1 416 553

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 6 Open Foreign Currency Positions

30.09.2024	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	2 857 675	2 705	498 629	1 228	8 660	7 119	3 376 015
Financial assets at fair value and at amortised cost	254 214	1	1	5 692	23	2	259 933
Loans and advances to customers	3 896 363	18	222 875	209	6 522	248	4 126 235
Receivables from customers	8 694	1	1 664	-103	4 269	-3 927	10 598
Other financial assets	100	0	180	0	0	0	280
Total assets bearing currency risk	7 017 047	2 724	723 350	7 026	19 473	3 441	7 773 061
Liabilities bearing currency risk							
Deposits from customers	5 483 609	7 544	639 189	7 137	138 362	10 520	6 286 360
Loans received and bonds issued	679 551	0	0	0	0	0	679 551
Financial liabilities at fair value	1 172	0	0	0	0	0	1 172
Accounts payable and other financial liabilities	72 296	106	7 547	658	7 212	89	87 908
Subordinated debt	106 079	0	0	0	0	0	106 079
Total liabilities bearing currency risk	6 342 707	7 650	646 735	7 795	145 574	10 608	7 161 070
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	535 156	53	76 614	28	-630	770	611 991

31.12.2023	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	2 810 963	1 047	283 486	1 480	13 570	8 849	3 119 394
Financial assets at fair value and at amortised cost	334 032	1	0	6 275	31	2	340 341
Loans and advances to customers	3 473 113	23	79 674	189	8 676	116	3 561 791
Receivables from customers	47 706	0	1 494	168	1 822	-1 685	49 505
Other financial assets	100	0	173	0	0	0	273
Total assets bearing currency risk	6 665 914	1 071	364 827	8 112	24 099	7 281	7 071 304
Liabilities bearing currency risk							
Deposits from customers	5 296 501	9 494	255 272	8 867	151 070	9 801	5 731 005
Loans received and bond issued	563 728	0	0	0	0	0	563 728
Financial liabilities at fair value	1 843	0	0	0	0	0	1 843
Accounts payable and other financial liabilities	107 544	30	11 775	479	6 597	2 031	128 456
Subordinated debt	126 653	0	0	0	0	0	126 653
Total liabilities bearing currency risk	6 096 269	9 524	267 047	9 346	157 667	11 832	6 551 685
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	475 427	-94	43 601	100	-497	1 082	519 619
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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:

	IFRS 9 measurement	Level 1	Level 2	Level 3	Total
30.09.2024					
Cash and balances with central bank	AC	0	3 167 381	0	3 167 381
Due from banks and investment companies	AC	0	151 041	0	151 041
Debt securities	FVTPL	14 646	0	0	14 646
Debt securities	AC	0	238 098	0	238 098
Loans and advances to customers	AC	0	0	4 126 235	4 126 235
Receivables from customers	AC	0	10 598	0	10 598
Derivatives	FVTPL	0	311	0	311
Other financial assets	AC	0	0	100	100
Total assets		14 646	3 567 429	4 126 335	7 708 410
Deposits from customers	AC	0	6 286 360	0	6 286 360
Loans received and debt securities in issue	AC	0	679 551	0	679 551
Subordinated debt	AC	0	106 079	0	106 079
Derivatives	FVTPL	0	1 172	0	1 172
Accounts payable and other liabilities	AC	0	0	87 908	87 908
Total liabilities		0	7 073 162	87 908	7 161 070
31.12.2023					
Cash and balances with central bank	AC	0	3 068 078	0	3 068 078
Due from banks and investment companies	AC	0	51 316	0	51 316
Debt securities	FVTPL	11 927	0	0	11 927
Debt securities	AC	0	321 888	0	321 888
Loans and advances to customers	AC	0	0	3 561 791	3 561 791
Receivables from customers	AC	0	49 505	0	49 505
Derivatives	FVTPL	0	301	0	301
Other financial assets	AC	0	0	273	273
Total assets		11 927	3 491 088	3 562 064	7 065 079
Deposits from customers	AC	0	5 731 005	0	5 731 005
Loans received and debt securities in issue	AC	0	563 728	0	563 728
Subordinated debt	AC	0	126 653	0	126 653
Derivatives	FVTPL	0	1 843	0	1 843
Accounts payable and other liabilities	AC	0	0	128 456	128 456
Total liabilities		0	6 423 229	128 456	6 551 685

As of September 30, 2024, the liquidity portfolio 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 total amount of EUR 26 thousand. The estimated market value of the securities recorded in the amortised cost as of September 30, 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

As at 30.09.2024 the fair value of corporate loans and overdraft is EUR 105 406 thousand (4.46%) higher than their carrying amount (31.12.2023: 78 899 thousand, 3.90% higher). Loans are issued

in the bank's business segments on market conditions. Therefore, the fair value of retail 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.

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 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 majority of the customer deposits include demand deposits. 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.

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

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.

NOTE 8 Breakdown of Loan Portfolio by Economic Sectors and by Stages

30.09.2024	Stage 1	Stage 2	Stage 3	Provision	Total	%
Individuals	1 364 064	205 735	7 248	-8 193	1 568 854	38.0%
Agriculture	87 124	15 392	2	-300	102 218	2.5%
Mining and Quarrying	727	417	39	-17	1 166	0.0%
Manufacturing	126 925	50 353	18 791	-13 602	182 467	4.4%
Energy	177 205	2 773	0	-1 676	178 302	4.3%
Water and sewerage	29 478	270	0	-388	29 360	0.7%
Construction	89 628	14 962	87	-1 149	103 528	2.5%
Wholesale and retail trade	129 357	50 553	662	-2 350	178 222	4.3%
Transportation and storage	70 940	8 590	6	-678	78 858	1.9%
Accommodation and catering	34 806	2 885	151	-149	37 693	0.9%
Information and communication	20 808	3 636	119	-134	24 429	0.6%
Financial activities	145 637	1 375	0	-1 169	145 843	3.5%
Real estate activities	946 004	146 887	8 420	-8 059	1 093 252	26.5%
Professional, scientific and technical activities	76 081	11 037	335	-313	87 140	2.1%
Administrative and support service activities	87 982	19 782	63	-697	107 130	2.6%
Local municipalities	48 556	4 786	0	-127	53 215	1.3%
Education	5 075	3 267	0	-1 211	7 131	0.2%
Health care	57 456	737	0	-253	57 940	1.4%
Arts and entertainment	45 681	24 534	0	-1 976	68 239	1.7%
Other service activities	19 537	1 798	15	-102	21 248	0.5%
Total	3 563 071	569 769	35 938	-42 543		
Provision	-11 377	-18 219	-12 947			
Total loan portfolio	3 551 694	551 550	22 991		4 126 235	100%

31.12.2023	Stage 1	Stage 2	Stage 3	Provision	Total	%
Individuals	1 266 071	89 683	7 593	-6 572	1 266 071	38.1%
Agriculture	96 489	4 410	6	-341	96 489	2.8%
Mining and Quarrying	915	583	54	-81	915	0.0%
Manufacturing	137 540	28 214	12 816	-5 035	137 540	4.9%
Energy	176 400	170	12	-1 078	176 400	4.9%
Water and sewerage	17 619	25	0	-209	17 619	0.5%
Construction	84 648	15 426	33	-1 607	84 648	2.8%
Wholesale and retail trade	184 463	14 518	1 336	-1 903	184 463	5.6%
Transportation and storage	67 992	9 586	0	-695	67 992	2.2%
Accommodation and catering	22 591	2 862	406	-183	22 591	0.7%
Information and communication	15 434	551	45	-59	15 434	0.4%
Financial activities	103 638	174	0	-599	103 638	2.9%
Real estate activities	784 846	87 849	824	-7 356	784 846	24.3%
Professional, scientific and technical activities	81 198	3 307	376	-268	81 198	2.4%
Administrative and support service activities	100 311	2 746	17	-584	100 311	2.9%
Local municipalities	58 391	4 946	0	-275	58 391	1.8%
Education	4 954	3 300	3	-1 384	4 954	0.2%
Health care	22 701	504	0	-109	22 701	0.6%
Arts and entertainment	37 591	21 657	0	-1 309	37 591	1.6%
Other service activities	12 858	827	7	-78	12 858	0.4%
Total	3 276 650	291 338	23 528	-29 725		
Provision	-11 906	-9 766	-8 053			
Total loan portfolio	3 264 744	281 572	15 475		3 561 791	100%

NOTE 9 Net Interest Income

Interest income	Q3 2024	9M 2024	Q3 2023	9M 2023
From balances with credit institutions and investment	1 060	2 076	1 369	5 096
From central bank	33 377	101 248	25 125	56 833
From debt securities	1 703	6 138	2 640	5 905
Leasing	3 392	10 004	3 098	8 087
Leverage loans and lending of securities	437	1 243	362	1 041
Consumer loans	3 034	9 080	3 109	8 989
Hire purchase	723	2 244	855	2 637
Corporate loans	47 335	135 653	36 696	97 612
Credit card loans	320	911	265	742
Mortgage loans	19 473	57 071	17 045	44 670
Private loans	954	2 925	982	2 728
Other loans	685	1 905	573	1 568
Total	112 493	330 498	92 119s	235 908
Interest expense				
Deposits of customers and loans received	-34 883	-97 039	-18 832	-35 200
Other interest expense	-11	-397	-148	-458
Subordinated liabilities	-10 172	-26 292	-4 998	-14 101
including loans between related parties	-36	-188	-89	-267
Total	-45 066	-123 728	-23 978	-49 759
Net interest income	67 427	206 770	68 141	186 149

Interest income on loans by customer location

(interest on bank balances and bonds excluded):	Q3 2024	9M 2024	Q3 2023	9M 2023
Estonia	71 970	211 884	61 942	166 414
Great Britain	4 383	9 152	1 043	1 660
Total	76 353	221 036	62 985	168 074

NOTE 10 Net Fee and Commission Income

Fee and commission income	Q3 2024	9M 2024	Q3 2023	9M 2023
Security brokerage and commissions paid	2 155	5 474	536	2 690
Asset management and similar fees	4 118	12 100	3 900	11 384
Currency exchange fees conversion revenues	1 835	6 212	1 408	4 112
Fees from cards and payments	9 931	28 394	9 283	24 513
Other fee and commission income	3 769	10 794	3 366	8 588
Total	21 808	62 974	18 493	51 284
Fee and commission expense				
Security brokerage and commissions paid	-777	-2 338	-608	-1 838
Expenses related to cards	-2 024	-5 740	-1 909	-5 743
Expenses related to acquiring	-2 289	-5 605	-2 357	-5 753
Other fee and commission expense	-398	-1 166	-2	-107
Total	-5 488	-14 849	-4 876	-13 441
Net fee and commission income	17 092	48 897	13 617	37 846

Fee and commission income by customer location:	Q3 2024	9M 2024	Q3 2023	9M 2023
Estonia	20 189	57 114	9 556	29 037
Great Britain	1 619	5 860	4 831	11 136
Total	21 808	62 974	14 387	40 173

NOTE 11 Operating Expenses

	Q3 2024	9M 2024	Q3 2023	9M 2023
Wages, salaries and bonuses	14 474	44 960	11 708	35 055
Social security and other taxes*	5 692	16 589	4 600	12 771
Total personnel expenses	20 166	61 549	16 309	47 827
IT expenses	3 820	10 391	3 428	10 311
Information services and bank services	490	1 402	370	1 200
Marketing expenses	1 338	2 969	847	2 743
Office expenses	669	1 833	636	2 169
Transportation and communication expenses	182	519	128	406
Staff training and business trip expenses	484	1 316	328	1 080
Other outsourced services	3 225	9 317	4 149	9 977
Other administrative expenses	3 990	11 407	3 902	13 278
Depreciation of non-current assets	2 236	7 970	2 119	6 078
Operational lease payments	185	521	463	852
Other operating expenses	460	1 166	129	549
Total other operating expenses	17 079	48 811	16 498	48 642
Total operating expenses	37 245	110 360	32 807	96 469

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

NOTE 12 Balances with the Central Bank, Credit Institutions and Investment Companies

	30.09.2024	31.12.2023
Demand and term deposits with maturity less than 3 months*	149 441	49 466
Statutory reserve capital with the central bank	57 593	55 899
Due from investment companies*	7 671	12 509
Demand deposit from central bank*	3 167 381	3 012 179
Total	3 374 415	3 117 544
*Cash and cash equivalents in the Statement of Cash Flows	3 316 822	3 061 645

The breakdown of receivables by countries has been presented in Note 4. 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 13 Deposits of Customers and Debt Securities in issue

Deposits by type	Individuals	Financial entities	Non-financial entities	Public sector	30.09.2024
Demand deposits	840 834	1 103 083	1 758 957	82 978	3 785 852
Term deposits	1 360 157	150 231	952 030	38 090	2 500 508
Total	2 200 991	1 253 314	2 710 987	121 068	6 286 360

Deposits by type	Individuals	Financial entities	Non-financial entities	Public sector	31.12.2023
Demand deposits	745 430	1 220 273	1 747 979	74 778	3 788 460
Term deposits	1 040 349	97 380	761 184	43 632	1 942 545
Total	1 785 779	1 317 653	2 509 163	118 410	5 731 005

Debt securities in issue	Covered bond	Preferred senior bond	30.09.2024
Debt securities	249 876	429 675	679 551
Total	249 876	429 675	679 551

Debt securities in issue	Covered bond	Preferred senior bond	31.12.2023
Debt securities	249 718	314 010	563 728
Total	249 718	314 010	563 728

In June 2020, LHV Pank made a successful debut issue of EUR 250 million in covered bonds to international investors. 31 institutional investors participated in the 5-year issue and the interest rate was 0.12%. The issue by LHV Pank was the first debut issue since the beginning of the COVID-19 crisis. The issue received an Aa1 rating from Moodys and was listed on the Dublin Stock Exchange. This issue was refinanced during 2024 second and third quarter in full amount.

In September 2021, LHV Group issued EUR 100 million of preferred bonds with a four-year maturity, which includes the option to call back the transaction after the third year. The issue received a Baa3 rating and was listed on the Dublin Stock Exchange.

In November 2022, LHV Group Carried out a tap issue of senior unsecured bonds with a maturity date in September 2025. As a

result, LHV raised additional funds in the amount of EUR 88 million.

In the second quarter of 2023, MREL eligible unsubordinated bonds were issued in the amount of 18 million euros, and in the

fourth quarter, an additional issue in the amount of EUR 100 million took place.

NOTE 14 Accounts payable and other liabilities

Financial liabilities	30.09.2024	31.12.2023
Trade payables and payables to merchants	4 689	2 131
Other short-term financial liabilities	9 921	16 288
Lease liabilities	10 252	13 415
Payments in transit	46 218	48 632
Financial guarantee contracts issued	1 379	615
Liabilities from insurance services	15 449	47 375
Subtotal	87 908	128 456
Not financial liabilities		
Performance guarantee contracts issued	1 939	1 750
Tax liabilities	11 325	10 630
Payables to employees	5 464	4 408
Other short-term liabilities	797	751
Subtotal	19 525	17 539
Total	107 433	145 995

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 15 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 16 Basic Earnings and Diluted Earnings Per Share

In order to calculate basic earnings per share, net profit attributable to owners of the parent has been divided by the weighted average number of shares issued. The dilution effect when calculating the Diluted earnings per share comes from the share options granted to management and key employees.

	Q3 2024	9M 2024	Q3 2023	9M 2023
Total profit attributable to owners of the parent (EUR thousand)	34 385	113 215	39 058	107 065
Weighted average number of shares (in thousands of units)	324 189	322 011	319 833	317 629
Basic earnings per share (EUR)	0.11	0.35	0.12	0.34
Weighted average number of shares used for calculating the diluted earnings per shares (in thousands of units)	329 672	327 544	325 517	323 464
Diluted earnings per share (EUR)	0.10	0.35	0.12	0.33

NOTE 17 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 30.09.2024 was 634 254 thousand euros (31.12.2023 596 357 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 adequately capitalized at all times, ensuring the necessary capital to ensure economic preservation in all situations;
- The main focus of the capital management is on tier 1 own funds, because only tier 1 own funds can absorb 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 lowering of the regulative minimum capital (through minimizing risks and high transparency). On the other hand, the Group must strive towards sufficient and conservative capital reserve, which will ensure 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 maintaining higher capital buffer.

Capital base	30.09.2024	31.12.2023
Paid-in share capital	32 419	31 983
Share premium	146 958	143 372
Reserves	4 713	4 713
Other reserves	1 826	-996
Accumulated loss	320 757	229 287
Intangible assets (subtracted)	-20 705	-21 278
Profit for the reporting period (COREP)	55 285	129 740
Other adjustments	-7	-8
Dividends to be distributed	0	-41 578
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-1 028	0
CET1 capital elements or deductions	-7 035	-382
CET1 instruments of financial sector entities where the institution has a significant investment	-4 262	-3 496
CET1 instruments of financial sector entities where the institution has not a significant investment	0	0
Total Core Tier 1 capital	528 921	471 357
Additional Tier 1 capital	35 307	55 000
Total Tier 1 capital	564 228	526 357
Subordinated liabilities	70 026	70 000
Total Tier 2 capital	70 026	70 000
Total net own funds	634 254	596 357

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

NOTE 18 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;
- members of the management board 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	Q3 2024	9M 2024	Q3 2023	9M 2023
Interest income	726	2 171	101	279
incl. management	65	200	49	129
incl. shareholders that have significant influence	661	1 971	52	150
Fee and commission income	41	135	33	149
Incl. management	3	21	8	24
incl. shareholders that have significant influence	38	114	25	125
Interest expenses from deposits	68	162	37	81
incl. management	14	49	8	12
incl. shareholders that have significant influence	54	113	29	69
Interest expenses from subordinated loans	36	188	89	267
incl. management	1	3	3	7
incl. shareholders that have significant influence	35	185	86	260

Balances	30.09.2024	31.12.2023
Loans and receivables as at the year-end	37 018	28 579
incl. management	4 904	4 717
incl. shareholders that have significant influence	32 114	23 862
Deposits as at the year-end	14 644	9 351
incl. management	1 419	2 448
incl. shareholders that have significant influence	13 225	6 903
Subordinated loans as at the year-end	1 581	4 462
incl. management	72	172
incl. shareholders that have significant influence	1 509	4 290

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. The management and shareholders with significant influence include also their related entities and persons.

Loans granted to related parties are issued at market conditions.

In Q3, salaries and other compensations paid to the management of the parent AS LHV Group and its subsidiaries totalled EUR 811 thousand (Q3 2023: EUR 693 thousand), including all taxes. As at 30.09.2024, remuneration for September and accrued holiday pay in the amount of EUR 203 thousand (31.12.2023: EUR 179 thousand) is reported as a payable to management. The Group did not have any long-term payables or commitments to the members of the Management Board and the Supervisory Board as at 30.09.2024 and 31.12.2023 (pension liabilities, termination benefits, etc.). In Q3 2024, the remuneration paid to the members

of the Group's Supervisory Board totalled EUR 30 thousand (Q3 2023: EUR 20 thousand).

Management is related to the share-based compensation plan. In Q3 2024 the share-based compensation to management amounted to EUR 589 thousand (Q3 2023: EUR 580 thousand).

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.

NOTE 19 Tangible and intangible assets

<i>(in thousands of euros)</i>	Tangible assets	Right of use assets	Total tangible assets	Intangible assets	Costs incurred for the acquisition of customer contracts	Total intangible assets
Balance as at 31.12.2022						
Cost	15 815	12 165	27 980	15 421	17 595	33 016
Accumulated depreciation and amortisation	-6 264	-4 858	-11 122	-9 006	-10 156	-19 162
Carrying amount 31.12.2022	9 551	7 307	16 858	6 415	7 439	13 854
Purchase of non-current assets	3 422	8 766	12 188	3 838	0	3 838
Depreciation/amortisation charge	-1 753	-5 344	-7 097	-3 427	-1 297	-4 724
Recalculation of the accumulated amortisation	86	14	100	537	0	537
Write-off of on-current assets	-56	116	60	-736	0	-736
Capitalised selling costs	0	0	0	0	875	875
Balance as at 31.12.2023						
Cost	19 181	21 047	40 228	19 060	18 470	37 530
Accumulated depreciation and amortisation	-7 931	-10 188	-18 119	-12 234	-11 453	-23 687
Carrying amount 31.12.2023	11 250	10 859	22 109	6 826	7 017	13 843
Purchase of non-current assets	931	434	1 365	1 890	0	1 890
Depreciation/amortisation charge	-2 592	-1 786	-4 378	-2 694	-898	-3 592
Recalculation of the accumulated amortisation	10	-1 137	-1 127	-112	0	-112
Exchange rate differences	16	-1 454	-1 438	194	0	194
Capitalised selling costs	0	0	0	0	785	785
Balance as at 30.09.2024						
Cost	20 128	20 027	40 155	21 032	19 255	40 287
Accumulated depreciation and amortisation	-10 529	-11 657	-22 186	-14 928	-12 351	-27 279
Carrying amount 30.09.2024	9 599	8 370	17 969	6 104	6 904	13 008

NOTE 20 Subordinated debts

Subordinated debts (in thousands of euros)

	Year of issue	Amount	Interest rate	Maturity date
Subordinated Tier 2 liabilities	2020	35 000	6.0%	September 30 2030
Subordinated Tier 2 liabilities	2023	35 000	10.5%	September 29 2033
Additional subordinated Tier 2 liabilities	2020	15 000	9.5%	Perpetual
Additional subordinated Tier 2 liabilities	2022	20 000	10.5%	Perpetual
Subordinated debt as at 30.09.2024		105 000		
Subordinated debt as at 31.12.2023		125 000		

NOTE 21 Changes in impairments

Changes in impairments	Balance as at 01.01	Impairment provisions/reversals set up during the year	Written off during the reporting period	Balance as at 30.09
Corporate loans	-21 068	-16 617	5 541	-25 364
Consumer loans	-4 310	-3 746	2 395	-5 077
Investment financing	-11	-3	8	-11
Leasing	-2 107	-1 038	928	-2 542
Private loans	-2 229	-1 435	1 149	-2 338
Total 2024	-29 725	-22 839	10 021	-42 543

Changes in impairments	Balance as at 01.01	Impairment provisions/reversals set up during the year	Written off during the reporting period	Balance as at 31.12
Corporate loans	-15 498	-14 602	9 032	-21 068
Consumer loans	-2 108	-3 231	1 029	-4 310
Investment financing	-13	-5	7	-11
Leasing	-2 009	-758	660	-2 107
Private loans	-1 014	-1 688	473	-2 229
Total 2023	-20 642	-20 284	11 201	-29 725

Shareholders of AS LHV Group

AS LHV Group has a total of 324 188 933 ordinary shares, with a nominal value of 0.1 euro.

As at 30 September 2024, AS LHV Group has 38 971 shareholders:

- 147 883 563 aktsiat (45.62%) were held by members of the Supervisory Board and Management Board, and related parties.
- 176 305 370 aktsiat (54.38%) were held by Estonian entrepreneurs and investors, and related parties.

Top ten shareholders as at 30 September 2024:

Number of	Participation	Name of shareholder
37 162 070	11,5%	AS Lõhmus Holdings
33 910 370	10,5%	Viisemann Investments AG
25 449 470	7,9%	Rain Lõhmus
12 446 070	3,8%	Krenno OÜ
11 310 000	3,5%	AS Genteel
10 875 280	3,4%	AS Amalfi
10 828 210	3,3%	Ambient Sound Investments OÜ
7 188 990	2,2%	SIA Krugmans
6 691 020	2,1%	Bonaares OÜ
6 037 590	1,9%	OÜ Merona Systems

Shares held by members of the Management Board and Supervisory Board

Madis Toomsalu holds 1 568 980 shares.

Martti Singi holds 1 042 209 shares and Unitas OÜ holds 77 540 shares.

Meelis Paakspuu holds 816 140 shares.

Jüri Heero holds 980 530 shares and Heero Invest OÜ holds 306 820 shares.

Rain Lõhmus holds 25 449 470 shares, AS Lõhmus Holdings 37 162 070 shares and OÜ Merona Systems 6 037 590 shares.

Andres Viisemann holds 564 760 shares. Viisemann Holdings OÜ holds 1 300 000 shares and Viisemann Investment AG holds 33 910 370 shares.

Tauno Tats does not hold shares. Ambient Sound Investments OÜ holds 10 828 210 shares.

Tiina Möis holds 49 880 shares. AS Genteel holds 11 310 000 shares.

Heldur Meerits does not hold shares. AS Amalfi holds 10 875 280 shares.

Raivo Hein does not hold shares. OÜ Kakssada Kakskümmend Volti holds 5 003 370 shares, Astrum OÜ holds 3 890 shares and Lame Maakera OÜ holds 483 120 shares.

Liisi Znatokov does not hold shares.

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

AS LHV Group

Supervisory board: Rain Lõhmus, Andres Viisemann, Tiina Mõis, Heldur Meerits, Raivo Hein, Tauno Tats, Liisi Znatokov

Management board: Madis Toomsalu, Martti Singi, Meelis Paakspuu, Jüri Heero

AS LHV Varahaldus

Supervisory board: Madis Toomsalu, Andres Viisemann, Kadri Kiisel

Management board: Vahur Vallistu, Eve Sirel

AS LHV Pank

Supervisory board: Madis Toomsalu, Rain Lõhmus, Andres Viisemann, Tiina Mõis, Heldur Meerits, Raivo Hein

Management board: Kadri Kiisel, Jüri Heero, Annika Goroško, Meelis Paakspuu, Indrek Nuume, Martti Singi

AS LHV Finance

Supervisory board: Kadri Kiisel, Madis Toomsalu, Veiko Poolgas, Jaan Koppel

Management board: Heidy Kütt

AS LHV Kindlustus

Supervisory board: Madis Toomsalu, Erki Kilu, Veiko Poolgas, Jaan Koppel

Management board: Martti-Sten Merilai, Taavi Lehemaa

LHV UK Limited

Board of Directors: Erki Kilu, Andres Kitter

Directors: Madis Toomsalu, Paul Hancock, Keith Butcher, Sally Veitch

AS LHV Paytech

Supervisory board: Kadri Kiisel, Madis Toomsalu, Erki Kilu, Andres Kitter

Management board: Lauri Teder

Signatures of the Management Board to the Condensed Consolidated Interim Report

The Management Board has prepared the summary of results for January to September 2024 period the condensed consolidated interim financial statements of AS LHV Group for the 9-months period ended 30 September 2024.

The management board confirms that according to their best knowledge the interim report presents a fair view of LHV Group AS's assets, liabilities, financial position and profit or loss of the issuer and the entities involved in the consolidation as a whole and contains a description of the main risks and doubts.

22.10.2024

Madis Toomsalu

Martti Singi

Meelis Paakspuu

Jüri Heero