



AS LHV Group
Consolidated annual report 2025

(Translation of the Estonian original)

Consolidated annual report 1 January 2025 – 31 December 2025

Legal name	AS LHV Group
Commercial Registry no.	11098261
Legal address	Tartu mnt 2, 10145 Tallinn
Phone	(+372) 6800400
E-mail	group@lhv.ee
Main activities	Banking Leasing and other lending Financial advisory Security brokerage Non-life insurance Activities of holding companies
Financial year	1 January – 31 December
Management Board	Mihkel Torim (Chairman) Meelis Paakspuu Jüri Heero Kadri Haldre
Supervisory Board	Rain Lõhmus (Chairman) Andres Viisemann Tiina Mõis Raivo Hein Tauno Tats Liisi Znatokov
Shares	Listed on the Nasdaq Tallinn Stock Exchange
Auditor	PricewaterhouseCoopers AS

These are the Group's consolidated financial statements in .pdf format without European Single Electronic Format (ESEF) markups. The original document is submitted in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed.

Link: <https://nasdaqbaltic.com/statistics/en/instrument/EE3100102203/reports>

Mandatory elements of the European Single Electronic Format (ESEF) core taxonomy

Name of reporting entity or other means of identification	AS LHV Group
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	No changes
Domicile of entity	Republic of Estonia
Legal form of entity	Public limited company
Country of incorporation	Republic of Estonia
Address of entity's registered office	Tartu mnt 2, Tallinn, 10145, Republic of Estonia
Principal place of business	Republic of Estonia
Description of nature of entity's operations and principal activities	Banking, leasing and other lending, financial advisory, security brokerage, non-life insurance, activities of holding companies
Name of parent entity	AS LHV Group
Name of ultimate parent of group	AS LHV Group

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PART I: STRATEGIC AND PERFORMANCE OVERVIEW

1 LHV Group in 2025: Foreword and Key Results

1.1 LHV at a Glance

Group overview

Vision and mission

According to our vision, people and enterprises have the courage to think big and start things, setting ambitious goals and investing in the future.

Our mission is to enhance access to financial services and capital, empowering individuals and businesses to achieve their goals.

AS LHV Group (also the Group, LHV Group or LHV) is the largest domestically owned finance group and capital provider in Estonia.

LHV was established in 1999 by people with extensive experience in investing and entrepreneurship. LHV became public in 2016 and its ambition is to become a strong, technologically advanced and well-governed financial group – capable of delivering scalable and sustainable growth while maintaining trust with clients, investors and supervisors.

The main subsidiaries of AS LHV Group are AS LHV Pank (LHV Pank), LHV Bank Ltd (LHV Bank), AS LHV Varahaldus (LHV Varahaldus), AS LHV Kindlustus (LHV Kindlustus) and AS LHV Paytech (LHV Paytech).

LHV's customer service offices in Estonia are in Tallinn, Tartu and Pärnu. LHV expanded into UK market in 2018. There are three offices in the UK: London, Leeds and Manchester.

With over 1,200 people (incl. inactive and part-time staff), LHV serves a customer base exceeding 694 thousand.

Operating principles

LHV concentrates on active and independent customers with an entrepreneurial mindset. Our service range is diverse. For private customers, we have high-quality universal banking services. For corporate customers, we have flexible and

customised financing solutions as well as assistance in daily financial operations.

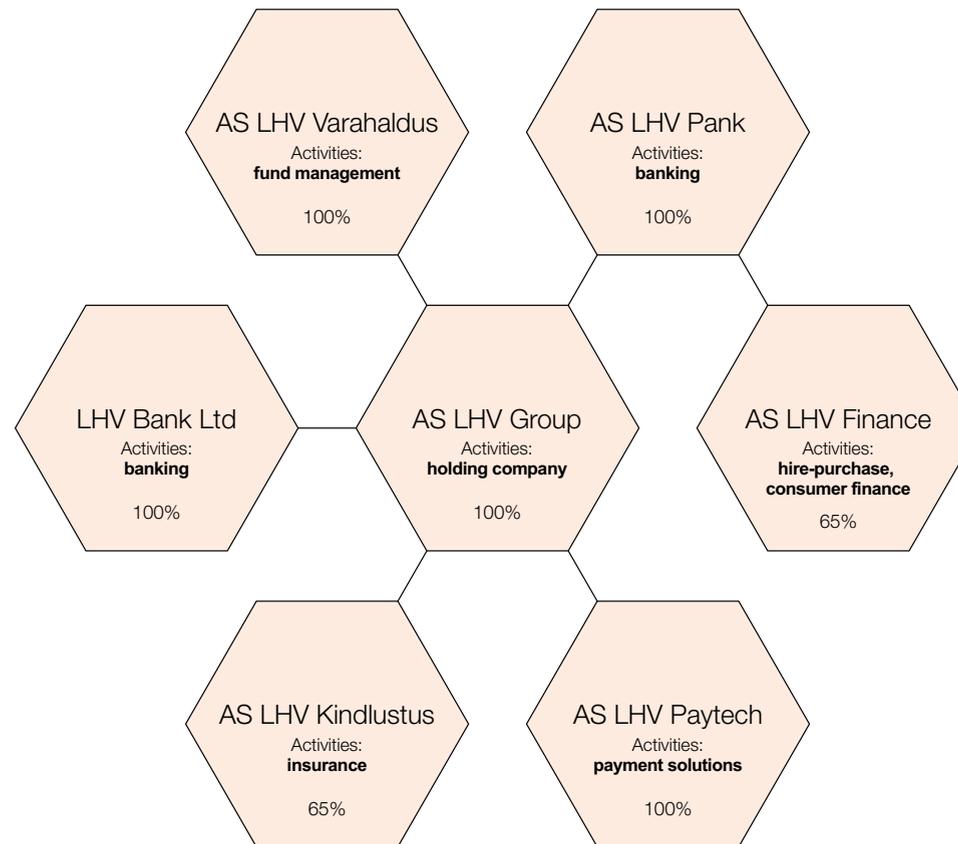
The products and services provided by LHV are simple, transparent and practical. We interact with our customers mainly through modern electronic communication channels. This helps us save on costs and keep the prices of our everyday services affordable.

LHV was created as a partnership, and the concept of partnership is central to growing LHV's business. New initiatives will be implemented faster and more successfully if partners share the same interests and support each other in the long term.

LHV is a public company listed on the Tallinn Stock Exchange since May 2016. Thus, all our customers and partners have an opportunity to become LHV's owners.

Main risks

- The biggest risk for LHV as a traditional banking group is credit risk, which accounts for 87.2% of our total risk weighted assets (RWA). Credit risk arises mainly from loan operations. For example, this includes risks from non-performing loans.
- The second biggest risk for LHV is liquidity risk. There is always a large mismatch in assets and liabilities duration in banking. LHV banking services for financial intermediaries' business model contains volatile deposit base and therefore LHV keeps a very high liquidity profile. For example, the mismatches can arise when customer deposits are withdrawn unexpectedly.
- The third biggest risk for LHV is operational risk, which accounts for 9.3% of total RWA. Operational risk is the risk of loss arising from inadequate or failed internal processes, people and information systems, or from external events.
- Market risk accounts for 3.2% of the Group's total RWA. Market risk arises from LHV's positions which are exposed to changes in interest rates, foreign exchange rates and securities prices.



1.2 Letter from the CEO

Dear reader,

The year 2025 told two different stories. On one hand, we saw significant growth in our business, welcoming more customers and expanding our loan portfolio. On the other, we faced economic headwinds that meant for the first time in years, we did not meet our financial targets, with profitability falling 6.5% short.

While we are disappointed in this result, it's important to understand the context. A decline in interest rates, combined with intense competition, squeezed our interest income. Despite this, our core business proved its resilience. We grew where it counts – in customers and in volume – demonstrating the enduring trust you place in LHV.

Operationally, the regulatory landscape continues to grow more complex. We managed a staggering 1,200 reports to regulators in 2025 alone. We are actively managing this challenge by investing in smarter, more efficient systems.

Performance Across Our Pillars

- LHV Pank remains the cornerstone of our Group. Despite a tough interest rate environment, the bank grew its customer base, deposits, and loan portfolio, maintaining its strong market position in Estonia.
- LHV Bank had a landmark year in the UK, launching retail banking services – a major step in our growth strategy. The expansion of our SME loan portfolio and deposit base has built a strong foundation for the future.
- LHV Varahaldus, our asset management arm, delivered an excellent performance. Our actively managed pension funds beat their benchmarks, earning a EUR 2.1 million success fee and delivering stable returns for our clients.
- LHV Kindlustus, our insurance business, achieved profitable growth in a shrinking market, proving our commitment to offering the best service in Estonia.
- LHV Paytech continued to power our payment infrastructure, serving both LHV Pank and the wider market with innovative solutions.

Looking Forward

While 2025 presented challenges, it also sharpened our focus on what we must do to stay on track. We met our business volume targets, our customer base expanded, and our strategic investments in the UK and in technology have created a solid foundation for future growth.

The pressure on our interest income was significant, but it does not change our long-term vision. Our financial plan is clear: we are building a stronger, more scalable foundation and driving operational efficiency to enhance shareholder returns. Our goal is to achieve steady income growth and more than double our net profit by 2030.

We are a growing and resilient organization. Our success is built on the dedication of our 1,150+ employees, the trust of our hundreds of thousands of customers, and the confidence of you, our shareholders. Thank you for being part of our journey. We will continue to build on our strong foundation and pursue our mission to provide better access to financial services and capital.



Mihkel Torim
Chairman of the Management Board of AS LHV Group

1.3 Overview:

Key Figures of 2025

2025 in actions

The year 2025 marked a financially difficult year for the Group, it's the first time in years, when LHV Group didn't meet financial targets. The business volumes were fulfilled, but profitability targets ended 6.5% below financial plan.

Estonian GDP growth was slightly positive, and the UK economy stabilized. LHV Group achieved significant milestones in customer acquisition and product expansion. The challenges LHV Group faced were related to interest income – the rates lowered, affecting the interest income, but not enough to affect significantly also interest expense. In combination with heavy competition between banks, the net interest income remained smaller than expected.

The amount of bureaucracy is still increasing as it has been over the last years, and the trend continues. This is valid for both, number and details in regular reporting packages, but also to internal documentation, where sizable number of different contingency type plans have been developed and kept updated with target to deliver reports within 24 hours for the whole Group and with 1 cent accuracy. In total, LHV Group has currently 180 unique reports, that are presented to different regulators. Some of the reports are simple containing only handful of numbers, but others are very complicated including enormous amount of data and calculations. Most of the reports are regular. Overall, LHV Group has presented 1,200 reports to regulators in 2025.

LHV Pank

2025 was a year of challenging growth, driven by increased customer activity and growing loan portfolio. The number of customers, deposits, and net income continued to rise. At the same time interest rates have lowered to around 2% area, putting pressure on banks' profitability. From one side loans are yielding lower, but at the same time clients are not moving over to current accounts. LHV Pank remains cornerstone of the Group, maintaining a strong position in Estonia and generating solid profits.

LHV Bank

The year for LHV Bank could be described using two statements: opening retail banking and growth of loan portfolio. The bank's focus in the UK expanded, offering GBP services to financial intermediaries, SME loans, and deposit products both direct and via platforms. 2025 saw enhanced customer onboarding and increased deposit volumes, contributing to robust financial performance. LHV Bank is offering retail banking solutions to private individuals, including accounts, deposits and payments.

LHV Varahaldus

In 2025 the financial markets performed well, surpassing benchmarks, and LHV Varahaldus was able to beat the reference index based on social tax collection also on cumulative terms. This means that LHV Varahaldus was able to earn success fee on II Pillar pension fund Julge in amount of EUR 2.1 million. Actively managed pension funds delivered stable returns for investors, reinforcing the Group's reputation as a reliable partner for long-term savings and investments.

LHV Kindlustus

2025 was another successful year for LHV Kindlustus. Despite shrinking non-life insurance market LHV Kindlustus proceeded profitable growth. In total company provided 14 different types of insurance products. The focus has been mainly to private customers. The goal is to offer customer best insurance service in Estonia.

LHV Paytech

LHV Paytech advanced its role as a key innovator within the Group, focusing on developing cutting-edge payment solutions. The company offers services to LHV Pank and to external market participants. Its efforts aligned with the Group's strategic goals for innovation and customer-centricity. LHV Paytech services should be looked together with LHV Pank customer offering.

2025 in numbers

- **LHV share price** increased from EUR 3.245 to 3.575, outperforming the peer group in local market, but not in line with global market trend.
- **The number of LHV Pank customers** increased by 36,000 (+8% YoY) and the number of customers actively using LHV Pank for everyday payments increased by 15,800 (+7% YoY). LHV managed to strengthen its market share among private and legal customers, which is supported by the focus on providing a full range of services.
- **Total consolidated assets** reached EUR 10.2 billion (+17% YoY). The increase in the balance sheet volume was driven by growth in deposit base in all customer segments.
- **The loan portfolio** increased by EUR 913 million to EUR 5.5 billion (+20% YoY). Retail loans increased by 21.0% and loans to corporates by 33.3%. The quality of the loan portfolio stayed strong, with some individual customers showing signs of weakening.

- **The volume of deposits** increased to EUR 8.1 billion (+18% YoY), from which EUR 1.6 billion were financial intermediaries' deposits. Regular customers' deposits in LHV Pank increased by EUR 490 million (+11% YoY). The growth came mostly from term deposits supported by higher interest rates. At the same time, we lowered deposits collected by LHV Pank from deposit platforms by 1/3. LHV Bank has increased its collection of deposits from deposit platforms, with an increase of EUR 508 million (+97% YoY).
- **Assets under management** increased by EUR 144 million to EUR 1.70 billion (+9% YoY) mainly due to positive return of the funds.
- **Net profit** was at EUR 117.0 million (-22% YoY), a decrease of EUR 33.3 million.

2 Our Operating Environment and Strategy

2.1 Macroeconomic and Market Context

The global macroeconomic environment in 2025 was marked by heightened trade tensions, volatile trading conditions, and rising geopolitical uncertainty. Despite these challenges, global economic activity showed modest improvement. World output is estimated to have grown by 3.3 per cent, while growth in advanced economies moderated to 1.7 per cent. Global trade volumes expanded by an estimated 4.1 per cent in 2025. However, the lagged effects of evolving trade policies are expected to materialise in 2026, resulting in a projected slowdown in trade growth to 2.6 per cent. Global inflation eased during the year but remained above its historical average, at approximately 4.1 per cent.¹

Among the world's largest economies, growth in the United States was projected to moderate to approximately 2.1 per cent in 2025, reflecting elevated policy uncertainty and the lingering effects of trade tariffs. In Asia, China's economy was forecast to expand by around 5.0 per cent, supported by fiscal stimulus measures; however, structural challenges in the real estate sector persisted. India continued to stand out, recording one of the highest growth rates among major economies, real GDP projected to grow above 7 per cent, underpinned by strong domestic demand and sustained investment activity. The euro area was expected to grow by approximately 1.4 per

cent, with Germany—the region's largest economy—registering a modest expansion of about 0.2 per cent as it navigated the effects of trade tensions on its export-oriented industries.²

Global financial markets were volatile in 2025 amid heightened economic and geopolitical uncertainty. Increased uncertainty drove capital inflows into alternative safe-haven assets, most notably precious metals such as gold and silver. Gold delivered a particularly strong performance, generating a return of 64.5 per cent during the year. At the same time, the traditional safe-haven status of U.S. Treasuries showed signs of erosion, while the U.S. dollar continued to weaken. The U.S. Dollar Index declined by 9.4 per cent over the year.

Equity markets experienced a sharp sell-off in April in response to escalating tariff-related tensions. However, strong investment momentum in artificial intelligence helped sustain investor sentiment, with the S&P 500 Index ending the year up 16.4 per cent. European equities also posted solid gains, with the STOXX Europe 600 rising by 16.8 per cent, largely supported by the defence sector. The UK's FTSE 100 recorded a return of 21.5 per cent. Asian equity markets also performed strongly. Japan's Nikkei 225 delivered a return of 26.2 per cent, while China's SSE Composite Index gained 18.4 per cent.

In 2025, the euro area³ economy continued to expand at a moderate pace, with real GDP growth projected at approximately 1.4 per cent. Economic activity remained resilient despite global headwinds, supported by firmer foreign demand and reduced trade policy uncertainty compared with earlier forecasts. Domestic demand—driven by household consumption and business investment—continued to underpin growth, although sectoral performance was uneven. External sectors, particularly exports, were expected to benefit from the recovery in foreign demand, while investment activity faced ongoing competitiveness challenges.

Wage growth moderated to around 4 per cent, reflecting persistent labour cost pressures amid subdued productivity growth. Labour market conditions remained strong, with unemployment close to historically low levels. Employment growth continued to support household spending, although consumer sentiment and savings behaviour pointed to a more cautious outlook.

Inflation eased to approximately 2.1 per cent in 2025, driven by declining headline pressures. Energy price contributions remained subdued, while food inflation moderated. Core inflation, excluding energy and food, also softened, reflecting easing labour cost pressures and the lagged effects of euro appreciation. From a policy perspective, the ECB's Governing Council kept key interest rates unchanged from their June 2025 levels, signalling increased confidence that inflationary pressures were abating and would converge towards target, while reiterating the data-dependent nature of future policy decisions.

Euro-area money markets reflected these dynamics, with interbank borrowing costs trending lower over the year, providing relief to borrowers and aligning with market expectations of future monetary easing. The 6-month Euribor—a key benchmark for mortgages and loan agreements—declined from approximately 2.56 per cent in early January to around 2.11 per cent by December. The most pronounced declines occurred in the first half of the year, as markets priced in potential rate cuts amid moderating inflation and growth. Over the same period, the 3-month and 12-month Euribor rates also eased, indicating a broad-based compression of the yield curve.

In 2025, the UK economy⁴ expanded at a modest pace, with real GDP growth of approximately 1.4 per cent, reflecting a gradual recovery rather than a pronounced upswing.

Economic activity was driven primarily by the services sector, particularly consumer-facing and professional services, while manufacturing remained weak and construction activity was subdued amid elevated financing costs and cautious investment sentiment.

Inflation eased compared with previous years but remained above the Bank of England's target, averaging around 3.5 per cent in 2025. The decline was largely driven by fading energy price pressures, although services inflation and wage-related costs remained elevated. Labour market conditions softened over the year, with unemployment rising to around 5 per cent, vacancies declining, and wage growth moderating. These developments pointed to increasing slack in the labour market, while conditions remained relatively tight by historical standards.

Overall, the UK economy in 2025 was characterised by subdued growth, easing but still elevated inflation, and a gradually cooling labour market, rather than a sharp economic downturn.

The Estonian⁵ economy entered a gradual recovery phase in the second quarter of 2025. Real GDP is estimated to have increased by approximately 0.7 per cent for the year as a whole, driven primarily by a slow recovery in export markets. Price pressures remained elevated, with annual inflation reaching 4.8 per cent, largely reflecting higher food and services prices as well as the impact of several tax changes, including the introduction of a motor vehicle tax and increases in the VAT rate and excise duties. These factors were particularly evident in food prices, which rose by 6.9 per cent in 2025.

Household consumption decreased by 0.6 per cent in the third quarter compared with the same period of the previous year. Gross fixed capital formation also declined on an

¹ Figures based on IMF (2026). World Economic Outlook, January 2026: Global Economy: Steady amid Divergent Forces. Available: <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>

² *Ibid.*

³ Figures based on: European Central Bank (ECB). Eurosystem staff macroeconomic projections for the euro area. December 2025. Available: https://www.ecb.europa.eu/press/projections/html/ecb.projections202512_eurosystemstaff-12ead61977.en.html

⁴ Figures based on Office for National Statistics (ONS).

⁵ Data for Estonia originates from the databases of Statistics Estonia and the Bank of Estonia.

aggregate basis; however, investment continued to grow in key sectors such as real estate and construction, while remaining broadly stable in manufacturing.

Value added across most economic sectors continued to decline during the year, although some of the largest sectors showed signs of improvement. Manufacturing recorded an average increase of around 3 per cent in real value added over the first three quarters of the year. The construction sector experienced an average decline of 2.4 per cent from the first to the third quarter, although signs of recovery emerged in the latter part of the period. Several sectors remained under pressure, including transportation and storage and retail trade, where real value added declined by more than 8 per cent and 4 per cent, respectively, between the first and third quarters.

The loan market remained active throughout 2025, with lending growth accelerating particularly in the second half of the year. The household loan portfolio expanded by approximately 10 per cent year on year by the end of December. Lending to corporates also increased at a robust pace, with the corporate loan portfolio in Estonia growing by around 12 per cent year on year by year-end, corresponding to an average annual growth rate of approximately 12.3 per cent during 2025.

Lending conditions remained broadly stable. The average interest margin on loans to non-financial companies fluctuated within a narrow range of 2.6 to 2.9 per cent over the year, while margins on housing loans remained steady at around 1.5 per cent.

On the funding side, household deposits continued to grow at a strong pace, although the rate of growth moderated over the year, slowing from over 11 per cent year on year in January to approximately 8 per cent by December. In contrast, corporate deposits declined during 2025, with the contraction accelerating to around 2 per cent year on year by the end of the year.

Credit quality remained solid. Overdue loans stayed at low levels throughout 2025, despite a marginal increase of 0.1 percentage points compared with 2024. By year-end, the average market share of household loans overdue by more than 60 days stood at 0.4 per cent, while the corresponding figure for non-financial companies was 0.6 per cent. Overall, these indicators continued to point to a stable credit market.

In 2025, the European insurance sector maintained resilient capitalisation despite the fragile economic environment, with median Solvency Capital Requirement (SCR) ratios holding firm above 214% for both life and non-life businesses⁶.

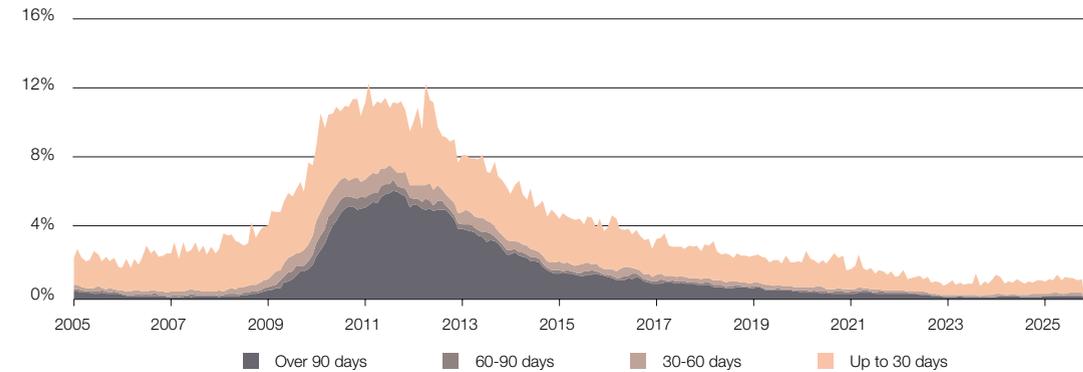
The Estonian non-life insurance market was characterised by intensified competition, which led to a 2% decline in gross written premiums. Price pressure was particularly notable in motor third-party liability and comprehensive motor insurance, reflecting both the entry of new participants and increased consumer price sensitivity. Despite the fall in premiums, the market's claims ratio remained stable at 56%, and most insurers are well-capitalised, supported by strong results from previous periods and backing from international parent companies. As an emerging trend, there is a clear rise in demand for private health insurance, driven by pressures on the public system, while political decisions such as the car tax are also having a noticeable market impact. Due to the combined effect of these factors, overall market growth is projected to stagnate in 2026.

Overall, the Estonian economy has entered a gradual recovery phase but remains vulnerable to developments in the external macroeconomic environment, including geopolitical risks, trade tensions, ongoing competitiveness challenges, and the prolonged Russia–Ukraine war. While exporting companies have experienced a modest increase in demand, domestic demand and investment activity have remained subdued.

According to projections by the Bank of Estonia, economic growth is expected to strengthen, with GDP forecast to

increase by approximately 3.6 per cent in 2026, supported primarily by fiscal stimulus measures and a continued recovery in export markets. Economic projections remain subject to change, however, depending on the evolution of the global macroeconomic environment and external risk factors.

Market average share of overdue loans in loan portfolio, %



Source: Bank of Estonia

Key economic indicators of Estonia*

	2019	2020	2021	2022	2023	2024	Bank of Estonia forecast			
							2025E	2026E	2027E	2028E
Nominal GDP (EUR billion)	28.4	27.8	31.4	36.4	38.2	39.8	41.7	44.6	47.2	49.9
<i>GDP volume**</i>	3.6%	2.5%	7.2%	0.0%	-3.1%	-0.1%	0.7%	3.6%	2.8%	2.5%
<i>Private consumption expenditures***</i>	4.3%	0.8%	7.1%	2.9%	-1.6%	0.2%	-0.2%	3.6%	3.3%	2.2%
<i>Government consumption expenditures</i>	3.3%	3.9%	3.9%	1.5%	0.6%	1.8%	2.2%	3.1%	0.4%	2.0%
<i>Fixed capital formation</i>	6.2%	17.8%	0.3%	-8.3%	8.7%	-6.1%	2.1%	8.0%	3.6%	2.1%
<i>Exports</i>	5.0%	4.1%	22.1%	5.0%	-9.0%	-1.5%	4.4%	2.8%	2.8%	3.2%
<i>Imports</i>	3.7%	0.8%	22.7%	5.0%	-6.6%	0.2%	4.2%	4.6%	2.7%	2.7%
CPI	2.3%	-0.4%	4.7%	19.4%	9.2%	3.5%	4.9%	2.9%	2.4%	2.8%
Unemployment rate (% of the labour force)	4.5%	6.8%	6.2%	5.6%	6.4%	7.6%	7.6%	6.6%	6.2%	6.0%
Current account (% of GDP)	2.0%	2.5%	-3.6%	-3.9%	-1.7%	-1.2%	0.1%	-1.7%	-1.5%	-1.1%
Budget balance (% of GDP)****	-0.1%	5.4%	-2.6%	-1.1%	-2.8%	-1.7%	-1.3%	-4.5%	-4.4%	-3.9%

*The figures reported are annual changes in percentage terms unless otherwise indicated;

**GDP and its components are chain-linked;

***Including NPISH;

****The budget balance forecast considers only those measures on which sufficient information was available at the date of the forecast.

Sources: Bank of Estonia, Statistics Estonia

⁶ European Insurance and Occupational Pensions Authority (2025). Financial Stability Report December 2025. Available: https://www.eiopa.europa.eu/publications/financial-stability-report-december-2025_en

2.2 Our Strategy

Strategy and the future

LHV's home markets remain Estonia and the UK with small appearance in other countries.

LHV aims to capture the strengths from traditional and neobanks world:

We serve customers end-to-end, from accounts to investments and corporate lending.

We do so on a fully licensed, multi-market regulatory foundation that enables trusted, scalable growth.

Our Group's size and operating model provide a strong foundation for execution with speed and scale. We are deliberately strengthening these capabilities to move faster than traditional banks and deliver more complete solutions than neobanks.

LHV Group objectives for 2026-2027

Build digital customer value offering to be the benchmark in banking. Our digital channels are the customer experience. They shape how clients perceive our value, how we scale and how we compete. To be future-ready, we must build top of the class digital offering that scales across markets and delivers intelligent and seamless banking experience.

A new digital offering will enable faster, more personalised, simpler customer interactions and offer high-quality services and products; provide a shared, scalable foundation to build solutions once and scale them across markets; simplify and unify processes while enabling a clearer and more attractive value proposition.

Strengthen and scale LHV's business and organisation for long-term sustainable growth

To build a world-class digital offering, we need a strong, predictable existing core business behind it. A disciplined, efficient organisation gives us the stability, resources and confidence to pursue bold ventures. Every efficiency gained is capacity and capital we can invest in our future. By becoming more aligned, focused and agile as an organisation, we create the speed and clarity needed to win in a fast-moving market.

A strong core business and organisation will enable disciplined execution of the financial plan by improving predictability, efficiency and focus across the organization; provide data, risk and compliance foundations so growth is transparent and well-controlled; increase alignment and clarity across the Group, focusing effort on what creates value and stopping what does not scale.

Our objective is to maximize business growth within our pre-defined risk appetite, maintaining strong capitalisation and achieving a 20% return on equity. This approach underscores that our ambitions prioritize sustainable profitability and risk management. As proponents of modern

technology, we aim to enhance efficiency and customer satisfaction.

We envision LHV as an international financial group that provides top-tier service across all customer segments, from mobile banking to client offices. The group's operations are anchored in five core entities: two banks (in Estonia and the UK), an asset management company, an insurance company, and a payment technology company.

Goals and Strategic Directions

LHV Bank

2026 is shaped by normalization rather than tailwinds. Performance depends on disciplined balance-sheet management, resilient and secure operations, effective fraud prevention and consistent execution across everyday banking, saving and investing services.

Customer behaviour, trust and financial usage. Customer demand remains concentrated around payments, deposits, lending, saving and investing, with usage increasingly shifting to digital channels.

In Estonia, over 95% of banking interactions are digital, and real-time payments are becoming the standard.

At the same time, fraud attempts and scam volumes across Europe continue to rise year-on-year, increasing customer sensitivity to security and trust. As a result, customer choice is increasingly influenced by reliability, fraud protection and clarity of products, alongside access to saving and investment services that support long-term financial planning.

Funding environment, balance sheet and earnings profile. Following the ECB rate cycle peak in 2023–2024, interest rates have normalized, reducing the net interest income tailwind experienced in previous years.

This increases the importance of deposit pricing discipline, funding mix optimisation and liquidity management. In a market where deposits remain the primary funding source, competitive dynamics directly affect margins. A more balanced earnings profile, combining interest income with fee income from services such as payments, saving and investing improves resilience across rate cycles.

Technology, resilience and fraud prevention. Regulatory requirements have materially increased operational expectations.

DORA has applied since 2025, requiring stronger ICT risk management, third-party oversight and incident reporting. In parallel, instant payments regulation mandates near-real-time transaction processing and availability. These developments increase system complexity and cost, while also raising customer expectations for uninterrupted service and effective fraud prevention. Banks that combine real-time monitoring, automation and data-driven fraud controls are better positioned to manage risk and maintain customer trust at scale.

Competition and market structure. The Estonian banking market remains highly concentrated, with limited domestic population growth and mature penetration across core banking products.

Competitive pressure continues to increase in mortgages, SME lending and deposits, while customer switching is increasingly driven by digital experience, pricing transparency, service reliability and perceived security rather than brand alone. Given structural constraints in the local market, long-term growth is increasingly influenced by the ability to scale selected products, platforms or services beyond national boundaries, either through cross-border offerings, partnerships or platform-based distribution. Competitive advantage therefore depends not only on domestic market share, but on execution capabilities that allow scalable growth in a broader regional or international context.

LHV Bank

In the UK, **LHV Bank** focuses on providing banking services for financial intermediaries, SME lending, simple mobile bank for retail customers.

In 2026 main drivers impacting the business in UK are customer behaviour, funding, technology and competition.

Everyday banking needs remain unchanged, but customers expect easier and faster access to savings, investments and crypto within a simple, unified digital experience. Demand is increasing for real-time money movement across accounts, currencies and asset classes, supported by intelligent automation and personalised insights. This shapes our priorities in app development, product design and service delivery.

A likely decline in interest rates will affect funding costs and competitive deposit pricing. Our performance depends on successfully diversifying the funding mix through Bank of England liquidity facilities, securitisation readiness and continued growth in retail and platform deposits. Efficient balance sheet management will be essential as margins tighten.

Technological developments will continue to reshape banking. Alongside modernising our systems and building the unified platform, emerging on-chain solutions, stablecoins and bank-issued digital money have the potential to transform payment and settlement models. AI and agentic finance will further drive automation, improve risk processes and enhance personal financial guidance. Our capability to adopt these technologies will directly support scale and competitiveness.

The competitive landscape is intensifying as large banks and neobanks invest heavily to deliver better digital products, expand lending and improve customer experience. Traditional banks are modernising rapidly while challengers broaden their offerings into savings, investments and credit.

This reinforces LHV's need to differentiate through strong digital experience, API-led services and operational efficiency.

LHV Varahaldus

LHV Varahaldus year could be considered successful if and only if its pension funds and other funds show strong returns.

Considering that we are essentially the only market player with investment portfolios diversified across asset classes, our results differ clearly from that of competition and could either benefit us strongly or hinder us against all other market players.

The quest to replace outdoor sales continues. We lost around 80% of new sales last year and are only halfway there to make up for the difference. Big steps have already been taken, but even bigger leaps have to be completed in coming years. Active sales team is expected to reach a higher level while sales in our own channels will be at least twice as effective with new upgraded tools at our disposal. We do have significant room to grow – less than one third of LHV clients hold their pension assets in LHV.

As more than 95% of AUM is directly linked to II or III pillar funds, whatever new regulatory ideas, both positive and negative, could have a strong impact on business activities. We could see some positive changes happening in 2026, while bearing in mind that in 2027 elections, parties less supportive of pension funds are currently expected to do well. Allowed marketing practices of pension funds are also expected to change during 2026, which would limit at least some market players with their practice of aggressively approaching clients of other market participants.

LHV Kindlustus

Macroeconomic uncertainty and slower economic growth continue to influence customer purchasing behaviour and price sensitivity.

Increased competition, including tariff pressure in specific segments (e.g. vehicle-related pricing), may compress margins and increase loss ratios. At the same time, more volatile customer behaviour requires tighter risk selection, pricing discipline and claims management to protect profitability.

Regulatory expectations continue to rise, with increased focus on data quality, transparency, reporting accuracy and operational resilience.

The implementation of DORA places additional requirements on IT resilience, incident management and third-party risk oversight. These developments increase compliance effort and cost, but also reinforce the need for strong governance, reliable data and well-controlled processes.

Rapid advances in AI and automation create significant opportunities to improve efficiency, reduce manual work and enhance customer experience, particularly in claims handling and customer communication.

However, realising these benefits requires upfront investment in data quality, platform capabilities and change management. The ability to scale automation safely and responsibly will be key differentiator going forward.

3 Group Performance and Financial Overview

3.1 Analysis on Group Financial Results

3.1.1 Activities of business areas

Looking backwards, 2025 was a complicated year for LHV, as we navigated a dynamic environment characterized by stabilized global markets, increased regulatory demands, and intensified competition in the banking sector.

On the one hand, most of the Group entities managed to fulfil their financial targets, only LHV Pank and LHV Group on solo level not able fulfil the profitability plans.

LHV Pank was behind the plans EUR 7.1 million, and Group on solo level by EUR 2.5 million. The Pank results were affected mainly by lower net interest income, when Group wrote off some goodwill related to LHV Paytech. Other entities were slightly better than the plans and delivered in total EUR 2.9 million higher profit. The Group remained under forecasted profit by EUR 8.1 million.

Key achievements included robust loan portfolio growth, increased customer deposits. The year also saw continued improvements in operational efficiency, with streamlined processes and greater reliance on automation. This process has to continue in nearest years as well. Our customer satisfaction level was the highest in the banking sector.

At the same time, the sentiment has changed in the market – interest margins are decreasing, competition on lending side has increased drastically, the economy is improving. During the full year LHV faced with healthy competition for deposits among banks, including heavy competition with targeted offers, as all banks needed to either protect their market share or fund their increasing loan portfolios.

The competition also increased in Banking services side, where customer pricing in many cases is very tough. In very end of the year deposit volumes picked up.

LHV fulfilled all the external and internal regulatory ratios including capital adequacy, MREL and liquidity with decent buffers.

From regulatory side, LHV is regulated by ECB supervision, which compared to national financial supervision has increased the complexity. ECB has kept their regulatory requirements same level and SRB have stated that they will lower their regulatory requirements. SRB will tell their adjustment in February/March 2026, valid from 2027. LHV Group received EUR 0.4 million penalty from ECB regarding the wrongly calculated risk weighted assets regarding investments to UK entity.

Overall, we managed to lend more than initially planned and successfully issue capital related instruments. It was a challenging year in terms of forecasting and delivering results because there were constant changes during the year. On average, the forecasts held in place only for three months, till they became outdated.

Also, the business focus changed. During the last couple of years, assets have been the limiting factor for growth, but this year the liabilities were.

Estonian Corporate banking showed a modest growth in 2025 as the portfolio increased by 7% YoY despite several Scandinavian-owned banks becoming very active in lending. Our market share is around 21% in the corporate loan market.

Our corporate loan portfolio amounted to EUR 2,569 million. The quality of the loan portfolio remained strong, with a very low share of non-performing loans.

In Estonian retail banking, we focused on home loans, raising awareness of investment services, and developing customer-tailored services. Regarding home loans, we focused on process automation and the use of fully automated decision-making. At the year-end, the retail loan portfolio totalled EUR 2,114 million, representing approximately 15% market share.

SME lending in UK picked in 2025, where the portfolio increased 120% to EUR 766 million.

In addition to lending, investment activities have been growing in Estonia.

In financial intermediaries' segment, our primary focus was on deposits and payments. The number of customers remained almost the same, but the customer concentration decreased several times. Our business in the UK is profitable, and the revenue base is growing.

The total volume of investment funds under the management of LHV Varahaldus reached EUR 1.7 billion in 2025, increasing by 9% YoY due to the rising capital markets. The benchmark index, which is dependent on the social tax collection, continued in rapid growth. LHV Varahaldus was able to beat the reference index based on social tax collection also on cumulative terms, which means that LHV Varahaldus was able to earn success fee on II Pillar pension fund Julge in amount of EUR 2.1 million. LHV Varahaldus keeps around 23% market share.

In comparison with 2024, LHV Kindlustus doubled its profit. Insurance portfolio is well balanced in sense of products and sales channels. Also, company has reached a good efficiency level to enable wider risk selection, at the same time ensuring the profitable growth.

Overview of LHV Group's and its subsidiaries' total assets and net income

<i>EUR thousand (2025)</i>	Total assets	The ratio to the LHV Group's total assets %	Net income	The ratio to the LHV Group's net income %
LHV Group	10,232,962	100.00%	304,839	100.00%
LHV Pank	8,776,107	85.76%	228,625	75.00%
LHV Bank	1,431,709	13.99%	55,498	18.21%
LHV Varahaldus	22,962	0.22%	11,227	3.68%
LHV Kindlustus	28,396	0.28%	2,455	0.81%
LHV Paytech	1,793	0.02%	4,377	1.44%

*The figures for all entities, except LHV Group, may include intra-group assets and net income.

Financial results for last 7 years

<i>EUR million</i>	2019	2020	2021	2022	2023	2024	2025
Net interest income	47.3	68.5	97.3	129.1	253.8	273.3	235.1
Net fee income	25.7	33.3	42.6	44.7	48.8	60.3	63.3
Net other income	0.7	1.6	-0.9	-0.6	2.9	4.7	6.5
Net income	73.8	103.4	140.4	173.5	305.5	338.3	304.8
Expenses	39.3	44.0	65.2	89.6	129.4	146.9	159.3
Profit before credit losses	34.6	59.6	75.2	83.9	176.1	191.4	145.5
Impairments	3.2	10.9	3.9	8.1	11.5	16.3	1.5
Tax expense	4.2	8.8	11.0	14.4	23.7	24.8	27.0
Net profit	27.1	39.8	60.3	61.4	140.9	150.3	117.0
<i>net profit attributable to owners of the parent</i>	<i>24.8</i>	<i>38.0</i>	<i>58.3</i>	<i>59.8</i>	<i>139.6</i>	<i>149.0</i>	<i>114.3</i>

Concise overview of financial position for last 7 years

<i>EUR million</i>	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025
Cash, balances with central bank, due from banks, investment companies and credit institutions	1,271	2,394	3,987	2,482	3,119	3,819	4,313
Financial assets	40	330	135	373	340	309	403
Net loans	1,687	2,209	2,677	3,209	3,562	4,552	5,465
Other assets	34	38	46	71	72	56	52
Total assets	3,032	4,971	6,845	6,135	7,093	8,736	10,233
Deposits from customers	2,727	4,120	5,808	4,901	5,731	6,910	8,134
<i>incl. financial intermediates deposits</i>	<i>376</i>	<i>1,054</i>	<i>2,246</i>	<i>1,281</i>	<i>1,123</i>	<i>1,503</i>	<i>1,573</i>
Loan liabilities, incl. subordinated debt	75	579	657	717	691	1,054	1,251
Other liabilities	24	27	55	96	115	93	81
Total liabilities	2,826	4,726	6,520	5,714	6,537	8,057	9,466
Total equity	206	245	325	421	556	679	767

The Group's pre-tax profit for 2025 amounted to EUR 171.6 million and net profit totalled EUR 114.6 million (124% YoY). Net interest income decreased 14% and net fee income increased 5%. The Group's net income was EUR 304.8 million (-10% YoY). Operating expenses amounted to EUR 159.3 million (+8% YoY). Most of the increase in expenses has been related to the increased numbers of employees. The Group did not manage to fulfil all the financial ratios published in the financial plan. Although loan and deposit volumes exceeded planned levels, net income was 2.5% below plan and net profit was 6.5% below plan. ROE was 1.6% below the forecasted level.

The Group's cost to income ratio was a decent 52.3%, especially as there are investments made to building the retail bank in UK. In current environment an excellent cost to income ratio would have been around 35%, easily achieved by LHV Pank. A decrease of the Group's cost to income ratio to that level would increase the net profit by 19%.

By the end of December, the total volume of the Group's net loan portfolio amounted to EUR 5.5 billion (2024: EUR 4.6 billion), an increase of 20%.

The portfolio could be divided to three: Estonian corporate banking loans increased by 7% to EUR 2.6 billion (2024: EUR 2.4 billion). Estonian retail loans increased by similar 17%, amounting to EUR 2.1 billion (2024: EUR 1.8 billion). Third pillar is SME loans in UK, the portfolio increased by 125% and reached EUR 0.8 billion.

The volume of deposits increased by 18% and totalled EUR 8.1 billion by the year-end (2024: EUR 6.9 billion). The share of demand deposits increased to 65% (2024: 64%), as interest rates decreased and made term deposits less attractive to customers. In 2025, LHV Pank reduced deposits collected from deposit platforms and will continue to decrease them. Deposit platforms are used as insurance buffer on the statement of the financial position.

LHV Group as a stand-alone entity earned a net profit of EUR 127.5 million (2024: EUR 81.7 million). The profit was earned mainly from dividends taken from subsidiaries. Without dividend, the company would have made EUR 1.3 million of loss. LHV Group's stand-alone business consists mainly of capital and MREL related transactions.

Regulatory ratios	2019	2020	2021	2022	2023	2024	2025
Common equity Tier 1 %	12.39	13.26	14.27	16.02	17.01	16.89	17.42
regulatory minimum	9.67	8.52	8.52	11.91	12.41	12.41	12.19
Tier 1 %	13.88	15.56	16.08	18.43	19.17	17.96	19.27
regulatory minimum	11.30	10.16	10.16	14.05	14.55	14.55	14.25
CAD %	17.96	20.50	19.97	21.72	21.93	20.68	22.85
regulatory minimum	14.31	13.33	13.33	16.90	17.40	17.40	17.00
MREL %	8.70	6.38	-	-	-	-	-
regulatory minimum	5.79	5.79	-	-	-	-	-
MREL-TREA %	-	-	24.00	29.99	34.16	33.24	35.38
regulatory minimum	-	-	19.08	19.08	19.08	26.30	25.47
MREL-LRE %	-	-	6.90	11.12	12.08	12.41	12.86
regulatory minimum	-	-	5.91	5.91	5.91	5.91	5.91
Leverage ratio %	6.18	4.40	4.32	6.83	6.78	6.71	7.00
regulatory minimum	3.00	3.00	3.00	3.00	3.00	3.00	3.00
LCR %	144.8	147.9	142.7	139.7	194.2	187.5	185.0
regulatory minimum	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NSFR %	152.9	152.6	163.4	144.0	160.2	154.4	156.8
regulatory minimum	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Financial ratios	2019	2020	2021	2022	2023	2024	2025
Return on equity (ROE) %*	14.0	17.3	21.1	16.4	29.0	24.5	16.0
Return on assets (ROA) %	1.2	1.0	1.0	0.9	2.1	1.9	1.2
CFROI %	19.0	26.4	26.4	22.5	36.0	31.0	20.1
Cost to income ratio %	53.2	42.5	46.4	51.7	43.3	43.4	52.3
Net interest margin (NIM) %	2.04	1.73	1.66	2.01	3.88	3.48	2.49
Spread %	1.99	1.70	1.63	1.98	3.75	3.23	2.30
Loan to deposit %	62.5	53.6	46.1	65.5	62.3	65.9	67.2
Price to earnings ratio	13.8	14.8	22.1	17.6	8.0	7.1	7.8
Price to book ratio	1.7	2.4	4.1	2.6	2.0	1.6	1.6
Dividend per share, EUR	0.02	0.02	0.03	0.04	0.04	0.13	0.09

Calculation principles

*Return on equity is calculated based on LHV Group net profit and equity attributable to owners of the parent and does not include non-controlling interests.

capital adequacy levels are calculated as reported in COREP report as at end of each year

MREL = (own funds + qualifying liabilities) / total liabilities * 100

MREL-TREA = (own funds and eligible liabilities) / total risk exposure amount * 100

MREL-LRE = (own funds and eligible liabilities) / leverage ratio exposure measure * 100

LCR, NSFR are calculated as reported in COREP report as of end of each year

return on equity (ROE) = net profit (attributable to owners of the parent) / average equity (attributable to owners of the parent) * 100

return on assets (ROA) = net profit / average assets * 100

CFROI = operating profit / total equity (average)

cost to income ratio = total operating expenses / total net income * 100

net interest margin (NIM) = net interest income / average interest earning assets * 100

spread = yield on interest earning assets – cost of interest-bearing liabilities

loan to deposit = net loans / deposits * 100

price to earnings ratio = share price as at reporting date / net profit for the year attributable to the owners of the parent / number of shares at reporting date

price to book ratio = share price as at reporting date / equity as at reporting date attributable to the owners of the parent / number of shares at reporting date

dividend per share = dividend payment during calendar year / number of shares at moment of payment

3.1.2 Sensitivity analyses

LHV has four major business lines: Estonian banking, UK banking, asset management and insurance. These business lines are very different in their sensitivities to different risk factors.

Estonian banking is clearly procyclical, meaning that its results are directly affected by macroeconomic developments. In general, there are three major components affecting LHV Pank's results:

- Interest rates
- Credit losses
- Personnel cost

Every 100 bps increase in interest rates will increase LHV net interest income by EUR 12.5 million within the first 12 months. An equivalent interest rate decrease will reduce net interest income by EUR -34.3 million.

Credit losses are dependent on the economic situation. LHV has knowledgeable credit risk management, which does not allow excess risk in any economic sector. The rapid growth hides credit losses as a significant part of the portfolio has not yet matured. For understanding the actual levels of credit losses, LHV calculates the credit risk in addition to its current portfolio also for the 12-month-old portfolio. LHV has had very few defaults in history in corporate loan portfolio and the only real credit losses LHV Pank has incurred have been related to fraud rather than wrong credit decisions.

Personnel cost is the biggest cost base for LHV Pank and equals around 57% of the total costs. LHV has the internal policy to follow the market levels in compensation packages. LHV offers its services mainly through electronic channels. To offer these services effectively LHV has decided to develop systems in-house. As a result, the IT team accounts for around 25% of the total personnel. As the salary levels for IT personnel have been increasing and seem to increase in the nearest future more than for other personnel segments despite the latest changes in market, LHV has forecasted a higher salary growth than its competitors.

UK banking contains two main business lines: lending and servicing financial intermediaries. First one is partially similar to Estonian banking, where credit losses and collateralisation are important. The second is volume business and it is sensitive to macroeconomic developments, but in a way quite different from banking. In general, there are three major components affecting payment intermediaries' business results:

- Trading activities between countries
- FX rates volatility
- AML risks

The first two are very similar, as most payment intermediaries offer transferring/convertting certain currency to another region/currency within a short time frame. The need for such business grows when there are either solid business relationships between countries or when one currency becomes very volatile, and businesses need to hedge their positions quickly. The third area is related to regulations and controlling the AML risk: the financial intermediaries' business models are moving towards more regulations, but from LHV side, bank doesn't see the full chain of transfers meaning that partially it has to rely on financial intermediaries' own activities. LHV does its own controls over transactions and also does on- and off-site inspections to mitigate the risk.

Asset management is almost insensitive to macroeconomic developments. The performance depends on two major items:

- Pension fund management
- Political risk

Pension fund management is key to results. Starting from Q4 2019 the calculation of fund management fees changed to performance bonus principle. LHV has targeted to beat the agreed benchmark over longer period, but not in the coming years. LHV has provided the one of the highest pension funds yields in the long-term period.

Another large risk side of the asset management is political risk. Almost every year during the last 5 years there has been some larger changes in the pension funds management fee calculation or changes in investment limits. LHV has been successful of managing these changes and being able to deliver good result despite of the constant changes in legislation.

Insurance is relatively insensitive to macroeconomic developments as well. It's more open to fraud, pandemic, weather and strikes risks. The insurance uses reinsurance for reducing the risk to acceptable level. Still the profitability will be hit in case of under or over hedging the risk.

3.1.3 Shares and bonds issued by LHV

LHV has been rapidly growing local universal bank with a clear niche towards financial intermediaries.

Over the last years the business model has widened and includes several other financial activities. All these activities have required capital, partially funded from profits and partially issuing capital related instruments. In 2025, there was no new share capital issued to the public, except for share options to employees. LHV redeemed EUR 50 million of Additional Tier 1 bonds and issued EUR 80 million of new Tier 2 bonds. The issue was successful with a subscription of EUR 50 million.

The profits and investments of LHV are not only reflected in the share price, but also in the distributed dividends, and interest paid on subordinated bonds.

LHV Group has several securities outstanding:

Shares and bonds outstanding as at 31 Dec 2025	ISIN	Issuer	Outstanding amount	Maturity	Listing
Common share	EE3100102203	AS LHV Group	327,856,146	-	Nasdaq Baltic main list
Additional Tier 1 subordinated bond	EE3300002856	AS LHV Group	20,000,000	perpetual	not listed
Additional Tier 1 subordinated bond	XS3042781024	AS LHV Group	50,000,000	perpetual	not listed
Tier 2 subordinated bond	EE3300003573	AS LHV Group	35,000,000	29.09.2033	Nasdaq Baltic bond list
Tier 2 subordinated bond	EE3300004993	AS LHV Group	20,000,000	15.11.2034	Nasdaq Baltic bond list
Tier 2 subordinated bond	XS3153067288	AS LHV Group	80,000,000	16.09.2035	Nasdaq Baltic bond list
Senior unsecured bond	EE3300003250	AS LHV Group	20,000,000	26.05.2027	not listed
Senior unsecured bond	XS2693753704	AS LHV Group	100,000,000	03.10.2027	Euronext Dublin
Senior unsecured bond	XS2822574245	AS LHV Group	300,000,000	24.05.2028	Euronext Dublin
Senior unsecured bond	XS3090105829	AS LHV Group	60,000,000	18.06.2029	Euronext Dublin
Covered bond	XS2721494453	AS LHV Pank	450,000,000	20.11.2026	Euronext Dublin
Covered bond	XS2921553793	AS LHV Pank	250,000,000	17.10.2028	Euronext Dublin

In mid-2022 the share split with 1/10 ratio was carried out, where each shareholder received additional 9 shares for 1 existing share.

LHV Group has very simple share capital structure – there is only one class of shares with nominal value of 0.1 EUR, each share gives 1 voting right.

The shares of LHV Group are traded on NASDAQ Tallinn main list since May 2016.

Shareholder statistics as at 31 Dec 2025

Number of shareholders	37,938
Number of countries represented	42
Share of Estonian residents	75.89%
Share of Estonian residents including two founders	94.61%
Share of legal entities	66.84%
Share of private individuals	28.02%
Share of institutional investors	2.22%
Share of nominee accounts	2.92%
Share of LHV clients	86.44%

40.92% of shares belonged to the members of the Supervisory Board and Management Board and to their related parties.

Geographical distribution of shareholders as at 31 Dec 2025

	Percentage
Estonia	74.97%
Switzerland	19.39%
Latvia	2.34%
United States	1.00%
United Kingdom	0.38%
Germany	0.37%
Portugal	0.17%
Lithuania	0.13%
Finland	0.05%
Russian Federation	0.02%
Other	0.04%

Ten largest shareholders as at 31 Dec 2025

	Number of shares	Percentage
AS LÖHMUS HOLDINGS	37,162,070	11.33%
VIISEMANN INVESTMENTS AG	35,210,370	10.74%
RAIN LÖHMUS	25,449,470	7.76%
OÜ KRENNO	12,446,070	3.80%
AS GENTEEL	11,310,000	3.45%
AMBIENT SOUND INVESTMENTS OÜ	10,519,990	3.21%
SIA KRUGMANS	7,188,990	2.19%
AS ALTAMIRA	7,089,436	2.16%
BONAARES OÜ	6,691,020	2.04%
OSAÜHING MERONA SYSTEMS	6,037,590	1.84%

Starting from 2021, when LHV and one other bank significantly lowered prices for trading Baltic equities, the number of new investors has been growing rapidly. LHV's investor base has decreased by 0.9 thousand shareholders within a year and fell to 37.8 thousand.

3.1.4 Share price

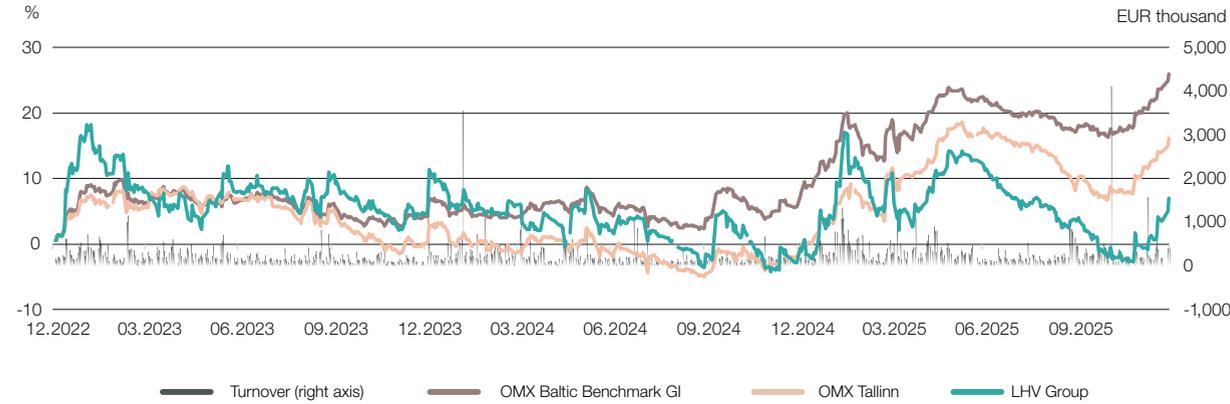
The year 2025 started with the share price of EUR 3.245. During the year the share price increased by 8.0%, reaching EUR 3.51 by the end of 2025, being outperformed by the OMX indexes.

In 2025, the lowest traded price was EUR 3.24 and the highest EUR 3.955. The weighted average price was EUR 3.53.

In total 22.7 million shares were traded with monetary turnover of EUR 79.9 million. Based on the year-end stock price, LHV's market value was EUR 1.2 billion.

There is only one class of shares issued by LHV, each share gives 1 voting right. The shares of LHV Group are 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. LHV Group share has underperformed both indexes and has increased by 7%, when comparison indexes have increased by 16% and 26% respectively. LHV Group share price has been 3.51 euros in the end of year and based on the stock price, LHV's market value was EUR 1,151 million. Regarding dividend policy, LHV strives to achieve long-term dividend growth without negatively impacting the Group's targeted capital ratios. The annual dividend together with the related taxes should account for 25% of pre-tax profit. Each year's dividend is assessed in the light of prevailing economic conditions and the Group's earnings, growth possibilities, regulatory requirements, and capital position. In addition, LHV has made a conservative decision not to have trading positions in LHV shares nor use them as collateral. In case of exercising share option programmes, the shareholders have delegated the right of issuing new shares to the Supervisory Board.

LHV Group share performance



3.2 Overview of the Group's subsidiaries

3.2.1 AS LHV Pank group

LHV Pank remains the largest domestically owned bank in Estonia, consistently delivering strong financial performance and maintaining its position as a leader in customer satisfaction. The bank is dedicated to serving active and independent customers, fostering an entrepreneurial mindset among its clientele.

For private customers, LHV Pank offers comprehensive solutions for daily financial management and home loans, emphasizing the best customer experience and innovative options for growing wealth. For business customers, it provides flexible financing and tailored financial solutions, while financial intermediaries benefit from a robust platform for EUR and GBP transactions.

By prioritizing digital communication channels, LHV Pank ensures modern, efficient, and cost-effective services. These savings are passed on to customers through competitively priced banking services, reinforcing the bank's commitment to accessibility and value.

With almost 20% market share in Estonia's daily banking, deposit, and business loan segments, LHV Pank is now the third-largest bank in the country. The bank's long-term vision is to become Estonia's largest and most profitable financial institution by focusing on efficiency, innovation, and exceptional service delivery.

LHV Pank has offices in Tallinn, Tartu and Pärnu. LHV Pank's consolidated financial statements comprise the accounts of LHV Pank and its 65% ownership subsidiary AS LHV Finance ('LHV Finance'), which specialises in consumer financing.

Business activities

In 2025, LHV Pank achieved significant milestones in customer acquisition, business growth, and operational efficiency despite the continuing competitive and regulatory pressures. A stabilizing macroeconomic environment and higher customer confidence enabled the bank to capitalize on its strengths and deliver exceptional results across all business areas. LHV Pank continued to grow in 2025. The number of customers increased by 36,000 to 492,000, i.e., by 8%. The youth segment grew by 7% to 96,602 customers, fulfilling our target mission in excess. The growth in customer activity and business volumes was broad-based. LHV Pank continued servicing financial intermediaries in euro payments and safeguarding services.

Deposits from customers increased by 11% to EUR 6,964 million. Deposits from regular customers grew by 11% to EUR 5,083 million, while deposits from financial intermediaries increased by 9% to EUR 1,480 million. Intragroup deposits increased by 79% to EUR 105 million. Competition in the deposit market was severe, but the focus was set on collecting more deposits than the market's organic growth, a goal that was fulfilled. The average cost, compared to the market, was lower. With a strong focus on deposits and liquidity, we also collected deposits from European platforms, resulting in a balance of EUR 295 million at the end of the year.

LHV Pank's loan portfolio grew by 11% to EUR 4,683 million during the year. Corporate loans grew by 7% to EUR 2,569 million and retail loans by 17% to EUR 2,114 million. The breakdown of the retail loan portfolio was as follows: home loans 83%, leases 8% and other loans 9%.

LHV Pank's net profit for the decreased 24% to EUR 107.1 million. Total income decreased by 17%, total operating expenses increased by 2%. Net interest income decreased 20% due to lower interest rates on corporate and home loan portfolios, with twice smaller positive effect coming

from repricing of deposits. The increase in net fee and commission income was 4%. It was mainly impacted by the higher customer activity. Credit losses decreased by EUR 15.9 million. The quality of the loan portfolio remained strong, with a very low share of non-performing loans. Results for the year also include EUR 24.0 million deferred tax expense for 2025 payable on the expected future dividend payment. LHV Pank's performance indicators were solid: return on equity (on net profit attributable to shareholders) was 19.0%, the cost/income ratio was 42.7%, and risk cost ratio was 0.03%.

LHV Pank's total assets increased by 11% to EUR 8,776 million in 2025.

Development activities

In 2025, the focus was on customer experience, improving existing services, and enhancing efficiency. Major effort went moving on-premise systems to Amazon cloud, the activities continue in smaller scale in 2026. Another stream was the cross-sale by utilizing different customer bases from all LHV Group Estonian entities and selling them all the products offered by LHV. Digital channels were also opened to all users of various LHV Group services. Customers can use biometric authentication, receiving notifications for outgoing transactions, which also serves as a mechanism for preventing and detecting fraudulent transactions. The mobile app gained new features for investment services. Forward-looking developments for modernising the technological platform were in focus and will continue to be a focus in 2026.

Organisation

LHV Pank is divided into seven functional areas, each with its own departments. Business areas include retail banking, corporate banking, and financial intermediation. Support areas comprise IT, financial management and support services, risk management, and product

management. Human resource management, marketing and communication, and compliance are smaller bank-wide activities.

In 2025, the number of LHV Pank's employees converted to full-time equivalent decreased by 40 from 925 in 2024 to 885, including inactive and part-time staff, and the 18 employees of LHV Finance (2024: 19).

The year brought several awards and accolades. Once again, LHV Pank was named the bank with the best customer service in Estonia in a survey conducted by the market research company Dive. LHV Pank ranked first in the Most Attractive Employers survey conducted by the job portal CVKeskus.ee and TOP Employer in survey conducted by the job portal CV-Online Estonia. LHV Pank also received highest ranking in the employer reputation survey conducted by employer branding agency Instar by being the most attractive employer. LHV Pank's staff satisfaction survey Q12 reflected continuously a very high level of satisfaction. City Plaza building, where LHV Pank's Tallinn office is located, has a BREEAM (Building Research Establish Environmental Assessment Method) certificate.

Sustainability at LHV Pank

At LHV, we acknowledge the vital role of the financial sector in steering economic shifts and directing resources through lending and investments toward activities that promote a transition to a more resilient and sustainable economy. In 2025, LHV continued to progress towards its sustainability goals, focusing on refining metrics, adapting to evolving regulatory frameworks, and risk management processes while continuously engaging with stakeholders. In this annual report there is a separate section of LHV's consolidated sustainability statements meeting the requirements of the Corporate Sustainability Reporting Directive (CSRD), demonstrating our ongoing dedication to transparent and responsible sustainability practices. Initiatives such as

measuring and disclosing the climate impact of our loan portfolio will continue, with an ongoing commitment to enhancing data quality for more accurate reporting. This analytical approach allows us to identify key areas where we can strategically enhance our positive impact, while effectively mitigating both negative impacts and associated financial risk.

Financial results

<i>EUR million</i>	2025	2024	Δ
Net interest income	206.3	257.1	-20%
Net fee and commission income	46.9	45.1	4%
Net fee sharing	-26.0	-28.7	-9%
Net financial income	1.3	0.6	117%
Other income	0.1	2.0	-93%
Total net income	228.6	276.1	-17%
Total operating expenses	97.6	95.4	2%
Impairment losses	0.0	15.8	na
Income tax expense	24.0	24.4	-1%
Net profit	107.1	140.5	-24%

Business volumes

Loans (net)	4,683	4,204	11%
Deposits from customers	6,964	6,294	11%
No of bank customers, thous.	492	456	8%

3.2.2 LHV Bank Ltd

2025 proved to be another highly successful year for the Bank. Retail banking operations were successfully launched and scaled, the SME lending portfolio grew at an exceptional pace, Banking Services business volumes reached record levels, and all key financial targets for the year were achieved.

Business Results

Customer deposits increased by 82% over the year, while the loan portfolio expanded by 125%. Deposits grew by EUR 581 million, reaching EUR 1,286 million by year-end. During the year, the Bank of England reduced the base interest rate four times, by a total of 1.0%, to 3.75%. Despite the lower base rate and reduced funding costs for the Bank, interest rates paid by UK banks remained elevated, making the reduction of the overall cost of funds challenging.

The loan portfolio grew by EUR 434 million, reaching EUR 782 million by year-end. The loan pipeline remained strong, with offers outstanding amounting to EUR 118 million. Overall asset quality remained robust; however, in line with the rapid growth of the loan book, exposures classified as Stage 2 and Stage 3 increased, totalling EUR 21 million at the end of the year.

Total net income increased by 24%, while net expenses grew by 18%. Net profit declined by 5% year-on-year, amounting to EUR 5.5 million, with a return on equity of 5.2%. All financial targets set for the year were met. Deposit, loan and payment volumes significantly exceeded the plan, while return on equity was slightly below target due to additional capital injections made during the year to support faster-than-planned loan book growth. In response to the increasing share of fixed-rate lending, the Bank began using interest rate swaps and implemented hedge accounting.

Retail Banking

In 2025, the Bank publicly launched its retail banking offering, including a mobile banking application and a new website.

Through the mobile app, private customers can open current accounts, make GBP payments, set up direct debits, place funds in easy-access and term deposits, and apply for debit cards. The launch was supported by two broader marketing and communications campaigns, conducted in the spring and towards the end of the year.

By year-end, the Bank had over 5,000 direct retail customers and approximately 30,000 savings customers across three deposit platforms. Direct deposits accounted for 12.5% of total deposits.

The Bank continues to actively develop and prepare the launch of new retail products in 2026, including multi-currency accounts, FX services and multi-currency payments. Applications are underway for consumer credit permissions to introduce overdrafts, as well as for Cash ISA approval. In addition, the Bank is in the process of onboarding a fourth deposit aggregator.

SME Lending

In SME Lending, the focus in 2025 was on fully leveraging the broker network and lending team built in the previous year to accelerate loan book growth. The year proved exceptionally successful, with loan book growth more than double that of the prior year.

The Bank maintained an active presence in broker communication channels and participated in several industry seminars and conferences. Brand awareness of LHV among loan brokers increased significantly once again during the year.

Banking Services

By year-end, payment volumes for Banking Services clients reached record levels, with the number of transactions increasing by 17% to 88 million. During the year, the Bank refined its business development strategy, focusing on large Tier 1 clients with strong growth potential and lower risk profiles. As a result, several smaller clients were offboarded.

Deposit volumes within Banking Services followed divergent trends. GBP deposits declined to EUR 93 million due to intensified competition in deposit pricing, while EUR deposits increased to EUR 1,480 million, driven by higher payment volumes.

At the end of the year, the Bank closed its acquiring product, generating cost savings from 2026 onwards. Looking ahead, the Bank is exploring new opportunities to expand the Banking Services product offering, including embedded banking accounts and credit products.

Organisation

The bank achieved Sunday Times Best Places to Work listing for the second year in a row by building a culture rooted in entrepreneurial spirit, innovation, and the courage to challenge the status quo.

Financial results

<i>EUR million</i>	2025	2024	Δ
Net interest income	27.4	14.7	87%
Net fee and commission income	0.6	0.7	-16%
Net fee sharing	26.0	28.7	-9%
Net financial income	1.2	-0.1	na
Other income	0.2	0.7	-66%
Total net income	55.5	44.6	24%
Total operating expenses	46.0	39.1	18%
Impairment losses	1.6	0.5	233%
Income tax expense	2.3	-0.8	na
Net profit	5.5	5.8	-5%

Business volumes

Loans (net)	782	348	125%
Deposits from customers	1,286	705	82%

3.2.3 AS LHV Kindlustus

AS LHV Kindlustus is a non-life insurance company, which was founded in May 2020. The shareholders of LHV Kindlustus are LHV Group (65%) and Toveko Invest OÜ (35%). Toveko Invest OÜ also has ownership in one of the largest household appliances retailers in Estonia operating under Euronics brand. The company received the license for insurance activities from the EFSA on 29 December 2020 and started selling insurance policies as of 1 January 2021.

LHV Kindlustus has launched 14 product solutions since 2021. The main products are motor own damage insurance, motor third-party liability insurance, travel insurance, property insurance, health insurance, payment protection insurance, and extended warranty insurance. The products are sold mainly for private and in smaller volumes to commercial customers.

LHV Kindlustus implements a multi-channel sales strategy by using online, insurance intermediaries, brokers, and direct sales. The focus is to support LHV Pank and Euronics with best insurance solutions.

The year 2025 was a difficult year for the whole insurance market. Prices of vehicle related lines of businesses started to drop at the end of Q1 2025 and continued the same trend till the end of year. Vehicle related products make up around 50% of the whole non-life insurance market in Estonia. Meanwhile other major lines of businesses continued to grow premium levels which helped to mitigate the decline in overall market volumes. Estonian non-life insurance market premium levels surpassed EUR 550 million level in 2025.

As of 31 December 2025, LHV Kindlustus had 302 thousand (+20% YoY) active insurance contracts and 231 thousand customers. The biggest share of active contracts and customers is related to the extended warranty insurance portfolio, followed by LHV Pank credit card travel and purchase insurance and motor third party liability insurance. The year 2025 showed growth of customers in all major business lines, especially home and travel insurance.

The annual gross written premiums were EUR 43,0 million (+12% YoY). The largest product motor own damage formed 27% of the portfolio. Other most significant contributors to the portfolio were health insurance, motor third party insurance and property insurance. Cross-sales and sales within the LHV group different sales channels contributed with 40% of the total amount of the gross written premium.

In 2025, LHV Kindlustus earned EUR 37.8 million (+18% YoY) net premiums (insurance service revenue less reinsurance expenses) and paid out EUR 25.7 (+19% YoY) million as claim indemnities.

Net losses incurred amounted to EUR 24.9 million. The company registered 141 thousand new claims in 2025, out of which 3,444 are still open as of 31 December 2025.

Net profit for 2025 was EUR 2.52 million. Year resulted with strong insurance activity result mainly due to decrease of expense ratio. Additionally, investments income gave a positive impact to company's profit.

Financial results

<i>EUR million</i>	2025	2024	Δ
Insurance result without reinsurance	4.2	1.9	116%
Reinsurance result	-1.7	-0.9	79%
Total result from insurance activities	2.5	1.0	153%
Net other income	0.1	0.2	-71%
Income tax expense	0.0	0.0	na
Net profit	2.5	1.2	111%

Business volumes

Contract premiums written	43.0	38.0	13%
No of customers, thous.	231.0	170.0	36%
No of policies, thous.	302.0	252.0	20%

3.2.4 AS LHV Varahaldus

LHV Varahaldus is a fund management company focusing mostly on active investment strategies. As of the end of 2025, the funds under management include two UCITS funds, five II pillar and two III pillar pension funds. The Investment Management Department is supported by the Risk Control, Operations, and Sales Departments.

LHV Varahaldus has a 100% owned subsidiary VH Incorporation Entity OÜ, which was established in 2021. The purpose of VH Incorporation Entity OÜ is to establish companies for real estate transactions of pension funds.

After straightforward and very positive years for major indices in 2023 and 2024, last year offered much more unpredictability. Emerging and bigger European markets offered stronger returns than the US market and for investors in Eurozone, returns from investing in the US were further impacted by dollar weakening against the Euro by 12%. In EUR denominated terms, MSCI World, S&P500, and Euro Stoxx 50 increased by 6.8%, 2.6%, and 21.2%, respectively. For LHV actively managed funds, significant proportion of total returns was related to investments related to precious metals and especially to gold, which increased in value in EUR denominated terms by 45.1% in 2025.

LHV Varahaldus made significant changes in terms of its product offerings over the last twelve months. In January, Euro Völakirjade Fond, a UCITS fund concentrating on bond instruments with high credit rating, was launched. Roheline and Roheline III, funds concentrating on green investments, were merged with other LHV funds in September. Two II pillar funds with similar conservative strategies were also merged. Names of remaining actively managed funds were also changed, as previous names were not necessarily illustrative of funds' investment strategies. Despite lower number of funds LHV Varahaldus offers a wide range of investment strategies to its customers within the II pillar pension system, including a passively managed index fund and four actively

managed funds with varying risk classes. In recent years, actively managed funds have focused more on alternative asset classes and non-listed securities, guided by the belief that over a long investment horizon, the average annual expected return will exceed that of publicly traded securities. The size of the funds, as well as changes in regulation, have allowed LHV to invest more in local non-listed assets, such as real estate, and provide financing to Estonian companies through debt securities. LHV's pension funds have been among the biggest and most active institutional investors in Estonia in recent years. Allocation between different asset classes should also provide better diversification and a more favourable risk-return relationship, making the results of the funds less dependent on the returns of the largest stock markets.

In 2025 LHV funds had the best absolute returns among the II and III pillar funds as well as the best returns among index funds and conservative funds in Estonian market. Returns from real estate and direct debt were largely as expected, returns from private equity were mostly lower than anticipated, but returns from major actively chosen equity positions or positions related to precious metals showed strong returns. Dollar risk was hedged with forward contracts and as such the impact from the weakened dollar was minimal. In 2025, three of the largest actively managed II pillar pension funds, Ettevõtlik, Julge and Tasakaalukas, had net returns of 13.3%, 16.6%, and 9.5%, respectively. Conservative fund Rahulik performed well and increased in value by 5.5%. LHV's II pillar fund Indeks, which, compared to other index funds in the Estonian market has a larger allocation to developing economies, gained 11.4%.

Growth of assets under management continued, both in II and III pillar funds, with asset base growing by 7% in II pillar and by 29% in III pillar in 2025. Growth was achieved due to strong fund returns and despite ending the year with 7% less total clients compared to the end of 2024. In March outdoor sales activities, which was the main source of new clients

for more than 15 years, were closed and further emphasis was given to telemarketing and the development of digital channels. There is room to grow to reach client acquisition numbers comparable to previous years. On a positive note, popularity of increased payments to chosen II pillar fund, 4% or 6% instead of previously only available 2% from person's gross salary, continues to grow; number of people deciding to opt out from the II pillar system continues to decrease; a record number of inflows across the market to III pillar funds.

LHV with its five funds in the II pillar pension system is the chosen fund manager for close to 106 thousand people. The company manages the savings for 20.8% of II pillar pension system participants and holds a market share of 22.6% in terms of assets under management. By the end of the year, LHV's three III pillar pension funds had more than 37 thousand customers.

Net profit of LHV Varahaldus was EUR 4.1 million in 2025. Benchmark index growth for 2025 was 6%, which meant that both funds Julge and Ettevõtlik showed stronger returns. While Ettevõtlik is still slightly below the benchmark index, performance of pension fund Julge meant that LHV Varahaldus earned a success fee of EUR 2.1 million.

Financial results

<i>EUR million</i>	2025	2024	Δ
Total net operating income	11.2	8.9	26%
Total operating expenses	7.4	7.1	4%
Operating profit	3.9	1.8	114%
Net financial income	0.8	0.6	39%
Income tax expense	0.6	0.8	-30%
Net profit	4.1	1.6	158%

Business volumes

Assets under management	1,702	1,558	9%
No of pension fund customers, thous.	142	153	-7%

3.2.5 AS LHV Paytech

AS LHV Paytech (former business name EveryPay AS) was established in 2012 and in April 2022, LHV Group acquired 100% of the company. LHV Paytech is developing and operating a cloud-based payment gateway platform for digital payments acceptance in digital environments and is Payment Card Industry Data Security Standard level 1 certified. LHV Paytech's customers are financial institutions that need the platform as a part of their online payments' acceptance offering or for their internal needs. LHV Paytech is not providing services to the merchants directly.

LHV Paytech operates primarily in the Baltics, servicing commercial banks and smaller financial institutions.

In 2025, LHV Paytech was dedicated to enriching its offerings by introducing new payment methods and relevant features. This involved extending integration options like Apple Pay and Google Pay native apps SDKs, new e-shop plugins for all the supported platforms, LHV branded payment flows and merchant help centre, Open Banking payments refunding option for SEB and Swedbank merchants, many card payments related mandates and improvements, and general platform strengthening and resilience improvements. Aligned with LHV Group's strategic vision, our ongoing commitment involves the incorporation of new payment methods, relevant features, and continuous improvements to overall service quality.

Financial results

<i>EUR million</i>	2025	2024	Δ
Total net operating income	4.4	4.2	5%
Total operating expenses	3.9	3.5	11%
Operating profit	0.5	0.7	-29%
Income tax expense	0.0	0.0	na
Net profit	0.5	0.7	-29%

3.3 Financial plan

LHV is one of a very few listed companies that publishes annually a five-year financial plan. As the forecast horizon is long, only the first year should be viewed as a firm plan. The strategy for the remaining four years serves as a flexible guideline, outlining where LHV envisions its business evolving over the next few years.

LHV Group enters 2026 with a strong foundation, supported by its commitment to innovation, customer-centricity, and sustainable growth. The Group will continue to leverage its strengths in banking, asset management, and technology to deliver value to customers and stakeholders.

3.3.1 Assumptions behind the financial plan

There are several assumptions made, especially regarding the macroeconomic environment and interest rates.

Macroeconomic Conditions: Using our own forecasts, we anticipate the economic recovery, that began in 2025, to continue, and GDP growth is expected to accelerate to a moderate level in 2026, remaining modestly positive in the following years.

Interest Rates: The interest rate environment has shifted, base rates decreased rapidly until mid-2025. After that interest rates stabilized and are expected to start slightly increasing in 2027. 6-months EURIBOR will be around 2.2%-3.0%, ECB deposit facility rate around 2.0-2.5%. Bank of England Bank Rate is expected to be around 3.5-3.7%

The third assumption is about competition, where in the long-term scenario we do not expect major changes, competition in the lending and deposit markets will stay strong.

We expect that the credit portfolio is well diversified, and the economy will be flexible, and credit risk will appear through some individual counterparties, not through systemic crises.

The two main types of changes considered are the impending changes in legislation and market expectations on interest rates. There are no major changes in legislation, but the focus on capitalisation levels for banks is likely to increase even further.

Financial plan macroeconomic assumptions	2026	2027	2028	2029	2030
Estonian real GDP growth, %	2.2%	2.5%	2.8%	2.5%	2.5%
Estonian unemployment rate, %	7.1%	6.7%	6.5%	6.3%	6.0%
Estonian CPI, %	3.2%	2.5%	2.5%	2.5%	2.5%
ECB deposit facility rate, % (annual average)	2.0%	2.2%	2.4%	2.5%	2.5%
BoE Bank Rate, % (annual average)	3.5%	3.7%	3.7%	3.7%	3.7%
6m Euribor, % (annual average)	2.2%	2.4%	2.6%	2.8%	3.0%

3.3.2 Business areas

The plan is based on LHV's concept of four business areas:

- Estonian banking
- UK banking
- Asset management
- Insurance

Estonian banking and asset management areas are on a solid position. Insurance is a relatively new business with high potential. UK banking consists of two main different business lines: services to financial intermediaries and SME/retail banking. UK SME/retail banking is clearly in rapid growth phase as lending business was fully launched in 2024. Starting from 2024, the financial intermediaries business line results were split between Estonian banking and UK banking, so there is still complexity to read financial statements as 80-90% of financial intermediaries business line customers act in the euro area and deals/positions are booked against Estonian bank. At the same time, business line results are presented, and risks are taken by UK banking.

3.3.3 Comments regarding financial plan results

Our income sources are broad-based. For some areas income is a function of different assets, for other areas a function of customer activity or the capital markets situation.

In 2026, we will focus on continued growth in business volumes and customer activity, alongside improved operational efficiency. It is expected that net income will start to grow again. Base interest rates had low point in 2025 and are now expected to stabilize and gradually increase. Additionally, business volumes are expected to increase, which helps to increase net fee income. Net profit is expected to remain broadly stable in a lower-rate environment, providing a solid base for stronger profitability and returns in subsequent years.

It is expected that all business lines are profitable.

We see the macroeconomic situation slightly improving. We plan to grow by 11-16% with the loan portfolio. Also, asset management, insurance and financial intermediaries' business will grow.

The Estonian banking business line is affected mostly by macroeconomic trends and interest rates. Strong competition in lending and deposits continues, reinforcing the focus on efficiency and disciplined pricing. New lending must meet return requirements and low-ROE corporate loans should be repriced or exited. Approximately 90% of capital is utilised by the credit portfolio. Hence, credit risk is the largest risk

in the business area. The portfolio is well diversified and capitalised. Loan loss ratio remains low (~0.3%), assuming continued strong asset quality and risk appetite considering underwriting.

The profitability of UK banking is also mainly related to interest rates, but much less affected by changes in GDP. The impact comes from deposits of financial intermediates, which are kept liquid and not used for funding the credit portfolio. LHV Bank's financial forecast for 2026 indicates accelerated growth, with business volumes and income expanding faster than costs.

The profitability of the asset management business line is mostly driven by the social tax paid to state budget in Estonia, on which the possibility to earn success fee depends on, and returns of assets under management, which mostly correlate with capital markets.

Insurance remains in a growth phase. The strategic objective is to sustain profitable growth in the coming years. The profitability is not so much driven by the macroeconomic situation but more by one-off items, especially the occurrence of larger insurance cases.

In addition to base scenario, LHV concludes a negative scenario and uses this as one input for capital management. This scenario is based on lower GDP growth, higher inflation, higher base rates and interest rates on liabilities with higher share of term deposits, but lower interest margins of loans. Additionally, it is assumed that loan portfolio in Estonia grows slower than in the base plan. We see that results are mainly affected by lower loan volumes, higher credit risk and interest rates. Even with around 0.5 percentage points and 0.8 percentage points in 2026 lower GDP growth expectation compared to base scenario and approximately 0.2 percentage points in 2026 and 0.1 percentage points in 2027 higher ECB deposit facility rate but by 0.1 percentage points lower loan margins of most new loans in Estonia. LHV remains profitable, and capitalisation remains above internal targets.

3.3.4 Financial plan

Short version of financial plan figures is presented in table below.

Statement of profit or loss

<i>EUR million</i>	2026	2027	2028	2029	2030
Net interest income	253	315	363	409	464
Net fee and commission income	78	91	97	107	118
Other income	3	4	6	9	11
Total revenue	334	410	466	525	593
Total operating expenses	-161	-168	-180	-191	-203
Amortisation	-11	-9	-10	-10	-9
Impairment losses on loans and advances	-15	-16	-19	-21	-22
Earnings before income tax	147	218	257	303	359
Income tax	-6	-11	-16	-20	-24
Advance income tax	-23	-30	-34	-38	-44
Net profit	118	176	208	245	290
Profit attributable to non-controlling interest	2	3	4	5	6
Profit attributable to owners of the parent	116	173	204	240	284

Statement of financial position

<i>EUR million</i>	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030
Cash and cash equivalents	4,252	4,718	5,202	5,816	6,399
Financial assets at fair value	400	402	409	402	373
Loans granted (net)	6,082	7,083	8,067	9,152	10,147
Long-term financial investments	8	8	9	9	10
Other assets	50	48	78	71	64
Total assets	10,792	12,259	13,765	15,451	16,992
Deposits from customers	-8,577	-9,562	-10,512	-11,607	-12,814
Loans received	-1,077	-1,397	-1,739	-2,158	-2,334
Subordinated debt	-207	-237	-303	-334	-333
Other liabilities	-93	-106	-139	-147	-153
Total liabilities	-9,954	-11,301	-12,693	-14,246	-15,635
Equity	-838	-958	-1,072	-1,205	-1,357
Total liabilities and equity	-10,792	-12,259	-13,765	-15,451	-16,992

Ratios	2026	2027	2028	2029	2030
Regulatory ratios					
CET1	16.1%	15.8%	15.5%	15.5%	15.6%
T1	17.7%	17.8%	18.2%	17.9%	17.8%
CAD	20.9%	20.5%	20.9%	20.8%	20.5%
Financial ratios					
ROE	15.0%	20.0%	21.0%	22.1%	23.4%
Pre-tax ROE	18.7%	24.7%	26.0%	27.4%	28.9%
C/I	51.3%	43.1%	40.9%	38.2%	35.8%
L/D	73.8%	74.2%	74.5%	74.1%	73.9%
CoR	0.3%	0.2%	0.2%	0.2%	0.2%
EPS (EUR)	0.35	0.53	0.62	0.73	0.87
Dividend based on dividend policy (EUR thousand)	26,228	26,228	36,064	45,900	52,457
DPS (EUR)	0.08	0.08	0.11	0.14	0.16

Ratios calculation principles

CET1 (common equity tier 1 capital adequacy ratio) = tier 1 common equity / risk weighted assets

T1 (tier 1 capital adequacy ratio) = tier 1 capital / risk weighted assets

CAD (total capital adequacy ratio) = (tier 1 capital + tier 2 capital) / risk weighted assets

ROE (return on equity) from profit attributable to the owners of parent = net profit (attributable to owners of the parent) / average equity (attributable to owners of the parent) * 100

ROE (return on equity) from pre-tax profit attributable to the owners of parent = net profit before taxes (attributable to owners of the parent) / average equity (attributable to owners of the parent) * 100

C/I (cost to income ratio) = total operating expenses / total net income * 100

L/D (loan to deposit ratio) = net loans / deposits * 100

CoR (cost of risk) = impairment losses on loans / average loan portfolio

EPS (earning per share) = net profit (attributable to owners of the parent) / number of shares

Dividend = dividend payment during calendar year

DPS (dividend per share) = dividend payment during calendar year / number of shares at moment of payment

Capital adequacy levels are calculated in accordance with applicable requirements in Estonia

3.3.5 Updates of the financial plan

LHV reviews the financial plan annually and publishes it in February. In general, there are no updates published during the year.

In case the actual results and a rolling forecast differ by more than 10% from the existing plan, LHV publishes an update to the current year financial plan, but an update to long-term forecast is not published. In 2025 no updates are published.



PART II: THEMATIC REVIEWS: GOVERNANCE, RISKS AND SUSTAINABILITY

4 Governance of the Group⁷

Supervisory board



Rain Lõhmus is one of the founders of LHV and the Chairman of the Supervisory Board of LHV Group. He is a member of the Supervisory Board of LHV Pank and belongs to the Supervisory Board of Kodumaja AS. He is the owner and a member of the Management Boards of AS Lõhmus Holdings and Lõhmus Capital OÜ. Additionally, he is the owner of OÜ Merona Systems, Kõrberebane OÜ and one of the owners of Zerospotnrg OÜ, Umblu Records OÜ and OÜ KODRESTE. Rain Lõhmus graduated from Tallinn University of Technology (TalTech) and the management programme of Harvard Business School. Rain Lõhmus and persons related to him (Lõhmus Holdings OÜ, OÜ Merona Systems) own altogether 68,649,130 shares, representing 20.94% of all shares of LHV Group.



Andres Viisemann is one of the founders of LHV and the manager of LHV pension funds. He is a member of the Supervisory Boards of LHV Group, LHV Pank and AS LHV Varahaldus. He also belongs to the Supervisory Boards of AS Fertilitas and AS Viimsi Haigla. He is the owner and a member of the Management Board of Viisemann Holdings OÜ and the owner of OÜ Miura Investeeringud. Andres Viisemann graduated from the University of Tartu and obtained a master's degree from INSEAD in International Business Management. Andres Viisemann and the persons related to him (incl. Viisemann Investments AG) own altogether 35,860,325 shares, representing 10.94% of all shares of LHV Group. Due to his position as the head of LHV pension funds, Andres Viisemann is entitled to subscribe for 57,049 shares of LHV Group under the options issued in 2023. No options were issued to him in 2024 and 2025.



Raivo Hein is a member of the Supervisory Boards of LHV Group and LHV Pank. He also belongs to the Supervisory Board of AS Puumarket and to the Management Board of MTÜ Pärtli. He is the owner and the member of Management Board of OÜ Kakssada Kakskümmend Volti and a Management Board member of Põhjala Kellad OÜ and several other companies established for the management of personal investments. Raivo Hein graduated from Tallinn University of Technology (TalTech). Raivo Hein does not own shares of LHV Group. Persons related to him, incl. OÜ Kakssada Kakskümmend Volti, Lame Maakera OÜ and Astrum OÜ own altogether 5,513,694 shares, representing 1.68% of all shares of LHV Group.



Tiina Mõis is a member of the Supervisory Boards of LHV Group and LHV Pank. She is the owner and a Management Board member of AS Genteel and one of the owners and a Management Board member of Nine Lives OÜ. Tiina Mõis graduated from Tallinn University of Technology (TalTech). Tiina Mõis and a person related to her (AS Genteel) own altogether 11,359,880 shares, representing 3.46% of all shares of LHV Group.



Liisi Znatokov is a member of the Supervisory Board of LHV Group and LHV Pank. She is also a member of the Supervisory Board of Apollo Group OÜ and the founder, CEO, and member of the Management Board of Cobalt Financial Technologies Inc. Liisi Znatokov graduated from Tallinn University of Technology (TalTech). Liisi Znatokov and persons related to her don't own any shares in LHV Group.



Tauno Tats is a member of the Supervisory Board of LHV Group. He is also a chairman of the Supervisory Board of OÜ Eesti Killustik and a member of the Management Boards of Ammende Hotell OÜ and MTÜ Plate torn. He is also Management board member and owner of Öueala OÜ. He is the Management Board member and one of the owners at Ambient Sound Investments OÜ as well as a Management Board member of companies established for the management of investments of the aforementioned companies. Tauno Tats graduated from Tallinn University of Technology (TalTech). Tauno Tats does not own shares of LHV Group. Person related to him, Ambient Sound Investments OÜ owns 10,519,990 shares, representing 3.21% of all shares of LHV Group.



Heldur Meerits (passed away in October 2025) was a member of the Supervisory Boards of LHV Group and LHV Pank. He was also a member of the Supervisory Boards of Kodumaja AS and the foundations SA Põltsamaa Ühisgümnaasiumi Toetusfond and Audentese Koolide SA. Heldur Meerits was also the owner and a member of the Management Boards of the companies established for the management of personal economic interests, AS Amalfi and SIA Valdemara Group, the owner of Kuldrannake Amalfi OÜ and the protector and beneficiary of Castra Hiberna Foundation. Heldur Meerits graduated from the Faculty of Economics and Business Administration of the University of Tartu. Heldur Meerits did not own shares of LHV Group. At the time of his death, the persons related to him, AS Amalfi and SIA Valdemara Group, owned 5,537,640 shares, representing 1.69% of all shares of LHV Group.

⁷ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5b, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

Management Board



Mihkel Torim is the Chairman of the Management Board of LHV Group, the member of the supervisory boards of LHV Pank, LHV Kindlustus, LHV Varahaldus and LHV Paytech, a member of the supervisory board of AS LHV Finance, and the Chairman of the Board of Directors of LHV Bank since 22 July 2025. He is also a member of the management board of Fortima OÜ. Mihkel Torim graduated in 2004 with a degree in Financial Management from Audentes University and has completed various further training programmes. Mihkel Torim does not own shares of LHV Group. Under the options issued in 2024 and 2025, Mihkel Torim has the right to subscribe for a total of 199,575 shares of LHV Group.



Meelis Paakspuu is a member of the Management Board and the CFO of LHV Pank since 2015 and a member of the Management Board and the CFO of LHV Group since 2022. He is not a member of the governing bodies of any other company. Meelis Paakspuu graduated from the University of Tartu in 1996 with a degree in economics. Meelis Paakspuu and a person related to him own altogether 889,030 shares, representing 0.27% of all shares of LHV Group. Under the options issued in 2023, 2024 and 2025, Meelis Paakspuu has the right to subscribe for a total of 544,130 shares of LHV Group.



Kadri Haldre is a member of the Management Board and the CRO of LHV Group and LHV Pank since 18 November 2024. She is a member of the Management Board in OÜ KMA Invest, a company she solely owns. Kadri Haldre obtained a Bachelor's Degree in Law from University of Tartu and an MSc in Economics and Business Administration from Copenhagen Business School and a BSc in Economics and Business from Stockholm School of Economics in Riga. Kadri Haldre owns 30,610 shares, representing 0.01% of all shares of LHV Group. Under the options issued in 2023 and 2024, Kadri Haldre has the right to subscribe a total of 71,568 shares of LHV Group. No options were issued to her in 2025.



Jüri Heero is a member of the Management Board and the CIO of LHV Pank since 2007 and a member of the Management Board and the CIO of LHV Group since 2022. He is also the owner and Management Board member of Heero Invest OÜ. Jüri Heero graduated from the University of Tartu in 1999 with a degree in economics. Jüri Heero and a person related to him (Heero Invest OÜ) own altogether 1,352,100 shares, representing 0.41% of all shares of LHV Group. Under the options issued in 2023, 2024 and 2025, Jüri Heero has the right to subscribe for a total of 382,291 shares of LHV Group.



Madis Toomsalu was a member of the Management Board of LHV Group and the Chairman of the Supervisory Boards of LHV Pank, LHV Kindlustus, LHV Varahaldus and LHV Paytech, a member of the Supervisory Board of LHV Finance, and the Chairman of the Board of Directors of LHV Bank until 21 July 2025. He was also a member of the Management Board of MTÜ FinanceEstonia and a member of the council of the foundation SA Rohetiiger. Madis Toomsalu has obtained a bachelor's degree in business management from Tallinn University of Technology (TalTech) in 2009 and a master's degree in 2011 in public sector finance. As of the date of the end of his term of office, Madis Toomsalu and a person related to him own altogether 1,721,400 shares, representing 0.53% of all shares of LHV Group. Under the options issued in 2023, 2024 and 2025, Madis Toomsalu has the right to subscribe for a total of 749,611 shares of LHV Group.

Committees formed on Supervisory Board level

Audit Committee



Verner Uiibo is the Chairman of the Audit Committee. He is the Head of Finance in the investment company Plural Platform and is a member of the Management Board of AS Plural Estonia. Previously, from 2006 to 2022, he was the lead auditor of the financial audit department of AS PricewaterhouseCoopers. He is the owner and the member of the Management Board of TriVer Konsultatsioonid OÜ and VUPCV OÜ and a member of the Management Board of MAOLEN OÜ. Verner Uiibo has a bachelor's degree from University of Tartu Pärnu College, and he was an Estonian certified public accountant until September 2023 and has obtained ACCA (Association of Chartered Certified Accountants) qualification without being an active member. Verner Uiibo does not own any shares of LHV Group.



Rain Lõhmus (Chairman of the Supervisory Board of LHV Group and member of the Supervisory Board of LHV Pank)



Raivo Hein (member of the Supervisory Boards of LHV Group and LHV Pank)



Tauno Tats (member of the Supervisory Board of AS LHV Group)

Remuneration Committee



Tiina Mõis is the Chairman of the Remuneration Committee (member of the Supervisory Boards of LHV Group and LHV Pank)



Rain Lõhmus (Chairman of the Supervisory Board of LHV Group and member of the Supervisory Board of LHV Pank)



Andres Viisemann (member of the Supervisory Boards of LHV Group, LHV Pank and LHV Varahaldus)

Nomination Committee



Tiina Mõis is the Chairman of the Nomination Committee (member of the Supervisory Boards of LHV Group and LHV Pank)



Rain Lõhmus (Chairman of the Supervisory Board of LHV Group and member of the Supervisory Board of LHV Pank)



Andres Viisemann (member of the Supervisory Boards of LHV Group, LHV Pank and LHV Varahaldus)

Risk and Capital Committee (formed on both LHV Group and LHV Pank Supervisory Board level)



Liisi Znatokov is the Chairman of the Risk and Capital Committee since 20 March 2024, following Rain Lõhmus, who previously held the position (member of the Supervisory Boards of LHV Group and LHV Pank)



Rain Lõhmus (Chairman of the Supervisory Board of LHV Group and member of the Supervisory Board of LHV Pank)



Andres Viisemann (member of the Supervisory Boards of LHV Group, LHV Pank and LHV Varahaldus)



Mihkel Torim (Chairman of the Management Board LHV Group, Chairman of the Supervisory Boards of LHV Pank, LHV Varahaldus, LHV Kindlustus and LHV Paytech, member of the Supervisory Board of LHV Finance and the Chairman of the Board of Directors of LHV Bank from 22 July 2025). Mihkel Torim is also a member of the Risk and Capital Committee of LHV Pank.



Madis Toomsalu (was the Chairman of the Management Board LHV Group, Chairman of the Supervisory Boards of LHV Pank, LHV Varahaldus, LHV Kindlustus and LHV Paytech, member of the Supervisory Board of LHV Finance and the Chairman of the Board of Directors of LHV Bank until 21 July 2025). Madis Toomsalu was also a member of the Risk and Capital Committee of LHV Pank.



Heldur Meerits (deceased, member of the Supervisory Boards of LHV Group and LHV Pank until October 2025)

Supervisory and Management Boards of the subsidiaries

AS LHV Pank

Supervisory Board:

Madis Toomsalu (Chairman, until 21 July 2025),
Mihkel Torim (Chairman, from 22 July 2025 until 22 July 2030),
Rain Lõhmus (until 20 March 2029),
Andres Viisemann (until 31 March 2027),
Tiina Mõis (until 20 March 2029),
Heldur Meerits (deceased, until October 2025),
Raivo Hein (until 31 March 2027),
Liisi Znatokov (until 20 March 2029)

Management Board:

Kadri Kiisel (Chairman),
Indrek Nuume,
Jüri Heero,
Meelis Paakspuu (all until 31 March 2027),
Annika Goroško (until 1 March 2029),
Kadri Haldre (until 18 November 2029),
Mihkel Kasepuu (from 22 July 2025 until 22 July 2030)

AS LHV Finance

Supervisory Board:

Kadri Kiisel (Chairman, until 29 January 2026),
Madis Toomsalu (until 21 July 2025),
Mihkel Torim (from 22 July 2025 until 22 July 2030),
Veiko Poolgas (until 24 August 2028),
Jaan Koppel (until 24 August 2028)

Management Board:

Heidy Kütt (until 18 January 2028)

AS LHV Varahaldus

Supervisory Board:

Madis Toomsalu (Chairman, until 21 July 2025),
Mihkel Torim (Chairman, from 22 July 2025 until 22 July 2030),
Kadri Kiisel (until 31 March 2027),
Andres Viisemann (until 31 March 2026)

Management Board:

Vahur Vallistu (Chairman, until 6 June 2027),
Eve Sirel (until 31 March 2028)

AS LHV Kindlustus

Supervisory Board:

Madis Toomsalu (Chairman, until 21 July 2025),
Mihkel Torim (Chairman, from 22 July 2025 until 30 April 2030),
Erki Kilu,
Veiko Poolgas,
Jaan Koppel (all until 30 April 2030)

Management Board:

Martti-Sten Merilai (Chairman, until 24 November 2027),
Taavi Lehemaa (until 8 December 2028)

LHV Bank Ltd

Board of Directors:

Madis Toomsalu (appointed on 4 February 2021, resigned on 22 July 2025),
Erki Kilu (appointed on 4 February 2021),
Paul Horner (appointed on 4 January 2022),
Keith Butcher (appointed on 1 May 2022),
Sally Veitch (appointed on 1 July 2022),
Gill Lungley (appointed on 1 April 2024),
Rachelle Frewer (appointed on 2 January 2024),
Mihkel Torim (appointed on 14 August 2025)

AS LHV Paytech

Supervisory Board:

Madis Toomsalu (Chairman, until 21 July 2025),
Mihkel Torim (Chairman, from 22 July 2025 until 22 July 2030),
Erki Kilu (until 21 July 2025),
Kadri Kiisel (until 4 April 2027),
Annika Goroško (from 22 July 2025 until 22 July 2030)

Management Board:

Lauri Teder (until 4 April 2028)

5 Corporate Governance Report

This report, which is presented in accordance with the Accounting Act of the Republic of Estonia, provides an overview of the governance of AS LHV Group (LHV) and the compliance of governance with the recommendatory guidelines 'Corporate Governance Recommendations' (CGR) of the EFSA and Nasdaq Tallinn Stock Exchange. LHV complies with the CGR, unless indicated otherwise in this report. Additionally, this report includes information required under the Corporate Sustainability Reporting Directive (CSRD), with the majority of the ESRS G1 Business conduct disclosures marked with specific reference.

5.1 Shareholder Information and Relations

5.1.1 General Meeting⁸

LHV is a public limited company whose governing bodies are the General Meeting, the Supervisory Board, and the Management Board.

The General Meeting where shareholders exercise their rights is the highest governing body of LHV. The primary duties of the General Meeting include amending the Articles of Association, increasing and decreasing share capital, approving share option programmes, taking decisions on the issuance of convertible bonds, electing and extending the authorisation of Supervisory Board members, removing Supervisory Board members before the expiry of their term of office, approving the annual report and allocation of profit, determining the number of auditors, appointing and removing the auditor(s), designating a special audit, deciding on the conclusion of transactions which are beyond the scope of everyday economic activities with members of the Supervisory Board, deciding on the dissolution, merger, division or transformation of LHV and taking other decisions within the power of the General Meeting under the law and the Articles of Association.

A resolution on the amendment of the Articles of Association is adopted when at least two-thirds of the votes represented at the General Meeting are in favour. A resolution on the amendment of the Articles of Association and a new redaction of the Articles of Association enters into force at the time when the corresponding entry is made in the commercial register. The resolution of the General Meeting on the amendment of the Articles of Association and the new text of the Articles of Association is attached to the application filed with the commercial register.

A shareholder has the right to participate in the General Meeting, address the General Meeting regarding items on the agenda, ask reasoned questions and make proposals.

Furthermore, the shareholders have additional rights as provided by law or specified in the Articles of Association.

The General Meeting is called by the Management Board, unless otherwise provided by law, the Annual General Meeting whose agenda includes the approval of the annual report is called at least once a year. The Management Board calls the Annual General Meeting within six months after the end of the financial year at the latest, unless otherwise provided by law. The Management Board gives at least three weeks' notice of Annual or Extraordinary General Meetings.

The agenda of the General Meeting, proposals of the Management Board and Supervisory Board, draft resolutions and other relevant materials are made available to the shareholders prior to the General Meeting. The materials are made available on LHV's website. The shareholders not wishing to participate in the meeting in person are granted the opportunity to vote on the draft resolutions on the agenda of the General Meeting prior to the General Meeting and to participate in the General Meeting electronically on the meeting website and to watch the meeting via video broadcast. Shareholders are given an opportunity to ask questions about items on the agenda before the General Meeting. The option to participate in the General Meeting and exercise the rights using electronic means without physically attending the General Meeting via secure electronic means is provided in the Articles of Association.

The list of shareholders entitled to participate in the General Meeting is determined based on the share register seven days before the General Meeting.

In 2025, the Annual General Meeting was held on 26 March 2025. The agenda included the approval of the annual report for 2024, the profit distribution for the 2024 financial year, and the payment of dividends; the approval of the amendments to 2020–2024 share option program, the approval of the 2025–2029 share option program, and also the conditions of

performance pay payable to the management members and equivalent staff of LHV Group and its group companies. The amendments to the Articles of Association and conditions of the acquisition of LHV's own shares were also approved. Under this authorization, which is valid for up to five years, LHV Group may acquire its own shares to execute approved share option programs, provided that the total nominal value of own shares does not exceed 10% of the share capital. Acquisitions are executed under market conditions on the Nasdaq Tallinn Stock Exchange and are conditional upon the consent of the European Central Bank. In accordance with this, LHV Group acquired 2,099,703 of its own shares between 13 May and 31 December 2025, for a total consideration of EUR 7,270,500, at a weighted average price of EUR 3.46 per share. In addition, an overview was given of the financial results of the first two months of 2025 and the financial forecast for the next five years at the Annual General Meeting. No extraordinary General Meetings were held in 2025.

The Annual General Meeting in 2025 was held in Estonian and chaired by Daniel Haab, the Head of Legal of LHV Pank, who introduced the procedure for conducting the General Meetings and the procedure for asking the Management Board questions regarding the company's activities.

The Annual General Meeting was attended by Madis Toomsalu, the Chairman of the Management Board as at the date of the meeting, and Rain Lõhmus, the Chairman of the Supervisory Board. Members of the Management Board Meelis Paakspuu, Jüri Heero and Kadri Haldre and members of the Supervisory Board Tiina Mõis, Raivo Hein and Tauno Tats were also present. The other members of the Supervisory Board participated in the Annual General Meeting using electronic means. The external auditor, Lauri Past (PwC), was present as well.

No shareholders of LHV hold shares which would grant them special control or voting rights. LHV is not aware of any

⁸ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5a, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

agreements between shareholders regarding coordinated exercise of shareholder rights.

The shareholders with significant influence are Rain Lõhmus and persons related to him, who hold 20.94% of share capital as of 31 December 2025 in aggregate and Andres Viisemann and persons related to him, who hold 10.94% of share capital as of 31 December 2025 in aggregate.

5.2 Management Board⁹

5.2.1 Composition and duties of Management Board

The Management Board is the governing body representing and managing LHV. The members of the Management Board are elected and removed by the Supervisory Board. To elect a member of the Management Board, the candidate's written consent is required. Only a person who has sufficient knowledge and experience to participate in the work of the Management Board and to fulfil the duties of a member of the Management Board and who meets the requirements arising from LHV's Articles of Association, Terms of Reference of the Management Board and other internal regulations, and legislation, may be appointed as a member of the Management Board. Before appointment, the suitability of the person for the position is assessed in accordance with LHV's Rules of Suitability Assessment of Management Body Members, Management Bodies and Key Function Holders and the suitability assessment guidelines of the European Central Bank (ECB) and the joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU, taking into account the specific nature of LHV's operations.

The Management Board members possess a diverse set of skills and experience, ensuring effective governance and leadership in business conduct matters. To maintain high standard, set for management bodies of credit institutions and listed companies, regular training sessions are organized, equipping members with the knowledge necessary to address the challenges of a constantly evolving business environment. These initiatives ensure that the Management Board remains well-prepared to fulfil its responsibilities and adapt to emerging trends. The expertise of the Management Board is assessed as both sufficient and up to date, reflecting its commitment to continuous professional development, as evaluated through a suitability assessment conducted by LHV in compliance with applicable legal requirements. The Management Board combines strong expertise in banking and investments with extensive management experience and a deep understanding of credit institutions. They bring a global perspective and strengths in IT, financial outcomes, and risk management, including anti-money laundering and anti-financial crime, cybersecurity, ESG, compliance, and operational continuity. Their proven ability in capital raising and transparent communication builds trust among clients and investors, ensuring reliable leadership and alignment with LHV's strategic goals¹⁰. For more information on Management Board members professional profile please see section Governance of the Group above.

According to the Articles of Association of LHV, the Management Board has one to five members. A member of the Management Board is appointed for a term of up to five years. The extension of the term of office of a member of the Management Board may not be decided earlier than one year before the scheduled expiry of the term of office or for a period exceeding the maximum period permitted by law or the Articles of Association. If the Management Board of LHV has more than two members, the Supervisory Board appoints the chairman of the Management Board. The chairman of the Management

Board organises the work of the Management Board. The Supervisory Board may remove a member of the Management Board regardless of the reason. A member of the Management Board may resign from the Management Board, regardless of the reason, by informing the Supervisory Board. The rights and obligations arising from a contract entered with a member of the Management Board expire in accordance with the contract.

The Management Board of LHV has four members, and as of 22 July 2025, the Management Board consists of the following members: Mihkel Torim (the Chairman of the Management Board, CEO), Meelis Paakspuu (responsible for financial management function, CFO), Kadri Haldre (responsible for risk management function, CRO) and Jüri Heero (responsible for IT operations, IT development and information security functions, CIO). Madis Toomsalu's term as the Chairman of the Management Board ended as of 21 July 2025, and Mihkel Torim was appointed as a new Chairman of the Management Board and the CEO of LHV, with his term commencing on 22 July 2025.

The Supervisory Board has established the terms and condition and decided the conclusion of contracts with the Management Board members. The Supervisory Board determines inter alia the remuneration principles of the members of the Management Board and compensation for early termination of the contract. The term of office of Mihkel Torim expires on 22 July 2030 and the terms of office of Meelis Paakspuu and Jüri Heero expire on 31 March 2027, and Kadri Haldre's term expires on 18 November 2029.

The Management Board makes everyday management decisions at its own discretion and in the best interests of LHV and its shareholders, putting aside personal interests. The duties of a member of the Management Board include day-to-day management of LHV, representing the company, managing LHV's operations in foreign markets and communicating with investors, coordinating the development

of LHV's strategy and implementing the strategy. The right of representation specification of the members of the Management Board resulting from the Articles of Association of LHV has also been entered in the Commercial Register: the chairman of the Management Board alone or two members of the Management Board jointly may represent LHV in transactions.

The Management Board ensures that LHV has risk management and internal control systems appropriate for its operations and business area. LHV's internal control system covers all activities carried out by LHV's Supervisory Board, management, and employees to ensure efficiency of operations, adequate risk management, reliability and accuracy of internal and external reporting and unconditional compliance with all laws and regulations. The internal control system covers all business, support, and control units.

The objectives of risk management within LHV are to identify, correctly quantify and manage risks. The wider objective of risk management is to increase the value of the company by minimising losses and reducing volatility of results.

LHV's risk management is based on a strong risk culture and follows the principle of three lines of defence. The first line of defence, i.e., represented mainly by the business lines, alongside other support functions, is responsible for risk-taking and daily risk management. The second line of defence, i.e., the risk management function and the compliance function, including the AFC compliance function, is responsible for ownership, continuous review, and implementation of a risk management framework. The third line of defence, i.e., the independent internal audit function, exercises supervision over the entire organisation, i.e., reviews, through conducting internal audits, the internal governance arrangements, processes, and mechanisms to ascertain that they are sound, effective, implemented and consistently applied.

⁹ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5a, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

¹⁰ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5b, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

The responsibilities of the Management Board members of LHV are clearly defined to ensure effective governance and operational success:

- Chief Executive Officer (CEO): Coordinates and performs the functions of Chief Technology Officer, Head of Investor Relations and Corporate Development, Service Manager, Marketing Manager, Communications Manager, Head of Human Resources.
- Chief Risk Officer (CRO): Provides independent oversight of material risks across LHV and is responsible for managing key management processes: Credit Risk, Portfolio Risk and Reporting, Financial Risk and Stress Testing, Non-Financial Risks, Modelling and Validation, Financial Crime Prevention Compliance, Compliance, and Regulatory Affairs.
- Chief Financial Officer (CFO): Coordinates and performs the functions of Treasury Manager, Chief Accountant, Head of Managerial Accounting, External Reporting Manager, Data Area Manager, Data Governance Team Lead, Head of Legal Department, and Head of ESG.
- Chief Information Officer (CIO): Coordinates and performs the functions of Head of IT (infrastructure and internal services, including IT support and physical security) and Information Security Manager.

These distinct areas of responsibility ensure that the Management Board operates efficiently and supports LHV's mission, vision, and strategic objectives¹¹.

5.2.2 Principles of remuneration of the Management Board

The purpose of LHV's remuneration principles is to provide fair, motivating, transparent and lawful remuneration.

The authority to determine the remuneration principles and remuneration of the Management Board is vested in the Supervisory Board. The Remuneration Committee reviews the basis of the remuneration of the Management Board on an annual basis. In assessing the activities of the Management Board, the Remuneration Committee considers, above all, the duties and activities of the members of the Management Board as well as LHV's financial position, the status and outlook of business operations in comparison with other companies operating in the same sector.

The remuneration payable to a member of the Management Board, including the options programme, must motivate the person to act in the best interests of LHV and to avoid a situation of conflict of interest by refraining from acting in the personal or other interests. The basic salary and remuneration principles of the members of the Management Board are set forth in the Management Board member contracts concluded with them. The principles of remuneration of the members of the Management Board engaged in internal control and risk management must ensure their independence and objectivity in the performance of their risk management / internal control duties. The remuneration of those people must not depend on the results of the areas under their supervision. The goals set must be described at an individual level.

In setting the key quantitative and qualitative performance indicators and risk assessment metrics, LHV is governed by the following principles:

- The performance criteria developed by LHV must not stimulate excessive risk-taking or sale of inappropriate products.
- The performance criteria must not consist only of performance efficiency indicators (e.g., profit, revenue, return, costs, and volume indicators) or market-based indicators (e.g., share price or bond yield) but must be adjusted for risk-based indicators (e.g., capital adequacy, liquidity).
- The criteria used for measuring risks and results must be as closely as possible related to the decisions of the member of the Management Board whose results are being appraised, and they should ensure that remuneration is determined in a way that has the desired impact on the Management Board member's behaviour.
- The performance criteria must be developed by ensuring a good balance between quantitative and qualitative as well as absolute and relative criteria.
- The quantitative criteria must cover a period that is sufficiently long to take into account the risks taken by the member of the Management Board or units they are responsible for, and they should be risk-adjusted and contain economic efficiency indicators.
- The examples of qualitative criteria include achievement of strategic objectives, customer satisfaction, adherence to the risk management policy, compliance with internal and external regulations, management skills, teamwork, creativity, motivation and cooperation with other business units and the internal control function.

LHV applies a long-term incentive plan (LTI plan), i.e., an option programme. The basic salaries of Management Board members, top management and key personnel included in the option programme (including staff members considered equal to Management Board members) are added an annual performance pay the amount and disbursement of which depend on the achievement of individual targets and LHV's targets. The lower limit of performance pay, approved by the shareholders, is EUR 0 and the upper limit is 200% of the annual remuneration. As a rule, if the financial plan is met, options will be granted to the extent of 2% of the total number of LHV shares. The bases for assigning performance pay through the options programme must be objective and justified and pre-determine the period for which performance pay is paid. The performance pay instruments consist fully of share options.

Severance compensation payable to members of the Management Board is related to their previous performance. No severance compensation is paid if this would damage the interests of LHV. The size of the severance compensation must correspond to the results achieved over time and to the remuneration received.

The Chairman of the Management Board of LHV, Mihkel Torim was paid a monthly remuneration of EUR 16 thousand, i.e., his annual remuneration in 2025 starting from his appointment (22 July 2025) was EUR 85.6 thousand under his Management Board member contract. The former Chairman of the Management Board of LHV, Madis Toomsalu was paid a monthly remuneration of EUR 19 thousand, i.e., his annual remuneration in 2025 until the end of his term (21 July 2025) was EUR 127.2 thousand under his Management Board member contract. Management Board member Meelis Paakspuu was paid a monthly remuneration of EUR 15 thousand, i.e., his annual remuneration in 2025 was EUR 180 thousand under his Management Board member contract. Management Board Member Jüri Heero was

¹¹ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5a, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

paid a monthly remuneration of EUR 14 thousand, i.e. an annual remuneration in 2025 EUR 168 thousand under his Management Board member contract. Kadri Haldre was paid a monthly remuneration of EUR 12 thousand from January to June 2025 and a monthly remuneration of EUR 14 thousand from July 2025, resulting in an annual remuneration in about EUR 156 thousand for 2025, under her Management Board member contract. The Management Board members are not entitled to any additional remuneration, bonuses or benefits for performing the duties of the Management Board members of LHV other than the LHV's Option Programme approved by the Annual General Meeting of Shareholders of LHV Group resolution on 13 March 2020, on the basis of which the pre-emptive right to subscribe new shares in LHV belongs to the management and equivalent staff as well as key employees of LHV and group companies designated by LHV's Supervisory Board, with whom LHV Group has concluded relevant options agreements.

According to the options agreements concluded under the Option Programme, the former Chairman of the Management Board, Madis Toomsalu is entitled to subscribe for, as performance pay, a total of 749,611 LHV shares under the options granted in 2023, 2024 and 2025. The current Chairman of the Management Board, Mihkel Torim is entitled to subscribe for, as performance pay, a total of 199,575 LHV shares under the options granted in 2024 and 2025. Meelis Paakspuu is entitled to subscribe for, as performance pay, a total of 544,130 LHV shares, and Jüri Heero is entitled to subscribe, as performance pay, a total of 382,291 LHV shares under the options granted in 2023, 2024 and 2025. Kadri Haldre, is entitled to subscribe, as performance pay, a total of 71,568 LHV shares under the options granted in 2023 and 2024, she was not issued options in 2025.

5.2.3 Conflicts of interests

The Management Board submits a declaration of economic interests once a year. There have been no conflicts of interest; accordingly, no corrective measures have been applied.

Transactions between LHV and the Management Board, their close family members or persons related to them, and the terms of these transactions must be approved by the Supervisory Board prior to the transaction taking place. In 2025, there were no such transactions between the members of the Management Board, their close family members, or related persons and LHV, nor are there any valid contracts of that nature from earlier periods. The Management Board members have no shareholdings above 5% in other companies who are LHV's business partners, suppliers, clients or other related companies.

None of the Management Board members of LHV are Management Board members or Supervisory Board members at any other company whose shares have been admitted to trading on a regulated market operating in Estonia. The Management Board members have not been granted the authority to issue or buy back shares of LHV.

5.3 Supervisory Board¹²

5.3.1 Composition and duties of Supervisory Board

The Supervisory Board is a governing body of LHV which plans the activities of LHV, organises the management of LHV and conducts supervision over the activities of the Management Board. The Supervisory Board determines and regularly reviews LHV's strategy, the general action plan, risk management principles and the annual budget. The Supervisory Board has five to seven members. The members of the Supervisory Board are appointed for a term of up to three years. The members of the Supervisory Board elect from among themselves the chairman of the Supervisory Board, who organises the activities of the Supervisory Board. The authority to elect, recall and to extend the mandate of the Supervisory Board members is vested in the General Meeting.

Only a person who has sufficient knowledge and experience to participate in the work of the Supervisory Board and to fulfil the duties of a member of the Supervisory Board and who meets the requirements arising from the Articles of Association, Terms of Reference of the Supervisory Board and other internal regulations, and applicable legislation, may be elected as a member of the Supervisory Board. Before appointment, the suitability of the person for the position is assessed in accordance with LHV's Rules of Suitability Assessment of Management Body Members, Management Bodies and Key Function Holders and the suitability assessment guidelines of the European Central Bank (ECB) and the joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU, taking into account the specific nature of LHV's operations.

The Supervisory Board members bring a range of knowledge and expertise, enabling through oversight and governance of business conduct matters. To ensure their effectiveness and maintain a high standard set for management bodies of credit institutions and listed companies, members participate in training sessions tailored to address emerging challenges and evolving governance standards. In 2025 no separate central training sessions were organised; instead, members received relevant overviews on specific topics during the Supervisory Board meetings. These professional development activities help maintain and enhance the Supervisory Board's ability to provide effective supervision. The expertise of the Supervisory Board has been assessed by LHV through a suitability evaluation, confirming that it meets the required standards of sufficiency and relevance in compliance with applicable legal requirements. The Supervisory Board brings extensive expertise in banking, investment, and financial performance, along with a strong awareness of business risks. Members contribute individual vision, a commitment to transparency, entrepreneurial experience, IT knowledge, capital-raising success, and international perspectives. Regular meetings further strengthen their oversight¹³. For more information on Supervisory Board members' professional profile please see section Governance of the Group above.

As of 31 December 2025, the members of the Supervisory Board of LHV are Rain Lõhmus (the Chairman of the Supervisory Board), Andres Viisemann, Tiina Mõis, Raivo Hein, Tauno Tats and Liisi Znatokov. The term of office of Supervisory Board members lasts until 29 March 2026, except for Liisi Znatokov, whose term of office will end on 20 March 2027. Heldur Meerits, the former Supervisory Board member, passed away in October 2025.

In 2025 the Supervisory Board had nine ordinary meetings, one extraordinary meeting and on six occasions decisions were adopted electronically. During the year, five members

¹² Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5a, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

¹³ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5b, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

of the Supervisory Board (Rain Lõhmus, Raivo Hein, Tiina Mõis, Andres Viisemann and Liisi Znatokov) participated in all Supervisory Board meetings and one member (Tauno Tats) was absent from one meeting. In October, the Supervisory Board mourned the loss of Heldur Meerits, as a long-serving and valued member, his contributions and guidance were highly appreciated. In addition to its scheduled meetings, the Supervisory Board passed six resolutions through electronic voting. In four of these votes, all members of the Supervisory Board participated. For the remaining decisions, there were instances of abstention and opposition, reflecting the Supervisory Board's thorough consideration of all matters. Four committees have been formed at the Supervisory Board level of LHV, which are responsible for advising the Supervisory Board in matters related to audit, remuneration, the suitability assessment of management board members and key function holders and risk and capital management as described in subsection 5.4 of Corporate governance report.

In the framework of its meetings in 2025, the Supervisory Board received regular overviews of the operating and financial results of LHV Group and its subsidiaries, including LHV Pank, LHV Bank, LHV Varahaldus, LHV Kindlustus and LHV Paytech and the activities, development, and results of the related areas. Quarterly updates on risk management, compliance and audit activities, as well as in-depth reviews of key governance areas, were presented. A primary focus for the Supervisory Board was steering the Group's strategic direction and financial planning. At the beginning of the year, the Supervisory Board reviewed the 2024 financial results and approved the Group's budget for 2025. This forward-looking approach continued with the discussion of the Group's comprehensive strategy and five-year financial plan for 2026-2030, which included a negative scenario analysis to ensure resilience. In support of the Group's resolvability preparedness, the Supervisory Board also approved the amendments to the Bail-in Playbook and the Business Reorganisation Plan. Crucial oversight was provided for key strategic initiatives, including the restructuring of LHV Paytech

and an innovative on-chain project, ensuring these ventures were aligned with the Group's long-term objectives.

To support this strategic growth, the Supervisory Board made several key decisions to fortify the Group's capital base and financial strength. In February, it approved a significant AT1 bond issuance, followed by a decision to issue up to 80 million euros in Tier 2 subordinated bonds. Later in the year, it approved a capital increase for LHV Bank to support its continued expansion, as well as the issuance of MREL-eligible senior bonds. These measures were critical in ensuring the Group maintained a robust capital position to support its growth trajectory and withstand potential economic headwinds.

Enhancing the Group's governance and risk management architecture was a central and recurring theme. The Supervisory Board approved a series of foundational governance documents, including the updated Risk Management Policy and its Risk Taxonomy appendix, a new Model Risk Policy and the Group's Financial Reporting and Tax Handling Policy. A significant undertaking was the approval of a suite of revised group-level risk policies, including those for Capital Management, Credit, Liquidity and Funding, Market and Operational Risk, as well as the Policy on Prevention of Financial Crime and an updated ESG Risk Policy. A key milestone was the approval of the Group's Risk Appetite Statement in June, which was further refined with an updated version in the autumn that included the calibration of ESG-related risk appetite metrics.

In relation to financial stability and planning, the Supervisory Board focused on the 2025 Internal Capital and Liquidity Adequacy Assessment Processes (ICAAP/ILAAP), alongside approved in March the Capital Adequacy and Liquidity Adequacy Statements and later adopted the adverse scenarios for the 2026 ICAAP and ILAAP cycles. The 2025 Financial Recovery Plan was also approved. Through its diligent oversight of the Risk and Capital and Audit Committees, the Supervisory Board monitored compliance

with regulatory expectations, reviewed the outcome of the Supervisory Review and Evaluation Process (SREP) and approved the annual internal audit plan for 2025.

The Supervisory Board also devoted significant attention to leadership, organizational development and corporate responsibility. In June, a significant decision was made via electronic voting to appoint a new CEO for the Group. The Supervisory Board's focus on corporate responsibility was also evident in its approval of an updated Diversity Policy. In February a new share option program for 2025-2029 was discussed to align employee incentives with long-term shareholder value. These efforts were part of LHV Group's ongoing objective to maintain a robust organizational structure and governance framework, ensuring alignment with its strategic goals as a financial holding company.

5.3.2 Principles of remuneration of the Supervisory Board and conflicts of interest

The size of the remuneration of the members of the Supervisory Board and remuneration procedure is decided by the General Meeting, which considers, among other things, the duties of the Supervisory Board and their scope as well as the members' participation in the meetings and the activities of the Supervisory Board as a governing body. A member of the Supervisory Board may be assigned additional remuneration for participation in the activities of the Audit Committee or another body of the Supervisory Board.

The General Meeting has resolved to provide members of the Supervisory Board with a gross remuneration of EUR 1,500 per each ordinary meeting of the Supervisory Board in which the member participates. The remuneration is paid out on the next working day following the Supervisory Board meeting at the latest. No separate additional or performance payments, bonuses or benefits have been established.

In 2025, the total amount of remuneration paid to LHV's Supervisory Board members (including former member Heldur Meerits) for participation in Supervisory Board meetings was EUR 96 thousand, including all taxes, out of which four members (Rain Lõhmus, Andres Viisemann, Raivo Hein and Liisi Znatokov) received EUR 15 thousand each (participated in all meetings), two members (Tiina Mõis and Tauno Tats) received EUR 13.5 thousand each (were absent from one meeting), Heldur Meerits (deceased) received EUR 9 thousand (was absent from two meetings).

For reasons of clarity, LHV considers it important to note that for Supervisory Board member Andres Viisemann LHV applies the LTI plan, i.e., the option programme, based on his activity as the Head of Pension Funds at LHV's subsidiary LHV Varahaldus. The LTI instrument comprises fully of share options. Andres Viisemann is entitled to subscribe for 57,049 shares of LHV for the options issued in 2023. No options were issued to him in 2024 and 2025.

Once a year, the members of the Supervisory Board submit a declaration of economic interests and conflicts of economic interests. LHV did not conduct any significant transactions with its Supervisory Board members, their close family members or related parties in 2025, nor are there any valid contracts of that nature from earlier periods. There have been no conflicts of interest and accordingly, no corrective measures have been applied. The Supervisory Board members have no shareholdings above 5% in other companies who are LHV's business partners, suppliers, clients or other related companies.

5.4 Supervisory Board Committees

5.4.1 Audit Committee¹⁴

The Audit Committee is an advisory body formed by the Supervisory Board for exercising oversight over the effectiveness of accounting and reporting (including the budgeting process), audit, risk and capital management, the internal control system and internal audit as well as legal and regulatory compliance. The Audit Committee is governed in its activities primarily by the Auditors Activities Act and the rules of procedure established by the Supervisory Board of LHV.

The Audit Committee is supported in its oversight activities by the internal audit unit, led by the Head of Internal Audit, who provides regular reports to the Audit Committee, with reports submitted on a quarterly basis. The responsibilities of the Head of Internal Audit include ensuring that the analysis and assessment of compliance of activities with the objectives, rules of procedure, applicable laws, other legal acts, the rules of the regulated market, precepts of authorities, and agreements are carried out.

One of the responsibilities of the Audit Committee is to monitor and analyse the processes which must ensure the accurate and efficient preparation of monthly reports and annual accounts, the efficiency of the audit of the group companies' annual accounts, the independence of the audit firm and the auditor representing the audit firm on the basis of the law, and the compliance of their activities with the requirements of the Auditors Activities Act.

The Audit Committee is responsible for making proposals to the Supervisory Board and providing recommendations for the appointment or removal of the audit firm, the appointment or removal of the internal auditor, prevention or elimination of problems and inefficiencies within the organisation and

ensuring compliance with laws and regulations and with best practice.

The Audit Committee has at least three members. Members of the Audit Committee are appointed by the Supervisory Board for a term of three years in a manner that should ensure diversity of competences and independence of committee members. The persons selected for the Audit Committee must be sufficiently independent of LHV in order to fulfil their role effectively, and at least two of them must be experts in accounting, finance or law. LHV's employee, member of the Management Board, internal auditor, authorised signatory or audit service provider may not be a member of the Audit Committee. For the appointment of a member of the Audit Committee, the candidate's written consent is required. The size of remuneration paid to the members of the Audit Committee is decided by the Supervisory Board of LHV.

The members of the Audit Committee are Raivo Hein, Tauno Tats and Verner Uiibo (the Chairman). The term of office of the Audit Committee members lasts until 31 March 2026. Starting from October 2025 the fourth member of the Audit Committee was appointed by the Supervisory Board - Rain Lõhmus with his term of office being 18.09.2028. Further information on the members of the Audit Committee is presented in the section Governance of the Group above. LHV's Audit Committee members are paid a monthly gross remuneration of EUR 500 and the chairman of EUR 3,000.

According to its terms of reference, the Audit Committee meets at least quarterly, however, in 2025 the Audit Committee had twelve meetings. At six meetings, representatives of the Risk Management Department provided the members of the Audit Committee with an overview of various risk management topics, bank and group risk exposures, and the indicators and measures used to monitor and manage them, including matters related to

capital and solvency risk, credit risk management, financial crime risk, management of operational risk and specifically IT risks, ESG risk, management of liquidity and related risks, market risk (incl. interest rate) risk and compliance control.

In most meetings, the topics discussed included issues raised by the internal audit, particularly those related to audit reports. The internal auditor gave an overview of the concluded audits. The Audit Committee has reviewed all internal audit reports, discussed the observations raised and formed an opinion on them. Similarly Audit Committee has been presented with and discussed Internal Audit memos regarding mitigation actions for regulatory findings. At the first meeting of the year, the internal audit work plan for 2025 was approved and at the last meeting held in December inputs and instructions for the internal audit work plan for 2026 were discussed. The plan was approved in January 2026. In February meeting external auditor PwC presented the overview of the audit process and results of audit 2024 financial statements. Two additional meetings were attended by the external auditor (PwC). In October PwC provided an overview of the risk assessment, audit plan, team and schedule of the financial audit of 2025. At the December meeting, the external auditor presented the findings raised during the interim audit.

During the year, the Audit Committee confirmed and approved specific additional services to be provided by the external auditor. No conflicts of interest were identified.

Group Audit Committee also held a session in September with the Chair of Audit Committee of LHV Bank Ltd to exchange information about the matters discussed and opinions on their agendas during the previous year.

5.4.2 Remuneration Committee¹⁵

The Remuneration Committee is a body established by the Supervisory Boards of LHV, LHV Pank, LHV Finance and LHV Kindlustus for the development, implementation, and supervision of a remuneration strategy for the employees and members of the Management Board of the companies. One of the tasks of the Remuneration Committee is to evaluate the impact of any remuneration-related decision on compliance with the requirements established for the management of risks, own funds, and liquidity.

The Remuneration Committee exercises oversight over the remuneration of the Management Board members and employees of LHV, LHV Pank, LHV Finance and LHV Kindlustus, evaluates the implementation of the remuneration policy at least annually and, where necessary, makes proposals for updating the remuneration principles and prepares the related draft resolutions for the Supervisory Board.

The Remuneration Committee has at least three members who are elected from among the common members of the Supervisory Boards of LHV Group and LHV Pank. The members of the Remuneration Committee are appointed and removed by the Supervisory Board of LHV. A member of the Remuneration Committee is appointed for a term of three years. Members of the Remuneration Committee can be re-elected, and their mandate extended unlimited times. A person elected to the Remuneration Committee must have sufficient relevant knowledge, expertise, and experience in the area of remuneration policy and practices, risk management and control. The size of remuneration payable to the members of the Remuneration Committee is decided by the Supervisory Board of LHV. It has been decided to pay EUR 1,000 to the Chair of the Remuneration Committee and EUR 500 to each Remuneration Committee member, for each committee meeting attended with the effect from 1 April 2023.

¹⁴ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5a, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement

¹⁵ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5a, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

Members of LHV's Remuneration Committee are Tiina Möis (the Chairman), Rain Lõhmus and Andres Viisemann, whose term of office lasts until 22 March 2026. Further information on the members of the Remuneration Committee is presented in the section Governance of the Group above.

In 2025, met two times, in January and December. In January, the committee reviewed and updated the Remuneration Policy. The Remuneration Systems of LHV Pank, LHV Kindlustus, and LHV Finance, the Material Risk Takers List for 2025, and the 2024 Remuneration Report for the Management Board of LHV Group were approved. The market comparison and planned positions for 2025, and the annual targets and remuneration of Management Board members were also discussed. The committee proposed to the Supervisory Board the recipients and amounts of share options to be granted for the results of 2024 (the LTI plan) and approved the proposal for pricing of the share options. The committee also reviewed the ex-post risk adjustment process related to the exercise of share options granted in 2022 and approved the retention of options for employees whose contracts had been terminated. Additionally, the committee approved the proposal for exercise of share options for 2025. At its December meeting, the committee's primary focus was the detailed analysis of the Q12 employee survey results. The committee also conducted its annual review of its Terms of Reference and received a brief overview of the remuneration principles. All recommendations and proposals from the Remuneration Committee were submitted to the Supervisory Board for approval, ensuring alignment with LHV Group's governance and strategic frameworks.

5.4.2.1 Remuneration policy

The remuneration principles for LHV and its affiliated companies (Group companies) are described in the internal remuneration policy.

There are no regional differences in the remuneration principles of the Group companies. The most significant differences between the Group companies are that LHV Varahaldus and LHV Paytech do not have a remuneration committee and are subject to specific disclosure requirements and LHV Bank applies rules arising from its country of operations.

The purpose of the remuneration principles within the Group companies is to ensure fair, motivating, and transparent compensation in compliance with the law. A key objective is to attract employees with the skills, experience, and capabilities necessary to execute the company's strategy, while aligning the interests of employees and shareholders, motivating staff, and managing risks effectively as the business grows. LHV employee remuneration typically includes a base salary and a performance bonus. When hiring, the Group companies compare a new employee's salary with those in similar roles within the company and the market average for the relevant job group, ensuring competitive and fair compensation. The Group companies do not provide employer-funded contributions to third pillar pension funds or offer benefits like company cars, mobile phones, or laptops for personal use.

The general remuneration strategy is to ensure a motivating pay to achieve long-term goals, creating a strong link between remuneration and the financial results of the Group companies. When measuring the key quantitative and qualitative results and assessing the risk, the Group companies are governed by the following principles:

- The performance criteria are in line with sound and effective risk management principles. The performance criteria established must keep in mind the long-term interests of the Group companies and not stimulate excessive risk-taking or the sale of unsuitable products.
- The performance criteria must not merely contain performance efficiency indicators (e.g., profit, revenue, profitability, expenditure, and volume indicators) or market-based indicators (e.g., stock price or bond yield) but must also be adjusted with risk-based indicators (e.g., capital adequacy, liquidity).
- The criteria used for measuring risks and results must be as closely as possible related to the decisions of the staff member whose results are being appraised and should ensure that the process of determining the remuneration would have an appropriate impact on the staff member's professional behaviour. In the interest of long-term goals, the assessment and control of risk behaviour will take place at an individual employee level.
- A good balance of both quantitative and qualitative as well as absolute and relative criteria must be used for specifying the performance criteria.
- Quantitative criteria must cover a sufficient period to allow consideration of the risks taken by the staff members or business units. The criteria must be risk-adjusted and contain economic efficiency indicators.
- Examples of qualitative criteria include achievement of strategic objectives, customer satisfaction, adherence to the risk management policy, adherence to internal or external rules of procedure, management skills, creativity, motivation and cooperation with other business units and the internal control function.

The recruitment strategy is to find, engage and keep the best people in the labour market. In determining remuneration, the Group companies are willing to make exceptions rather

than restrict its choices with strict remuneration intervals for a specific position, while keeping in mind fair pay for the role. In determining remuneration, the following is considered:

- employee dedication, results, and initiative;
- the possibility of replacing job positions with technological solutions;
- workload, quality, and intensity;
- scope of responsibility, required educational level, and critical importance of the position;
- management performance in accordance with the company's strategic objectives;
- the ability to use technology in managing the field;
- availability of additional benefits, labour market situation, and average salary level of the geographical location.

The determination of the amount of remuneration must be objective. The remuneration is paid according to the work done and its value, not according to the personality, gender, age, origin, etc. of the employee.

Employees should not transfer the downside risks, incl. malus and clawback, to a third party by any means, e.g. hedging and insurance. In the decisions concerning the remuneration policy, the financial situation and sustainability of the capital base of the Group companies are considered.

The Group companies carry out regular self-assessment, the purpose of which is to identify all employees whose professional activities affect or may significantly affect the risk profile of the Group companies. These specified groups of employees are listed in the table below together with ratios between basic and variable remuneration paid in 2025:

Basic and variable remuneration ratio of group of employees who affect the Group's risk profile, as at 31 Dec 2025 and 31 Dec 2024

	2025	2024
Senior management	0.63	0.71
Staff performing control functions	0.21	0.19
Employees with significant impact on the credit risk position (the nominal value of transactions made by the employee is at least 0.5% of LHV Tier 1 own funds and amounts to at least EUR 5 million)	0.74	0.62

Self-assessment is carried out once a year at the beginning of the financial year. The assessment covers the past period (including financial results, risk analysis) and considers the forthcoming financial year. The identified employees during the self-assessment are required, within a period of one calendar year after exercising the options, to maintain ownership of the relevant LHV shares, and not to transfer or encumber (including pledge) them in any form. The identified employees are forbidden to transfer the risk of impairment of shares to another party, for example, through insurance or certain types of financial instruments. The self-assessment takes account of the degree of responsibilities and decision-making power, as well as qualitative and quantitative performance indicators. The analysis is conducted by the management board of the Group company in the form of a discussion at a management board or board (LHV Bank) meeting. The self-assessment is initiated by the People Management Department, the compliance of the process and results are assessed by the Compliance Department, whose representative is also present at the self-assessment. The Remuneration Committee reviews annually the qualitative and quantitative criteria related to the employee and the self-assessment process, which are used for decision-making.

The results of the self-assessment are independently reviewed by the Internal Audit Department. The results are summarised and presented to the supervisory boards of the relevant Group companies.

Share options

In 2020, LHV shareholders approved a result-based share option programme for the Management Boards, equivalent staff, and key employees of LHV and the group companies to be implemented from 2020 until 2024. On 26 March 2025, the General Meeting of Shareholders approved amendments to the 2020–2024 programme and established a new share option programme for the years 2025–2029. Based on the amended terms, the recipients and amounts of share options for the 2024 results were determined in 2025, and the new programme will govern future grants.

The following principles formed the basis for the share option programme covering the years 2020–2024, which was amended by the General Meeting of Shareholders on 26 March 2025 to finalize the grants for the 2024 results.

Share options are a form of result-based remuneration compensation, and their granting is based on long-term interests and the achievement of agreed-upon results. The objectives must take into account capital requirements, liquidity, and risk management, including sustainability criteria. Remuneration is paid only when objectives are met, and no compensation is paid for below-expectation results.

The objectives of the programme are:

- ensure competitive remuneration to be attractive in the labour market;
- retain and motivate key personnel by creating a sense of ownership;
- align the interests of shareholders and employees;

- increase company value through performance management;
- promote sound and effective risk management, including the consideration of sustainability risks.

The instruments of remuneration under the option programme are 100% equity options. The term of share options is at least 3 years from the moment the options were granted. An additional criterion applies to options issued to Management Board members as well as other identified staff whose professional activities have a material impact on the company's risk profile – they are not allowed to sell the shares acquired via the option programme for another year after executing the rights under option. The at least three-year vesting period before issuance of shares gives the opportunity to evaluate the results in the long run. It is not possible to receive the specified amount in cash in lieu of share options. Share options are issued annually as a percentage of the total number of LHV Group shares, as specified in the share option programme approved by the General Meeting of LHV Group shareholders. LHV has the right to refuse to issue shares to the entitled person, in whole or in part, if:

- LHV Group General Meeting or the Supervisory Board under instructions from the General Meeting does not adopt the decision on the increase of LHV share capital and issuance of shares;
- the Management Board member agreement or the employment relationship of the person entitled to receive options has ceased at the initiative of the person entitled to receive options or pursuant to § 88 of the Employment Contracts Act or, if the Employment Contracts Act is amended, on an analogous basis. However, based on the decision of the Supervisory Board it is possible to make exceptions to the applicability of this paragraph;

- the financial results of LHV or its relevant subsidiary have substantially deteriorated compared to the previous period;
- the person entitled to receive options no longer meets the performance criteria or does not meet the requirements imposed by law on the management or employees of a credit institution or a fund management company;
- LHV or its relevant subsidiary no longer meets the prudential regulations or the company's business risks are not adequately covered by own funds;
- the issuance of options has been determined based on information which has proven to be materially misstated or incorrect, or,
- the Financial Supervision Authority or another competent authority has issued a precept prohibiting the issuance of shares to the entitled person.

The share options have been issued annually from 2015 to 2025. In 2025, the options granted in 2022 were exercised. Future grants will be based on the new 2025–2029 option programme approved by the General Meeting of Shareholders on 26 March 2025, which continues the practice of granting options with a three-year term.

The issuance and amount of share options were dependent upon the successful achievement of operational targets of the overall company and the targets of individual Management Board members and employees. In 2025, share options were granted to 264 people in the amount of EUR 7,874 thousand. In 2024, share options were granted to 227 people in the amount of EUR 6,236 thousand. In 2023, share options were granted to 181 people in the amount of EUR 5,928 thousand.

The share options issued in 2023 can be exercised between the period from 1 April 2026 to 30 April 2026 and shares with the nominal value of EUR 0.1 can be acquired for EUR 1.70

per share. The share options issued in 2024 can be exercised between the period from 1 April 2027 to 30 April 2027 and shares with the nominal value of EUR 0.1 can be acquired for EUR 1.74 per share. The share options issued in 2025 can be exercised between the period from 1 April 2028 to 30 April 2028 and shares with the nominal value of EUR 0.1 can be acquired for EUR 1.63 per share.

Expenses related to share option program in 2025 amounted to EUR 6,961 thousand (2024: EUR 6,809 thousand).[

5.4.3 Nomination Committee¹⁶

The purpose of the Nomination Committee is to support the Supervisory Boards of LHV, LHV Pank and LHV Finance in matters related to the selection process and eligibility requirements for the members of the Management Boards, Supervisory Boards and the key function holders (if applicable) of the mentioned companies. The responsibilities of the Nomination Committee include individual assessment of the suitability of candidates for members of governing bodies and key function holders, collective suitability assessment of governing bodies, assessment of the composition, structure and activities of the governing bodies, continuous monitoring of the decision-making process by the governing bodies, periodical review and decision-making on the content, format and frequency of the risk information received, ensuring the involvement of Risk Management, Compliance, Internal Audit and other department managers where appropriate in relevant matters. Inter alia, the Nomination Committee is guided by the Diversity Policy in its activities, which relies on overarching principles stated with the ECB's guide to fit and proper assessments and EU directive on gender balance on corporate boards. As a result, it has been concluded that Tiina Mõis is a member of the Supervisory Board of LHV, also the Chairman of the Remuneration Committee and the Nomination Committee, Liisi Znatokov is a member of the Supervisory

Board and Chair of the Risk and Capital Committee and Relika Mell is a key function holder as the Head of Internal Audit in LHV, in addition LHV's Estonian subsidiaries employ a total of 157 middle-level managers of whom 88 are women; and there are 12 Management Board members including 5 women.

The Nomination Committee is comprised of at least three members, who are selected from among the common members of the Supervisory Boards of LHV and LHV Pank. The persons elected to the Nominating Committee must have, individually and collectively, sufficient and relevant knowledge, expertise, and experience in the area of the selection process and eligibility requirements, including knowledge of the requirements provided in the EBA and ESMA guidelines for assessing the suitability of members of management bodies and key function holders. The responsibilities, rights and operating principles of the committee and the remuneration of committee members are decided by the Supervisory Board of LHV.

Tiina Mõis (the Chairman), Rain Lõhmus and Andres Viisemann are the members of the Nomination Committee, and their term of office lasts until 22 March 2026. Further information on the members of the Nominating Committee is presented in the section Governance of the Group above. The size of remuneration payable to the members of the Nominating Committee is decided by the Supervisory Board of LHV. It has been decided to pay EUR 1,000 to the Chairman of the Nominating Committee and EUR 500 to the Nominating Committee member, for each committee meeting attended with the effect from 1 April 2023.

In 2025, two meetings of the Nomination Committee were held, one resolution was passed in written form and five resolutions were adopted electronically. In January, the committee assessed the individual and collective suitability of the Management Board, Supervisory Board and key function holders of LHV Group, LHV Pank and LHV Finance.

In May, the Nomination Committee focused on the subsequent election process for a new CEO of LHV Group. The committee assessed the individual and collective suitability of the prospective new Chairman of the Management Board of AS LHV Group, Chairman of the Supervisory Board and member of the Risk and Capital Committee of AS LHV Pank and prospective new Supervisory Board member of AS LHV Finance, Mihkel Torim. The suitability assessments and election processes were carried out to ensure compliance with regulatory requirements and alignment with LHV's strategic objectives.

Additionally, the committee approved the individual suitability assessment report of Mihkel Kasepuu, prospective Member of the Management Board and CTPO of AS LHV Pank, as well as the collective suitability assessment report regarding the prospective new composition of the Management Board of AS LHV Pank.

In August, the committee initiated the suitability assessment of Kairi Pauskar as a candidate for the Supervisory Boards of AS LHV Group and AS LHV Pank. Following the approval of her individual and the board's collective suitability assessments in November, the committee recommended that the Supervisory Board propose a motion to the shareholders. The proposal calls for the election of Kairi Pauskar as a new member of the Supervisory Board of AS LHV Group, succeeding Tiina Mõis. The final appointment is subject to shareholder approval at the Annual General Meeting.

All suitability assessments, updates and proposals were forwarded to the Supervisory Board for approval, ensuring robust governance and alignment with LHV Group's long-term goals.

5.4.4 Risk and Capital Committee¹⁷

The purpose of the Risk and Capital Committee is to perform supervision over the implementation of the risk management policy and the capital management policy on the LHV Group consolidated level, which includes the assessment of the aspects of risk, capital, liquidity and the probability and timing of revenue as well as the consideration of the business model and the risk management principles. The Risk and Capital Committee is responsible for the review of the reports prepared by the risk management department and the review and approval of all the risk limits, including the review of the company's internal liquidity adequacy assessment process (ILAAP), the internal capital adequacy assessment process (ICAAP), the recovery plan (RCP) and crisis resolution plan (RRP), and other significant risk related policies and for proposing these to the Supervisory Board for approval. The competence of the Risk and Capital Committee also includes the performance of supervision regarding LHV's investments, risks and capital management.

The members of the Risk and Capital Committee are selected from among the members of LHV's Supervisory Board. The persons elected to the Risk and Capital Committee must have the necessary knowledge, skills and experience to understand and continuously monitor the risk management principles and risk tolerance. The responsibilities, rights and operating principles of the committee and the remuneration of committee members are decided by the Supervisory Board of LHV.

As of 31 December 2025, Liisi Znatokov (the Chairman), Rain Lõhmus and Andres Viisemann are the members of the Risk and Capital Committee, and their term of office lasts until 31 March 2026, except for Liisi Znatokov, whose term lasts until 20 March 2027. Heldur Meerits served as a member of the Risk and Capital Committee until his passing in October 2025. Further information on the members of

¹⁶ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5a, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

¹⁷ Disclosed in line with the disclosure requirement related to ESRS G1 GOV-1, paragraph 5a, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

the Risk and Capital Committee is presented in the section Governance of the Group above. The size of remuneration payable to the members of the Risk and Capital Committee is decided by the Supervisory Board of LHV. Until March 2025, remuneration was based on meeting attendance, with the Chair receiving EUR 1,000 and a member EUR 500 per meeting. In February 2025, the Supervisory Board approved revised principles to reflect the significantly increased workload following LHV's transition to direct ECB supervision. Effective from March 2025, the previous meeting-based compensation was replaced with a fixed monthly remuneration of EUR 3,000 (gross) for the Chair and EUR 500 (gross) for a member. This remuneration is unified with the Risk and Capital Committee of LHV Pank, and members serving on both committees receive a single compensation.

Throughout 2025, the Risk and Capital Committee dedicated its efforts to enhancing the Group's risk management framework, ensuring robust capital adequacy and overseeing regulatory compliance. The committee's work was central to navigating the evolving risk landscape and supporting the Group's strategic objectives. In total, the committee convened for nine ordinary and four extraordinary meetings to address its comprehensive agenda.

A primary focus for the year was the significant development of the Group's Risk Appetite Framework (RAF). In the early part of the year, discussions around the RAF were a constant feature, culminating in the approval of an updated Group Risk Appetite Statement in an extraordinary meeting in May. While the overarching framework remained under development, the committee confirmed the direction of ongoing adjustments. This work was complemented by the approval of amendments to the Risk Management Policy, including the Risk Taxonomy annex, and the Risk Appetite Policy in April, strengthening the Group's overall risk governance architecture.

In alignment with the revised RAF, the committee undertook

a comprehensive review of fundamental risk policies. During its June meeting, it reviewed amendments to the Capital Management Policy, Credit Risk Policy, Liquidity and Funding Risk Policy, Market Risk Policy, Operational Risk Policy, ESG Risk Policy and the Policy on Prevention of Financial Crime. This initiative ensured that the Group's core policies remain current, effective and aligned with its strategic direction and risk tolerance. The update for the Credit Risk Policy was also discussed in April, which included the need to further define restricted activities.

The committee also drove forward strategic initiatives, most notably in the integration of environmental, social and governance factors. This resulted in a new ESG Risk Policy, which was reviewed in June and an updated ESG Risk Management Framework. Another key strategic focus was the Group-wide data strategy, presented in August, which the committee welcomed, underlining the importance of clear ownership, transparency and consistency in data management.

Maintaining the Group's financial stability was a cornerstone of the committee's work. In March, it approved the Capital Adequacy Statement and Liquidity Adequacy Statement. Discussions on the Internal Capital and Liquidity Adequacy Assessment Processes (ICAAP/ILAAP) were held, with the committee recommending the ICAAP 2026 Adverse Scenario documentation to Supervisory Board approval in September. Furthermore, the committee supported updates to the Financial Recovery Plan and recommended the issuance of T2 Bonds to strengthen the capital base.

Regulatory oversight was a critical and continuous activity. The committee reviewed the EBA 2025 stress test exercise in March and later, in August, reviewed the results, which confirmed the Group's capital resilience under adverse conditions. In the latter part of the year, a significant emphasis was placed on the outcomes of the Risk Data Aggregation and Reporting (RDARR) on-site inspection. The committee

oversaw the development of action plans to address the findings, strengthen governance and ensure readiness for the upcoming SREP cycle.

From the beginning of the year, the committee addressed specific regulatory and resolvability matters. It reviewed updates and amendments to the Bail-in Playbook and the Business Reorganisation Plan, which were related to the LHV Resolvability 2024 Self-Assessment. This proactive stance ensured ongoing compliance and preparedness for various regulatory scenarios. The committee's diligent oversight and decisive actions throughout the year have reinforced the Group's resilience and supported its long-term, sustainable growth.

5.5 Governance Framework and Culture

5.5.1 Cooperation between the Management Board and Supervisory Board

The Management Board and Supervisory Board work in close cooperation to best protect the interests of LHV. The cooperation is, above all, based on an open exchange of views between and within the Management Board and the Supervisory Board.

The Management Board and the Supervisory Board collaborate in developing the goals and strategy of LHV. In managing LHV, the Management Board observes the strategic instructions of the Supervisory Board. The Management Board discusses strategic management issues with the Supervisory Board regularly, honestly, and openly. The Management Board is invited to participate in the monthly meetings of the Supervisory Board.

The Management Board regularly informs the Supervisory Board of all significant circumstances related to LHV's business planning, operations and performance, risk exposures and risk management.

There were no conflicts of interest in the financial year 2025 and accordingly, no corrective measures have been applied.

5.5.2 Corporate Culture and Ethical Governance¹⁸

LHV's corporate culture embodies its mission to improve access to financial services and capital, and its vision to inspire individuals and businesses to think ambitiously, explore innovative ideas, and take bold actions to achieve their goals. Anchored in its core values—simple, supportive, and effective—LHV establishes and nurtures its corporate culture through clear value-driven strategies and policies. The Human Resources Policy and value package for LHV employees play a central role in fostering employee growth, satisfaction, and alignment with organizational goals. These initiatives emphasize professional development, recognition, and a supportive work environment.

The governing bodies are responsible for establishing policies, including the Code of Ethics, which are mandatory for all employees. These policies are reviewed yearly, and if necessary, discussions are held in this regard to ensure they remain relevant and effective in promoting a strong corporate culture. Through this process, the Management and Supervisory Boards provide clear guidance to foster and uphold the organisation's values and ethical standards.

All managers (and employees) of LHV must behave ethically and responsibly and following the Code of Ethics is mandatory. LHV's Code of Ethics is the foundation of LHV's various internal regulations, including the Group Governance Policy and other procedures governing the specifics of adherence to the Code of Ethics. LHV also has an ESG Policy which clearly states and explains LHV's responsibility and commitment to social and environmental issues.

The organizational and operational setup of LHV is transparent, clear, and always current, to manage the

¹⁸ Disclosed in line with the disclosure requirements related to ESRS G1 G1-1, paragraphs 9 and 10g, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

group efficiently. This is ensured through clearly defined responsibilities, regular internal and external audits, periodic reviews of policies to maintain relevance, and continuous investment in training and development to ensure awareness of best practices and regulatory requirements. This approach ensures that internal control is separate from business operations, with enough division of responsibilities and the right resources for effective performance.

To promote its culture, LHV ensures that its values are integrated into daily operations, communications, and investor interactions. The organization consistently communicates its commitment to transparency, sustainability, and ethical conduct, reinforcing these principles across all levels of the company.

LHV evaluates its corporate culture through regular employee feedback (including satisfaction surveys), performance metrics, and alignment with strategic objectives. Satisfaction surveys gather insights into employees' views on the organization, management, their work, and personal motivation. This approach ensures that its culture evolves in response to internal and external changes, fostering long-term success for employees, clients, and shareholders while maintaining strong governance and adherence to ethical standards.

LHV's training policy, as outlined in the Human Resources Policy, emphasizes developing employees' competencies through planned training processes. Training targets all employees, with its scope and frequency determined by annual training plans that align with departmental needs and employee development goals. Training formats include in-house, outsourced, and e-learning options, ensuring flexibility and relevance.

Throughout the year, members of the Management Board of LHV group companies deliver on-site presentations as

part of the quarterly overview on financial topics, including LHV's goals and objectives. Additionally, LHV also arranges quarterly informational briefings, strategic discussions, and activity overviews led by area managers of LHV group companies. These sessions aim to provide employees with a comprehensive understanding of the company's culture, strategy, and performance. All such events can be attended in person, remotely, or accessed later via recordings.

All potential cases of conflicts of interest, bribery, financial crimes, unlawful activities, and corruption are carefully and responsibly managed. To encourage the sustainability mindset across all management levels and the organization, LHV:

- maintains a flat, non-hierarchical organizational structure to emphasize the importance of employees taking individual responsibility;
- continuously enhances the integration of ESG factors into everyday work, management style, recruitment processes, and strategy building;
- focuses on engagement and cooperation;
- recognizes the integration of ESG factors into business processes as a change management effort and understand the importance of collaboration to achieve our goals;
- works toward better analysing and reporting the ESG activities and progress and appropriately disclosing our metrics and achievements to regulators, partners, and the public;
- in order to ensure a transparent management culture, follows the 'Corporate Governance Recommendations' developed by the EFSA and the Nasdaq Tallinn Stock Exchange;

- aligns with the comprehensive reporting requirements of the Corporate Sustainability Reporting Directive (CSRD) has integrated sustainability goals as part of the annual targets into the result-based share option programme for the Management Board and equivalent staff as well as key employees;
- has integrated sustainability goals as part of the annual targets into the result-based share option programme for the Management Board and equivalent staff as well as key employees.

LHV does not engage in lobbying activities and does not directly or indirectly support any political organization¹⁹.

5.5.2.1 Whistleblowing Channel²⁰

LHV group companies have established an internal whistleblowing channel accessible through the intranet, enabling employees to confidentially report legal violations, unethical conduct, or behaviour that conflicts with internal rules, such as the Code of Ethics or other. The channel supports anonymous submissions, and all reports are directed to the Compliance department for impartial review and appropriate action.

The whistleblowing mechanism ensures the protection of employees who report in good faith, including anonymity if requested by the employee, and protection against discrimination and unfair treatment. Violations are handled comprehensively and objectively, with law enforcement and supervisory authorities being informed if necessary, and employees have been informed of their right to report outside the organization. Although specific training on whistleblowing has not been offered, LHV group companies highlight the availability of the whistleblowing channel during introductory

compliance training sessions. Information on the whistleblowing mechanism, including relevant documentation, is easily accessible to all employees via the intranet, supported by clear banners and links. In accordance with the content of the reported violation, investigations are also conducted in compliance with the Internal Fraud Prevention Procedure where discovery and handling processes are clearly defined. Investigations are managed independently by the internal control function, a second-line compliance function that operates separately from the management chain.

The outcomes of investigations, where applicable, are reported to the relevant governing bodies, ensuring transparency and accountability in the handling of such matters. This comprehensive framework supports LHV's commitment to ethical business practices.

5.5.2.2 Prevention and Detection of Corruption and Bribery²¹

LHV has established processes to prevent, detect, investigate, and address potential incidents of corruption or bribery, governed by mandatory internal rules accessible on the intranet. Employees are contractually obligated to review and adhere to these rules, with updates promptly communicated and confirmed through a dedicated system. New employees must also review and confirm their understanding of these rules upon joining.

While LHV does not have a specific anti-corruption or anti-bribery training program, the relevant topics are addressed within internal policies, which are mandatory for all employees.

LHV ensures transparency and integrity through detailed gift acceptance rules and established policies that uphold ethical behaviour, prevent conflicts of interest, and ensure the responsible use of LHV's resources. These policies have not

¹⁹ Disclosed in line with the disclosure requirement related to ESRS G1 G1-5, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

²⁰ Disclosed in line with the disclosure requirements related to ESRS G1 G1-1, paragraphs 10a, 10c and 10e, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

²¹ Disclosed in line with the disclosure requirements related to ESRS G1 G1-1 (paragraphs 10a, 10b, 10g and 10h), G1-3 (paragraphs 18a, 18b, 18c, 20, 21a, 21b, 21c), G1-4 (paragraph 24a), and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

been formally assessed against the United Nations Convention against Corruption, as there is no practical necessity for such an evaluation within the finance sector's rigorous regulatory framework, nor is there currently any plan to conduct such an assessment.

The whistleblowing mechanism, in accordance with the process described in the previous section, enables the reporting of any suspected incidents (including corruption and bribery), ensuring a structured process for identifying such cases.

LHV has not identified areas or functions within the organization that present a risk of corruption or bribery. The Conflict-of-Interest Policy, along with other internal policies, ensures robust oversight and governance, minimizing the potential for unethical practices across all functions. Additionally, a procedure has been established to prevent, detect, and resolve internal fraud, further strengthening LHV's commitment to ethical operations.

LHV has no confirmed incidents related to corruption or bribery.

5.5.3 Disclosure of information

5.5.3.1 Commitment to transparency and investor relations excellence

LHV treats all shareholders equally and notifies all shareholders of significant circumstances equitably, ensuring quick and equal access to relevant information. Information is disclosed in accordance with the rules established for publicly traded companies.

LHV contributes actively to the development of good relations with the investor community and to raising the awareness of investors. LHV has set up an investor relations website, where it makes all documents and information available to shareholders in accordance with the CGR and legal

requirements. LHV publishes monthly financial results as well as next-year and five-year financial forecasts. The website of LHV includes the financial calendar for the current and the next year, which outlines the publication dates of the annual report and interim reports and the date of the Annual General Meeting. The disclosed information is available on the website in Estonian, English and Russian. LHV also discloses its annual plans and monthly results in its stock exchange announcements. LHV's credit institution subsidiary, LHV Pank, is registered in the EU Transparency Register under the identification number 449511822591-64. None of the members of LHV's administrative, management, or supervisory bodies appointed during the reporting period held comparable positions in public administration (including regulators) in the 2 years preceding their appointment. Any such connections, if they arise, will be disclosed in future reports²².

LHV organises quarterly investor meetings and webinars, the summaries of which are available on LHV's website. Additional meetings with analysts and presentations and press conferences for analysts, investors or institutional investors are arranged when needed and if requested by stakeholder groups. On its website, LHV explains its goals, directions and opinions about possible trends and changes in the regulatory and business environment. LHV strives to be approachable, transparent, and accountable to investors. In 2019, 2020, 2023 and 2025 LHV was named the winner of the Nasdaq Baltic Awards – an award which recognises the best-performing Nasdaq Baltic-listed companies, considering the quality of investor relations and return on equity – in the main category Best Investor Relations. In 2025, AS LHV Pank was named the Stock Exchange Member of the Year, for the ninth time, for most actively contributing to capital market development initiatives.

5.5.3.2 Dividend policy

LHV's dividend policy, available on LHV's website, sets out the dividend distribution principles, according to which the key precondition for dividend distribution is sustainable compliance with both external and internal regulatory capital requirements. Depending on its growth and/or investment plans, LHV may decide not to pay a dividend. Provided the preconditions are met, LHV will distribute 25% of profit before taxes, attributable to LHV shareholders as dividends, income tax included.

5.5.4 Financial reporting and auditing

LHV publishes an annual report, which is audited, approved by the Supervisory Board and ultimately approved by the General Meeting.

The number of auditors is determined, and the auditors are appointed by the General Meeting, which also determines the auditors' remuneration procedure. The key criteria that the Audit Committee considers in making a proposal to the General Meeting for the appointment of an auditor include the 'auditor's prior experience in the financial services sector and auditing public interest entities, teamwork skills, expertise and ability to involve experts and, in the case of significant differences, the audit fee. Auditors are appointed for a single audit or for a specified term.

In 2025, the auditor provided the group companies with contractual services, including audits of the annual accounts of group companies and reviews of the profits reported in quarterly financial statements.

Transactions with related parties are disclosed in Note 23 to the financial statements.

In 2022, the Management Board and the Audit Committee organised a competition for selecting an auditor for the audit of the annual reports for the years 2024–2028. The four biggest internationally recognised audit firms were asked to submit their offers and meetings with their representatives were held. In selecting the auditor, the candidates' previous professional experience, competence, expertise, reliability, transparency of communication and terms offered compared to market terms as well as LHV's business-specific criteria were assessed. An invitation to participate was sent to the three largest audit firms and from the two firms that submitted an offer AS PricewaterhouseCoopers (PwC) was selected and appointed as the auditor of group companies for the financial years 2024–2028 at the Annual General Meeting of 2022.

²² Disclosed in line with the disclosure requirements related to ESRS G1 G1-5, paragraphs 29d and 30, and covered with independent practitioner's limited assurance report on AS LHV Group Consolidated Sustainability Statement.

In 2025, the fees paid or payable for the services provided by the auditor amounted to EUR 1,140 thousand of which EUR 769 thousand was for audits and EUR 372 thousand was for other services. Other services provided by auditors comprised of capital market transactions related services and other additional services required from auditors by applicable legislation.

5.5.5 Declaration of conformity

LHV complies with the CGR, except for the following instruction and recommendation for the reasons stated below:

'3.2.2. At least half of the members of the Supervisory Board of the Issuer shall be independent. If the Supervisory Board has an odd number of members, then there may be one independent member less than the number dependent members.'

At present, the Supervisory Board of LHV includes one independent member (Liisi Zhatokov) in accordance with the features set out in the 'Requirements of independence' annex to the CGR. Due to the continuous active development and growth stage, LHV has so far preferred people with long-term management and banking experience as members of the Supervisory Board. Most of the current Supervisory Board members are also the largest shareholders of LHV. LHV believes that in their capacity as members of the Supervisory Board, the largest shareholders are best motivated to contribute to the management and long-term development of LHV. Based on objective and verifiable data, two of the current seven members of the Supervisory Board have significant ownership interests (Rain Lõhmus and related persons hold 20.94% of share capital and Andres Viisemann and related persons hold 10.94% of share capital). No member of the Supervisory Board has the power to appoint, by any means, the majority of the members of the Management Board or Supervisory Board of LHV or to control LHV in some other manner; they are not connected with LHV through a material business interest; they are not related to a shareholder of LHV that exercises control over LHV; they are not employees or business partners of LHV or members of the key personnel of a business partner. Accordingly, LHV has not considered it necessary to apply any corrective measures and considers the Supervisory Board of LHV in its present composition to be suitable, including in terms of independence. Furthermore,

when assessing the independence of the members of the Supervisory Board, it has been concluded that their behavioural skills include courage, conviction, and strength to effectively assess and challenge the proposed decisions of other members of the Supervisory Board and being able to resist group-thinking. In light of a vacancy and the upcoming expiry of terms of office on the Supervisory Board, LHV has initiated a search for additional independent members to further strengthen its governance.

6 Remuneration Report

This remuneration report has been prepared in accordance with the Estonian Securities Market Act and provides an overview of the remuneration paid to the Management Board of AS LHV Group (LHV Group) according to the remuneration principles approved by the 2022 General Meeting. In the context of the Estonian Securities Market Act, the managers of LHV Group are Mihkel Torim, the chairman of the Management Board, and Meelis Paakspuu, Kadri Haldre and Jüri Heero, the members of the Management Board. Until 21 July 2025, Madis Toomsalu served in place of Mihkel Torim. The remuneration principles of LHV Group are described in the internal remuneration policy of LHV Group, in the section Corporate governance report above and in the remuneration principles approved by the General Meeting.

6.1 Remuneration of members of Management Board

6.6.1 Overview

Under the terms of the contract of Management Board member concluded with LHV Group, Madis Toomsalu, the Chairman of the Management Board, was paid a monthly basic remuneration of EUR 19 thousand until his resignation on 21 July 2025. Under the terms of the contract of Management Board member concluded with LHV Group, Mihkel Torim, the Chairman of the Management Board, was paid a monthly basic remuneration of EUR 16 thousand starting from his appointment on 22 July 2025. The Management Board member Meelis Paakspuu was paid a monthly basic remuneration of EUR 15 thousand under his contract of Management Board member concluded with LHV Pank. The Management Board member Jüri Heero was paid a monthly basic remuneration of EUR 14 thousand under his contract of Management Board member concluded with LHV Pank. The Management Board member Kadri Haldre was paid a monthly remuneration of EUR 12 thousand from January until June 2025 and EUR 14 thousand from July 2025 under her Management Board member contract concluded with LHV Pank.

The amounts and payment procedure of the basic remuneration to the members of the Management Board were determined by resolutions of the Supervisory Board of LHV Group. According to the Management Board member contracts concluded with LHV Group and Meelis Paakspuu, Kadri Haldre and Jüri Heero), they do not receive any basic remuneration for the performance of duties of the Management Board members of LHV Group, as their performance is remunerated at the level of LHV Pank and when evaluating the performance of the members of the Management Board, the Remuneration Committee, which makes the associated suggestions to the Supervisory Board, considers among other factors the tasks and activities of

each member of the Management Board as a whole on the entire LHV Group level on a consolidated basis.

LHV Group implements a long-term incentive plan (LTI plan) for the payment of performance fees, i.e., the option programme, which has been approved by the Annual General Meeting of the shareholders. Mihkel Torim, Meelis Paakspuu, Kadri Haldre and Jüri Heero (and until 21 July 2025 Madis Toomsalu) are subject to the option programme approved by the resolution of the General Meeting of LHV Group of 13 March 2020. On 26 March 2025, this programme was amended and a new programme for the years 2025–2029 was established by the General Meeting. This option programme also sets out the conditions for reducing or cancelling options. In accordance with the resolutions of the Supervisory Board adopted on the basis of the above-mentioned option programme and the option contracts concluded with the Management Board members the Management Board members are entitled to subscribe shares of LHV Group.

As a result of the option programme, the Management Board members are subject to a retention period of at least one year from the date of exercise of the options, during which all of them undertake to hold the shares of LHV Group underlying the options in their ownership and not to transfer or encumber them in any form.

As options are granted for the results of the previous financial year, in 2025 options were granted for the results of 2024. Since the vesting period of options is at least three years from the grant date, the options granted in 2022 for the 2021 results were exercised in 2025. In 2025, the right to reduce or cancel options granted to the Management Board members under the option programme established by the shareholders was not exercised.

An overview of the key performance indicators, the remuneration paid to Madis Toomsalu, Meelis Paakspuu, Jüri Heero, Kadri Haldre and Martti Singi on a consolidated basis and the performance indicators of LHV Group over the last five financial years is presented in the table below, while other performance indicators are disclosed in the consolidated accounts of LHV Group:

Remuneration of the Management Board and employees of LHV Group						
<i>(EUR thousand)</i>		2021	2022	2023	2024	2025
Annual basic remuneration of the Management Board (gross)	Madis Toomsalu (until 21 July 2025)	156	189	192	222	127
	Mihkel Torim (from 22 July 2025)	-	-	-	-	86
	Meelis Paakspuu	120	153	156	176	180
	Kadri Haldre (from 18 November 2024)	-	-	-	18	156
	Jüri Heero	120	153	156	166	168
	Martti Singi (until 18 November 2024)	120	153	156	320	-
Remuneration of full-time employees (gross)		-	-	30	102	41.4 *
Annual performance pay granted to the Management Board	Madis Toomsalu (until 21 July 2025)	340,540 shares (EUR 288 thousand)	149,170 shares (EUR 312 thousand)	216,511 shares (EUR 378 thousand)	238,088 shares (EUR 384 thousand)	295,012 shares (EUR 444 thousand)
	Mihkel Torim (from 22 July 2025)	-	-	-	71,338 shares (EUR 115 thousand)**	128,237 shares (EUR 193 thousand)**
	Meelis Paakspuu	212,840 shares (EUR 180 thousand)	114,740 shares (EUR 240 thousand)	175,271 shares (EUR 306 thousand)	193,446 shares (EUR 312 thousand)	175,413 shares (EUR 264 thousand)
	Kadri Haldre (from 18 November 2024)	47,300 shares (EUR 40 thousand)**	30,600 shares (EUR 64 thousand)**	34,367 shares (EUR 60 thousand)**	37,201 shares (EUR 60 thousand)**	-
	Jüri Heero	191,550 shares (EUR 162 thousand)	114,740 shares (EUR 240 thousand)	175,271 shares (EUR 306 thousand)	96,723 shares (EUR 156 thousand)	110,297 shares (EUR 166 thousand)
	Martti Singi (until 18 November 2024)	191,550 shares (EUR 162 thousand)	114,740 shares (EUR 240 thousand)	175,271 shares (EUR 306 thousand)	96,723 shares (EUR 156 thousand)	-
Consolidated profit of LHV Group		60,263	61,432	140,938	150,304	117,005
Return on equity (ROE)		22.10%	16.40%	29.00%	24.50%	16.00%

*represents remuneration for the period starting from 23 July 2025

**related to results achieved in the previous role prior to becoming a Management Board member

LHV Group has signed one employment contract in July 2025. Other persons are performing official duties in LHV Group under their Management Board member contracts.

Mihkel Torim, Meelis Paakspuu, Jüri Heero and Kadri Haldre (and until 21 July 2025 Madis Toomsalu) were not granted any exceptions to, or exemptions from, the remuneration principles in 2025. They are not eligible to any financial benefits other than those described in this section for performing their duties in LHV Group and its subsidiaries.

6.1.2 Compatibility of remuneration with remuneration principles

According to the Management Board member contract concluded between LHV Group and the former Chairman of the Management Board of LHV Group, Madis Toomsalu, was paid an average monthly remuneration of EUR 19 thousand in 2025 as the basic remuneration until his resignation on 21 July 2025, which amounts to an annual basic remuneration of EUR 127.2 thousand. As a performance fee, Madis Toomsalu was granted the right to subscribe to a total of 295,012 shares of LHV Group in the amount of EUR 444 thousand in 2025. In 2025, Madis Toomsalu exercised his right for a performance fee for the results of the 2021 financial year according to the LTI plan and share option agreement concluded with him in 2022. He subscribed to all 149,170 shares granted to him as options in 2022 for the results of the previous financial year in the amount of EUR 312 thousand.

According to the Management Board member contract concluded between LHV Group and the Chairman of the Management Board of LHV Group, Mihkel Torim, appointed on 22 July 2025, was paid an average monthly remuneration of EUR 16 thousand in 2025 as the basic remuneration, which amounts to an annual basic remuneration of EUR 85.6 thousand. Considering Mihkel Torim's previous position as the Head of Investment Banking at LHV Pank, as a performance fee, he was granted the right to subscribe to

a total of 128,237 shares of LHV Group in the Considering Mihkel Torim's previous position as the Head of Investment Banking at LHV Pank, as a performance fee, he was granted the right to subscribe to a total of 128,237 shares of LHV Group in the amount of EUR 193 thousand in 2025 for his performance during the previous financial year.

According to the Management Board member contracts, Meelis Paakspuu was paid a monthly basic remuneration of EUR 15 thousand in 2025, which amounts to an annual basic remuneration of EUR 180 thousand. Jüri Heero was paid a monthly basic remuneration of EUR 14 thousand, which amounts to an annual basic remuneration of EUR 168 thousand. According to the Management Board member contract concluded with Kadri Haldre, she was paid a monthly remuneration of EUR 12 thousand from January to June 2025 and EUR 14 thousand from July 2025, which amounts to an annual basic remuneration of EUR 156 thousand.

As a performance fee, other Management Board members were granted the right to subscribe to the shares of LHV Group in 2025: Meelis Paakspuu to 175,413 shares in the amount of EUR 264 thousand and Jüri Heero to 110,297 shares in the amount of EUR 166 thousand. Kadri Haldre was not granted new share options in 2025.

In 2025, they also exercised their rights for performance fees for the results of the 2021 financial year according to the LTI plan and share option agreements concluded with them in 2022. Mihkel Torim was not eligible to exercise options in 2025. Meelis Paakspuu subscribed to all 114,740 shares granted to him as options in 2022 in the amount of EUR 240 thousand, and Jüri Heero subscribed to all 114,740 shares granted to him as options in 2022 in the amount of EUR 240 thousand. Considering Kadri Haldre's previous position as the Head of Treasury at LHV Pank, she also exercised her right for a performance fee for the results of the 2021 financial year, subscribing to all 30,600 shares granted to her as options in 2022 in the amount of EUR 64 thousand.

In 2025, according to the proposal of the Remuneration Committee, the Supervisory Board of LHV Group decided that while no general changes were made to the remuneration of Management Board members at the beginning of the year, it approved a proposal to amend the monthly basic remuneration of Kadri Haldre to EUR 14 thousand (effective from 1 July 2025) and to set the monthly basic remuneration for the new Chairman of the Management Board, Mihkel Torim, at EUR 16 thousand upon his appointment on 22 July 2025, while taking into account, among other things, the dedication and performance, the entrepreneurial spirit, the scope, responsibility, and intensity of each duties, the situation on the labour market, the remuneration level and importance of the position in the geographical location, the economic situation of LHV Group and LHV Pank, the current and future business performance and trends in comparison with the companies in the same economic sector, as well as the changed and continuously changing environment. The establishment of the basic remuneration also reflects the principle that basic remuneration should represent a sufficiently large part of the total remuneration to allow, where appropriate, not assigning or paying the performance fee in accordance with the option programme established by the shareholders. Further, considering the fact that LHV Group is the largest domestic financial group and capital provider in Estonia, and in view of the strategic trends and long-term objectives of LHV Group, the Supervisory Boards deemed the monthly remunerations set to be such as to motivate the members of the Management Board to act in the best interests of LHV Group and to refrain from acting in personal or other persons' interests, and to act in a way that is fair, transparent, and in compliance with the law.

At the beginning of 2025, the Remuneration Committee, established at the level of the Supervisory Board of LHV Group, discussed and set the objectives for the Chairman and other members of the Management Board of LHV Group for 2025, assessed the performance of them in 2024 and determined their performance fee accordingly. As a result of

the achievement of the previously agreed objectives set for the Management Board members on an individual basis and their performance in 2024, the Supervisory Board of LHV Group, on the proposal of the Remuneration Committee, decided to use the approval of the shareholders of LHV Group to set the performance fee at the maximum amount as per the principles approved by the General Meeting in 2020, and to approve the amount of the performance fees for members of the Management Board in 2025 at up to 200% of their annual basic remuneration in 2024. Later in the year, the Supervisory Board also approved the objectives for the new Chairman of the Management Board, Mihkel Torim, for his term of office in 2025.

The Remuneration Committee also discussed and found, in connection with the exercise of the options in 2025, that there had been no subsequent changes to the 2021 financial results and no subsequent material weaknesses had been identified that would indicate that the members of the Management Board had been compromised in the proper performance of their duties in meeting their objectives. As there were no such additional details on their contribution to the 2021 accrual period which would make it necessary to revise the estimate of the number of options to be exercised in 2025 and reduce the number of instruments granted, the Supervisory Board of LHV Group approved the performance bonuses of the members of the Management Board in 2025 for the results of the 2021 financial year and the rights of the eligible Management Board members to subscribe to all options granted to them in 2022 for the results of the previous financial year. The Management Board members eligible under this plan exercised their rights.

In 2025, the implementation of the remuneration principles was also reviewed by the Remuneration Committee of LHV Group, whose members have sufficient knowledge, expertise and experience in the areas of remuneration policies and practices, risk management and control activities. In addition, LHV Group Internal Audit and Compliance Control monitored

the compliance of the internal remuneration policy with the legislation on remuneration and other internal rules of LHV Group. There were no observations about non-compliance in 2025.

In the light of the above, in 2025 the remuneration of Madis Toomsalu until 21 July 2025, Meelis Paakspuu and Jüri Heero complies with the remuneration principles of LHV Group. The remuneration of Mihkel Torim (from 22 July 2025) and Kadri Haldre, which includes share options granted for performance in previous roles, also complies with the remuneration principles described in the internal remuneration policy of LHV Group, in the section Corporate governance report above and in the remuneration principles approved by the General Meeting.

7 Risk and Capital Management

7.1 Risk Management Framework

Risk-taking at LHV must be transparent, well-reasoned, and aligned with long-term value creation. Risk is managed where it occurs, with clear ownership, accountability, and oversight. LHV takes on risk to achieve its strategic objectives, but this must not exceed its risk capacity in terms of financial or organisational resources, ensuring the bank's ability to sustain operations and deliver on its objectives over time. The Group's material risk types include solvency, credit, market, funding and liquidity, operational, model, compliance, financial crime and insurance risk. The Group has also defined ESG risk, geopolitical risk and reputational risk as material cross taxonomy risk drivers.

LHV Group's risk management framework ensures that risks are identified, assessed, managed, and reported in line with the Group's strategy and risk-bearing capacity. The framework follows the three lines of defence model and is supported by clear governance structures across the Group and its subsidiaries.

The Group Supervisory Board sets the overall risk appetite, approves risk management policies, and oversees adherence to them. It is supported by the Risk and Capital Committee and the Audit Committee. The Management Boards of Group entities implement the framework, ensure alignment with the risk appetite, and maintain the structures and resources needed to manage risks effectively.

In the first line of defence, business units and support functions own the risks arising from their activities and are responsible for operating effective controls. The second line comprises the risk management and compliance functions. The Chief Risk Officer leads the Group risk function, which maintains the risk framework, oversees ICAAP, models, methodologies, and consolidated reporting, and provides independent challenge and support to the first line. The compliance function monitors adherence to laws, regulations, and internal requirements. The third line of defence is internal audit, which independently evaluates the effectiveness of governance, risk management, and internal controls.

Risk management is integrated and forward-looking. Risk identification is based on a Group-wide taxonomy and an annual material risk assessment, with ad hoc updates for emerging risks. Risk assessment combines quantitative and qualitative methods, including stress testing and reverse stress testing. The Group applies a materiality-based approach, focusing resources on the risks with the highest potential impact. Material risks are governed by dedicated policies, monitored regularly, and guided by thresholds set in the Risk Appetite Statement. Mitigation tools include limits, diversification, collateral practices, hedging, operational resilience measures, and change management controls. Escalation procedures ensure that breaches of risk appetite or key indicators are addressed at the appropriate governance level.

Risk owners monitor risks continuously, while the risk management function provides independent oversight. Monitoring covers quantitative limits, qualitative indicators, early warning signals, and stress test results. A consolidated monthly Group risk report is presented to the Management and Supervisory Boards, covering developments across material risk types. The Compliance Officer provides a quarterly report to the Management and Supervisory Boards.

7.2 Capital Management and Adequacy

The Group's capital management is guided by the following principles:

- **Maintaining Capital Adequacy:** The Group and its subsidiaries must maintain sufficient capital to meet regulatory minimums, even under adverse conditions. Management buffers are maintained to ensure resilience under stress and enable timely corrective action before capital breaches become supervisory concerns.
- **Risk Appetite as a Driver of Capital Targets:** Internal capital targets and management buffers are informed by the Group's risk appetite. A higher risk appetite or greater business model complexity requires stronger capital reserves to maintain solvency through stress.
- **Forward-Looking and Risk-Based Capital Planning:** Capital planning is multi-year, integrated with strategic and financial plans, and grounded in risk-based analysis. It incorporates financial forecasts, internal stress testing, and ICAAP scenario outcomes.
- **Management Actions:** A predefined set of management actions is available to respond to early warning indicators or internal capital threshold breaches. These are aligned with the Group's Recovery Plan.
- **CET1 Capital as the Foundation:** CET1 is the primary focus of capital management, as it is the only capital type that absorbs losses in a going-concern scenario.
- **Capital Buffers Held at Group Level:** Buffers are primarily maintained at the parent company level to ensure Group-wide flexibility and support for subsidiaries when needed.

- **Ongoing Reduction of Regulatory Capital Requirements:** The Group seeks to optimise capital efficiency over time through risk mitigation, portfolio diversification, and transparent communication to support favourable supervisory treatment.
- **Transparency for Stakeholders:** The Group is committed to transparency in its capital objectives and principles to reinforce market confidence and reduce systemic risk.

Capital requirements of LHV Group as of 01.01.2026	CET1	Tier 1	CAD
Base capital requirement	4.50%	6.00%	8.00%
Pillar 2 capital charge	1.69%	2.25%	3.00%
Total SREP capital requirements	6.19%	8.25%	11.00%
Capital conservation buffer	2.50%	2.50%	2.50%
Systemic risk buffer	0.00%	0.00%	0.00%
Countercyclical buffer	1.50%	1.50%	1.50%
O-SII buffer	2.00%	2.00%	2.00%
Total combined bufferbuffers	6.00%	6.00%	6.00%
Total general capital requirement	12.19%	14.25%	17.00%
Pillar 2 guidance	1.50%	1.50%	1.50%
Total supervisory capital requirement risk appetite expectation (including P2G)	13.69%	15.75%	18.50%

In addition to regulatory capital requirements, LHV applies internal management buffers on all capital layers, ranging from 1.45% for total capital adequacy (CAD) to 1.65% for CET1 capital adequacy.

LHV Group is subject to the minimum requirement for own funds and eligible liabilities (MREL), which can be used to cover losses in resolution planning. The regulatory MREL target levels of the ratios have been established at 31.47% for

MREL-TREA and 5.91% for MREL-LRE.

The Group uses the standard method for calculating capital requirements for credit and market risk and basic indicator approach calculating operational risk capital requirement.

Capital management in 2025

The Group considers net own funds, as defined in the capital adequacy regulation, as capital. Its own funds consist of Common Equity Tier 1 (CET1) capital, Additional Tier 1 capital and Tier 2 capital. The actual capital adequacy levels are presented in the table below.

All capital ratios remained strong and well above both the internal and regulatory requirements despite decent growth of risk weighted assets. This is attributable to internal capital generation through profits and issuance of capital instruments. Thus, as of 31 December 2025, the Group complied with all of the regulatory and internal capital requirements.

LHV Group issued EUR 50 million of Additional Tier 1 bonds in April 2025 and Additional Tier 1 bonds in the amount of EUR 15 million was called back on call date of 26.05.2025. LHV Group issued EUR 80 million of Tier 2 bonds in September 2025 and Tier 2 bonds in the amount of EUR 35 million was called back on call date of 30.09.2025. LHV Group issued EUR 60 million of MREL eligible bonds in June 2025.

As of 31 December 2025, the Group's MREL-TREA ratio equalled 35.38% (31 December 2024: 33.24%) and the Group's MREL-LRE ratio equalled 12.86% (31 December 2024: 12.41%), thus complying with the regulatory requirements.

The Group's leverage ratio amounted to 7.00% as of 31 December 2025 (31 December 2024 6.71%).

Capital base

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Paid-in share capital	32,786	32,419
Share premium	154,593	146,958
Legal reserves transferred from net profit	4,713	4,713
Other reserves	-2,529	2,440
Retained earnings	448,313	291,580
Intangible assets (subtracted)	-18,787	-21,834
Net profit for the reporting period (COREP)	62,723	148,969
Other adjustments	-2	-975
Own CET1 instruments	-13,500	0
Insufficient coverage for non-performing exposures	-204	0
CET1 instruments of financial sector entities where the institution has a significant investment	-6,023	-4,313
CET1 instruments of financial sector entities where the institution does not have a significant investment	0	0
Tier 1 capital	662,083	599,957
Additional Tier 1 capital	70,258	35,314
Total Tier 1 capital	732,341	635,271
Subordinated debt	135,924	90,196
Total Tier 2 capital	135,924	90,196
Net own funds for capital adequacy	868,265	725,467
Risk weighted assets		
Central governments and central bank under standard method	0	0
Credit institutions and investment companies under standard method	7,423	6,037
Companies under standard method	651,412	1,665,901
Retail claims under standard method	197,284	266,859
Public sector under standard method	0	0
Housing real estate under standard method	2,349,374	817,613
Overdue claims under standard method	65,988	21,513
Investment funds' shares under standard method	0	6,706
Other assets under standard method	42,118	289,432
Total capital requirements for covering the credit risk and counterparty credit risk	3,313,599	3,074,061
Foreign currency risk	122,105	89,260
Interest position risk	0	0
Equity portfolio risk	291	1,176
Credit valuation adjustment risk	9,694	3,526
Operational risk under base method	354,509	385,580
Total risk weighted assets	3,800,198	3,553,603
Capital adequacy (%)	22.85	20.41
Tier 1 capital ratio (%)	19.27	17.88
Core Tier 1 capital ratio (%)	17.42	16.88

7.3 Credit risk

Credit risk is the risk of financial loss to the Group arising from a borrower, counterparty, or issuer failing to meet contractual obligations in full or on time, or from a deterioration in their credit quality. It encompasses both direct lending activities and exposures from trading, investment, and settlement transactions. Credit risk may materialise through borrower default, credit migration, excessive concentrations, counterparty default on derivatives and securities financing, settlement failures, or the ineffective use of credit risk mitigants such as collateral or guarantees.

7.3.1 Credit risk management

The principles of credit risk management are defined in the Group's Credit Risk Policy, while their detailed application and decision-making procedures are governed by supporting internal regulations.

Credit risk is one of the largest risks for the Group's business. Therefore, management carefully manages its exposure to credit risk. A central principle for Group is that each credit business unit is fully accountable for the risks it assumes and must ensure that credit decisions align with Group-wide policies and strategic objectives. Business units are also responsible for embedding appropriate internal controls throughout the credit process to ensure sound and consistent risk management practices.

The credit process is proportionate to the size and risk profile of each exposure, ensuring that more complex or higher-risk cases are subject to enhanced analysis and oversight. Larger exposures exceeding EUR 1,000,000 are reviewed by the Credit Committee, while smaller or standardised exposures are handled by the Retail Banking Credit Committee or at lower approval levels, including credit officers or fully automated systems for consumer financing.

All credit decisions are supported by either rating or scoring

models to assess the borrower's credit risk. Creditworthiness assessments focus on the borrower's ability and willingness to meet obligations, with particular attention to the clarity and sustainability of cash flows dedicated to loan repayment. Responsible lending principles are fully integrated, and environmental, social, and ethical considerations are embedded in credit decisions in line with the Group's ESG standards.

All credit exposures are monitored to enable early identification of significant increases in credit risk. The Group Risk function is responsible for independent oversight and control of credit risk management, including monitoring the credit process and enforcing risk limits. It regularly reviews the overall risk level and development of the credit portfolio and conducts stress testing as part of the annual Internal Capital Adequacy Assessment Process (ICAAP). Close attention is paid to identifying and monitoring of risk concentrations and significant exposures, both across portfolio segments and at the level of individual counterparties.

To support effective oversight, the Group's management bodies receive regular risk reporting, providing transparency on portfolio composition, credit risk developments, and any emerging risks, enabling timely and informed decision-making.

7.3.1.1 Credit risk measurement

The Group classifies the financial assets exposed to credit risk in the following key categories:

a) Cash and cash equivalents, due from central banks and investment companies

Management considers the credit risk exposure from cash and cash equivalents, held at the central bank, correspondent banks and investment institutions to be inherently low. Loans and advances to these counterparties are generally unsecured, but the credit risk is mitigated

through careful assessment of their credit quality.

The Group evaluates counterparties based on external credit ratings assigned by Standard & Poor's or equivalent agencies (central banks typically do not have ratings). Where multiple ratings are available, either the average or the most conservative rating is applied. For Estonian credit institutions that lack external ratings but are subsidiaries of larger EU banking groups, the parent company's rating is used as a proxy. Based on this assessment, management has concluded that the expected credit loss (ECL) from exposures to credit institutions and investment companies is immaterial, given the strong credit profiles of the counterparties and the Group's policy of maintaining only highly liquid positions with them.

b) Debt securities and derivatives

The Credit Committee sets limits on taking credit risk associated with debt securities considering the issuer's rating. For debt securities in the Treasury portfolio, the credit position of the security is determined based on the ratings of external rating agencies. These ratings are continuously monitored and updated. The probability of default (PD) associated with each rating is mapped to LHV's rating scale. The bonds have no collateral. No principal and accrued interest receivables arising from debt securities are overdue as of 31 December 2025.

c) Lending

Group manages credit risk through comprehensive customer analysis prior to credit approval and ongoing monitoring throughout the loan lifecycle. Credit risk is measured using internal models that estimate key risk parameters: Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

Rating and scoring models, which estimate PD and risk grade, are used to estimate default risk of the counterparty. The assessment is made by using the customer segment

specific models for homogeneous groups of customers. For legal entities with exposure more than EUR 1,000,000 rating models are used, for legal entities with exposure less than EUR 1,000,000 and private customers scoring models are applied.

Rating customers

Credits to legal entities (except apartment association loans) with total exposure to LHV of more than EUR 1,000,000 i.e., corporate portfolio, are evaluated using expert-based rating models. Following loan origination, customer financial positions are monitored at least quarterly. In addition, all customer credit ratings are reviewed at least annually to ensure they remain current and reflective of creditworthiness. Customers exhibiting a significant increase in credit risk are placed on a watchlist, where their financial position, liquidity, and collateral coverage are subject to more frequent and detailed monitoring.

A credit rating is assigned to a customer based on a combination of their financial position and business risk profile. The specific financial ratios and business risk factors considered depend on the applicable rating model: corporate, commercial real estate, residential development, or local governments.

The Group's internal rating methodology for estimating PD is based on a 13-grade scale, where 1 indicates the lowest credit risk and 13 represents the highest credit risk (default). Ratings 1 and 2 are assigned only to international enterprises, organisations, local governments, and sovereigns whose creditworthiness is supported by investment-grade ratings from external credit rating agencies. Rating classes 3 to 13 incorporate both external rating inputs and internal assessments. These categories primarily cover Estonian companies, most of which do not have external credit ratings, and are therefore evaluated based on financial indicators and qualitative risk factors defined within the Group's internal models.

Corporate ratings are categorised into three groups: investment grade, non-investment grade, and default. A counterparty is considered investment grade if it is not overdue as of the reporting date. Special monitoring status is assigned to exposures rated between 10 and 13, indicating increased credit risk. Rating 13 corresponds to default status, determined in accordance with the Group's internal definition of default.

Internal corporate rating models' PD scale and mapping to external ratings

LHV rating	LHV rating description	12-month PD%
1	Investment grade	0.03
2		0.05
3		0.10
4		0.20
5		0.30
6		0.40
7		0.50
8		1.00
9		2.50
10	Non-investment grade	5.00
11		10.00
12		30.00
13	Default	100.00

Scoring customers

Credits below EUR 1,000,000 to legal entities i.e., SME segment, loans to apartment associations irrespective of the loan amount, private mortgage and private non-mortgage customers are analysed with a more time-efficient scoring process. The scoring process is carried out at the time of submission of the loan application, and it is one of the criteria for issuing the loan. The probability of default (PD) is calculated by reference to the customer's financial data and payment behaviour.

Credits to previously mentioned segments are re-assessed upon each renewal of the credit commitment. After the initial recognition, the transactional and payment behaviour of the borrower is monitored and incorporated into monthly automated update of risk estimates; the underlying risk parameters are reviewed quarterly.

The scoring model PD grades for these segments follow the same logic as in the internal corporate rating model PD scale where grade 1 stands for the lowest and 13 for the highest credit risk (default).

Internal retail scoring models' PD scale

PD grade	Description	12-month PD%
1	Low risk	0.03
2		0.05
3		0.09
4		0.19
5		0.38
6		0.75
7	Medium risk	1.50
8		3.00
9		6.00
10	High risk	12.00
11		24.00
12		48.00
13		100.00

The rating and scoring models are subject to annual validation and recalibration to ensure they remain accurate and reflect the latest projections in the light of all observed defaults.

7.3.1.2 Credit risk mitigation

Credit risk mitigation is achieved through a combination of tools, including risk-based pricing, collaterals, financial covenants, guarantees, and early warning systems. Among these, collateral is the primary risk mitigant. However, all credit decisions must be based first and foremost on the borrower's ability to repay the loan, with collateral acting as a complementary risk mitigant. The Group maintains internal policies that define the eligibility and acceptability of various types of collateral and credit risk mitigation techniques.

Long-term financing and lending to legal customers is generally secured. Consumer financing to individual customers is usually unsecured. The quality and structure of collateral must be appropriate to the overall risk of the transaction, i.e. higher-risk exposures require stronger, more liquid, and better-positioned collateral.

As part of the loan origination process, the Group conducts a valuation of the collateral securing the exposure. Collateral valuations are based on the principle of conservatism, considering the type and location of the asset and the likelihood of realisation and liquidity. When estimating the quick realization value of collateral, the Group applies a haircut to account for potential shortfalls. The size of the discount depends on several factors, including the type of collateral and the estimated time to realisation.

Collateral values are monitored and reassessed periodically. Expert assessments are used to evaluate immovables. To ensure that market values are up to date, the individual valuations of commercial real estate are updated at least once a year. Residential real estate is revalued quarterly using statistical indexation models.

Unsecured loans may be issued to private customers up to a specified limit. Consumer loans and credit cards are issued without collateral, and risk is mitigated by regular monitoring of customers' payment behaviour. Leasing and mortgage loans are all over-collateralised. For legal entities, unsecured

lending is only allowed when cash flow forecasts show stable and sufficiently strong financial performance and/or the customer's credit risk is assessed as acceptable. In relation to under-collateralised corporate loans, it should be taken into consideration that the Group has assessed the market value of certain collaterals conservatively (personal sureties, commercial pledges).

The Group's policies on obtaining collateral remained unchanged during the reporting period, and there has been no material change in the overall quality of collateral held since the previous period.

7.3.1.3 Concentration risk

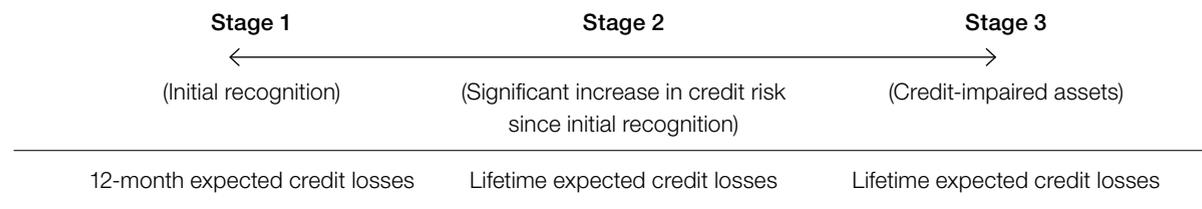
The Group manages concentration risk by setting exposure limits to specific sectors and counterparties, reflecting the maximum risk it is willing to accept.

7.3.2 Credit impairment framework

Credit impairment provisions are measured using a forward-looking expected credit loss (ECL) model in accordance with IFRS 9. At each reporting date, the Group evaluates whether the credit risk of a financial instrument has increased significantly since initial recognition. This assessment is based on changes in the risk of default occurring over the expected life of the instrument. Based on this assessment, financial instruments are classified into three stages. A financial instrument that is not credit-impaired on initial recognition is classified to 'Stage 1' and its credit risk is continuously monitored by the Group. If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit impaired. If the financial instrument is credit-impaired, the financial instrument is moved to Stage 3.

Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (treated similarly as Stage 3).

Change in credit quality since initial recognition



ECL calculations are based on four components:

- Probability of Default (PD): an estimate of the likelihood that a borrower will default over a specified time horizon.
- Exposure at Default (EAD): an estimate of the expected exposure at the time of default, considering future changes in exposure after the reporting date, including scheduled repayments and potential drawdowns on undrawn commitments.
- Loss Given Default (LGD): an estimate of the loss that would arise in the event of default, calculated as the difference between the contractual cash flows due and the amounts expected to be recovered, including from collateral. LGD is expressed as a percentage of the EAD.
- Discount Factor: a rate used to discount the expected credit losses to their present value as of the reporting date.

Individual allowances are applied to corporate exposures classified as non-performing (default, rating 13), where loan payments are overdue and/or there is significant uncertainty that the expected cash flows from collateral realisation will be sufficient to cover the outstanding principal and interest using a discounted cash flow approach. The loss allowance is measured as the difference between the carrying amount of the exposure and the present value of estimated future cash flows, discounted at the effective interest rate. The calculated allowances are approved by Credit Committee.

The Group aims to restructure loans rather than take possession of collateral if possible. Restructuring typically involves aligning the borrower's repayment schedule with their financial capacity such as temporarily reducing principal repayments, extending payment terms, or renegotiating loan conditions. Once revised terms are agreed and the borrower complies with them, the loan is no longer considered non-performing. These restructured loans are subject to regular monitoring to ensure that all conditions remain fulfilled and that future payments are likely to be made.

In 2025, LHV Pank updated several credit risk models to improve the accuracy of risk estimates. The key changes include:

- Behavioural Life Models: Introduced for all credit products, these new models predict the actual expected life of a loan by considering customer behaviours like prepayments and extensions. Consequently, the Expected Credit Loss (ECL) is now calculated over the behavioural life of a facility, which may differ from its contractual term.
- Loss Given Default (LGD) Models: The models were updated to make greater use of historical data. The methodology was enhanced to reduce expert judgement regarding collateral realizations and to explicitly account for the possibility of a defaulted loan returning to performing status (a "cure event"). Additionally, the methodology for the calculation of realized losses of open defaults was refined. These changes were applied to most credit segments, excluding loans to corporate clients with exposures over EUR 1 million.
- Credit Conversion Factor (CCF) Models: The models used to estimate potential draws on undrawn credit lines were refined. The updates provide more accurate estimates mainly for facilities with high credit limit usage and improve model segmentation.
- Real Estate Indexation Model: The model for valuing real estate collateral was improved by using statistical analysis to define regional price segments, replacing a previous expert-based approach for model development. This model is used to automatically update market value estimates of dwellings, apartments, residential land, and profit-yielding land.

These model enhancements, together with an increase in the classification threshold for rated customers from EUR 500,000 to EUR 1,000,000, resulted in a total decrease of the Group's ECL by EUR 6.4 million. This amount relates solely

to the implementation of new models and methodological changes and does not include other changes during the year.

Post-model expert credit adjustment

Model overlay may be applied to the modelled outcome to reflect the estimated impact of factors not fully captured by the model. As of 31 December 2025, no management overlay was applied.

7.3.2.1 Significant increase in credit risk

The Group uses both quantitative and qualitative indicators for assessing a significant increase in credit risk (SICR). The Group considers a financial instrument to have experienced a significant increase in credit risk (SICR) when one or more of the following criteria have been met:

- significant increase of lifetime PD since initial recognition (2.5 times and 100 bps jointly)
- more than 30 days past due on any material overdue amount to the Group (backstop)
- forbore performing (restructured) status (forbearance not triggering non-performing status)
- watch list status

The probability of default over the lifetime of a financial asset (cumulative lifetime PD) conditional on macroeconomic scenarios is calculated as weighted sum of point-in-time (PIT) forward-looking PDs generated for every future year until maturity of the financial instrument. For the indicator of more than 30 days past due, the same principles for counting days past due considering materiality thresholds are applied as for default identification. In case of payment holidays, the counting of days past due is based on the modified payment schedule.

The Group has used a low credit risk exemption for cash and nostro accounts fulfilling the liquidity portfolio criteria.

7.3.2.2 Definition of default and credit-impaired assets

The Group classifies a financial instrument as in default when either a customer is more than 90 days past due on any material obligation to the Group, the customer is assessed as unlikely to fulfil their credit obligations, or both conditions are met.

Days past due are counted at the customer level, starting when the overdue amount exceeds the materiality threshold. For private customers and SME portfolio, the threshold is more than EUR 100 and 1% of their total credit obligations to the Group. For corporate customers, the threshold is more than EUR 500 and 1% of total obligations. Default is recognised and managed at the customer level, meaning all exposures to that customer are considered in default once the criteria are met.

The Group has defined the indication of unlikeliness to pay criteria:

- the borrower is experiencing significant financial difficulties
- distressed restructuring of credit obligation (forbearance triggering a non-performing status)
- recognition of specific credit risk adjustments resulting from a significant decline in the credit quality of the exposure
- sale of credit obligations at a material credit-related economic loss
- bankruptcy of the customer or similar protection
- non-accrued status
- credit fraud

A return to non-defaulted status is only permitted after a minimum probation period of 3 months, during which none of the default criteria are met, and the customer must make all payments on time. In case of distressed restructuring, an obligation may be reclassified as non-defaulted only after at least 12 months have passed since the restructuring measures were granted and the customer has demonstrated the ability to comply with the new terms.

7.3.2.3 Expected Credit Loss

The ECL is calculated as a probability-weighted average of marginal losses expected under different macroeconomic scenarios. For each scenario, the expected loss is calculated as the multiple of PD, LGD, and EAD, and is discounted to present value using the effective interest rate. PD and EAD curves are estimated for every future year until the maturity date of the facility. The length of the ECL horizon depends on the Stage classification of the exposure.

Macroeconomic scenarios are developed by the internal macro analyst, based on external forecasts and observed developments, with a forward-looking horizon of three years. These scenarios are used to estimate PD curves. From the fourth year onward, it is assumed that PDs gradually converge toward their long-term historical averages.

Macroeconomic developments are monitored quarterly, and forecasts are updated as needed to ensure that new forward-looking information is incorporated into the ECL estimates in a timely manner. For the corporate portfolio, PD and LGD calibrations are performed at least annually by the Financial Risk Department in consultation with experts from credit management, business, and finance functions. For private customers and the SME portfolio, PD calibration is carried out quarterly to reflect changes in borrower behaviour and macroeconomic conditions.

The provisioning scenarios and significant updates to the scenarios are discussed in Risk Committee and approved by Chief Risk Officer on quarterly basis.

As of 31 December 2025, the probability weights for scenarios remained unchanged as compared to the end of 2024. The probability weights for the three scenarios are 15% for the upside scenario, 60% for the base scenario, and 25% for the downside scenario.

The parameters presented in the following tables are used for macroeconomic modelling framework applied to scoring customers segments and for forecasting the defaults within the corporate portfolio PD calibration. For private scoring customers the macroeconomic variables considered include unemployment rate, household consumption growth, average 6-month Euribor, lending margin and GDP growth. For SMEs, the model incorporates gross value-added growth rate by sector to better capture sector-specific sensitivities. The methodology and selection of parameters remain unchanged from the previous year.

Assumptions in companies ECL estimate, valid at 31 Dec 2025

General macro-financial indicators	Base scenario			Downside scenario		Upside scenario	
	2025E	2026E	2027E	2026E	2027E	2026E	2027E
Real GDP growth, %	0.6%	2.2%	2.5%	1.5%	2.0%	3.2%	3.5%
Household consumption, %	-0.1%	2.4%	2.5%	1.5%	1.4%	3.2%	3.3%
Unemployment rate, %	7.7%	7.1%	6.9%	7.6%	7.1%	7.0%	6.4%
Euribor 6m	2.2%	2.1%	2.3%	2.4%	2.6%	2.0%	2.2%
Bank lending margins on new loans (NFC)	2.6%	2.5%	2.5%	2.4%	2.4%	2.6%	2.6%

Nominal growth

Gross value added by sectors, YoY growth rates	Base scenario			Downside scenario		Upside scenario	
	2025E	2026E	2027E	2026E	2027E	2026E	2027E
Total - all NACE activities	4.7%	5.3%	5.5%	4.4%	4.5%	5.8%	6.0%
Agriculture, forestry, and fishing	3.4%	3.6%	3.3%	2.5%	2.3%	4.1%	3.8%
Industrial sector, except construction	5.5%	8.3%	9.6%	7.6%	7.3%	9.3%	10.6%
Industrial sector, except construction and manufacturing (mostly energy related)	1.8%	3.7%	4.9%	4.0%	3.3%	4.2%	5.4%
Manufacturing	3.6%	4.6%	4.7%	3.6%	4.0%	5.1%	5.2%
Construction	4.4%	3.5%	4.2%	2.1%	2.6%	4.0%	4.7%
Wholesale and retail trade, transport, accommodation, and food service activities	-0.9%	3.8%	4.3%	3.6%	4.1%	4.3%	4.8%
Information and communication	11.9%	14.3%	11.0%	12.9%	10.9%	14.8%	11.5%
Financial and insurance activities	-0.6%	1.8%	3.6%	-0.3%	0.4%	2.3%	4.1%
Real estate activities	9.5%	5.5%	5.5%	4.2%	4.6%	6.0%	6.0%
Professional, scientific, and technical activities; administrative and support service activities	7.5%	3.9%	4.2%	3.5%	3.8%	4.4%	4.7%
Public administration, defence, education, human health and social work activities	5.7%	5.6%	5.8%	4.2%	4.2%	6.1%	6.3%
Arts, entertainment, and recreation; other service activities; activities of household and extra-territorial organisations and bodies	5.1%	4.9%	5.8%	4.1%	4.9%	5.4%	6.3%

Assumptions in ECL estimate, valid at 31 Dec 2024

	Base scenario		Downside scenario		Upside scenario	
	2025E	2026E	2025E	2026E	2025E	2026E
General macro-financial indicators						
Real GDP growth, %	1.6%	2.9%	0.8%	2.3%	1.9%	3.0%
Household consumption, %	1.6%	2.6%	0.8%	2.1%	2.8%	2.7%
Unemployment rate, %	7.3%	6.9%	7.8%	7.7%	6.7%	5.9%
Euribor 6m	2.0%	1.9%	2.5%	2.2%	2.0%	1.7%
Bank lending margins on new loans (NFC)	2.1%	2.2%	2.0%	2.1%	2.2%	2.2%

Nominal growth

	Base scenario		Downside scenario		Upside scenario	
	2025E	2026E	2025E	2026E	2025E	2026E
Gross value added by sectors, YoY growth rates						
Total - all NACE activities	5.1%	5.6%	3.4%	4.2%	5.3%	6.0%
Agriculture, forestry, and fishing	5.7%	3.2%	2.1%	2.7%	5.1%	2.9%
Industrial sector, except construction	4.1%	4.5%	1.3%	2.4%	4.1%	4.5%
Industrial sector, except construction and manufacturing (mostly energy related)	3.5%	4.6%	1.2%	2.9%	3.2%	4.8%
Manufacturing	4.3%	4.5%	1.3%	2.3%	4.4%	4.5%
Construction	1.7%	3.5%	1.6%	2.3%	2.5%	4.7%
Wholesale and retail trade, transport, accommodation, and food service activities	4.7%	4.3%	1.8%	3.5%	4.9%	5.6%
Information and communication	9.4%	9.7%	9.1%	8.6%	10.2%	9.3%
Financial and insurance activities	10.3%	9.4%	7.8%	8.3%	10.6%	10.0%
Real estate activities	2.4%	4.1%	1.8%	2.9%	2.9%	5.1%
Professional, scientific, and technical activities; administrative and support service activities	3.3%	5.6%	2.5%	2.8%	3.5%	4.6%
Public administration, defence, education, human health and social work activities	5.8%	6.6%	5.1%	5.6%	6.1%	7.2%
Arts, entertainment, and recreation; other service activities; activities of household and extra-territorial organisations and bodies	4.2%	5.1%	3.9%	3.1%	4.9%	4.9%

7.3.2.4 Expected credit loss sensitivity analysis

The purpose of the sensitivity analysis is to demonstrate the potential impact of applying more severe assumptions to key macroeconomic model parameters. Several parameters with significant impact on the expected credit loss outcome have been tested to assess the model's responsiveness.

The impact of the change in probability weights assigned to the positive and negative macroeconomic scenarios on ECL allowance were tested. The baseline scenario weight is held constant, while two tests are conducted, where the weights of the positive and negative scenarios have been changed by +/- 5pp, respectively.

The table below presents the effect of these scenario weight shifts on the credit portfolio as of 31 December 2025 and 31 December 2024, respectively.

Impact on credit loss allowances

<i>EUR thousand</i>	2025	2024
60-10-30 (base/up/down)	1,095	1,118
60-20-20 (base/up/down)	-1,088	-1,123

The following table illustrates the impact of changing the PD thresholds for SICR on the ECL allowance as of 31 December 2025 and 31 December 2024. Increases in ECL (positive amounts) represent higher impairment allowances that would be recognised. As evidenced by the tables, changing SICR by +/- 10% has limited impact on the overall ECL of the Group.

Impact on credit loss allowances

<i>EUR thousand</i>	2025	2024
+10% change in SICR	-119	-47
-10% change in SICR	166	77

The Group has also performed scenarios for PD and LGD estimates with the most significant impact on the loss allowances. The impact of these tests on impairment is aggregated in the table below. The table includes loans, which are assessed for impairment collectively and which have material balances and potential impact.

Impact on credit loss allowances

<i>EUR thousand</i>	2025	2024
LGD negative -0.5 pp	462	1,852
LGD negative +0.5 pp	-498	-884
Average PiT PD -0.5 pp	-3,378	-3,366
Average PiT PD +0.5 pp	3,328	3,227

7.3.2.5 Write-off policy

The Group writes off financial assets, in whole or in part, when all reasonable recovery efforts have been performed and there is no longer a realistic expectation of repayment. This conclusion is typically reached when enforcement actions have ceased or when recoveries are limited to collateral whose value is insufficient to cover the outstanding exposure.

If it is not feasible or economically reasonable for the Group to take measures to recover the claims that are being discounted, the claim is assessed as non-performing and is removed from the statement of financial position. If an irrecoverable claim is received subsequently, receipts are recognised as income.

7.3.2.6 Modifications of financial assets

The Group may renegotiate and modify the contractual terms of loans. If the modified terms are substantially different from the original terms, the original financial asset is derecognised and a new asset is recognised. In such cases, the Group also assesses whether the new asset is credit-impaired at initial recognition. If the changes are not substantial, the asset is not derecognised. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

When a financial instrument is modified due to the obligor's financial difficulties, a new credit assessment is performed. This includes obtaining an updated rating or score, assigning a new probability of default (PD), and marking the exposure as forborne (restructured) if it meets the regulatory definition. As a result, the asset is generally moved to Stage 2 if it is classified as forborne performing, or to Stage 3 if deemed forborne non-performing. A significant increase in PD may also lead to Stage 2 classification. In cases of substantial modification that result in derecognition, the newly recognised asset is classified as Stage 1 if not credit-impaired, or as a POCI asset (purchased or originated credit-impaired) if credit-impaired at initial recognition.

The Group monitors the subsequent performance of modified assets. The Group may determine that credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (lifetime ECL) to Stage 1 (12-month ECL). In case of distressed restructuring, an obligation may be reclassified as non-defaulted only after at least 12 months have passed since the restructuring measures were granted and the customer has demonstrated the ability to comply with the new terms.

7.3.3 Credit risk exposure

The following tables contain an analysis of the credit risk exposure of financial instruments. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets. Information on how the ECL is measured and how the three stages are determined is included in subsection 7.3.2 'Credit Impairment Framework'.

7.3.3.1 Risk concentration

Maximum exposure to credit risk

<i>EUR thousand</i>	Note	31 Dec 25	31 Dec 24
Cash and balances with central bank, due from banks and investment companies and credit institutions	9	4,312,403	3,818,305
Financial assets at fair value through profit or loss	10	24,927	26,272
Investments in debt securities at amortised cost	11	378,064	283,533
Loans and advances to customers	12	5,465,391	4,552,093
		<i>Corporate lending</i>	<i>2,752,869</i>
		<i>Consumer lending</i>	<i>100,002</i>
		<i>Investment financing</i>	<i>9,915</i>
		<i>Leasing</i>	<i>178,527</i>
		<i>Private lending</i>	<i>1,510,780</i>
Receivables from customers and other receivables	14	12,335	4,736
Insurance contract assets	27	53	89
Reinsurance contract assets		476	2,044
Other financial assets	15	272	281
Total financial assets		10,193,921	8,687,353
Non-cancellable agreements	22	1,024,434	723,954
Total		11,218,355	9,411,307

7.3.3.2 Distribution of loans granted by industry

Loans by economic sectors and stages	as at 31 Dec 2025						as at 31 Dec 2024					
	EUR thousand	Stage 1	Stage 2	Stage 3	Allowance for credit losses	Total	%	Stage 1	Stage 2	Stage 3	Allowance for credit losses	Total
Individuals	1,839,715	127,018	9,168	-5,632	1,970,269	36.1%	1,459,694	190,727	7,146	-7,235	1,650,332	36.3%
Agriculture	152,088	9,250	0	-473	160,865	2.9%	42,577	14,996	31	-185	57,419	1.3%
Mining and quarrying	11,307	0	0	-7	11,300	0.2%	105	1,022	36	-28	1,135	0.0%
Manufacturing	181,597	12,832	47,825	-17,008	225,246	4.1%	131,634	49,937	18,336	-13,277	186,630	4.1%
Energy	200,586	3,483	0	-895	203,174	3.7%	215,497	2,391	0	-1,248	216,640	4.8%
Water and utilities	45,624	328	0	-484	45,468	0.8%	27,882	314	0	-307	27,889	0.6%
Construction	77,615	4,483	260	-292	82,066	1.5%	100,869	4,191	47	-702	104,405	2.3%
Wholesale and retail	98,033	54,271	1,661	-1,300	152,665	2.8%	157,574	12,691	616	-1,418	169,463	3.7%
Transport and logistics	107,260	4,375	59	-1,079	110,615	2.0%	68,223	1,890	8	-625	69,496	1.5%
Hotels and restaurants	113,391	5,629	3,707	-746	121,981	2.2%	54,735	2,463	2,708	-311	59,595	1.3%
Information and communication	24,711	2,000	92	-116	26,687	0.5%	22,808	3,773	102	-177	26,506	0.6%
Financial services	143,994	801	0	-697	144,098	2.6%	154,091	1,525	0	-782	154,834	3.4%
Real estate	1,641,369	166,064	25,607	-9,599	1,823,441	33.5%	1,222,569	129,051	8,197	-8,986	1,350,831	29.7%
Professional, scientific, and technical activities	51,652	8,255	514	-341	60,080	1.1%	137,097	9,309	331	-334	146,403	3.2%
Administrative activities	82,446	4,642	169	-393	86,864	1.6%	96,100	18,651	73	-647	114,177	2.5%
Public management	33,203	3,610	0	-65	36,748	0.7%	46,572	4,086	0	-98	50,560	1.1%
Education	2,730	3,134	40	-607	5,297	0.1%	5,156	3,356	0	-1,029	7,483	0.2%
Health	73,458	10,936	95	-302	84,187	1.5%	68,976	819	0	-200	69,595	1.5%
Art and entertainment	60,068	31,171	2	-1,598	89,643	1.6%	40,160	31,525	0	-2,182	69,503	1.5%
Other servicing activities	18,256	6,439	70	-68	24,697	0.5%	18,614	611	14	-42	19,197	0.4%
Total	4,959,103	458,721	89,269	-41,702			4,070,933	483,328	37,645	-39,813		
Allowance for credit losses	-11,307	-7,240	-23,155				-11,191	-14,364	-14,258			
Total loan portfolio	4,947,796	451,481	66,114		5,465,391	100%	4,059,742	468,964	23,387		4,552,093	100%

7.3.3.3 Loan portfolio by internal ratings and stages

Credit quality of loan portfolio by internal credit ratings and stages

<i>EUR thousand</i>	as at 31 Dec 2025				as at 31 Dec 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating customers								
1 low credit risk	0	0	0	0	0	0	0	0
2 low credit risk	0	0	0	0	0	0	0	0
3 low credit risk	0	0	0	0	0	0	0	0
4 low credit risk	15,095	998	0	16,093	18,211	0	0	18,211
5 low credit risk	169,010	2,171	0	171,182	221,741	670	0	222,411
6 low credit risk	700,445	5,175	0	705,620	553,165	14,624	0	567,789
7 medium credit risk	845,308	18,873	0	864,181	567,376	21,832	0	589,208
8 medium credit risk	817,481	63,090	0	880,571	700,339	59,039	0	759,377
9 heightened credit risk	291,390	47,107	0	338,497	339,364	42,801	0	382,165
10 high credit risk	35,504	62,374	0	97,878	4,726	34,926	0	39,652
11 high credit risk	10,470	3,585	0	14,054	17,935	25,854	0	43,788
12 payments are delayed	0	24,060	0	24,060	0	50,198	0	50,198
13 insolvent	0	0	58,683	58,683	0	0	19,122	19,122
Scoring customers								
1 low credit risk	160,068	3,941	0	164,009	0	0	0	0
2 low credit risk	452,997	5,511	0	458,508	185,780	3,951	0	189,731
3 low credit risk	428,293	3,990	0	432,283	339,093	6,140	0	345,233
4 low credit risk	410,528	13,649	0	424,176	359,508	13,362	0	372,870
5 low credit risk	319,303	40,471	0	359,774	373,928	33,408	0	407,337
6 low credit risk	155,290	44,714	0	200,004	215,744	44,185	0	259,929
7 medium credit risk	80,339	37,075	0	117,414	101,579	36,045	0	137,624
8 medium credit risk	38,251	28,690	0	66,941	40,991	29,153	0	70,144
9 heightened credit risk	15,464	22,601	0	38,064	16,807	21,914	0	38,722
10 high credit risk	2,557	12,260	0	14,817	3,243	16,778	0	20,021
11 high credit risk	2	7,737	0	7,739	173	11,001	0	11,174
12 payments are delayed	0	3,409	0	3,409	39	3,081	0	3,120
13 insolvent	0	0	7,433	7,433	0	0	4,266	4,266
Total	4,947,794	451,481	66,116	5,465,391	4,059,743	468,963	23,387	4,552,093

Unused portions of loan portfolio and financial guarantee limits are presented in the following table.

**Credit quality of commitments accounted for off the statement of financial position
(unused loan commitments)**

<i>EUR thousand</i>	as at 31 Dec 2025				as at 31 Dec 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating customers								
1 low credit risk	0	0	0	0	0	0	0	0
2 low credit risk	0	0	0	0	0	0	0	0
3 low credit risk	0	0	0	0	0	0	0	0
4 low credit risk	136,387	0	0	136,387	0	0	0	0
5 low credit risk	6,674	0	0	6,674	8,298	0	0	8,298
6 low credit risk	40,199	0	0	40,199	63,268	1,234	0	64,502
7 medium credit risk	59,387	0	0	59,387	54,313	291	0	54,604
8 medium credit risk	167,031	2,006	0	169,037	201,994	2,247	0	204,241
9 heightened credit risk	147,294	923	0	148,216	66,297	874	0	67,171
10 high credit risk	4	6,221	0	6,225	15,003	699	0	15,702
11 high credit risk	0	0	0	0	1	0	0	1
12 payments are delayed	0	598	0	598	0	9,850	0	9,850
13 insolvent	0	0	592	592	0	0	878	878
Scoring customers								
1 low credit risk	13,876	834	0	14,710	0	0	0	0
2 low credit risk	19,757	1,200	0	20,957	12,466	860	0	13,326
3 low credit risk	15,534	1,735	0	17,269	13,268	916	0	14,183
4 low credit risk	48,543	1,443	0	49,986	17,760	1,553	0	19,313
5 low credit risk	37,315	2,686	0	40,001	8,926	1,042	0	9,968
6 low credit risk	7,999	1,702	0	9,700	11,613	1,377	0	12,991
7 medium credit risk	6,650	254	0	6,904	7,258	630	0	7,888
8 medium credit risk	1,350	455	0	1,805	1,999	637	0	2,635
9 heightened credit risk	711	182	0	893	1,151	204	0	1,355
10 high credit risk	91	179	0	270	10	38	0	48
11 high credit risk	0	15	0	15	4	22	0	26
12 payments are delayed	0	239	0	239	1	9	0	10
13 insolvent	0	0	14	14	0	0	14	14
Total	708,800	20,672	606	730,077	483,629	22,483	892	507,003

**Credit quality of commitments accounted for off the statement of financial position
(financial guarantees)**

<i>EUR thousand</i>	as at 31 Dec 2025				as at 31 Dec 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating customers								
1 low credit risk	0	0	0	0	0	0	0	0
2 low credit risk	0	0	0	0	0	0	0	0
3 low credit risk	0	0	0	0	0	0	0	0
4 low credit risk	323	0	0	323	323	0	0	323
5 low credit risk	7,221	0	0	7,221	8,835	0	0	8,835
6 low credit risk	41,309	0	0	41,309	8,023	0	0	8,023
7 medium credit risk	18,704	0	0	18,704	30,367	0	0	30,367
8 medium credit risk	74,675	0	0	74,675	9,923	301	0	10,225
9 heightened credit risk	8,355	262	0	8,617	44,351	3,424	0	47,775
10 high credit risk	0	2,862	0	2,862	267	0	0	267
11 high credit risk	0	604	0	604	0	364	0	364
12 payments are delayed	0	0	0	0	0	112	0	112
13 insolvent	0	0	736	736	0	0	1,068	1,068
Scoring customers								
1 low credit risk	0	0	0	0	0	0	0	0
2 low credit risk	0	0	0	0	0	0	0	0
3 low credit risk	604	0	0	604	243	0	0	243
4 low credit risk	2,996	0	0	2,996	1,495	174	0	1,670
5 low credit risk	1,430	257	0	1,687	1,155	0	0	1,155
6 low credit risk	709	392	0	1,101	497	33	0	529
7 medium credit risk	398	128	0	526	337	0	0	337
8 medium credit risk	2	70	0	72	1	263	0	264
9 heightened credit risk	6	0	0	6	0	18	0	18
10 high credit risk	0	0	0	0	0	1	0	1
11 high credit risk	0	0	0	0	0	0	0	0
12 payments are delayed	0	9	0	9	0	0	0	0
13 insolvent	0	0	0	0	0	0	0	0
Total	156,731	4,583	736	162,050	105,818	4,689	1,068	111,574

7.3.4 Quality of credit portfolio

7.3.4.1 Distribution of loans by loan types and stages

The following tables explain the changes in the credit loss allowances as well as changes in stages by loan types between the beginning and the end of the reporting period due to factors described in subsection 7.3.2 of this section.

Loans by loan types and stages

<i>EUR thousand</i>	Stage 1	Stage 2	Stage 3	Allowance for credit losses	Total
Corporate lending	2,997,582	311,090	77,574	-34,868	3,351,378
Consumer financing	88,557	20,643	3,507	-3,527	109,180
Investment financing	10,028	687	0	-86	10,629
Leasing	150,791	21,435	2,580	-1,134	173,672
Private lending	1,712,145	104,866	5,608	-2,087	1,820,532
Total as at 31 Dec 2025	4,959,103	458,721	89,269	-41,702	5,465,391
Corporate lending	2,483,840	272,172	27,861	-31,004	2,752,869
Consumer financing	66,906	34,193	3,814	-4,911	100,002
Investment financing	9,856	58	6	-5	9,915
Leasing	155,903	21,540	2,673	-1,589	178,527
Private lending	1,354,427	155,365	3,292	-2,304	1,510,780
Total as at 31 Dec 2024	4,070,932	483,328	37,646	-39,813	4,552,093

7.3.4.2 Transfers between stages

Movements in credits to customers and credit loss allowances

EUR thousand

Stage	2025				2024			
	1	2	3	Total	1	2	3	Total
Gross carrying amount								
Opening balance	4,070,933	483,327	37,645	4,591,906	3,343,383	291,335	23,531	3,658,250
Transfers to Stage 1	148,690	-148,690	0	0	64,335	-64,335	0	0
Transfers to Stage 2	-172,290	173,548	-1,258	0	-289,603	290,820	-1,217	0
Transfers to Stage 3	-22,689	-47,413	70,102	0	-4,006	-17,910	21,916	0
Originated	1,610,242	0	0	1,610,242	1,473,404	0	0	1,473,404
Derecognised and repaid	-675,786	-2,051	-12,832	-690,670	-516,580	-16,582	-3,599	-536,762
Movement	888,168	-24,607	56,011	919,573	727,550	191,992	17,100	936,642
Write-offs	0	0	-4,387	-4,387	0	0	-2,986	-2,986
Closing balance	4,959,101	458,721	89,270	5,507,092	4,070,933	483,327	37,645	4,591,906
Credit loss allowances								
Opening balance	-11,191	-14,365	-14,258	-39,813	-12,470	-9,766	-8,053	-30,288
Transfers to Stage 1	-211	1,875	0	1,663	-207	1,372	0	1,165
Transfers to Stage 2	536	-1,840	481	-823	1,699	-8,083	377	-6,008
Transfers to Stage 3	123	4,647	-16,221	-11,450	30	1,153	-5,714	-4,531
Originated	-5,650	0	0	-5,650	-5,381	0	0	-5,381
Derecognised and repaid	4,222	318	2,730	7,269	3,488	184	-56	3,615
Changes to ECL assumption	863	2,126	1,147	4,136	1,651	775	-2,844	-418
Movement	-117	7,125	-11,863	-4,854	1,279	-4,599	-8,237	-12,722
Write-offs	0	0	2,966	2,966	0	0	2,032	2,032
Closing balance	-11,307	-7,240	-23,155	-41,702	-11,191	-14,365	-14,258	-39,813

7.3.4.3 Loans against collateral

In the tables below, collateral information of loans and advances is disclosed based on the collateral type and carrying amount or fair value (if lower) of the collateral held. The under-collateralised amount of secured loans is presented as unsecured loans.

Loans against collateral as at 31 Dec 2025 (net)

<i>EUR thousand</i>	Corporate lending	Consumer financing	Investment financing	Leasing	Private lending	Total
Listed securities	0	0	10,244	0	0	10,244
Unlisted equity securities	19,995	0	0	0	0	19,995
Mortgages, real estate	2,378,344	0	0	0	1,760,259	4,138,603
Guarantee of Estonian Business and Innovation Agency and Rural Development Foundation	87,960	0	0	0	11,165	99,125
Pledges of rights of claim	125,235	0	0	0	0	125,235
Deposits	1,526	0	380	0	1,100	3,006
Leased assets	0	0	0	132,909	0	132,909
Others	5,111	0	0	0	0	5,111
Unsecured loans or unsecured part of secured loans	733,207	109,180	5	40,763	48,008	931,163
Total	3,351,378	109,180	10,629	173,672	1,820,532	5,465,391

Loans against collateral as at 31 Dec 2024 (net)

<i>EUR thousand</i>	Corporate lending	Consumer financing	Investment financing	Leasing	Private lending	Total
Listed securities	0	0	8,787	0	0	8,787
Unlisted equity securities	20,619	0	0	0	4,928	25,547
Mortgages, real estate	1,451,284	0	0	0	1,452,518	2,903,802
Guarantee of Estonian Business and Innovation Agency and Rural Development Foundation	50,132	0	0	0	6,708	56,840
Pledges of rights of claim	136,742	0	0	0	0	136,742
Deposits	1,491	0	553	0	1,340	3,384
Leased assets	0	0	0	137,360	0	137,360
Others	32,655	0	0	0	10,494	43,149
Unsecured loans or unsecured part of secured loans	1,059,946	100,002	575	41,167	34,792	1,236,482
Total	2,752,869	100,002	9,915	178,527	1,510,780	4,552,093

Over and under-collateralised loans by stages as at 31 Dec 2025 (net)

<i>EUR thousand</i>	Over-collateralised loans		Under-collateralised loans		Total	
	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral
Stage 1	2,503,105	4,268,867	2,444,688	1,622,172	4,947,793	5,891,039
Corporate lending	1,236,579	2,258,425	1,750,546	1,092,317	2,987,125	3,350,742
Consumer financing	0	0	88,211	0	88,211	0
Investment financing	8,053	31,584	1,950	1,947	10,003	33,531
Leasing	19,603	31,083	130,893	94,590	150,496	125,673
Private lending	1,238,870	1,947,775	473,088	433,318	1,711,958	2,381,093
Stage 2	202,182	364,867	249,301	148,348	451,483	513,215
Corporate lending	114,504	166,262	191,422	121,894	305,926	288,156
Consumer financing	0	0	19,509	0	19,509	0
Investment financing	229	319	397	395	626	714
Leasing	3,584	5,287	17,615	13,392	21,199	18,679
Private lending	83,865	192,999	20,358	12,667	104,223	205,666
Stage 3	16,195	29,360	49,920	42,783	66,115	72,143
Corporate lending	12,338	17,657	45,989	40,538	58,327	58,195
Consumer financing	0	0	1,460	0	1,460	0
Investment financing	0	0	0	0	0	0
Leasing	100	170	1,877	1,673	1,977	1,843
Private lending	3,757	11,533	594	572	4,351	12,105
Total	2,721,482	4,663,094	2,743,909	1,813,303	5,465,391	6,476,397
Corporate lending	1,363,421	2,442,344	1,987,957	1,254,749	3,351,378	3,697,093
Consumer financing	0	0	109,180	0	109,180	0
Investment financing	8,282	31,903	2,347	2,342	10,629	34,245
Leasing	23,287	36,540	150,385	109,655	173,672	146,195
Private lending	1,326,492	2,152,307	494,040	446,557	1,820,532	2,598,864

Over and under-collateralised loans by stages as at 31 Dec 2024 (net)

<i>EUR thousand</i>	Over-collateralised loans		Under-collateralised loans		Total	
	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral
Stage 1	1,699,915	2,575,502	2,359,826	1,208,946	4,059,741	3,784,448
Corporate lending	684,575	963,334	1,789,264	772,698	2,473,839	1,736,032
Consumer financing	0	0	66,480	0	66,480	0
Investment financing	6,622	29,382	3,230	2,668	9,852	32,050
Leasing	20,261	29,787	135,180	97,755	155,441	127,542
Private lending	988,457	1,552,999	365,672	335,825	1,354,129	1,888,824
Stage 2	249,333	457,386	219,631	138,160	468,964	595,546
Corporate lending	108,950	137,211	152,322	111,696	261,272	248,907
Consumer financing	0	0	32,217	0	32,217	0
Investment financing	0	2	58	46	58	48
Leasing	3,948	6,028	17,152	13,297	21,100	19,325
Private lending	136,435	314,145	17,882	13,121	154,317	327,266
Stage 3	18,044	29,063	5,343	1,111	23,387	30,174
Corporate lending	14,892	20,296	2,865	112	17,757	20,408
Consumer financing	0	0	1,305	0	1,305	0
Investment financing	5	6	0	0	5	6
Leasing	826	1,105	1,160	999	1,986	2,104
Private lending	2,321	7,656	13	0	2,334	7,656
Total	1,967,292	3,061,951	2,584,800	1,348,217	4,552,092	4,410,168
Corporate lending	808,417	1,120,841	1,944,451	884,506	2,752,868	2,005,347
Consumer financing	0	0	100,002	0	100,002	0
Investment financing	6,627	29,390	3,288	2,714	9,915	32,104
Leasing	25,035	36,920	153,492	112,051	178,527	148,971
Private lending	1,127,213	1,874,800	383,567	348,946	1,510,780	2,223,746

7.4 Liquidity and Funding Risk

7.4.1 Liquidity Risk Management

Liquidity and funding risk is the risk that the Group is unable to meet its financial obligations as they fall due, or to fund its activities on a sustainable basis, without incurring unacceptable losses. The risk arises primarily from mismatches between the maturities of assets and liabilities, unexpected deposit outflows, or reduced access to funding markets.

The Group manages liquidity and funding risk conservatively, with customer deposits as the primary source of funding, supplemented by covered bonds and other secured market-based funding where appropriate. Balance sheet growth is aligned with the availability of stable funding, and the Group maintains a liquidity buffer to ensure resilience under both normal and stressed conditions.

The following tables present the distribution of financial assets and liabilities, excl. derivatives, by due dates and by future contractual undiscounted cash flows. The carrying amounts are disclosed in a separate column. In the maturity analysis, the cash flows are split into the maturity buckets in which the cash flows occur (including interest cash flows). The maturity gap between assets and liabilities within a one-year horizon reflects LHV's core business model of funding long-term loan assets with predominantly short-term customer deposits. This structural mismatch is inherent to the banking model and is therefore accepted as part of normal operations. The associated liquidity risk is continuously monitored and managed through survival period analysis and the ILAAP framework.

Financial assets and liabilities by maturities 31 Dec 2025

<i>EUR thousand</i>	Note	On demand	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
Liabilities by contractual maturity dates								
Deposits from customers	17	5,307,001	1,214,882	1,609,169	28,414	63	8,159,529	8,134,438
Loans received and debt securities in issue	19	0	318	149,968	967,225	0	1,117,511	1,043,617
Subordinated debt	19	0	1,744	14,381	251,356	0	267,481	206,928
Lease liabilities		0	917	2,161	2,712	670	6,460	6,460
Accounts payable and other financial liabilities	18	0	41,566	0	0	0	41,566	41,566
Insurance contract liabilities	27	0	15,335	0	0	0	15,335	15,335
Reinsurance contract liabilities		0	0	0	0	0	0	0
Unused loan commitments	22	730,077	0	0	0	0	730,077	0
Financial liabilities at fair value	10	0	1,275	0	0	0	1,275	1,275
Financial guarantees by contractual amounts	22	162,050	0	0	0	0	162,050	0
Foreign exchange derivatives (gross settled)		0	257,137	0	0	0	257,137	0
Foreign exchange derivatives (gross settled)		0	-257,137	0	0	0	-257,137	0
Total liabilities		6,199,128	1,276,037	1,775,679	1,249,707	733	10,501,284	9,449,619
Assets held for managing liquidity risk by contractual maturity dates								
Cash and cash equivalents, due from central banks and investment companies	9	4,311,888	0	515	0	0	4,312,403	4,312,403
Investments in debt and equity securities	10,11	0	1,995	182,242	88,569	122,476	395,282	395,187
Loans and advances to customers	12	0	266,300	779,556	3,844,838	2,254,051	7,144,745	5,465,391
Receivables from customers	14	0	12,335	0	0	0	12,335	12,335
Insurance contract assets	27	0	53	0	0	0	53	53
Reinsurance contract assets		0	476	0	0	0	476	476
Other financial assets	15	0	0	0	0	272	272	272
Total assets held for managing liquidity risk		4,311,888	281,159	962,313	3,933,407	2,376,799	11,865,566	10,186,117
Maturity gap from assets and liabilities		-1,887,240	-994,878	-813,366	2,683,700	2,376,066	1,364,282	

Financial assets and liabilities by maturities 31 Dec 2024

<i>EUR thousand</i>	Note	On demand	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
Liabilities by contractual maturity dates								
Deposits from customers	17	4,432,899	1,022,778	1,476,702	8,211	419	6,941,009	6,910,110
Loans received and debt securities in issue	19	0	318	283,578	723,535	0	1,007,431	927,686
Subordinated debt	19	0	2,625	56,638	94,106	0	153,369	126,256
Lease liabilities		0	897	2,734	6,488	0	10,119	10,119
Accounts payable and other financial liabilities	18	0	44,674	0	0	0	44,674	44,674
Insurance contract liabilities	27	0	15,258	0	0	0	15,258	15,258
Reinsurance contract liabilities		0	1,499	0	0	0	1,499	1,499
Unused loan commitments	22	507,903	0	0	0	0	507,903	0
Financial liabilities at fair value	10	0	24	0	0	0	24	24
Financial guarantees by contractual amounts	22	111,574	0	0	0	0	111,574	0
Foreign exchange derivatives (gross settled)		0	157,710	0	0	0	157,710	0
Foreign exchange derivatives (gross settled)		0	-157,710	0	0	0	-157,710	0
Total liabilities		5,052,376	1,088,073	1,819,652	832,340	419	8,792,860	8,035,626
Assets held for managing liquidity risk by contractual maturity dates								
Cash and cash equivalents, due from central banks and investment companies	9	3,817,305	0	1,000	0	0	3,818,305	3,818,305
Investments in debt and equity securities	10,11	0	6,465	164,985	86,597	41,227	299,274	299,204
Loans and advances to customers	12	0	251,006	732,376	3,218,878	2,036,792	6,239,052	4,552,093
Receivables from customers	14	0	4,736	0	0	0	4,736	4,736
Insurance contract assets	27	0	89	0	0	0	89	89
Reinsurance contract assets		0	2,044	0	0	0	2,044	2,044
Other financial assets	15	0	0	0	0	281	281	281
Total assets held for managing liquidity risk		3,817,305	264,340	898,361	3,305,475	2,078,300	10,363,781	8,676,752
Maturity gap from assets and liabilities		-1,235,071	-823,733	-921,291	2,473,135	2,077,881	1,570,921	

7.4.2 Liquidity risk appetite metrics

Liquidity and funding risk is governed through the Risk Appetite Framework and managed at both Group and entity level. The key liquidity and funding risk metrics approved within the Group's Risk Appetite Framework are:

- Liquidity Coverage Ratio (LCR);
- Net Stable Funding Ratio (NSFR);
- Asset encumbrance ratio; and
- Survival period.

These metrics are used to monitor the Group's short- and long-term liquidity position and to ensure that the funding structure remains aligned with the Group's risk appetite and business model.

Liquidity risk management includes regular cash flow forecasting, monitoring of funding concentration and maturity profiles, and management of a high-quality liquid asset buffer that can be monetised in stress scenarios. Liquidity risk is assessed separately for material currencies.

The Group applies liquidity stress testing covering both idiosyncratic and market-wide scenarios. Stress test results are incorporated into the internal liquidity adequacy assessment process and inform liquidity buffer calibration and contingency planning. A liquidity contingency plan defines escalation procedures and management actions in the event of emerging liquidity stress.

The following table presents the values of the LCR, NSFR (regulatory threshold is 100%) and the survival period measured by contractual maturity ladder. LCR and NSFR exceeded regulatory requirements with a healthy buffer characterising the Group's conservative approach to managing liquidity risk.

Ratio	2025	2024
LCR	185.00%	187.50%
NSFR	156.80%	154.40%
Survival period by maturity ladder (days)	191	272

The level of the LCR ratio declined marginally over the reporting year. The ratio was adversely impacted by the rising volume of demand deposits from financial intermediaries, as well as the increased issuance of loans. In contrast, the growth in stable retail deposits provided a positive contribution to the LCR. The NSFR ratio increased marginally over the year because the Group's stable funding exceeded the loan origination. Stable funding increased primarily due to retail deposit acquisition and market-based funding issuances. The level of the ratio exceeds the regulatory and internal requirements with a wide headroom.

7.5 Market risk

Market risk is the risk of losses arising from adverse movements in market variables, including interest rates, foreign exchange rates and asset prices. Market risk can affect the Group's profitability, capital position and, where relevant, liquidity.

The Group's material market risks comprise interest rate risk in the banking book (IRRBB), credit spread risk in the banking book (CSRBB), and price and foreign exchange risk. IRRBB arises primarily from mismatches in the repricing profiles of assets and liabilities. Credit spread risk reflects changes in market credit spreads affecting the value of debt instruments, while price and foreign exchange risk arise mainly from securities portfolios held for liquidity management or investment purposes and from strategic foreign currency exposures.

Market risk is governed through the Risk Appetite Framework and managed at both Group and entity level. The key market risk metrics approved within the Group's Risk Appetite Framework are:

- change in economic value of equity (Δ EVE) under interest rate stress;
- change in net interest income (Δ NI) under interest rate stress; and
- price and foreign exchange risk measured as stressed loss relative to CET1 capital.

These metrics are used to monitor the Group's sensitivity to adverse market movements and to ensure that market risk remains aligned with the Group's risk appetite and capital position.

Market risk management focuses on balance sheet structuring, product design and pricing, and the application of exposure limits. Structural interest rate risk arising from the Group's core banking activities is accepted within appetite. Foreign exchange risk related to strategic investments is tolerated, whereas other foreign exchange and price risks are tightly managed.

Market risk exposures are monitored regularly, including through stress testing.

7.5.1 Foreign currency risk

Foreign currency risk arises from mismatch between the Group's foreign currency assets and liabilities. Most items in the Group's statement of financial position are denominated in euros. A mismatch could result from LHV Bank's customers transactions in foreign currencies, fund units held by LHV Varahaldus for own-managed pension funds as required by legislation, and LHV Bank's operations in British pounds.

The Group's appetite for foreign currency risk is low, open positions exceeding set monitoring limits must be closed or reduced.

Foreign currency risk is measured by estimating the potential loss to the Group from its net open foreign currency position in a stress scenario. The loss from foreign currency risk should not exceed a prescribed level of the Group's CET1 capital.

A sensitivity analysis has been performed to show the effect of movements in foreign exchange rates on the statement of profit or loss, with the assumption of other conditions remaining constant. The sensitivity has been measured against a potential exchange rate movement of +/- 6% which is in line with the stress scenario used by the Group for measuring foreign currency risk of its net open positions. The Group's foreign currency risk exposure is very low.

Impact on statement of profit or loss

<i>EUR thousand</i>	2025	2024
USD exchange rate	+/-12	+/-19
SEK exchange rate	+/-10	+/-5
GBP exchange rate	+/-6,992	+/-4,412

Open currency exposures

The following tables present the risks arising from open currency exposures. Assets and liabilities denominated in foreign currencies have been presented in euro equivalent in respective columns, according to the exchange rate prevailing at the end of the reporting period. Derivatives reported at fair value in the statement of financial position have been included at contractual amounts under assets and liabilities accounted for off the statement of financial position. Open currency exposure and the volume of financial assets and liabilities of the Group at the end of the reporting period do not significantly differ from the average exposure during the year. Foreign exchange forwards are shown in the table at their full contractual cash flow amounts as assets and liabilities accounted for off the statement of financial position. The table does not include the assets (property, plant and equipment and intangible assets) and liabilities (provisions) not bearing currency risk, or equity.

Currency risk exposures as at 31 Dec 2025

<i>EUR thousand</i>	Note	EUR	CHF	GBP	SEK	USD	Other	Total
Financial assets bearing currency risk								
Cash and cash equivalents, due from central banks and investment companies	9	3,660,447	6,212	628,219	3,645	6,522	7,358	4,312,403
Investments in debt and equity securities	10, 11	402,952	1	1	1	36	1	402,991
Loans and advances to customers	12	4,673,835	4	782,514	248	8,457	333	5,465,391
Receivables from customers	14	5,599	108	4,280	472	1,355	521	12,335
Insurance contract assets	27	53	0	0	0	0	0	53
Reinsurance assets		476	0	0	0	0	0	476
Other financial assets	15	100	0	172	0	0	0	272
Total financial assets bearing currency risk		8,743,462	6,325	1,415,186	4,366	16,370	8,213	10,193,921
Financial liabilities bearing currency risk								
Deposits from customers	17	6,652,828	6,304	1,300,403	8,328	153,591	12,984	8,134,438
Loans received and debt securities in issue	19	1,043,617	0	0	0	0	0	1,043,617
Financial liabilities at fair value	10	1,275	0	0	0	0	0	1,275
Accounts payable and other financial liabilities	18	26,546	32	9,104	5,110	5,230	2,004	48,026
Insurance contract liabilities	27	15,335	0	0	0	0	0	15,335
Subordinated debt	19	206,928	0	0	0	0	0	206,928
Total financial liabilities bearing currency risk		7,946,529	6,336	1,309,507	13,438	158,821	14,988	9,449,619
Open gross position derivative assets at contractual value		43,900	0	10,851	9,241	186,395	6,750	257,137
Open gross position derivative liabilities at contractual value		212,988	0	0	0	44,149	0	257,137
Open foreign currency position		627,845	-11	116,530	169	-205	-25	744,302

Currency risk exposures as at 31 Dec 2024

<i>EUR thousand</i>	Note	EUR	CHF	GBP	SEK	USD	Other	Total
Financial assets bearing currency risk								
Cash and cash equivalents, due from central banks and investment companies	9	3,365,275	2,744	435,820	1,593	6,041	6,832	3,818,305
Investments in debt and equity securities	10, 11	306,300	1	1	3,472	30	2	309,805
Loans and advances to customers	12	4,194,563	18	348,514	198	8,572	228	4,552,093
Receivables from customers	14	5,394	-181	-41	421	-490	-367	4,736
Insurance contract assets	27	89	0	0	0	0	0	89
Reinsurance assets		2,044	0	0	0	0	0	2,044
Other financial assets	15	100	0	181	0	0	0	281
Total financial assets bearing currency risk		7,873,765	2,582	784,475	5,683	14,153	6,695	8,687,353
Financial liabilities bearing currency risk								
Deposits from customers	17	6,032,987	7,485	701,956	7,208	148,864	11,610	6,910,110
Loans received and debt securities in issue	19	927,685	0	0	0	0	0	927,686
Financial liabilities at fair value	10	24	0	0	0	0	0	24
Accounts payable and other financial liabilities	18	33,983	39	8,993	1,448	9,996	334	54,793
Insurance contract liabilities	27	15,258	0	0	0	0	0	15,258
Reinsurance contract liabilities		1,499	0	0	0	0	0	1,499
Subordinated debt	19	126,256	0	0	0	0	0	126,256
Total financial liabilities bearing currency risk		7,137,692	7,524	710,949	8,656	158,860	11,944	8,035,626
Open gross position derivative assets at contractual value		0	4,983	0	3,054	144,384	5,289	157,710
Open gross position derivative liabilities at contractual value		157,710	0	0	0	0	0	157,710
Open foreign currency position		578,363	41	73,526	81	-323	40	651,727

7.5.2 Price risk

Price risk arises from securities held by the Group in the liquidity portfolio, trading portfolio and investment portfolios (Notes 10, 11). The portfolios subject to price risk mainly comprise securities held by LHV Pank, the pension fund units held by LHV Varahaldus and the investment portfolio of LHV Kindlustus.

Price risk is measured by estimating the potential loss that can be incurred by the Group in a stress scenario. The loss from price risk in the stress scenario should not exceed a prescribed percentage of the Group's CET1 capital. In LHV Pank and LHV Kindlustus, additional limits have been set on the size of the liquidity, trading and investment portfolios where applicable. These entities also apply defined criteria for acceptable credit ratings and other parameters for debt securities they are permitted to hold. Pursuant to the Investment Funds Act, LHV Varahaldus is obliged to hold a minimum of 0.5% of the number of units in each of the II pillar pension funds managed by it.

A sensitivity analysis has been conducted to assess the potential impact of changes in securities prices on the Group's net result. The price movements applied in the analysis are in line with the stress scenarios used by the Group to measure price risk and are based on the historical volatility of the instruments included in the relevant portfolios.

Impact on statement of profit or loss

<i>EUR thousand</i>	2025	2024
Equity securities and fund units +/-26%	+/-236	+/-220
II pillar pension fund units +/-5%	+/-313	+/-315
Debt securities +/-2.0%	+/-342	+/-313

Most of LHV Pank's debt securities are accounted for at amortised cost, so the price fluctuations do not directly affect the statement of profit or loss. Only the debt securities classified as measured at fair value through profit and loss are

subject to price risk in LHV Pank. LHV Pank does not hold significant amounts of equity securities (see Note 10).

The sensitivity of the Group's portfolios to changes in the market price, as described above, is low.

7.5.3 Interest rate risk

Interest rate risk arises from the mismatch of the term structure of interest rate sensitive assets and liabilities (gap risk), imperfect correlation of base rates (basis risk), the optionality inherent in the interest rate sensitive instruments (option risk) and the change in credit spreads (credit spread risk). Interest rate risk can arise both from items accounted for on and off the statement of financial position.

The Group manages IRRBB exposures on its balance sheet to ensure that the Group's financial stability remains intact even under adverse scenarios. Structural exposures arising from its core business — namely, funding floating-rate loans with demand and short-term deposits — are however accepted.

Interest rate risk in the banking book is measured by estimating the change of net interest income (NII) and the economic value of equity (EVE) in a number of regulatory and internal stress scenarios, compared to a base scenario. In 2025, The Group introduced a new risk appetite limit based on internal assumptions for financial institution deposits, where the negative impact on NII and EVE in a 100 basis points parallel shift in interest rates must not exceed a certain level of LHV Group's CET1 capital.

The economic value of equity (Δ EVE) analysis assesses the change in the present value of assets, liabilities, and equity under different interest rate scenarios. The analysis is based on the net present value of the cash flows, discounted using the scenario-specific interest rate curves. Cash flows are calculated on a run-off balance sheet basis, applying the assumptions detailed below.

The net interest income (Δ NII) analysis assesses the impact of interest rate changes on the Group's net interest income over the next 12-month period. Interest-bearing assets, liabilities and relevant off-balance sheet items are allocated into time buckets by their repricing date and are assumed to reprice at new scenario-specific interest rates. The NII analysis is performed on a constant balance sheet assumption.

The main assumptions for the calculation of the change in EVE and change in NII are as follows:

- The repricing terms of demand deposits of households and non-financial corporations vary between 1 day and 10 years, depending on their interest rate sensitivity.
- For deposits of financial institutions, immediate repricing is assumed for regulatory scenarios while internal methodology follows behavioural repricing assumptions.
- A 0% interest rate floor is applied to deposits of retail customers.
- For term deposits, contractual maturities are used.
- For loans, contract-specific interest rate floors are used.
- Conditional prepayment rate is used in the assessment of the early repayment of loans.
- Term deposit redemption rate is used in the assessment of the early redemption of the term deposits.
- In the case of items accounted for off the statement of financial position (e.g., loan commitments and credit limits), the credit conversion factor is included in the model, and it is assumed that the use of the limit will increase on a straight-line basis until the expiry date.

A sensitivity analysis has been performed to assess the impact of +/-100 basis points parallel interest rate shift in interest rates on the change in EVE and NII. The following tables presents the estimated changes compared to the base scenario. There is a notable change in the +100 bp scenario,

where the NII and EVE are impacted by the methodological change in the repricing of financial institution deposit, from an immediate repricing assumption to behavioural.

Change in net interest income

<i>EUR thousand</i>	2025	2024
+100 bp parallel shift	20,260	12,477
-100 bp parallel shift	-34,148	-34,386

The table below shows the structure of the interest-bearing assets and interest-bearing liabilities of LHV Group grouped by the recalculation dates of interest rates at the principal amounts of receivables and liabilities.

Interest rate sensitivity gap as at 31 Dec 2025

<i>EUR thousand</i>	Note	Up to 3 months	3-12 months	1-5 years	Over 5 years	Subtotal	Accrued interest	Impairments	Total
Financial assets									
Cash and cash equivalents, due from central banks and investment companies	9	4,311,888	515	0	0	4,312,403	0	0	4,312,403
Financial assets at fair value (debt securities)	10	1,995	543	10,711	3,874	17,123	0	0	17,123
Financial assets measured at amortised cost (debt securities)	11	0	181,194	77,187	117,631	376,012	2,147	-95	378,064
Loans and advances to customers	12	2,663,736	2,364,022	385,480	72,173	5,485,411	21,682	-41,702	5,465,391
Total		6,977,619	2,546,274	473,378	193,678	10,190,949	23,829	-41,797	10,172,981
Financial liabilities									
Deposits from customers	17	4,523,608	2,278,124	1,077,689	223,532	8,102,953	31,485	0	8,134,438
Loans received and debt securities in issue	19	0	117,498	906,731	0	1,024,229	19,388	0	1,043,617
Subordinated debt	19	0	0	204,455	0	204,455	2,473	0	206,928
Total		4,523,608	2,395,622	2,188,875	223,532	9,331,637	53,346	0	9,384,983
Net interest sensitivity gap		2,454,011	150,652	-1,715,497	-29,854	859,312			

Interest rate sensitivity gap as at 31 Dec 2024

<i>EUR thousand</i>	Note	Up to 3 months	3-12 months	1-5 years	Over 5 years	Subtotal	Accrued interest	Impairments	Total
Financial assets									
Cash and cash equivalents, due from central banks and investment companies	9	3,817,305	1,000	0	0	3,818,305	0	0	3,818,305
Financial assets at fair value (debt securities)	10	4,569	3,717	6,340	1,045	15,671	0	0	15,671
Financial assets measured at amortised cost (debt securities)	11	1,897	161,094	79,230	39,857	282,078	1,526	-71	283,533
Loans and advances to customers	12	2,307,224	2,046,962	152,302	66,893	4,573,381	18,525	-39,813	4,552,093
Total		6,130,995	2,212,773	237,872	107,795	8,689,435	20,051	-39,884	8,669,602
Financial liabilities									
Deposits from customers	17	4,403,155	1,895,903	404,886	169,003	6,872,947	37,163	0	6,910,110
Loans received and debt securities in issue	19	0	249,872	664,022	0	913,894	13,792	0	927,686
Subordinated debt	19	0	50,000	75,000	0	125,000	1,256	0	126,256
Total		4,403,155	2,195,775	1,143,908	169,003	7,911,841	52,211	0	7,964,052
Net interest sensitivity gap		1,727,840	16,998	-906,036	-61,208	777,594			

7.5.4 Credit valuation adjustment risk

Credit valuation adjustment (CVA) risk is defined as the risk of losses arising from changing CVA values in response to movements in counterparty credit spreads and market risk factors that drive prices of derivative transactions. Group applies the standardised approach to calculate the capital charge for CVA risk. Group's capital requirement for CVA risk as of 31 December 2025 amounted to EUR 775 thousand (2024: EUR 282 thousand).

7.6 Operational risk

Operational risk is the risk of losses resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk includes legal risk, ICT risk and reputational risk, but excludes strategic risk. Operational risk is inherent in all products, activities, processes, and systems.

Each manager in LHV is responsible for managing operational risk within their responsibility area. Risk Division is acting as the second line of defence and providing both proper trainings and guidance to implement the operational risk framework, as well as oversight to ensure that the risk profile is within the desired level as described in risk appetite statements.

The operational risk framework is described in the operational risk policy and in other relevant operational risk management procedures. The main processes and tools to manage, i.e., to identify, assess, mitigate, and monitor operational risks are as follows.

Risk and control self-assessment

There is a unified process and method across LHV to assess operational risks of all products and processes. The regularity of self-assessment depends on the criticality level of the product and the process and must ensure that all managers are aware of the risks they are responsible for and apply relevant mitigating and monitoring measures to keep the risk profile within the desired risk level.

Change management and approval process in case of new or significantly changed products, IT systems, processes, organisation, partners (incl. outsourcing), or in case of exceptional transactions

Change management and approval process is designed to ensure all significant changes in products, IT systems, processes, organisation, partners (incl. outsourcing) or

significant exceptional transactions are managed with due care and no change is approved before all risk considerations have been taken into account. To achieve this, pre-described risk management rules are implemented, accompanied by independent opinions from the Risk and Compliance Divisions.

Operational risk event and business continuity management

The objective of the operational risk event management is to ensure all events are managed in a proper manner, as well as to learn from the events and use the lessons to prevent similar cases from happening in the future.

Event management activities depend on the event type and severity level. For critical processes business continuity plans are in place and will be activated in case there is a disruption in a critical process. Critical IT systems have recovery plans in place for the same reasons. If needed, crisis management will be applied, steered by the Crisis Committee.

Business continuity plans are regularly reviewed and tested to ensure they are up-to-date and applicable in the event of critical process disruptions.

All events must be reported centrally and registered in a central database for further analysis conducted by the Risk Division. The event data is also used for capital calculation purposes within the ICAAP.

ICT and information security risk management

One of our main goals is to be a trustworthy banking partner to our customers with the focus on providing customer-friendly, secure and resilient digital banking services. Secure and resilient IT systems are key for this objective.

In addition to the general operational risk management framework, dedicated ICT and information security risk management tools and methods are applied to protect the information and customers' assets and ensure the IT systems are available. For example:

- reasonable conservatism is being applied when implementing new configurations to products and services;
- regular security monitoring;
- vulnerability management process;
- security controls in the software development lifecycle
- training of our personnel to increase awareness and prevent actions that may cause security incidents on IT systems and services;
- up-to-date information about developments in the security scene to understand potential weaknesses.

We take seriously and react to all malicious attacks targeted at our own infrastructure, the customer data in our possession, and our customers.

7.7 Other Risks

7.7.1 Compliance risk

The number of regulatory requirements and their constant changes make compliance risk a significant operational risk, the realisation of which can lead to both financial and reputational damage.

The task of compliance function is to manage the compliance risk through various activities. The compliance covers the entire activity of LHV and is not limited to specific areas. However, LHV has separated the AFC compliance function from the general compliance function.

In addition to the tasks set out in the regulatory requirements, compliance function is involved in maintaining and developing the culture of the organisation to promote a culture that supports compliance.

To perform its tasks efficiently, the compliance function, among other things, constantly assesses the need for resources and makes proposals for enhancing and developing the function, where appropriate. Going forward continuous adaptation to supervisory expectations of the ECB and the SRB will influence compliance risk management and thus the compliance function.

7.7.2 Insurance risk

Insurance risk is one of the most important risks for the LHV Kindlustus reflecting the core business of insurance, i.e., taking and managing insurance risk. The most important aspect of insurance risk is the insurance premium and reserve risk deriving from the possible inadequacy of the pricing of insurance contracts and the assumptions used in the assessment of contractual liabilities.

Insurance risk includes catastrophe accumulation risk deriving from extreme or extraordinary events (e.g., windstorms, floods, hailstorms, damage attributable to human causes) during which the materialisation of risks insured under individual insurance contracts accumulate extraordinarily.

Above all, insurance risk involves risks associated with pricing, technical provisions, and adequacy of the reinsurance cover.

LHV Kindlustus operates primarily in Estonia.

LHV Kindlustus has implemented comprehensive risk management measures to continuously monitor portfolio dynamics, ensuring optimal distribution and mitigating potential concentration risks.

Insurance risk is managed and controlled via the following processes:

- establishment of the insurance subsidiary's risk strategy in accordance with the business strategy;
- using actuarial analysis and sound assumptions in pricing of insurance contracts;
- calculation of technical provisions and solvency capital requirement (SCR) by using Solvency II standard formula and holding the necessary liquid assets accordingly;
- assessment of loss reserving assumptions, performing liability adequacy tests and monitoring the profitability of the insurance portfolio;
- conduct regular/irregular own risk and solvency assessment (ORSA);
- use of the reinsurance programme for reinsuring major risks.

7.7.3 Strategic risk

Strategic risk is the risk of losses, including in the form of foregone revenues or additional costs, due to poor strategical planning and/or decisions or due to poor reputation not supporting strategic goals. Strategic risk includes both business, as well as sustainability strategy risk.

Main triggers for strategic risk are changes in different external factors to which LHV does not timely and appropriately adapt to, for example competitive landscape, technological shifts, customer preferences, ESG, especially climate changes, changes in regulation, and industry and product profitability.

Strategic risk is mitigated through the well understanding of the business environment and home markets, as well as risks threatening strategic goals, and considering them in the strategy planning process.

In addition, members of management in Group and subsidiaries (both the Management Board and the Supervisory Board) have long-term experience in the banking sector and/or entrepreneurship. Prior to entering new markets and sectors, professionals in the field will always be involved and a thorough analysis will be carried out.

7.7.4 ESG risk

ESG risk is a risk of loss resulting from current or prospective impacts of ESG factors, i.e., from environmental, social and/or governance factors, as applied directly to the Group or towards its counterparties or invested assets.

ESG risk materialises through other risk categories, such as credit risk, market risk, operational risk, liquidity and funding risk, strategic risk, i.e., acts as a cross-taxonomy risk driver. If ESG risk impact towards main risk is material, it shall be reflected, as a sub-risk under this main risk.

For the identification of material ESG risk drivers a dedicated materiality assessment is conducted, which is the main input for setting risk appetite and relevant risk limits, as well as relevant qualitative risk management tools, for example client engagement.

7.7.5 Reputational risk

Reputational risk, i.e., loss of reputation is one of negative consequences resulting from several LHV main risks. Loss of reputation occurs due to failure to meet stakeholders' (investors, employees, regulators, clients etc) expectations as a result of any event, behaviour, action or inaction, either by LHV itself, its employees or those with whom LHV is associated, that may cause stakeholders to form a negative view of LHV, either justified or not. Good reputation and trust from existing and possible new clients, investors and employees is one of the enablers to achieve strategic business goals. Reputational risk is treated as a cross-taxonomy risk consequence and its management is integrated into existing risk management processes covering LHV's main risk types.

7.8 Financial crime risk

7.8.1 Financial Crime Risk governance

A strong anti-financial crime (AFC) culture is built on a foundation of high awareness and commitment to risk management. This culture is reinforced through ongoing awareness raising, information sharing cooperation and exchanging best practices, state-of-the-art training program, and reporting.

In 2025, we further strengthened our Group-wide approach to identifying and managing financial crime risks through an enterprise-wide risk assessment and coordinated implementation of aligned AFC practises across all obliged entities within the LHV Group. These efforts ensure a consistent and effective framework for the prevention of money laundering, terrorist financing, sanctions breaches, and other forms of financial crime.

AFC framework at LHV is based on 10 core principles that reflect the Group's commitment to ethical conduct, robust compliance and sound risk management:

- 1) Risk-based approach – allocation to resources proportionate to identified risks;
- 2) Assessment of risks and establishment of risk appetite – regular identification and assessment of financial crime risks, with a clear appetite defined by the Supervisory Board;
- 3) KYC – know-your-customer – comprehensive understanding of customers and beneficial owners;
- 4) Due diligence measures – application of risk-based controls throughout the customer lifecycle;
- 5) Monitoring and screening – use of advanced technological solutions to detect unusual or suspicious activity;

- 6) Reporting of suspicious activities – timely and appropriate escalation and reporting to competent authorities;
- 7) Prohibited relationships – clear definition of unacceptable customers, sectors, or jurisdiction;
- 8) Information sharing and escalation – effective communication across LHV entities and with external partners in accordance with the law;
- 9) Training and awareness – ensuring that employees are equipped with the necessary knowledge to identify and prevent financial crime;
- 10) Data retention - maintaining data in line with legal requirements to support auditability and investigations.

7.8.2 Banking services for financial intermediaries

Through its banking services business line, LHV continued to provide services to other financial institutions (including fintech companies) that in turn can provide financial services to their own customers. Provision of correspondent services to other financial institutions presents a different portfolio of financial crime risks due to indirect exposure with end customers.

LHV applies enhanced, risk-based measures to mitigate these risks, including:

- dedicated relationship management and specialist AFC oversight teams for this sector;
- Enhanced Due Diligence on fintech clients, covering business model, ownership structure, governance, AFC measures, technical capabilities for screening and monitoring, and customer and jurisdiction risk segmentation;
- A programme of periodic (incl. on-site) assessments of clients' AFC frameworks;
- Continuous transaction monitoring designed to detect potential indicators of financial crime, including fraud.

Where risks exceed LHV's risk appetite, remediation measures are promptly taken, which may include the restriction of flows or termination of relationships.

8 Consolidated sustainability statements

8.1 General information

8.1.1 Sustainability statement

Sustainability for us reflects a continuous process of learning, collaboration, and improvement. We work together with stakeholders and experts to understand the impacts of our activities and to ensure that our decisions create long-term value. Our priorities include strengthening our internal expertise, developing sustainable financial products, improving operational efficiency, and collaborating within the sector to promote sound and transparent practices. Recognising our role in society and the environment, we continue to monitor, measure, and manage our direct and indirect impacts. In addition, we pay particular attention to rising climate-related risks.

Our approach is based on integrating environmental, social, and governance (ESG) factors into everyday operations and decision-making. This means assessing sustainability risks and opportunities across our business, addressing issues such as climate impact, employee well-being, diversity and inclusion, and ensuring ethical conduct and transparency. Through these actions, we aim to contribute to the stability and resilience of the financial system while supporting our customers and communities in the transition to a more sustainable economy.

This sustainability report provides an insight on how LHV integrates sustainability matters into its business activities

to increase its positive and mitigate the negative impact on the environment, society and business conduct. Also, we recognize that sustainability is an evolving field, and we are committed to continuously enhancing our approach. This includes not only addressing current challenges but also anticipating future impacts, risks and opportunities. While we are confident in our strategic direction, we acknowledge that forward-looking information is inherently uncertain and subject to change based on new developments, regulatory shifts, and market conditions. Nevertheless, we remain committed to transparency and resilience as we navigate these uncertainties and continue to advance our sustainability goals.

8.1.1.1 Principles of reporting

The Group's consolidated sustainability statements have been prepared in accordance with the Estonian Accounting Act which implemented Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), which provide a structured framework for sustainability reporting. In addition, this report includes the disclosures subject to EU Taxonomy Regulation.

The sustainability statements are part of LHV Group annual report, which relates to the period 1 January through 31 December 2025. The report is developed on a consolidation basis and relates to AS LHV Group and its subsidiaries. The scope of consolidation for sustainability statement is the same as for the consolidated financial statement.

To account for the sustainability aspects related to the whole value chain of LHV, the disclosed information considers our upstream and downstream value chain where relevant, as well as our own operations. The specific value chain description is provided in section 8.1.2.1. The sustainability report follows the general principles outlined in ESRS 1 standard, ensuring comprehensive and structured reporting. It also includes disclosures in relation to mandatory data

requirements in ESRS 2, as well as disclosure in relation to material topical standards E1 Climate change, S1 Own workforce, S4 Consumers and end-users and G1 Business conduct.

Some disclosures are included in parts of the annual report located outside of the sustainability statements and references to these specific sections are disclosed under relevant topics and in the form of a tables in the content index overview and in the data requirements incorporated by

reference into sustainability statement below. Comparative information for disclosed metrics is also provided for financial year 2024. Following the phase-in possibility provided in ESRS 1 and its appendix C, LHV has applied it to the disclosure requirements for this reporting period as follows:

List of phased-in disclosure requirements

ESRS	Disclosure Requirement	Full name of the Disclosure Requirement	Phase-in or effective date (including the first year)
ESRS 2	SBM-1	Strategy, business model and value chain	Breakdown of total revenue by significant ESRS sector and list of additional significant ESRS sectors
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Anticipated financial effects
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	Collective bargaining coverage and social dialogue regarding its own employees in non-EEA countries
ESRS S1	S1-11	Social protection	Social protection, i.e. the disclosure whether its employees are covered by social protection against loss of income due to major life events
ESRS S1	S1-12	Percentage of employees with disabilities	Persons with disabilities of its own workforce
ESRS S1	S1-13	Training and skills development	Training and skills development metrics
ESRS S1	S1-14	Health and safety	The data points on cases of work-related ill-health and on number of days lost to injuries, accidents, fatalities and work-related ill health
ESRS S1	S1-14	Health and safety	Health and safety metrics on non-employees
ESRS S1	S1-15	Work-life balance	Work-life balance metrics

For this reporting period, LHV has not used any subsidiary exemptions, although the AS LHV Pank discloses separate sustainability statement.

LHV has incorporated disclosures stemming also from other sustainability reporting frameworks or legislation, where applicable, described in the table List of datapoints in cross-cutting and topical standards that derive from other EU legislation at the end of the consolidated sustainability statements in Annex 1. LHV's commitment to enhancing transparency and accountability in our sustainability reporting. We are technologically developing and refining structured processes and observe the progress of regulatory requirements in order to align information on material impacts, risks, and opportunities related to our operations to regulatory expectations.

LHV has not exercised the option to withhold any specific information related to intellectual property, know-how, or innovation outcomes in this sustainability report. Furthermore, we have not utilized the exemption to withhold any information related to future developments or matters under negotiation. All relevant and required information has been fully disclosed, ensuring transparency in our sustainability reporting.

We recognize that the disclosure of greenhouse gas emissions in Scope 2 and Scope 3 category 15 are subject to uncertainty. The same applies to data on energy consumption as there are in some cases limitations in obtaining that exact data of our premises. However, we have based our calculations on the best available actual data currently accessible to us. These uncertainties primarily arise from the reliance on external data sources, such as sectoral average emission factors and estimations of consumption.

Forward-looking estimates depend on future regulatory developments, customer behaviours, and market conditions, which introduce inherent uncertainty. LHV emphasizes that all forward-looking disclosures should be considered subject to these uncertainties.

8.1.2 Sustainability strategy

Our objective is to make an actual impact through the sustainability efforts we make. We devote our resources to addressing sustainability matters most affected by our business decisions. The core of our sustainability strategy is specified in our ESG policy which sets goals, ambitions, and approaches for our sustainability efforts in all the subsidiaries of LHV.

Our business strategy, including our sustainability strategy, is overseen by LHV's governance bodies, which include the Supervisory Board, Risk and Capital Committee, Remuneration Committee, and Audit Committee. These governance bodies play a critical role in ensuring that sustainability impacts, risks and opportunities are effectively integrated into our strategic decision-making processes within their respective areas of responsibility.

Through a double materiality assessment, we have concluded the most important sustainability issues that impact our operations and stakeholders, as well as the areas where our business has the greatest impact. This approach allows us to focus our efforts on the sustainability challenges that matter the most. Additionally, our strategy is regularly verified and assessed through established internal control mechanisms, ensuring alignment with regulatory standards and stakeholder expectations.

Our uniform risk management framework ensures that ESG risk drivers are regularly evaluated and managed across the Group. We tailor risk assessments for each subsidiary, considering local market dynamics and regulatory requirements.

LHV acts by the values of being simple, supportive, and effective. Our long-term objectives are focused on building strong, lasting relationships with our partners by being the top financial service provider in terms of customer service excellence, the most engaged and understanding financial service provider for international financial intermediaries,

an attractive employer that offers high job satisfaction and growth opportunities for employees; transparent for investors, delivering an annual return on equity (ROE) exceeding 20% and a company with the best management practices, positive social impacts, and climate goals.

Our products and services are designed to be simple, transparent, and relevant. By utilizing modern electronic communication methods, we can cut costs and offer affordable pricing for LHV's everyday services.

At LHV, partnership is central to growing our business. We believe that new initiatives are more successful when all parties share the same interests and offer long-term support to each other. As a publicly traded company, we encourage as many clients and partners as possible to become shareholders and investors, fostering a collaborative effort in building a shared business.

8.1.2.1 Business model and value chain

LHV is the largest domestically owned finance group and capital provider in Estonia. The main subsidiaries of AS LHV Group are AS LHV Pank, LHV Bank Ltd, AS LHV Varahaldus, AS LHV Kindlustus and AS LHV Paytech. LHV was established in 1999 by people with extensive experience in investing and entrepreneurship. LHV's customer service offices in Estonia are in Tallinn, Tartu and Pärnu. LHV expanded into UK market in 2018. There are three offices in the UK: London, Leeds and Manchester.

LHV has over 1,200 employees and serves a customer base exceeding 694 thousand.

A more detailed overview of the Group's subsidiaries and their business activities can be found under Note 5 Subsidiaries and goodwill in consolidated annual report.

Incorporating sustainability considerations throughout the value chain requires LHV to tailor its products and services

to meet the expectations of both individual and corporate clients. The main activities of LHV Group are structured into the following segments: retail banking, corporate banking, asset management, hire-purchase and consumer finance, financial intermediaries, and insurance, see more under Note 4 Operating Segments in consolidated annual report. Our clients, who utilize these products and services, play a critical role in our value chain and are central to our business operations.

LHV is committed to maintaining transparency and risk management throughout the value chain, ensuring that our business practices effectively mitigate financial and non-financial risks, including ESG risk.

LHV integrates sustainability into its operations and value chain, addressing impacts both upstream and downstream. The assessment and disclosure of value chain impacts are based on materiality and aligned with double materiality principles. LHV discloses data for both upstream and downstream value chains when material impacts are identified.

For upstream activities, the focus is on direct partners, including suppliers and service providers, while downstream efforts extend to financed activities within the immediate customer base. While LHV evaluates impacts and risks throughout the entire value chain as part of its materiality assessment, the disclosed data primarily pertains to its own operations and direct counterparties. In the downstream scope, LHV includes direct customer activities influenced by its financial products and services, such as financed emissions from loan portfolios.

Activities within the value chain are described in the table below:

Value chain

Upstream	Own operations	Downstream
<p>Procurement - procurement of resources necessary for carrying out business activities, which includes finding a supplier, evaluation according to the criteria described in our Purchase policy and price negotiations. LHV suppliers fall into the following categories: consulting services, IT equipment and services, facility management, furniture and catering, marketing and communication.</p>	<p>Sales and marketing of banking, insurance and fund management products and services with product usage and conditions.</p> <p>Personnel management - maintaining and promoting relations between the company and employees</p> <p>Financial management - the use of the company's assets and ensuring correct and appropriate reporting</p> <p>Risk management - continuous risk assessment and management aimed at planning risk elimination or reduction measures</p> <p>Development of technology - development of a technological solution related to the management and use of information, as well as the provision of products and services</p>	<p>Use of financial products and services.</p>

LHV's primary input is financial capital, sourced from deposits, investments, and other funding streams, which are efficiently allocated to various financial products and services. Our approach to securing inputs includes a robust governance framework that ensures transparent decision-making and effective risk management.

The outputs of LHV's business model include a wide range of financial products and services aimed at creating value for our customers, investors, and other stakeholders. We prioritize responsible banking practices by fostering positive relationships with our clients, respecting their unique backgrounds and needs, and aligning our operations with principles of sustainability and ethical conduct, by offering sustainable financial products and supporting economic growth without growing CO₂ emissions.

Our business model centres on sustainable value creation by integrating ESG factors into our operations. Our key business areas—banking, asset management, and insurance—contribute to both financial performance and positive societal impact. We actively engage in community support by promoting financial literacy and ensuring equitable access to our services to have an impact on society. We are also committed to reducing our operation CO₂ footprint and supporting the transition to a climate-neutral economy by 2050.

8.1.2.2 Sustainability policies

At LHV, we have defined and described our approach to dealing with various sustainability related issues in different policies and principles. The following policies incorporate our main principles on how we manage and mitigate impacts and risks in relation to environmental, social and governance topics.

- o ESG Policy is the core of our sustainability strategy which sets the goals, ambitions, and approaches for our sustainability efforts in all the subsidiaries of the group. The ESG policy sets a high-level structure and responsibilities for group wide ESG governance.
- o ESG Risk Management Policy defines the risk management framework, i.e. main principles, governance and risk appetite for the ESG risk LHV is facing.
- o Code of Ethics rules specify the principles to be followed in our business with the purpose of providing guidance on conforming to legal requirements, as well as the expectations of supervisory authorities and society.
- o Diversity Policy recognizes that people have different values, abilities, and skills, which affects the way they think and see things. LHV believes in meritocracy, where people are considered based on their skills, experience, and the value of their ideas.
- o Remuneration Policy sets the guidelines for determining fair remuneration for all employees.
- o Credit Policy defines sustainable and responsible business conduct in relation to financing, including activities that the bank does not engage with.
- o Green Office Principles define the rules and criteria for the sustainable operation of LHV Estonian offices.

Our credit policy implies that LHV will refrain from knowingly offering credit products to customers whose activities bear clear evidence of human rights violations and serious environmental harm.

In our most significant process, i.e. corporate banking, ESG risk is taken into consideration in loan reviews. A detailed ESG risk analysis is done for corporate loan applications of over EUR 1 million, in line with our credit rating process. To identify borrowers that are exposed, directly or indirectly, to increased risk associated with ESG drivers, a comprehensive heat map of ESG risk drivers for individual economic (sub) sectors has been developed.

For exposures related to higher environmental and climate risks (high or medium sectoral risk level according to the heatmap) more intensive analysis using ESG risk assessment model is conducted regarding the client's exposure and management of these risks.

8.1.2.3 Sustainable financing products and services

As LHV's influence in the Estonian financial sector is expanding, we understand the role that we play in the society and how we affect our surroundings. Consequently, we have chosen to strategically direct cash flows from our core activities towards initiatives that promote the transition to a climate resilient and sustainable economy.

We continue to offer sustainable financing products under the EIF's Sustainable Loan sub-programme designed to encourage our customers to make environmentally responsible choices. Through these efforts, we aim to support economic growth while simultaneously mitigate climate change.

Home loan for A and B energy class homes - We seek to promote the construction and buying of energy efficient homes by offering better loan terms for energy class A and B homes. We support decisions that lead to lower climate impacts and increased savings on power bills.

Car leasing for electric and plug-in hybrid vehicles - We aim to promote the purchase of zero and low emission vehicles. The offer applies to purchases of fully electric vehicles by

either individuals or companies, and to purchases of plug-in hybrid vehicles with CO₂ emissions of a maximum 50 g/CO₂/km by companies purchased for general use. In line with a longer-term strategy and the desire to contribute to Estonia's climate objectives, LHV Pank has decided to no longer finance the purchasing of new diesel passenger cars from 2030 onwards.

Investment loan for sustainable development - We provide financing for companies for raising energy performance, establishing renewable energy generation and storage capacities and reducing primary energy expenditures.

Apartment association loan - We offer financing for the renovation of residential buildings to enhance energy efficiency and to extend the lifespan of Estonian housing stock.

In 2025, LHV updated its pension fund offerings by renaming the funds to provide clients with a clearer and more straightforward selection. Concurrently, the funds formerly named as Green were consolidated into other LHV pension funds. These adjustments were implemented to align our fund management with the evolved market conditions and regulatory landscape.

8.1.2.4 Stakeholder engagement

At LHV, we actively engage with stakeholders and external experts to maximise the impact of our sustainability efforts, refine and validate the outcomes of the materiality assessment, align our strategy and products with stakeholder expectations and needs, and support the green transition. Our stakeholders are the groups and individuals that LHV affects through its activities, and who, in turn, may affect LHV's operations in the short, medium or long run. We hold a regular dialogue with the stakeholders with whom we have the most direct relations and with whom LHV could collaborate for better impact on the society. At the same time, we also keep in touch with the stakeholder groups that are part of shaping the trends and setting requirements for the financial market. The table below outlines our key stakeholder groups, ways of their engagement and their major interests and expectations to LHV.

Stakeholder groups	How we engage	Main expectations and key issues raised
Customers	Active communication and discussions, ESG questionnaire in credit application, sustainable products, and services	Engagement, knowledge building, ESG integration into business and decision making
Employees	Annual survey, individual development and performance reviews, informative sustainability seminars	Feedback, engagement, internal capacity building, training and development, health, gender equality and equal pay for work of equal value
Shareholders	Annual shareholder meeting, active communication, ESG reporting	Profitability, engagement, feedback
Policy makers, regulators	Memberships in state level sustainability focused working groups, direct communication with government officials	Policy making input and information about EU legislation on the issues of sustainability and reporting
Business networks, financial sector	Active membership in Estonian Banking Association, Finance Estonia and Green Tiger	Engaging in ESG promotion
Suppliers, cooperation partners	Direct communication	Payment practices, sustainability integration into value chain
Sustainability organisations	Active membership in local sustainability focused initiatives and organisations, Green Tiger and Sustainable Business Estonia (KELL)	Financing sustainable development, enabling green transition
Wider public and society	Active communication, public events and conferences, universities, press and media	Transparency, fair and ethical business conduct, knowledge building

Stakeholder engagement is carried out through various channels, such as surveys, meetings, and direct communication, ensuring that their expectations shape our ESG initiatives. The responsible units report directly to the Management Board as per business as usual and in some cases the members of the management board and chief officers are in direct contact with the stakeholders through business relationships.

During this financial year, based on stakeholder engagement, there has been no need for LHV to adjust its strategy or business model. However, we review and incorporate stakeholder input into our strategic discussions. While no immediate changes were made, maintaining transparency and engagement helps strengthen relationships and build trust with stakeholders.

8.1.2.5 Material impacts, risks and opportunities

In 2025 the material impacts, risks, and opportunities (IROs) were reviewed and reassessed. IROs identified in LHV's double materiality assessment are presented and described in the table below, including the type, location in the value chain and expected time horizon of each IRO. Material IROs were identified across the topics of climate change (ESRS E1), own workforce (ESRS S1), consumers and end-users (ESRS S4), and business conduct (ESRS G1). LHV's updated double materiality assessment indicates that the most significant impacts, risks, and opportunities stem from its core banking activities. Climate and environmental impacts are primarily linked to downstream banking portfolio activities, while social and governance topics relate to LHV's own operations, affecting its workforce, customers, and business conduct practices.

The identified material IROs influence LHV's credit, market, and operational performance over the short, medium, and long term. In response, LHV has integrated ESG considerations into its strategy, governance, and credit processes and continues to develop sustainable financial products in line with market demand to capture opportunities and mitigate risks while maintaining its service-based business model. Risk analyses show limited portfolio and governance vulnerabilities, confirming the resilience of LHV's strategy and business model.

The results of the 2025 materiality assessment are largely consistent with the sustainability matters identified as material in the previous year, except for the topic of Resource use and circular economy (ESRS E5), which was reassessed in greater detail with regard to UNEP FI Impact Analysis Tool inoperability with ESRS standards and the topic was reassessed as not material as no IROs above the materiality threshold (3.5 on a 5 point scale) were identified that would trigger topic to be material.

Material impacts, risks and opportunities

Sub/sub-topic	IRO type	Description	Value chain location			Time horizon		
			Upstream	Own operations	Downstream	Short	Medium	Long
Climate Change E1								
Climate change mitigation	Negative actual impact	Financed emissions.			X	X	X	X
Climate change mitigation	Negative actual impact	Emissions from own operations.		X		X	X	X
Energy	Negative actual impact	Energy use from own operations and financing and investing in energy-intensive industries.		X	X	X	X	X
Climate change mitigation	Positive potential impact	Sustainable financing supports LHV's clients in transitioning to more environmentally responsible and sustainable business models that minimize their impact on the climate			X	X	X	X
Climate change mitigation	Financial opportunity	Sustainable financing. LHV can seize growth opportunities by providing sustainable loan products that help clients transition to more sustainable business models.			X	X	X	X
Climate change adaptation	Financial risk	Physical risks: LHV is exposed to sectors and counterparties that face potentially high climate-related physical risks, such as flooding, which may in return affect credit risk.			X			X
Climate change adaptation	Financial risk	Transition risks: LHV is exposed to transition-related credit risks arising from sectoral energy transition costs and the introduction of new energy efficiency requirements that may affect the financial stability of certain counterparties.			X	X	X	X
Own workforce S1								
Working conditions/ Health and safety	Positive actual impact	LHV prioritizes employee health by offering a comprehensive sports and wellness package that supports both physical and mental well-being.		X		X	X	X
Equal treatment and opportunities for all/ Diversity	Positive potential impact	LHV fosters non-discriminatory business and HR practices.		X		X	X	X
Equal treatment and opportunities for all/ Gender equality and equal pay for work of equal value	Negative potential impact	Potential pay inequality in the banking sector.		X		X	X	X
Equal treatment and opportunities for all/ Training and skills development	Positive potential impact	LHV supports the professional development of all employees.		X		X	X	X
Consumers and end users S4								
Social inclusion of consumers and or end users	Positive actual impact	LHV supports customers and communities by sponsoring education, arts, and sports initiatives.		X		X	X	X
Social inclusion of consumers and or end users/ Access to products and services	Positive potential impact	By promoting equal access to financial services, LHV helps foster an inclusive economy.		X		X	X	X
Information related impacts for consumers and or end users/ Financial literacy	Positive potential impact	Enhancing financial literacy.		X		X	X	X
Social inclusion of consumers and or end users/ Economic sense of security	Positive actual impact	LHV contributes to clients' economic sense of security by facilitating access to professionally managed investment solutions.		X		X	X	X
Business conduct G1								
Corporate culture	Financial risk	Potential risk of poor internal governance, which may lead to ethical and management integrity issues		X		X	X	X

Our material sustainability topics are also connected to and contribute to the following United Nations Sustainable Development Goals and their specific sub-targets:

	Sustainable Development Goal (SDG)	Specific SDG target to which LHV contributes	How LHV contributes?
	SDG 1. End poverty in all its forms everywhere	1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions 1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	<ul style="list-style-type: none"> Integrating social and environmental considerations into the core of our business Investing in spreading financial literacy
	SDG 7. Ensure access to affordable, reliable, sustainable, and modern energy for all	7.1. By 2030, ensure universal access to affordable, reliable, and modern energy services 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> Offering customers a choice of green financial products Improving processes of ESG-related due-diligence for corporate customers and partners
	SDG 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment	8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services 8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all	<ul style="list-style-type: none"> Driving sustainable growth, creating jobs, encouraging entrepreneurship, and fuelling innovation
	SDG 12. Ensure sustainable consumption and production patterns	12.2. By 2030, achieve the sustainable management and efficient use of natural resources 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	<ul style="list-style-type: none"> Considering environmental factors in business decisions Advocating for responsible lending and consumption
	SDG 13. Take urgent action to combat climate change and its impacts	13.2. Integrate climate change measures into national policies, strategies, and planning 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> Encouraging environmentally sustainable business practices within the sector and the country level through supporting sustainable financial sector development

8.1.3 Sustainability governance

LHV is governed by a Supervisory and a Management Board. The Supervisory Board is responsible for overseeing the general strategic direction and management of the company, including sustainability agenda. The Supervisory Board's roles include setting the strategic business plan, monitoring risk management principles, and approving the annual budget. The Supervisory Board regularly reviews the strategy, including sustainability aspects, to ensure alignment with LHV's long-term objectives. It also approves the ESG Policy, endorses it and oversees its implementation. Our Supervisory Board consists of 6 members, one of whom (17%) is classified as independent to ensure objective decision-making. For more detailed information, refer to the sections Governance of the Group and Corporate Governance report under management report.

The Management Board, led by the CEO Mihkel Torim, comprises 4 executive members, each responsible for different functions, including finance, risk, and IT operations. There are no non-executive members and neither employees nor other workers' representatives in our Management Board as per market practice.

The Management Board members have relevant knowledge in ESG matters, ensuring that sustainability risks and opportunities are effectively managed. Furthermore, our management bodies have access to external advisors as needed, as well as to training and consultancy. Information about member's experience relevant to sectors, products and our geographic locations can be found under the sections Governance of the Group and Composition and duties of Management Board and Supervisory Board in Corporate governance report.

The administrative body function regarding sustainability matters in LHV is assigned to Management Board members responsible for specific environmental, social and governance topics (see also LHV Group ESG Governance structure below).

At LHV, the Supervisory and Management Board integrate sustainability-related impacts, risks and opportunities into strategic planning, major transactions, and risk management processes. While no material financial losses have been identified under not stressed scenarios for the next few years regarding sustainability, we continue assessing possible trade-offs to ensure decisions align with our ESG commitments and strategic objectives, balancing financial performance with sustainability goals.

To ensure transparency in terms of gender diversity, the following table summarizes the gender composition across LHV Group management and supervisory bodies:

Gender diversity in management and supervisory bodies

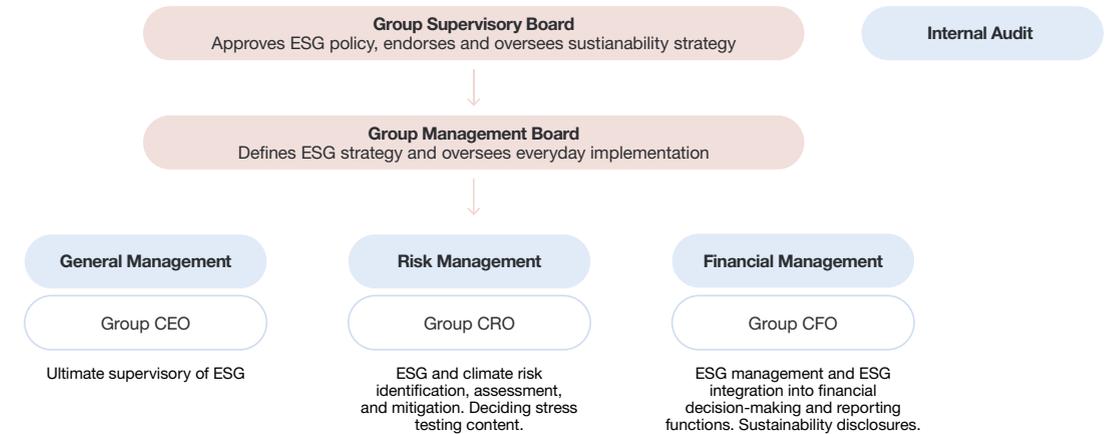
	Male		Female		Total		Male %		Female %	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Group Supervisory Board	4	5	2	2	6	7	67%	71%	33%	29%
Group Management Board	3	3	1	1	4	4	75%	75%	25%	25%
Total	7	8	3	3	10	11	70%	73%	30%	27%

The ESG governance structure (see structure below) ensures continuous risk assessment related to ESG factors. The CEO is ultimately responsible for the supervision of sustainability topics across the group. Our Management Board is actively involved in overseeing the company ESG strategy implementation, embedding ESG factors into strategic decision-making and ensuring alignment with our ESG goals, business processes, and risk management frameworks.

Each subsidiary head of Management Board is responsible for overseeing ESG-related matters and activities within their respective entities. Specific responsibility owners, who are well positioned to understand sustainability risks, opportunities, and performance metrics, report regularly and as needed to the board on key ESG topics. These responsibility owners ensure that ESG considerations are integrated into LHV strategic decision-making processes.

LHV Group ESG governance structure:

LHV GROUP ESG GOVERNANCE



The development of in-house ESG competencies in the past few years has resulted in focused positions across several departments like Financial Management, Compliance, Credit, HR, Risk departments. In addition, sustainability-related training is a part of our over-all training plan which is approved by our Management Board. Over the years this process has ensured that various departments including management accounting, risk management, internal audit and supervisory board have received needed knowledge in the field.

LHV's strategy and business model have demonstrated resilience in addressing both material sustainability impacts and financial risks. LHV approaches resilience assessments for both physical and transition risk in the form of stress tests. In 2025 in the process of ESG Materiality Assessment the material ESG risk drivers under stressed scenarios resulted in knowledge that the risk to LHV's portfolio can currently be considered over materiality level, but do not pose significant challenges to LHV's strategy or business model within the assessed time horizons.

In 2025, climate risk management has been a primary focus for LHV, driven by both supervisory and internal expectations. Regular updates on climate risk management progress have been provided to the Risk and Capital Committee leading to the development of practical solutions tailored for LHV, which were approved by the Management Board.

LHV's ambition to contribute to the fulfilment of the aims of the Paris Agreement and support of the aim of the Estonian state to make the economy climate-neutral by 2050 informs its long-term sustainable strategy. The Management Board regularly reviews both short-, medium and long-term risks associated with regulatory changes, and market shifts. Opportunities are actively pursued by offering sustainable financial products to mitigate risks and create positive impact. The Supervisory Board oversees these efforts to ensure alignment with strategic sustainability targets.

Sustainability goals are embedded into LHV's governance and remuneration frameworks. LHV Group implements a long-term performance-based compensation program, also known as an option program, which is approved by the shareholders' general meeting. In addition to the base salary, a Management Board member is entitled to an annual performance bonus, the amount or issuance of which depends on the fulfilment or non-fulfilment of individual and LHV Group objectives. The lower limit of the performance bonus is 0 euros. The maximum ratio between the variable and fixed components is 200%, as approved by the shareholders' general meeting. For Management Board members, individually also considered as an administrative body, sustainability objectives, carry equal weight (16-20%) compared to other 4-5 performance considerations. Details on the remuneration principles are included under the section Corporate governance report and Remuneration report under the management report.

8.1.3.1 Statement on due diligence

The reporting of LHV's approach to due diligence is integrated into the Sustainability Report and presented in the table below. The table refers to the disclosure requirements that indicate which due diligence processes are integrated in LHV processes.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in governance, strategy and business model	8.1.2 Sustainability strategy; 8.1.2.1 Business model and value chain, 8.1.3 Sustainability governance, 8.2.2 Climate change; 8.3 Social information; 8.3.2 Consumers and end-users
Engaging with affected stakeholders in all key steps of the due diligence	8.1.2.4 Stakeholder engagement; 8.2.2 Climate change; 8.3 Social information; 8.3.2 Consumers and end-users
Identifying and assessing adverse impacts	8.1.4.1 Double materiality assessment process; 8.1.4 Impact, risk and opportunity management
Taking actions to address those adverse impacts	8.2.2 Climate change; 8.3.1 Own workforce; 8.3.1.3 Remuneration and equal pay; 8.3.2 Consumers and end-users; 8.3.2.2 Social impact through e-channels; 8.3.2.3 Financial literacy and economic sense of security
Tracking the effectiveness of these efforts and communicating	8.2.2.1 Climate change mitigation targets; 8.2.2.2 Our climate impact; 8.2.2.2.1 Financed emissions; Key performance indicators contributing to climate change mitigation; 8.3.1.3 Remuneration and equal pay; 8.3.2.3 Financial literacy and economic sense of security; KPIs related to inclusive, cohesive economy and financial literacy

8.1.3.2 Risk management and internal controls over sustainability reporting

At LHV, sustainability reporting follows the same process as financial and operational reporting, addressing mainly compliance risk. We have established internal controls to ensure the accuracy, completeness, and reliability of all sustainability-related disclosures. Our data governance structure ensures that sustainability data is captured, validated, and reported with the same precision as financial data, in line with our internal processes and regulations. By aligning our sustainability reporting with the same internal control procedures as financial reporting, we ensure consistency, transparency, and accountability, reinforcing our commitment to responsible banking and regulatory compliance.

We leverage the three lines of defence to oversee the sustainability reporting process (including double materiality assessment and impacts, risks and opportunities (IROs) identification processes). Business and supporting units are responsible for collecting and managing sustainability-related data. The risk management and compliance teams ensure the robustness of data collection processes and address any risks impacting the quality of reporting. Internal audit conducts independent reviews to confirm that ESG risk management and reporting processes are effective, and compliant with regulatory requirements.

8.1.4 Impact, risk and opportunity management

LHV's sustainability approach is rooted in the principle of double materiality, assessing the impacts of our operations on society and the environment (inside-out) and how external sustainability risk factors and opportunities affect our business (outside-in). For that, a sustainability issue is considered material if it holds significance either in terms of its impact or its financial materiality, or both. This approach ensures we are equipped to manage the risks and opportunities arising from our core business activities.

LHV consists of several subsidiaries, with LHV Pank being the largest, in 2025 accounting for 85.8% of total assets and 75.0% of net income (In 2024 90.9% and 80.2% respectively). The group's other subsidiaries—LHV Bank (UK), LHV Varahaldus, LHV Kindlustus, and LHV Paytech—have a more limited scale and ESG impact compared to the Estonian banking activities (see the table Overview of LHV Group's and its subsidiaries' total assets and net income). All LHV subsidiaries operate under a unified framework, sharing the same strategic values, goals, stakeholders, and value chain. This integrated approach ensures alignment across customers, employees, shareholders, and regulators.

While asset management and insurance have also notable ESG implications, their scale and reach are more limited in comparison to the banking sector. Asset management mostly involves handling portfolios of various companies, and the direct impact on society or the environment comes through investment decisions rather than direct financing of projects. Similarly, LHV's insurance operations support clients in risk mitigation, including coverage for climate-related events such as natural disasters; however, from LHV's operational perspective, insurance activities do not present prominent ESG impacts or risks. Regarding LHV Bank Ltd UK, we have concluded that the impact assessed does not differentiate from the banking operations in Estonia.

Prior to conducting the double materiality assessment required for sustainability reporting, LHV as a group had already established core strategic long-term objectives. These objectives prioritize being the top financial service provider in terms of customer service excellence and being an attractive employer that fosters high satisfaction and growth opportunities for our employees. We recognize the significant impact we have on our clients and people and the opportunities we must drive meaningful advancement in these areas.

In addition, LHV remains committed to maintaining best management practices, creating positive social impacts, and advancing climate objectives. These priorities remain integral to our strategy and values.

From our double materiality assessment, we have identified that LHV's most significant impacts, risks, and opportunities come from our core banking activities. LHV Pank is divided into seven functional areas, each with its own departments. Business areas include retail banking, corporate banking, and financial intermediation. Support areas comprise IT, financial management and support services, risk management, and product management. Pank's lending activities, especially through corporate loans, have a substantial indirect environmental impact. Financed emissions, which are the emissions generated by projects and activities financed by the bank, contribute heavily to the climate footprint of LHV as it is directly related to the amount of assets. This includes funding for energy-intensive industries, real estate development, and other sectors with large carbon footprints.

The most material impacts for LHV are concentrated in areas where its business activities significantly influence environmental and social outcomes. These include climate, employment and customer relationships as well as good governance practices. These topics reflect LHV's role in supporting sustainable economic activities, addressing environmental challenges, fostering social well-being and good governance practices.

Given its substantial influence, the analysis of our sustainability risks and opportunities also focuses primarily on banking business activities in Estonia and the UK. The material risks identified through our assessments, including climate-related physical and transition risks influence LHV strategic decisions. We have anticipated that the financial effects of climate-related transition and physical risks, such as regulatory shifts and extreme weather events, could emerge already in short term, however, will become more pronounced in the medium to long term (3-10 years and beyond). In response, we are integrating climate risk into our risk assessment, including the management of credit risk, while enhancing the resilience of our own operations.

From the opportunities side, we are directly involved in financing the transition to a climate-neutral economy through sustainable loans and financing, insurance and investment products. From LHV's point of view, the banking business offers the most significant opportunities due to the amount of financial assets involved. We can already gather the financial gain on more sustainable solutions but have not calculated the exact financial impact. No negative outcomes have been identified.

Within each material topic, we delve deeper into the respective impacts, risks, and opportunities to provide a detailed overview on how we approach and manage respective areas in LHV.

Impact management is led by the Head of ESG, who oversees the processes to evaluate and foster material positive environmental, social, and governance impacts connected to LHV's operations, products, and services. The Head of ESG coordinates cross-departmental efforts to ensure that identified impacts are addressed and aligned with LHV's strategic sustainability objectives. This approach is important to avoid adverse impacts and enhancing positive contributions across our value chain.

ESG risk management process, coordinated by the ESG Risk Manager, combines internal data and external sources to identify and assess material risk factors. These include physical risks, such as floods, and transition risks, like regulatory changes. Significant risks are prioritized through workshops with internal stakeholders and scored based on financial impact to ensure focus on critical hazards. The results are reviewed by management and supervisory boards, aligning risk management with LHV's risk appetite framework. At LHV, the identification, assessment, and management of opportunities are integrated into our overall management processes. When a business line identifies a potential opportunity, they initiate the development of relevant products or services. This involves the creation of a structured project, overseen by our dedicated product development department.

The product development function operates independently within LHV, ensuring a streamlined and organized approach to transforming identified opportunities into actionable initiatives. This integration enables us to align new opportunities with our strategic goals while fostering continuous improvement across our offerings.

Regarding our double materiality assessment, as there are currently no financial sector specific guidelines for how to carry out the analysis, we have developed our own methodology based on the widely recognized practices applied within the financial sector, as well as the requirements and expectations of the supervisory authorities for carrying out this type of analyses.

The following sections provide an insight to the methodology applied for the impact and financial materiality. These findings of the assessment are combined and finally concluded to determine the most material sustainability topics for LHV based on its strategy and vision, business environment and activities. The outcome of the double materiality assessments (overview of IROs) can be found in the chapter 8.1.2.5 Material impacts, risks and opportunities.

The material impacts, risks, and opportunities identified through the DMA determined the information disclosed in current sustainability statement. In defining material information and refining the selection of data points, LHV applied the EFRAG Implementation Guidance IG3 to ensure alignment with ESRS reporting requirements. In addition the table List of datapoints in cross-cutting and topical standards that derive from other EU legislation in Annex 1 at the end of the Sustainability Statement has been updated accordingly.

8.1.4.1 Double materiality assessment process

The double materiality assessment (DMA) encompassed LHV's own operations and core business lines - banking in Estonia and the UK, asset management, and insurance - along with the Group's entire value chain. The assessment of LHV's own operations was carried out at the Group level, while also considering the specific activities, circumstances and geographic locations of individual subsidiaries. The upstream assessment focused on suppliers, while the downstream assessment placed particular emphasis on the lending portfolio and activities, which represent LHV's most material business area from the perspectives of impacts, risks and opportunities. This conclusion is based on current and previous analyses using available data and financial sector-specific approaches. The design of the double materiality assessment process reflects LHV's interpretation of the CSRD and ESRS requirements and is guided by the expectations of other relevant regulatory authorities.

The DMA process followed three main steps:

1. Understanding the context: Mapping LHV's business model, activities, value chain, and stakeholders to identify potential sources of sustainability-related impacts, risks, and opportunities.
2. Identification of IROs: Developing a comprehensive list of relevant environmental, social, and governance impacts, risks, and opportunities across LHV's own operations and its upstream and downstream value chain.
3. Assessment and determination of material IROs: Evaluating the materiality of each IRO based on predefined criteria.

The assessment also covered:

- Screening the site locations and business activities in order to identify actual and potential pollution -related impacts, risks and opportunities
- Screening of assets and activities in order to identify actual and potential water and marine resources -related impacts, risks and opportunities
- Identification and assessment of actual and potential impacts on and physical and transition risks related to biodiversity and ecosystems at LHV's site locations, including whether the sites are located in or near biodiversity-sensitive areas. Also the dependencies on biodiversity and ecosystems and their services.
- Assessment of impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste.

LHV applied short- (less than 3 years), medium- (3-10 years), and long-term (10-30 years; additionally, very long-term > 30 years for risks) time horizons for assessing impacts, risks and opportunities consistent with the ESRS requirements, and suggested by the EBA Guidelines on the management of ESG risks and the ECB Guide on climate-related and

environmental risks. The latter frameworks support proactive monitoring and resilience planning as new risks emerge, or existing risks evolve.

8.1.4.2 Impact materiality

LHV conducted an initial screening of ESRS sub-topics drawing on previous impact and materiality assessments, complemented by authoritative external sources such as latest financial sector reports and peer reviews of banks operating in similar socio-economic context. In addition, relevant internal policies, documentation, and surveys - including employee satisfaction and brand perception surveys - were analysed to determine key sustainability matters.

Impacts related to the upstream value chain and own operations were identified using prior assessments and refreshed through updated internal and external surveys. As part of the 2025 DMA update, LHV also carried out interviews with representatives of key stakeholder groups, including employees, suppliers, customers etc. Insights gathered from these engagements directly informed the identification and prioritisation of potentially material sustainability impacts, as well as related opportunities.

The UNEP FI Portfolio Impact Analysis Tool was applied to identify the actual and potential positive and negative impacts arising from the Group's lending activities within the downstream value chain. The tool supported the identification of key country needs and priority impact areas in LHV's main markets - Estonia and the UK - as well as the impacts associated with retail banking products and business and corporate lending portfolios across different customer segments and economic activities. The results of the UNEP FI portfolio analysis served as key inputs for developing LHV's comprehensive list of downstream impacts and related opportunities for further materiality assessment. In addition to the UNEP FI tool, impacts related to climate change were assessed using the results of LHV's direct and indirect

greenhouse gas emissions calculated in accordance with the GHG Protocol.

Impact scoring: Subject-matter experts from LHV, supported by external ESG consultants from KPMG, assessed each impact using a five-point scale across two parameters of Likelihood and Severity for the short-, medium-, and long-term time horizons. The assessment of severity considered three factors of Scale, Scope, and Irremediable character (the latter for negative impacts only). For potential negative human rights impacts, severity was given greater weight than likelihood by assigning an elevated score to the scale and scope. Impacts characterised by high severity, wide scope, limited reversibility, or strategic importance to LHV were prioritised.

8.1.4.3 Financial materiality

The 2025 update of the risk and financial materiality assessment covered LHV's own operations and downstream value chain, with a primary focus on lending and investment activities where the likelihood of financial risk is highest. The approach of the risk drivers identification and assessment was conducted through three steps as follows:

1. Business Environment Scan (BES): BES considered macroeconomic variables, the competitive landscape, policy and regulatory developments, technological change, societal and demographic trends, and geopolitical dynamics. Risk drivers were collected from various authoritative sources e.g., TCFD, TNFD, SASB, ECB, ISSB and ESRS, industry knowledge, previous materiality assessments and consultation with financial sector risk experts. This analysis resulted in a long list of potential ESG risk drivers relevant to LHV's business environments in Estonia and the UK.

2. Qualitative analysis: ESG risk drivers identified in the BES were further assessed and short-listed to determine the channels through which risk may materialise (credit, market, liquidity, operational, strategic, business and reputational risks). Each risk driver was evaluated in relation to LHV's business activities, sectoral exposures, and collateral sensitivities over short-, medium-, long- and very long-term. The likelihood and severity of each risk driver was evaluated, using a combination of: (a) country risk (as a proxy for severity), based on environmental data, hazard maps, and social/governance indicators relevant to Estonia and the UK; (b) portfolio-weighted sector risk (as a proxy for likelihood), reflecting the vulnerability of key economic sectors in LHV's portfolio to ESG risk. Risk drivers with a total qualitative risk score above the predefined materiality threshold were shortlisted for further quantitative analysis.

3. Quantitative analysis: The potential financial impacts of material ESG risk drivers were further assessed through portfolio-, sector-, and exposure-based analyses. LHV utilised a third-party consultancy's Physical Hazard Risk prototype for additional assessment and validation of real estate (commercial, industrial and residential) exposure to certain physical risks at location-specific level. Forward-looking ESG scenarios - such as NGFS climate pathways, IPCC SSP-RCP climate scenarios (SSP1-1,9; SSP1-2,6; SSP2-4,5; SSP3-7,0 and SSP5-8,5), and IEA energy outlooks - were applied alongside internal and external data sources, including sectoral emissions, borrower-level exposures, and macroeconomic indicators to determine climate related physical and transition risks.

Risk scoring: Risk drivers were scored based on a five-point scale of likelihood and severity. The scores were weighted to prioritize less common but more severe events, and the results were further adjusted according to the relative size of LHV's exposures in Estonia and the UK. Materiality was assessed based on potential effects on capital adequacy (CET1 ratio), profitability, liquidity, and risk-weighted assets.

Opportunities scoring: Financial opportunities, that were determined relative to impacts, were assessed qualitatively, applying a five-point scale of likelihood and the potential magnitude of the financial effects.

The materiality assessment process actively involved key internal stakeholders across LHV Group to ensure a comprehensive and robust evaluation of ESG risk.

The combined qualitative and quantitative assessments indicated that LHV's portfolios are currently relatively resilient to ESG risk. The main vulnerabilities identified relate to physical flood risk and its effect on collateral values, as well as transition risk linked to energy prices, energy intensity, and evolving energy performance regulations posing credit risk. This outcome is supported by previous resilience assessments of real estate collateral vulnerabilities and related stress tests, which confirm the strength of LHV's core business operations and indicate that the identified risk factors do not pose material threats to LHV's financial stability.

The results of the double materiality assessment have been approved by the Group management board and summarized for presentation to the Management and Supervisory Boards. This structured approach ensures alignment with LHV's strategic objectives and fosters informed decision-making on sustainability-related impacts risks, and opportunities.

8.1.5 Disclosure requirements covered by the Sustainability Statement

ESRS standard	Disclosure requirement	Disclosure	Section in report
General disclosures	BP-1	General basis for preparation of the sustainability statement	8.1.1.1 Principles of reporting
ESRS 2	BP-2	Disclosures in relation to specific circumstances	8.1.1.1 Principles of reporting
	GOV-1	The role of the administrative, management and supervisory bodies	8.1.3 Sustainability governance
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	8.1.3 Sustainability governance
	GOV-3	Integration of sustainability-related performance in incentive schemes	8.1.3 Sustainability governance
	GOV-4	Statement on due diligence	8.1.3.1 Statement on due diligence
	GOV-5	Risk management and internal controls over sustainability reporting	8.1.1.1 Principles of reporting; 8.1.3.2 Risk management and internal controls over sustainability reporting
	SBM-1	Strategy, business model and value chain	8.1.2 Sustainability strategy; 8.1.2.1 Business model and value chain
	SBM-2	Interests and views of stakeholders	8.1.2.4 Stakeholder engagement
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	8.1.2.5 Material impacts, risks and opportunities
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	8.1.4 Impact, risk and opportunity management
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	8.1.5 Disclosure requirements covered by the Sustainability Statement
Climate change	ESRS 2 GOV-2	Integration of sustainability-related performance in incentive schemes	8.1.3 Sustainability governance
E1	E1-1	Transition plan for climate change mitigation	8.2.2 Climate change
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	8.2.2 Climate change
	ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	8.1.4.1 Double materiality assessment process
	E1-2	Policies related to climate change mitigation and adaptation	8.2.2 Climate change
	E1-3	Actions and resources in relation to climate change policies	8.2.2 Climate change
	E1-4	Targets related to climate change mitigation and adaptation	8.2.2.1 Climate change mitigation targets
	E1-5	Energy consumption and mix	8.2.2.2 Our climate impact
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	8.2.2.2 Our climate impact
Own workforce	ESRS 2 SBM-2	Interests and views of stakeholders	8.3 Social information
S1	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	8.3 Social information
	S1-1	Policies related to own workforce	8.3.1 Own workforce; 8.3.1.1 Policies, measures and targets
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	8.3.1.5 Employee engagement and development
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	8.3.1.5 Employee engagement and development; 8.3.1.5.1 Employee Engagement Surveys and Feedback Channels
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	8.3.1 Own workforce; 8.3.1.1 Policies, measures and targets
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	8.3.1.3 Remuneration and equal pay
	S1-6	Characteristics of the undertaking's employees	8.3.1 Own workforce
	S1-9	Diversity indicators	8.3.1.2 Equality and non-discrimination

	S1-10	Adequate wages	8.3.1.3 Remuneration and equal pay
	S1-16	Compensation indicators (pay gap and total compensation)	8.3.1.3 Remuneration and equal pay
Consumers and end-users	ESRS 2 SBM-2	Interests and views of stakeholders	8.1.2.4 Stakeholder engagement
S4	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	8.3.2 Consumers and end-users
	S4-1	Policies related to consumers and end-users	8.3.2.1 Customer experience; 8.3.2.1.1 Principles and policies
	S4-2	Processes for engaging with consumers and end-users about impacts	8.3.2.1 Customer experience
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	8.3.2.1 Customer experience
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	8.3.2.2 Social impact through e-channels; 8.3.2.3 Financial literacy and economic sense of security
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	8.3.2.3 Financial literacy and economic sense of security
Business conduct G1	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	4. Governance of the Group; 5. Corporate Governance report
	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	8.4 Governance information
	G1-1	Corporate culture and business conduct policies	5. Corporate Governance report; 5.5.2 Corporate Culture and Ethical Governance
	G1-2	Management of relationships with suppliers	8.4.1 Value chain management
	G1-3	Prevention and detection of corruption or bribery	5. Corporate Governance report; 5.5.2.2 Prevention and Detection of Corruption and Bribery

Incorporation by reference

Data requirements incorporated by reference into sustainability statement

ESRS standard	Disclosure requirement	Report/statements where disclosed	Section in report
Business conduct G1	ESRS 2 GOV-1	Governance of the Group; Corporate Governance report	4. Governance of the Group; 5.1.1 General meeting; 5.2 Management board
	G1-1	Corporate Governance report	5.5.2 Corporate Culture and Ethical Governance
	G1-3	Corporate Governance report	5.5.2.2 Prevention and Detection of Corruption and Bribery

8.2 Environmental information

LHV is aware of the impact we have on the environment through its own operations and business activities. Through our impact analysis we concluded that our most significant impact stems from our credit portfolio as financing a large proportion of Estonian economy we are bound to finance high climate impact sectors and activities. We take responsibility for assessing the scale of the impact and mitigating it through developing products and offering services to tackle climate change and environmental degradation through resource use. Our focus areas include the climate impact from our operations and customers' activities, climate change mitigation via sustainable financing products and services, and promoting the building of energy-efficient buildings as well as renovating existing ones, the purchase of low-emission vehicles, and making sustainable investments.

In addition to focusing on the impact stemming from our customers' activities as well as from our own, we analyse and mitigate the risk associated with the environment from financial materiality perspective. Climate-related risk is addressed during loan reviews based on the size of the loan and customer activities, while ESG risk are integrated into credit processes by an exclusion list and ESG rating model. Moreover, risk associated with resilience under various climate scenarios are evaluated to ensure the long-term stability of our operations.

The chapter Climate change below provides an overview of how LHV addresses the main challenges in relation to the most material aspects of the environment that we through our value chain have an impact on and from where risks may arise – climate change. Our efforts are not only focused on managing risks but also seizing opportunities, such as supporting the transition to a climate-neutral economy through targeted financing, raising awareness among our employees, customers, and the public on sustainable practices, and allocating resources for the development and deployment of sustainable financing products.

The remuneration principles for members of our management board are linked to the KPIs across various strategic areas and business lines. Sustainability considerations, including climate change mitigation targets, are integrated into this framework as part of our broader commitment to aligning incentives with sustainable business practices. For management board members engaged in climate-related areas, specific climate-related objectives and targets are incorporated into their remuneration with equal weight (i.e., 16-20%) compared with other considerations (5-6 in total).

LHV implements its ESG Policy, ESG Risk Management Policy and Green Office Principles in line with our climate related activities and efforts. Strategic use of financial, human, and technological resources ensures the effective execution of sustainability initiatives, while enhancements to internal systems improve data collection and reporting capabilities, enabling more accurate and comprehensive disclosures on climate-related impacts, risks, and opportunities.

8.2.1 EU Taxonomy

The EU Taxonomy (i.e., Taxonomy regulation (Regulation (EU) 2020/852) and its delegated acts (Regulation (EU) 2021/2139 (Climate Delegated Act), Regulation (EU) 2021/2178 (Disclosure Delegated Act), Regulation (EU) 2023/2486 (Environmental Delegated Act) and the Regulation (EU) 2026/73 (Omnibus Delegated Act)) serves as a framework for classifying sustainable economic activities, aiming to guide us and our stakeholders toward more environmentally sustainable operations. It defines a set of criteria to determine whether economic activities are taxonomy-eligible and taxonomy-aligned, focusing on six environmental objectives, i.e., climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

Our disclosures reflect LHV's compliance with the EU Taxonomy. We base our disclosure on the most recent available data and key performance indicators (KPIs) of LHV customers to calculate our own KPIs.

In line with the Disclosure Delegated Act (DDA) and its amendments, these KPIs reflect the most recent published annual or sustainability reports of its counterparties.

For this reporting year, LHV utilizes data published for the financial year 2024, as it represents the most recent annual sustainability and financial data available. By relying on the most recent published annual reports of our counterparties, which, for the financial year 2025 pertain to data from 2024 and reflecting adjusted figures for comparison while adhering to regulatory standards, LHV ensures transparency and consistency in its sustainability reporting.

Regarding assets under management, we also use the most recent data published by counterparties. Where counterparties do not provide complete KPIs, the exposure is considered as non-eligible or not aligned as applicable.

From the compliance perspective with the CSRD, LHV ensures that our disclosures account for the application of the CSRD and its relevance to taxonomy reporting. This approach reflects our commitment to adhering to evolving sustainability reporting framework and integrating regulatory requirements into our disclosures. In accordance with the requirements to provide comparative data for the previous financial year, LHV ensures compliance by publishing both current year and prior year data in our taxonomy disclosures and in dedicated templates, where needed. However, it must be noted, that comparison of the KPI indicators does not provide a reliable basis for direct analyses. The methodology for calculating these indicators for the current financial year has been substantially revised following the mandatory adoption of Commission Delegated Regulation (EU) 2026/73. Consequently, the figures reported for the prior financial year (ex. Insurance underwriting KPI, see further

below), while compliant with the regulations applicable at that time, are presented on a different basis and are not directly comparable with the figures for the current period.

In taxonomy reporting, LHV uses the same currency as in our consolidated financial statements.

8.2.1.1 Scope of the disclosure

The report covers the period from 1 January to 31 December 2025 and is developed on a consolidated basis.

Since the green asset ratio (GAR) is required to be disclosed based on the prudential scope of consolidation specified in the Capital Requirements Regulation (EU regulation 575/2013, CRR), the consolidated situation under the prudential scope is different from the scope of consolidation applied to consolidated financial statements under the IFRS. In our case, the consolidated situation based on the CRR prudential consolidation scope includes the taxonomy statements of AS LHV Group (the parent company) and its subsidiaries AS LHV Pank, AS LHV Finance (a subsidiary of AS LHV Pank), AS LHV Varahaldus, AS LHV Kindlustus, LHV Bank Ltd and AS LHV Paytech. AS LHV Group holds a 65% interest in LHV Finance through AS LHV Pank and AS LHV Group holds a 65% interest in LHV Kindlustus, as per previous financial year.

LHV Group comprises both financial and non-financial undertakings in the context of the EU Taxonomy. While non-financial undertakings are integral part of our operations, this report primarily focuses on the financial undertakings within our group, including LHV Pank, LHV Bank Ltd, LHV Varahaldus and LHV Kindlustus.

First, the overall volume of non-financial activities is marginal from a taxonomy reporting perspective, accounting for 4.40% of the group's overall operations (3.5% for LHV Group, 0.09% for LHV Finance, and 0.00% for LHV Paytech). Secondly, considering the non-financial economic activities that could be taxonomy-eligible or aligned within this proportion would

be insignificant. Upon a brief assessment, we found that LHV Finance, LHV Paytech, and LHV Group as a holding entity do not engage in taxonomy-eligible activities. These entities do not own real estate, vehicles, or other tangible assets linked to taxonomy-defined activities such as building acquisition, transport, or direct data processing operations. Any IT services used by LHV Finance and LHV Group (solo) are provided via agreements with LHV Pank and are not directly operated by these entities, thereby failing to meet taxonomy-eligibility criteria. LHV Paytech operates its cloud-based payment gateway platform through services procured by the external service provider. Due to the limited materiality and exposure towards taxonomy related economic activities of our non-financial undertakings, we have not included CapEx, OpEx, and revenue KPIs for these entities nor conducted separate in-depth analyses as required by the Disclosure Delegated Act (DDA). Furthermore, preparing a separate disclosure for non-financial undertakings would impose a disproportionate administrative and operational burden without providing significant investor insights. This approach aligns with the nature of our sustainability reporting. The focus of this report is to provide meaningful, clear, and actionable information that aligns with the expectations of our investors and stakeholders. If the scale or materiality of our non-financial activities increases in the future, we will reevaluate their inclusion in our reporting framework to maintain alignment with regulatory requirements and the needs of our stakeholders.

Our taxonomy reporting follows the requirements specified in the Omnibus Delegated Act, including annexed templates for the quantitative data (i.e., GAR and complimentary KPIs) and instructions for the qualitative information. The taxonomy statements are disclosed in a table form consistent with the annexes. GAR-related information of the credit institutions follows the Annexes V and VI (see Templates 1 for the KPIs of credit institutions in Annex 2 at the end of the consolidated sustainability statements). Complementary disclosures of LHV Varahaldus include turnover-based

KPI and CapEx based KPI according to Annexes III and IV (see Template 2 for KPIs of asset managers in Annex 2 at the end of the consolidated sustainability statements) and the disclosures of LHV Kindlustus include reporting on the Premium KPI and Investment KPI, as outlined in Annex IX and X of the Omnibus Delegated Act (see Templates 3 for KPIs of insurance and reinsurance undertakings in Annex 2 at the end of the consolidated sustainability statement).

8.2.1.2. Taxonomy alignment and eligibility

LHV conducts an analysis of its activities to identify taxonomy-eligible economic activities in accordance with article 8 of the Taxonomy Regulation and its delegated acts. This assessment focuses on key asset categories, including mortgages, motor vehicle loans, non-financial and financial undertakings, local governments, and certain off-balance sheet assets, such as assets under management. Where possible, the analysis also assesses alignment with the Taxonomy's technical screening criteria, including substantial contribution, do-no-significant-harm criteria, and minimum safeguards.

Additionally, the analysis identifies activities classified as transitional or enabling, where applicable. Eligible activities contribute to environmental objectives, such as climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems and are categorized under taxonomy-eligible economic activities.

The technical screening criteria to determine alignment for each activity are reviewed to determine their contribution to the EU's environmental objectives. For instance, a proportion of LHV's mortgage portfolio meets the criteria for substantial contribution to climate change mitigation, as the buildings financed comply with the required energy efficiency levels based on Energy Performance Certificates (EPCs). In 2025,

for buildings built before 31 December 2020, we analysed whether it has an EPC rating A or belong to the top 15% of the national or regional building stock. For buildings built after the date mentioned, the buildings must have the primary energy demand (PED) at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements. To our knowledge construction of such buildings is not currently common market practice.

Similarly, our motor vehicle loans are taxonomy eligible. Loans for low emission vehicles (up to 50 grams of CO₂ per kilometre (gCO₂/km)) registered until 2025 contribute to climate objectives. For vehicles registered after 2025, only loans for zero-emission vehicles contribute to climate objectives, as they meet the technical screening criteria for taxonomy alignment. In conducting the alignment analysis we concluded that we are able to confirm the substantial contribution criteria of the motor vehicle loans, but we are not able to confirm the DNSH criteria in these cases.

The analysis in regard to minimum safeguards is not required for retail exposures. For 2025, LHV reports its mortgage portfolio as taxonomy-eligible and 4.95% taxonomy-aligned and motor vehicle loan portfolio as taxonomy-eligible but not taxonomy-aligned.

For taxonomy-alignment within assets under management, portfolio management (LHV Pank) and asset management (LHV Varahaldus), see Templates 1 and 2 for KPIs of credit institutions and of asset managers in Annex 2 at the end of the consolidated sustainability statements For assets under management, LHV uses data from Morningstar Sustainalytics to obtain taxonomy information from counterparties.

The primary challenge in implementing the EU Taxonomy, including confirming full alignment of banking and insurance related exposures and activities, lies in obtaining sufficient exposure-specific data to meet the technical screening criteria, including the Do No Significant Harm (DNSH) criteria and Minimum Safeguards requirements, particularly

for household exposures. Another challenge lies in the dependency on taxonomy reporting disclosed by companies subject to the CSRD. The proportion of our clients in scope on CSRD is very low. Where taxonomy-alignment KPIs are not disclosed, these exposures are classified as not aligned.

In 2025 we improved our data collection and analytical capabilities to better identify information gaps and refine our methodologies also taking into account the new changes that the Omnibus Delegated Act introduces. If companies, including our counterparties, provide more detailed data under regulatory requirements in the coming years, or it becomes possible to consider the market averages, we expect to gain improved insights for more accurate assessments and disclosures.

Key Performance Indicators (KPIs)

The Green Asset Ratio (GAR) is the main KPI used for disclosing information on the extent of taxonomy alignment of credit institutions' activities. It shows the proportion of assets financing and invested in taxonomy-aligned economic activities (numerator), and it is computed as a proportion of total covered on-balance sheet assets (denominator). Assets and activities covered by the GAR and other KPIs are exposures to households (mortgages, and motor vehicle loans), non-financial and financial undertakings and local governments as well as certain off-balance sheet assets (assets under management and financial guarantees). Detailed information on covered assets is provided in the table form (see Templates 1 for the KPIs of credit institutions, template 1 in Annex 2 at the end of the consolidated sustainability statement). In accordance with Commission Delegated Regulation (EU) 2026/73, the GAR is computed as a proportion of a redefined denominator. In comparison to the DDA that was applicable in 2024, the denominator now excludes exposures to undertakings that are not subject to the reporting obligations of the Corporate Sustainability

Reporting Directive (CSRD), derivatives, on demand interbank loans, cash and cash-related assets and other categories of assets (e.g. Goodwill, commodities etc.). This methodological change ensures a more meaningful ratio, providing a clearer picture of our financing activities directed towards sustainable undertakings and activities.

For the reporting year 2025, the GAR shows the proportion of LHV's assets financing and invested in those taxonomy-aligned economic activities which contribute to the climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems objectives. In accordance with EU Taxonomy, LHV discloses the proportion of covered assets exposed to taxonomy aligned economic activities across all environmental objectives specified in the Climate Delegated Act and Environmental Delegated Act. Nevertheless, based on the data published by our customers for the financial year 2024, LHV has not identified any activities or exposures related to other environmental objectives, such as the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, or the protection and restoration of biodiversity and ecosystems. Additionally, LHV currently does not offer financial products specifically designed to support these objectives. Our sustainable financing products primarily focus on climate change mitigation, including home loans for A and B energy class housing and motor vehicle loans for low-emission vehicles.

Our consolidated GAR, reflecting the proportion of our on-balance sheet assets which are taxonomy aligned for all the credit institutions within our group, is 4.86% (both turnover and CapEX based). Our banking and investment services 89.88% (both turnover and CapEX based) of our loans and advances fall under taxonomy-eligible activities, (while 2024 it showed 0% both turnover and CapEX based taxonomy aligned, 32.12% taxonomy eligible turnover based

and 32.08% taxonomy eligible CapEX based), see Templates 1 for the KPIs of credit institutions in Annex 2 at the end of the consolidated sustainability statement.

The methodology for calculation of KPIs of assets under management involves determining the proportion of investments aligned with taxonomy objectives based on relevant metrics such as turnover and capital expenditure (CapEx). The numerator reflects the value of investments in activities meeting taxonomy criteria, while the denominator comprises the total market value of Assets under Management (AuM) invested in undertakings that are obliged to publish sustainability information pursuant to the CSRD. In line with the Omnibus Delegated Act, all exposures to non-CSRD undertakings, central governments, central banks, and supranational issuers are excluded from the denominator.

For our asset management (LHV Varahaldus) 24% (CapEx) and 13.80% (turnover based) of the investments are taxonomy aligned, 41.70% (CapEx) and 33.60% (Turnover based) taxonomy-eligible (for the last year it showed 6.31% taxonomy eligible while 1.26% taxonomy aligned (CapEx-based) and 0.73% taxonomy aligned (turnover based), see Template 2 for the KPI of asset managers in Annex 2 at the end of the consolidated sustainability statement).

LHV's insurance KPIs' calculations are based on the weighted average of underwriting activities in taxonomy-aligned economic activities relative to total premiums earned, as well as the weighted average of investments in taxonomy-aligned activities relative to total assets covered by the KPI, following the same logic as for asset management.

In 2025, 50% of underwriting activities are taxonomy eligible and 0% taxonomy aligned (In 2024 50% eligible and 0% aligned- calculated in accordance with the new Omnibus Delegated Act). See Templates 3 for the KPIs of Insurance and reinsurance undertakings, template 1 in Annex 2 at the

end of the consolidated sustainability statements. In regard to Investment KPI (see Templates 3 for KPIs of Insurance and reinsurance undertakings, template 2 in Annex 2 at the end of the consolidated sustainability statements) 6,6% alignment was identified based on capital expenditures for investments, with assets covered by the KPI totalling 32% of total investments. Taxonomy-eligible investments accounted for 25.6% (turnover based) and 34.1% CapEx based (in 2024 70.90%) (see Templates 3 for KPIs of Insurance and reinsurance undertakings, template 2 in Annex 2 at the end of the consolidated sustainability statements).

In 2025 disclosing of activities in the nuclear energy and fossil gas sectors has changed due to the Omnibus Delegated Act and is covered where relevant in the Templates in Annex 2 at the end of the consolidated sustainability statements.

In compliance with the Omnibus Delegated Act, we have presented KPIs in standardized tables. This ensures clarity and comparability in reporting the proportion of taxonomy-eligible and taxonomy-aligned activities based on turnover and CapEx.

Consequently, LHV concludes its overall average KPI turnover based as 3.98% and CapEx based as 4.00% (In 2024 27.91% and 27.91% respectively). Concluded KPIs per business segments can be seen in the added template, where, as stated above, non-financial activities of LHV are not covered (see Template 5 for the KPIs on taxonomy-aligned activities of the mixed group in Annex 2 at the end of the consolidated sustainability statements).

Future Commitments and Reporting Timeline

LHV recognizes the EU sustainable finance taxonomy as a guiding framework for developing sustainable finance products. LHV is actively monitoring the ongoing regulatory developments related to the Taxonomy Regulation and exploring opportunities to further align product offerings

with the technical screening criteria when and where feasible. This adaptive approach enables us to adapt to the evolving requirements of sustainable finance while improving operational processes and compliance to the regulations.

8.2.2 Climate change

As a financial institution we acknowledge the fact that we have an enabling and supporting role in the transition to a more climate neutral economy. This is the reason why our current ESG Policy, approved by our Supervisory Board, sets a strategic focus on climate change mitigation (see more under general disclosures in sustainability strategy in point 8.1.2). We continue to track our progress with a set of KPIs approved on management level (see the table KPIs contributing to climate change mitigation in LHV at end of this section) and have set several climate related targets (see further below). As mentioned earlier our sustainable financing products also focus on mitigating the effects of climate change. Moreover, as a part of our own transition LHV will move its headquarters to a new building with energy class A by 2028 spring. The building is also planned to have a BREEAM Excellence standard.

LHV is committed to facilitating a transition to a more sustainable future, with the principles of this transition embedded within our strategy and business planning processes. LHV itself is not active in a high climate impact sector. The key elements, such as setting climate change mitigation targets, of our transition strategy are already integrated into our broader corporate governance, risk and decision-making framework.

In 2025 we started work on preparing the prudential transition plan as is expected from credit institutions and this is planned to be finalized in 2026. The prudential transition plan focuses on how a financial institution will address the financial risks arising from the transition to a sustainable economy, ensuring its own long-term stability and soundness. It should be stated

that LHV does not own any assets that would cause locked-in emissions currently nor is it expected for the foreseeable future.

The ESG policy, which outlines high-level principles for achieving sustainability objectives, including our support for the transition to a low-carbon economy, is reviewed and approved annually by the Supervisory Board. Based on that, the Management Board plays an active role in the development and implementation of these principles through their engagement in long term strategic planning, yearly action planning and overseeing of operational execution.

This integrated approach ensures that our transition objectives and targets are not only aspirational but are actively incorporated into decision-making, operational activities, and risk management processes, with governance structures in place to ensure accountability and regular progress review.

In the context of Estonia, the impacts of climate change are assessed as not currently significant enough to warrant prioritizing climate change adaptation measures. Furthermore, adaptation-related activities are more challenging to finance transparently, making mitigation the primary objective of our climate strategy. This approach ensures that our efforts align with measurable and actionable strategy and goals.

Our ESG Risk Management Policy defines risk management framework, i.e. main principles, governance and risk appetite for the ESG risk LHV is facing to mitigate the potential financial risks resulting from climate change. Our Green Office Principles guide our efforts to manage office operations sustainably, i.e. mitigate climate change on operational level. These include areas such as employee engagement, resource efficiency, use of renewable energy, waste management, and sustainable transport. By setting focus in areas such as energy efficiency, waste reduction, sustainable transport, and employee engagement, LHV ensures that

its office operations contribute to reducing environmental impacts. We are committed to not only that, but also to foster a shift in employees' behaviours and mindset, encouraging them to adopt sustainable practices both within the organization and in their personal lives.

Implementation of our sustainability strategy is related to our products and services, governance, and operations. We are incorporating climate and sustainability considerations into strategic planning, business development, customer selection processes, risk management and credit assessments. To mitigate our impact on climate change, we develop and offer sustainable financing solutions in addition to enhancing our customer engagement processes regarding sustainable business practices according to our Credit Policy.

As part of an industry that is vital for society, we, directly and indirectly, affect our surroundings and make our most significant contribution through investing and financing. That is why we have decided to channel cash flows from our core activities more concertedly to activities that support the transition to a climate-neutral and sustainable economy. We have developed sustainable products to motivate our customers to make everyday consumer and investment decisions that are as environmentally responsible as reasonable. In this way, we do our part to support economic growth, while at the same time limiting the further contribution of greenhouse gas emissions growth. These loan products are home loan for A and B energy class homes, car leasing for zero or low carbon emission vehicles, and investment loan for supporting companies' sustainable development as mentioned above under the section 8.1.2.3 Sustainable finance products and services.

In LHV credit granting process we take ESG considerations into account by implementing LHV exclusion list which identifies industries and activities that are generally not eligible for financing due to their high environmental, social, or governance impacts and risks, applied to all our business customers.

Climate-related risks are also considered during loan reviews based on the size of the loan and the customer's field of activity. The ESG risk assessment process at LHV is applied to business customers with a credit exposure exceeding EUR 1M, in line with our credit rating process. The objective of the ESG risk assessment is to ensure a comprehensive evaluation of customer's sustainability, considering both the potential environmental and social risks that may impact the customers' business operations, as well as the customers' impact on the environment and society. Based on their exposure to ESG risk factors, mitigation measures, loan conditions, and pricing may be applied accordingly.

The types of climate related risks are described under the section general disclosures in financial materiality. Based on our assessment, while we have identified certain climate-related risks factors, such as flooding, these risks are not material in terms of potential credit loss to our overall operations. Our field of activity and the integration of ESG risks into our comprehensive risk management framework provide resilience under a range of possible climate scenarios.

To support our climate-related targets and initiatives, LHV has allocated financial, human, and technological resources across various levels of our organization as part of our regular business which includes the development and deployment of sustainable financial products. These resources are strategically allocated to ensure that both our customers and LHV itself are contributing to the transition towards a climate-neutral economy.

LHV has dedicated personnel responsible for managing and implementing our sustainability strategy. This includes ESG specific positions all over LHV as described under sustainability governance structure in general disclosures under sustainability governance.

These resources are critical in implementing our ESG strategy and ensuring that LHV is actively mitigating

climate change both within our operations and across our customer base. By continuously allocating and refining these resources, we ensure that we remain resilient in the face of climate challenges. LHV continues to invest in raising awareness among its employees, clients, and society at large by supporting environmental organizations such as Green Tiger and the Sustainable Business Estonia (KELL). These organizations share knowledge through seminars and conferences, provide tools to implement sustainable changes, and offer platforms for exchanging experiences, successes, and lessons learned. Additionally, we actively participate in educational initiatives by delivering lectures at Tallinn University of Technology, the University of Tartu, and the Estonian Business School, fostering sustainability awareness among future professionals.

In 2025, we continued our collaboration with the Estonian Business School's ESG Management Program, where we have been a partner since its inception. As part of this enhanced partnership, we offer our business customers preferential terms to participate in the program, promoting broader adoption of sustainability practices within the business community.

8.2.2.1 Climate change mitigation targets

LHV has set climate change mitigation targets focusing on reducing the climate impact of our loan portfolio, since this is our main source of climate impact in scope 3. By the year 2030, to increase the share of renewable energy projects under the energy sector within our loan portfolio to 90% and to have at least 50% of our annually signed mortgage contracts for A and B energy class housing.

We have also two targets focused on our operational level - to maintain zero emissions in scope 1 operations and reaching 100% use of electricity generated from renewable sources by 2030 to minimize our scope 2 emissions. As of the end of 2025, five out of six of our offices hold renewable energy certificates. It should be noted that the UK London office holds a renewable energy certificate; however, the RIGO certificate is not recognised under EU regulatory frameworks. Consequently, this certificate has not been considered in the calculations, and conventional grid electricity has been applied when assessing the energy consumption and scope 2 related impacts.

To achieve these goals, LHV has implemented specific measures across associated business areas. These include financing for renewable energy projects to align with the target of 90% renewable energy within the energy sector loan portfolio by 2030, developing tailored mortgage products with favourable terms to support the goal of 50% of annually signed mortgage contracts being for A and B energy class homes by 2030, and progressively increasing the use of renewable electricity in our operations. This integrated, measurable and time bound approach ensures alignment with our ESG strategy.

8.2.2.2 Our climate impact

To set climate change mitigation targets and identify where our negative climate impacts are most significant, we measure our greenhouse gas (GHG) emissions using standardized methodologies to ensure a clear understanding of our emission sources. This approach allows us to prioritize effective reduction measures and align our business with sustainability goals.

We calculate our carbon footprint based on the methodology provided by the GHG Protocol Corporate Accounting and Reporting Standard and associated Corporate Value Chain (Scope 3) Standard, which are internationally recognized and widely used greenhouse gas accounting standards. Calculations of our operational greenhouse gas emissions were done by external consultancy provider Sustinere. Emission factors were sourced directly from electricity and heating providers where such data were available. In Estonia, electricity emission factors were counted for as being zero as per Academic paper or report by Bastos, Monforti-Ferrario, and Melica (2024), while heating emission factors were sourced from Gren (*Soojuse tootmise näitajad*, 2024) and Utilitas (*Soojuse tootmise näitajad*, 2024). In the United Kingdom, electricity emission factors were derived from the AIB European Residual Mixes (2024), and heating emission factors were based on the UK Government GHG Conversion Factors for Company Reporting (2025). The results are expressed in CO₂ equivalents (CO₂e), the universal greenhouse gas unit of measurement, indicating the potential for causing global warming. Based on GHG Protocol, emissions are categorized into three scopes. Scope 1 relates to direct emissions that occur from sources that are controlled or owned by an organization. Scope 2 emissions refer to indirect emissions associated with purchase of electricity, heating, and cooling. Scope 3 emissions include all other indirect emissions accounting for emissions coming from our own operations and emissions stemming from our upstream and downstream value chain.

We have assessed the materiality of Scope 3 emission categories in line with the nature of our business activities. Based on our analysis, Category 15 – Investments is identified as the most material source of Scope 3 emissions, given its significant impact compared to other categories and we no longer disclose these in the Sustainability report in regard to information materiality principle.

In 2025, our scope 2 emissions, especially market-based, have significantly decreased (see table Greenhouse gas emissions below). This related to getting direct emission data from the suppliers and increased proportion of certified renewable energy (as also seen in the energy consumption table below in chapter 8.2.2.2.2 Energy consumption).

We have calculated our scope 2 and 3 on best available actual data, although uncertainty remains as scope 2 calculation use estimation in regard to consumption and in scope 3 category 15 sectoral average emission factors are used. The same applies to data on energy consumption as there are in some cases limitations in obtaining that exact data of our premises.

Greenhouse gas emissions

	Estonia		United Kingdom		Total	
	2025	2024	2025	2024	2025	2024
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO ₂ e)	0	0	0	0	0	0
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0	0	0
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	799	1,249.72	57	93.30	856	1,343.02
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	125	598.45	64	99.87	189	698.31
Significant scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	561,623	541,665	11,831	4,051*	573,454	545,716*
1 Purchased goods and services	-	63.70	-	4.67	-	68.37
2 Capital goods	-	163.91	-	35.40	-	199.31
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	-	325.34	-	23.73	-	349.07
4 Upstream transportation and distribution	-	-	-	-	-	-
5 Waste generated in operations	-	38.65	-	0.02	-	38.68
6 Business travelling	-	420.59	-	164.72	-	585.31
7 Employee commuting & home office	-	371.06	-	70.74	-	441.80
8 Upstream leased assets	-	-	-	-	-	-
9 Downstream transportation	-	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-	-
11 Use of sold products	-	-	-	-	-	-
12 End-of-life treatment of sold products	-	-	-	-	-	-
13 Downstream leased assets	-	-	-	-	-	-
14 Franchises	-	-	-	-	-	-
15 Investments (see chapter Financed emissions)	561,623	540,281.6	11,831	3,752*	573,454	544,033*
Total GHG emissions						
Total GHG emissions (location-based) (tCO ₂ e)	562,422	542,915	11,888	4,144*	574,310	547,059*
Total GHG emissions (market-based) (tCO ₂ e)	561,748	542,263	11,895	4,151*	573,643	546,414*

*Restated as explained in 8.2.2.2.1 Financed emissions

GHG intensity for 2025 (excl. scope 3) is 0 tons per net revenue. Net revenue used to calculate GHG intensity for 2025 is 305,472 EUR thousand which reconciles to Net income from the Consolidated financial statement of profit or loss and other comprehensive income. The impact of cooling has been included in the calculation of electricity consumption. Scope 3 calculated using primary data 19%.

LHV has not established a base year for its GHG emissions. This is due to the ongoing technical improvements which are focused on enhancing our data collection and data quality. As a result, strictly comparative analyses cannot yet be conducted with full accuracy. Details regarding milestones and target years are provided in the section titled Climate change mitigation targets, where we outline our commitments and objectives for climate action. Therefore, the presentation of our GHG emissions differ from the regulatory expectation.

8.2.2.2.1 Financed emissions

Since 2022, LHV assesses financed emissions under scope 3 category 15 investments (as defined by the GHG Protocol Corporate Value Chain standard) using the PCAF methodology. The assessment of financed emissions remains material, since the largest share of our emissions is related to our financing activities.

In 2025 LHV continued work on enhancing the accuracy of calculations and improving data quality, the reallocation of asset class scopes for more accurate contract assessments within each asset class, including the assessment of insurance-associated emissions for motor vehicle insurance. Total emissions were calculated for financed emissions 573,454 (544,033 tCO₂e for 2024) tCO₂e and 3,283 (3,112.3 tCO₂e for 2024) tCO₂e for insurance associated emissions, reflecting improvements in methodology and the reallocation of asset class scopes to ensure precise contract assessments within each asset class. The rise in absolute numbers is directly linked to the growth of business volumes.

Under the PCAF methodology for financed emissions, LHV Pank's loan portfolio is assessed across six asset classes: business loans, commercial real estate, mortgages, motor vehicle loans, sovereign debt, and listed equity and corporate bonds. For LHV Bank Limited, the portfolio is assessed under one asset class — commercial real estate.

In 2025, a unified methodology for assessing financed emissions was implemented across the Group to ensure consistency. Applying the enhanced methodology required a restatement of LHV Bank Limited's 2024 emissions. This recalculation for the UK portfolio was performed using Score 5 data, based on the available information and in a manner consistent with the Group's unified methodology. For commercial real estate calculations, the methodology uses country-specific emission factors from the PCAF database, which differ significantly between the UK and Estonia. That is the primary reason for the difference in financed emission between the UK and Estonian portfolios.

Applying this enhanced methodology revised the previously reported 91,040 tCO₂e to 3,752 tCO₂e, a difference of 87,288 tCO₂e, which is 96% lower than the figure initially reported for 2024. Consequently, both financed emissions and total emissions for 2024 have been recalculated and are presented in the comparative data marked with (*).

Table below presents the combined results for commercial real estate for both LHV Pank and LHV Bank Limited. In the listed equity, business loans, mortgages, commercial real estate, and sovereign debt asset classes, according to the PCAF methodology for financed emissions and asset class scopes, all loans in the portfolio that align with the scope definitions have been 100% assessed. Specific smaller products in the credit portfolio, where PCAF lacks a defined methodology, have not been assessed. In the motor vehicle loans asset class, 69.9% (70.4% for 2024) of the portfolio has been assessed, as no methodology was available for evaluating leasing of other machinery, such as agricultural equipment, at the time of assessment.

The sector with the largest absolute emissions and highest CO₂ intensity is D (Electricity, Gas, Steam, and Air Conditioning Supply). The results of the emission estimations can vary to some extent depending on the quality of the input data used in the calculation models.

In 2025, LHV continued its efforts to improve data quality, recognizing that substantial improvements require obtaining information directly from the customers. To address this, we actively engaged with customers to collect the necessary data. For business loans, commercial real estate, residential mortgages, and motor vehicle loans, emissions are estimated using indirect sources, such as sector averages or data from external databases like PCAF and Estonian Building Register. These estimations reflect upstream and downstream value chain emissions where direct data is unavailable, and the preparation of these metrics relies on proxies when information — like energy consumption or emissions data — is not provided by customers. Consequently, the level of accuracy varies lower PCAF scores (1, 2 and 3) are achieved when more accurate, customer-specific data is available, while higher scores (4 and 5) indicate reliance on generalized estimates. Data quality scores, which range from 1 (most accurate) to 5 (least accurate), are provided in the table below. We acknowledge that currently this data is subject to uncertainty. However, we have based our calculations on the best available actual data currently accessible. To enhance accuracy, LHV has an ESG questionnaire to gather the necessary information from customers and continues to work towards integrating more precise customer data into future assessments.

Financed emissions

Asset Class	Outstanding Amount (EUR million)		Scope 1+2 (tCO ₂ e)		Scope 3 tCO ₂ e		Emission Intensity** (tCO ₂ / EUR million)		PCAF Data Quality Scores	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Listed equity & corporate bonds	-	-	-	-	-	-	-	-	-	-
Business loans	1,563	1,452	160,141	154,766	178,764	213,758	217	253.8	4	4
Mortgages	1,753	1,432	47,876	57,323	-	-	27	40.0	3.5	3.9
Commercial real estate	1,827	1,327	181,884	112,983*	-	-	100	85	4.3	4
Motor vehicle loans***	123	127	4,787	5,231	-	-	39	41.1	3	3
Sovereign debt	377	284	1.7	0.9	1	0.6	0	0.0	1	1
Total	5,643	4,622	394,690	330,303*	178,765	213,758	102 (Mean)	118 (Mean)		

* Restated as explained in 8.2.2.2.1 Financed emissions

** Scope 1+2

*** Emissions from passenger cars, buses, and trucks; other vehicles are not covered in PCAF Financed Emissions Standard

Financed emissions

Business loans

EMTAK	Outstanding Amount (EUR million)		Total (tCO ₂ e)		% of Total tCO ₂ e		CO2 Intensity tCO ₂ e/ EUR	
	2025	2024	2025	2024	2025	2024	2025	2024
A: Agriculture, forestry and fishing	155	50.7	63,208	12,595	18.7	3.4	407	248.6
B: Mining and quarrying	0	0.3	1	568	0	0.2	628	1,679.0
C: Manufacturing	191	156.7	66,676	66,609	19.7	18.1	349	425.0
D: Electricity, gas, steam and air conditioning supply	202	213.1	134,840	212,194	39.8	57.6	667	995.7
E: Water supply; sewerage, waste management and remediation activities	43	27.0	7,784	4,188	2.3	1.1	180	155.3
F: Construction	19	44.9	5,050	7,850	1.5	2.1	266	174.8
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	107	110.3	23,096	22,350	6.8	6.1	216	202.6
H: Transportation and storage	100	57.6	5,719	5,209	1.7	1.4	57	90.4
I: Accommodation and food service activities	35	10.6	1,480	1,323	0.4	0.4	43	124.9
J: Information and communication	10	13.5	1,052	1,539	0.3	0.4	107	114.0
K: Financial and insurance activities	213	217.9	7,095	7,326	2.1	2.0	33	33.6
L: Real estate activities	230	182.0	8,356	2,105	2.5	0.6	36	11.6
M: Professional, scientific and technical activities	40	125.0	2,800	3,247	0.8	0.9	70	26.0
N: Administrative and support service activities	64	89.6	2,702	3,901	0.8	1.1	42	43.5
O: Public administration and defence; compulsory social security	37	50.5	2,155	10,196	0.6	2.8	59	201.7
P: Education	5	4.4	421	320	0.1	0.1	92	72.7
Q: Human health and social work activities	27	25.6	1,258	1,687	0.4	0.5	46	66.0
R: Arts, entertainment and recreation	81	67.4	4,603	4,904	1.4	1.3	57	72.8
S: Other service activities	6	4.7	609	409	0.2	0.2	111	87.0
Total	1,563	1,451.8	338,905	368,520	100	100	217	253.8

LHV Kindlustus primarily offers extended warranties, comprehensive motor insurance, motor third-party liability insurance, device insurance, and health insurance. PCAF currently provides methodologies for two lines of business: personal motor vehicle insurance and corporate insurance. In 2025 LHV Kindlustus evaluated personal motor vehicle insurance as last year, since corporate insurance represents only a marginal share of the insurance portfolio.

The scope 1+2 insurance-associated emissions for personal motor vehicle insurance amounted to 3,283 (3,112 for 2024) tCO₂e, with a data quality score of 4. In the future, as the methodology evolves to cover additional lines of business, the assessment for LHV Kindlustus will be revisited.

8.2.2.2.2 Energy consumption

In our commitment to accurate and transparent reporting, we have refined our methodology for calculating energy consumption for the current period. By leveraging detailed energy production mix data directly from our suppliers, we have achieved a more granular breakdown of our energy sources. Consequently, we have introduced a new 'Other' category to classify energy inputs, such as peat and landfill gas, that do not fall under the conventional definitions of renewable or fossil fuels.

Insurance-Associated Emissions

Activity	Total gross written premium (EUR million)	Scope 1+2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Emission Intensity (tCO ₂ e/ EUR million)	PCAF Data Quality Scores	t/t-1
Personal Motor Vehicle Insurance	17.2	3,283	-	190.8	4	2025
Personal Motor Vehicle Insurance	17.6	3,112.3	-	176.8	4	2024

Energy consumption	2025		2024	
	Estonia	United Kingdom	Estonia	United Kingdom
Total fossil energy consumption (MWh)	639	137	2,682	562
Share of fossil sources in total energy consumption (%)	19	80	69	100
Other* (Non-fossil non-renewable energy consumption) (MWh)	366	0	-	-
Share of non-fossil non-renewable energy consumption (%)	11	0	-	-
Consumption from nuclear sources (MWh)	0	31	-	-
Share of consumption from nuclear sources in total energy consumption (%)	0	18	-	-
Total renewable energy consumption (MWh)	2,447	4	1,184	0
Of which fuel consumption for renewable sources including biomass biofuels, biogas, hydrogen from renewable sources	0	0	0	0
Of which consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	2,447	4	1,184	0
Of which consumption of self-generated non-fuel renewable energy	0	0	0	0
Share of renewable sources in total energy consumption (%)	71	2	31	0
Total energy consumption (MWh)	3,451	172	3,866	562

*energy inputs, such as peat and landfill gas

LHV is disclosing the following KPIs as part of its sustainability statement, as those reflect important LHV specific considerations which are deemed relevant by us and our stakeholders. By including these KPIs, we aim to provide a comprehensive understanding of our impacts, risks, and opportunities, consistent with the qualitative characteristics of information, ensuring relevance, reliability, and comparability over time. This decision supports our commitment to transparent reporting and our focus on driving sustainable practices in alignment with broader ESG goals.

Key performance indicators contributing to climate change mitigation	2025	2024
	Contract value for new renewable (solar, wind, battery storage system and biomass) energy projects added to the corporate loan portfolio (EUR million)	25.4
Number of new energy class A apartments financed annually through housing developments	814	827
Share of annually signed mortgage contracts for A and B energy class housing in the mortgage portfolio	29.3%	24.3%

8.3 Social information

LHV is dedicated to fostering a socially responsible and inclusive environment, promoting diversity, protecting the interests of our people, and advancing societal well-being. Employees are central to our success, with opportunities created through professional development, work-life balance, and diversity initiatives that enhance productivity and innovation.

We impact customers by providing equitable financial access, improving financial literacy, as well as protecting their interests and offering tailored support for vulnerable groups. In 2025, The Banker, a Financial Times publication, awarded us the title of “Bank of the Year” the seventh time. Additionally, the leading international business magazine Euromoney named LHV Pank the best bank in Estonia.

LHV supports local communities by sponsoring education, arts, and sports initiatives and encouraging financial literacy. With integrity, transparency, and ethics at our core, we continue to drive positive societal and economic change while delivering value to employees and customers alike.

Our vision is to promote a socially responsible and inclusive environment. We are committed to protecting human rights, adhering to labour laws, promoting diversity and inclusion, and actively participating in activities related to societal well-being. LHV follows national laws and requirements but has not specifically aligned its policies with UN Guiding Principles on Business and Human Rights.

While banks and financial institutions play an integral part in driving economic growth, they also have the power to impact individual lives and communities’ overall wellbeing. Our business is conducted with integrity, transparency, and ethics in mind, with the emphasis on fair dealing and respect towards our partners, customers, and employees.

By acknowledging our role and societal influence at the local level, we do the following:

- aim to offer high job satisfaction through providing development opportunities and self-fulfilment for current and prospective employees;
- stand for equal opportunities for people and companies;
- maintain a budget to support music or arts, education, sports, and community events;
- support external movements and partners to promote the cultural and economic development of local communities;
- build the trust of our customers in LHV as a non-discriminatory financial service provider;
- encourage financial literacy and the share of economic knowledge;
- continuously improve our competencies in the field of ESG to further advance social cohesion.

8.3.1 Own workforce

LHV, as a large employer, has an impact on our people, including their productivity, innovation, and employee satisfaction, which directly contribute to our business success. The material positive impacts arising from health benefits, equal treatment and non-discriminatory practices, as well as professional development opportunities, extend to all own employees rather than to specific groups within the organisation. The potential negative impact on the own workforce related to pay inequality is neither widespread nor systemic at LHV, nor linked to individual incidents. Instead, it reflects the proactive commitment to upholding the principles of fair and equitable treatment of employees across the organisation. Our strength stems from prioritizing professional development, promoting work-life balance, and fostering diversity and equal remuneration, enabling LHV to build

a resilient and engaged workforce. These efforts mitigate challenges such as talent retention challenges or diminished labour market competitiveness, ensuring the company remains an attractive and forward-thinking employer while delivering high level customer service.

We are committed to recruiting and retaining competent and trustworthy employees as part of our strategy. Guided by our Human Resources Policy, we attract educated, professional, and results-oriented individuals to meet our operational needs. Our selection process includes comprehensive CV analysis, structured interviews, and competency assessments, with psychological evaluations and practical assignments used only when necessary and depending on the position. Direct supervisors collaborate with the HR Department and the Management Board members to make informed hiring decisions. Candidates consent to personal data processing for background checks, which may involve contacting former employers and referees. These procedures help us maintain a skilled and dedicated workforce that aligns with our strategic objectives and upholds our commitment to excellence.

The well-being and prosperity of our employees are core to our business operations. Recognizing that our strategic goals depend on our workforce, we are committed to regularly identifying, assessing, and effectively managing risks related to employee qualifications.

We understand that achieving strong business results and sustainable growth requires people that create value, feel valued, and is engaged in their personal and collective missions. At LHV, our employees display high levels of engagement and contribution to LHV’s mission. This commitment is reflected in our latest annual employee survey, where 82% (82% in 2024) of respondents indicated that they are highly engaged and committed to our goals.

LHV has no employees with particular characteristics working in specific contexts in our workforce. No relevant risks have been identified, and no additional measures have been developed.

As a large employer in the Estonian market, we are committed to maintaining a sustainable work culture that fosters well-being and creates a positive workplace environment. By providing an atmosphere that fosters personal growth, we aim to enhance skills, optimize performance, and cultivate enduring relationships, both internally and externally. LHV aims to be the employer of choice for its people, fostering a positive culture and productive work environment that support long-term engagement and satisfaction. As an employer, we hold the potential to positively impact our employees while mitigating negative effects by addressing issues such as discrimination and stress, which can adversely affect employees' mental health.

LHV has workplace accident prevention policy named Occupational safety and working environment guidelines (for Estonian offices) and Health and Safety Policy (for UK offices) which provide an overview of the important provisions of occupational health and safety and the measures for avoiding working environment risks at the office.

8.3.1.1 Policies, measures and targets

Incorporating inclusion, diversity, and upholding human and labour rights are integral components of LHV's responsible business ethos. LHV has developed and implemented a group-wide Human Resources Policy, Diversity Policy, Conflict of Interest Policy as well as Remuneration policy which aim to provide fair, motivating and transparent remuneration in compliance with the laws and regulations for all our employees.

- Human Resources Policy defines the people management framework, including key principles, governance and core processes for recruitment, development and employee motivation.
- Diversity Policy defines the diversity and inclusion framework, setting principles, governance and practices to ensure fair and unbiased hiring and promotion and to strengthen decision-making through diverse perspectives.
- Conflict of Interest Policy sets principles and procedures for preventing self-interest from influencing professional duties, requiring timely disclosure, recusal and compliance monitoring, and providing channels to report misconduct and non-compliance.
- Remuneration Policy sets the guidelines for determining fair remuneration for all employees.
- The individuals responsible for these internal documents are the Head of Human Resources or the Head of Compliance, while the process is approved by the LHV Group Management Board or the Supervisor Board, respectively.

Our long-term strategy is to build strong relationships by being an attractive employer that offers high job satisfaction, development opportunities, and self-fulfilment for current and prospective employees. For that we:

- support the professional development of all our employees, including key personnel, through targeted development programs, mentorship opportunities, and clear career progression pathways. By investing in our employees, we aim to enhance their skills, boost engagement, and retain top talent;
- prioritize increasing the share of women at the management board and supervisory board levels, as it reflects our commitment to fostering diversity, balance, and inclusivity in leadership. LHV seeks to achieve, by 30 June 2026, that either 40% of the supervisory board members or 33% of the management and supervisory board members combined are of the underrepresented gender.
- have set group-wide employee-related target of achieving pay equality of 95:105 by 2029.

In 2025, we developed the first version of job families, which was piloted during 2025 to ensure that the pay ratio between different employee groups, as defined in a local country wide comparable annual salary survey conducted by Fontes/ Figure, moves towards a balanced level where no group is paid more than 5% above or below another group's pay level by 2029. We will continue this work in 2026 to further refine and align the job family structure and pay levels. Job families, defined internally as groups that include roles of a similar nature, and which should be compensated similarly, consolidated positions with comparable responsibilities. This commitment underscores our dedication to fair and equitable compensation practices across the organization.

By fostering and strengthening its corporate culture, LHV strives to be recognized as a leading employer, deliver valued customer service, promote its values and goals among

employees, and focus on profitability and efficiency.

In 2025, workforce developments also reflected both internal efficiency measures and external labour market dynamics. Redundancies implemented in Q1 2025 resulted in a one-off increase in employer-initiated terminations as part of a cost-saving and efficiency programme (automation, streamlined management layers and consolidated responsibilities), while improving labour market conditions increased employee mobility and job switching.

By maintaining a strong organizational culture, we align our team with our mission and values, contributing to sustained success and employee satisfaction. LHV is committed to complying with all EU and national regulations, ensuring that the company operates ethically and avoids practices such as human trafficking, child labour, or forced labour.

Staff turnover* and job types 2025**

	Total employees (change from 2024)		
	LHV all companies	Estonia	United Kingdom
Total employees	1,253*** (-28)	1,100 (-41)	153 (+13)
Working part time (%)	2.6%	2.7%	2.0%
Working full time (%)	97.4%	97.3%	98.0%
Working contractual basis (of which % in IT Departments)	44 (64%)	24 (33%)	20 (100%)
Working with permanent contract	1,152	1,004	148
Working with temporary contract	30	25	5
New hires (of which interns)	288 (50)	239 (49)	49 (1)
Left employees (terminations)	302	267	35
Voluntary turnover rate (%)	11.7%	11.5%	12.9%
Overall turnover rate (%)	20.2%	20.5%	18.7%

Staff turnover* and job types 2024**

	Total employees (change from 2023)		
	LHV all companies	Estonia	United Kingdom
Total employees	1,281 (+163)	1,141 (+119)	140 (+44)
Working part time (%)	3.7%	4.1%	0.7%
Working full time (%)	96.3%	95.9%	99.3%
Working contractual basis (of which % in IT Departments)	53 (94%)	33 (91%)	20 (100%)
Working with permanent contract	1,197	1,061	136
Working with temporary contract	22	18	4
New hires (of which interns)	347 (21)	289 (21)	58 (0)
Left employees (terminations)	195	181	14
Voluntary turnover rate (%)	8.1%	8.5%	4.5%
Overall turnover rate (%)	12.8%	13.2%	9.0%

*12-month rolling sum of the turnover is the total amount from the past 12 months. As the 12-month period "rolls" forward each month, the amount from the latest month is added and the one-year-old amount is subtracted. The result is a 12-month sum that has rolled forward to the new month

**In head count at the end of the reporting period

***See also Note 8 Operating expenses in Financial Statements

8.3.1.2 Equality and non-discrimination

LHV fosters non-discriminatory business and HR practices. In the recruitment process, we are guided by ethical standards, human rights, and equal opportunities not considering non-related factors, such as race, disabilities, political views, sexual orientation, etc. In line with our Personnel Policy, we take a gender-neutral, non-discriminatory approach in all recruitment and promotion decisions, and base the decisions on equal, measurable qualities, such as experience, education, skills and, if necessary, requirements set by applicable regulations. It is important for LHV not to discriminate against any minorities. Currently, our office isn't fully adapted to meet all the needs of people with physical disabilities—some accessibility features are still missing. We offer and support remote work as an alternative.

LHV has established and implemented a Diversity Policy. LHV believes that the quality of decision-making strategies, risk taking, and oversight can be improved, and biases averted where open-minded people with a range of backgrounds, experience, opinions, and views are combined. LHV considers gender balance as one of the important dimensions of diversity. LHV fosters a culture where everyone is treated with respect and dignity. LHV promotes equality of opportunity and does not attribute to any dimensions of diversity a predetermined value, either positive or negative. To the extent applicable, LHV incorporates diversity and inclusion into its policies and practices related to recruitment, remuneration, career development, and the composition of management and supervisory bodies. Emphasizing diversity, especially in the selection of management or supervisory body members, helps ensure a broader range of perspectives and reduces the likelihood of selecting individuals with overly similar profiles.

Breakdown of all employees by age and gender* 2025

Contract type	Women				Men				Total	Total number by head count
	Under 30 (%)	30-50 (%)	Over 50 (%)	Total (% from all)	Under 30 (%)	30-50 (%)	Over 50 (%)	Total (% from all)		
Permanent contract	24.0%	70.2%	5.8%	56.5%	23.4%	71.4%	5.2%	43.5%	1,152	
Temporary contract	38.1%	61.9%	0.0%	67.9%	33.3%	44.4%	22.2%	32.1%	30	
Non-guaranteed work time	0%	0%	0%	0%	0%	0%	0%	0%	0	
Total	56.9%	24.4%	70.0%	5.6%	43.1%	23.6%	71.0%	5.5%	100.0%	1,182

Breakdown of all employees by age and gender* 2024

Contract type	Women					Men					Total	Total number by head count
	Under 30 (%)	30-38 (%)	39-50 (%)	Over 50 (%)	Total (% from all)	Under 30 (%)	30-38 (%)	39-50 (%)	Over 50 (%)	Total (% from all)		
Permanent contract	27.6%	35.0%	32.8%	4.6%	56.2%	26.8%	39.5%	30.2%	3.4%	43.8%	1,209	
Temporary contract	69.2%	15.4%	7.7%	7.7%	59.1%	33.3%	33.3%	11.1%	22.2%	40.9%	22	
Non-guaranteed work time	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	
Total	56.3%	28.4%	34.6%	32.3%	4.6%	43.7%	27.0%	39.4%	29.9%	3.7%	100.0%	1,231

*in head count at the end of the reporting period

Information regarding gender distribution at top management level is disclosed in chapter 8.1.4 Impact, risk and opportunity management.

8.3.1.3 Remuneration and equal pay

Our Remuneration Policy sets the guidelines for determining fair and equitable compensation. Decisions regarding remuneration must be objective and unbiased, ensuring compliance with all relevant legislation.

We use the analytical job evaluation method created and developed by Fontes/Figure, based on the method recommended by the International Labour Organization (ILO). This method, utilized across all three Baltic States for market benchmarking, evaluates jobs based on education and professional experience, work characteristics, and accountability. Since 2013, LHV has employed Fontes/Figure's benchmarking method for annual evaluations, ensuring that we compare jobs of similar value within our organization.

In 2025, we completed the rollout of the new LHV job mapping and pay system, equipping our managers with a practical tool to support a more modern and transparent remuneration framework. This initiative aims to strengthen a contemporary pay structure that harmonizes internal approaches to remuneration across the organization;

- brings clarity to the distribution of job positions, ensuring consistency and fairness;
- simplifies the work of managers in setting and managing compensation;
- more clearly outlines career opportunities, providing employees with a transparent path for advancement;
- allows for greater transparency in our pay practices, fostering trust and openness.

There will remain a connection and reliance on Fontes/Figure's salary survey to ensure our remuneration levels are competitive within the market.

The remuneration system has two main parts – job evaluation and salary ranges. Job evaluation uses job levels and families to measure and compare role complexity across the organization. This helps accurately calculate the gender pay gap by classifying roles into 13 grades based on expertise, complexity, scope, and impact. The classification considers job content, organizational structure, titles, team size, and area, and is validated by division heads. Job family's group similar roles to ensure consistent compensation.

In UK, we systematically benchmark our remuneration against the UK market to ensure that our compensation is fair and aligned with industry standards. This approach applies equally to our existing UK employees, ensuring that all our staff are remunerated appropriately and competitively. By continuously monitoring market trends and salary levels, we aim to attract and retain talent while maintaining fairness and equity across our UK operations.

The unadjusted gender pay gap for Estonia in 2025 was 29.01% (28.27% in 2024) and in UK 13.23% (17.42 in 2024). The total annual remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees in 2025 was for Estonia 12.79 (14.96 in 2024) and for UK 6.19 (6.06 in 2024).

Unadjusted gender pay*	2025			2024	
	LHV all companies	Estonia	United Kingdom	Estonia	United Kingdom
The unadjusted gender pay gap	33.27%	29.01%	13.23%	28.27%	17.42%
The total annual remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees	11.54	12.79	6.19	14.96	6.06

*at the end of the reporting period

LHV's salary system is based on job families and levels, ensuring fair and structured pay. Roles are classified according to organizational structure, job content, and benchmarking, with salary ranges set using market median data. HR oversees adjustments to maintain accuracy.

The gender pay gap shows the overall earnings difference between genders. The adjusted gender pay gap accounts for job roles, levels, and experience, comparing salaries within similar positions. The adjusted gap provides a more precise view of pay fairness.

For reflecting our opportunity to continue to fulfil our ambition to be the best employer and the most desirable employer we actively monitor our gender pay gap. As at the end of 2025, LHV's adjusted gender pay gap in Estonia was 5.02% (4.49% in 2024) and in the United Kingdom 1.23% (1.46% in 2024). This number is calculated by comparing the average salaries of men and women at each job level. We reached this figure by ensuring that we compare similar positions, which allows for a fair assessment of pay equity across comparable roles. LHV employees are not covered by a collective agreement, as this is not particularly common in the financial sector in Estonia and UK. By adhering to the Employment Contracts Act and the Government's Minimum Wage Regulations in

Estonia, and the National Minimum Wage Act 1998 and National Minimum Wage Regulations 2015 in the UK, LHV aims to ensure that all employees receive compensation that meets or exceeds the legal requirements.

This commitment reflects our dedication to upholding labour laws and promoting fair pay practices in all the regions where we operate.

8.3.1.4 Inclusive workplace

At LHV, we believe that success comes from working together and harnessing our collective intelligence. It is essential to us that our employees' ideas, thoughts, and opinions are heard and considered. We foster an environment where employees feel comfortable sharing their thoughts and ideas, ensuring their voices are heard at all levels of the organization, including top management.

LHV prioritizes open communication between managers and employees to enhance tasks, improve workflows, and set clear goals. Our managers hold regular 1:1 meeting with team members to foster trust, align on objectives, and discuss progress. These meetings provide a valuable opportunity

for employees to share their thoughts and ideas, ensuring a collaborative work environment.

To gather actionable, data-driven insights into employee perspectives, we conduct the Q12 anonymous engagement survey twice a year. One key metric from the survey is the statement: "At work, my opinions seem to count." In 2025, employees rated this statement 4.46 in May and 4.42 in October on a 5-point scale, reflecting a strong sense of being heard and valued. Survey results guide meaningful conversations between managers and their teams, facilitating in-depth discussions and actionable feedback that often led to adjustments in goals, workflows, or team priorities. Our HR department oversees employee engagement processes and communicates their importance to team leaders to ensure alignment with organizational objectives. HR works closely with managers to review survey results and integrate employee feedback into decision-making. For example, insights from 1:1 meetings and survey results help refine policies and practices related to employee well-being, workload distribution, and performance targets. To ensure transparency, managers are provided with the tools and training to engage effectively with their teams. Employees are also informed about how their feedback has influenced specific changes, demonstrating LHV's commitment to fostering a supportive and inclusive workplace. Engagement takes place at multiple levels, including organizational and team-specific levels. At the organizational level, feedback from surveys and employee discussions informs company-wide initiatives, such as policy updates or strategic workforce planning. At the team level, engagement focuses on addressing team-specific challenges and opportunities, ensuring that employee perspectives are incorporated into project-level decisions.

Where applicable, LHV seeks to include the perspectives of employees who may be in vulnerable situations or at risk of marginalization. Specific efforts are made to address potential barriers, such as ensuring accessible communication

channels, addressing language or cultural differences, and fostering an inclusive environment where everyone feels empowered to share their views.

We value diversity and inclusion through initiatives that strengthen collaboration and shared learning across the organisation. In 2025, we established the Data Leadership Chapter, bringing together analytics leaders from across the company to enhance cross-company collaboration around data and analytics, improve the efficiency and impact of data-driven initiatives, foster a unified data culture, and empower better decision-making through shared knowledge and tools.

As part of this effort, we also organised the Analytics Day, a company-wide event designed to inspire and connect our data community. The day featured interactive AI workshops exploring smarter ways to automate daily work, presentations from different business areas showcasing how teams use data in their operations, as well as guest speakers and a "hot seat" session that encouraged open discussion and idea-sharing. All presentations were recorded for wider access, while workshops were held on-site to promote hands-on collaboration. Together, these initiatives help us strengthen the community and the impact we create through data.

Additionally, the TulemusLend initiative, launched in 2024, was successfully continued in 2025. The project offers LHV employees in Estonia a unique opportunity to immerse themselves in efficiency, innovation, and results by bringing smart solutions into daily work. The project's goals are to increase efficiency by automating tedious processes, innovate products and services for clients and employees, rapidly implement ideas within a one-week timeframe, and empower teams by allowing employees to choose their focus, assemble cohesive groups, and collaboratively achieve outstanding results.

Such events not only foster creativity but also provide a platform for showcasing diverse perspectives. They reflect our dedication to adopting innovative technologies and keeping pace with industry advancements. LHV is focused on fostering diversity, inclusion, and open communication through various initiatives. We are working toward integrating advanced technologies, such as AI, into our operations to develop more effective solutions. Projects like TulemusLend illustrate our efforts to empower our employees and enhance services through innovation and collaboration. An example of LHV's focus to inclusivity is the collaborative development of our benefits package. Using the service design method, employees from diverse backgrounds contributed to creating a program that addresses varying needs and preferences.

In 2025 our leadership development focus has been on the Combat Ready training programme, designed to strengthen the core leadership principles across all team managers. The programme is based on the leadership philosophy described in Jocko Willink and Leif Babin's book *Extreme Ownership*, which emphasises that leaders must take full responsibility for both their own and their team's results, and that success or failure should not be attributed to external factors or subordinates.

Combat Ready translates these ideas into a practical training format, teaching managers to prioritise effectively, remain calm under pressure, and lead their teams through complex and uncertain situations. Following the principle that discipline creates freedom, the programme helps leaders build a framework in which teams can act independently and confidently while the leader maintains accountability.

Beyond personal and professional development, we regularly organize discussion evenings where LHV's own employees share insights and experiences. LHV also hosts quarterly townhall meetings, led by the members of the board. These sessions serve as a platform to share important updates, celebrate achievements, and provide employees with the opportunity to ask questions and share their ideas. To ensure

accessibility, we record these meetings and make them available for employees to revisit. Through open dialogue, we aim to strengthen transparency, collaboration, and engagement across the company.

The engagement process occurs directly with employees. Engagement activities primarily take place at the organizational level and involve participation and consultation, ensuring that employees can actively contribute. Insights from these engagements are considered during strategic and operational discussions, particularly when evaluating the effectiveness of ongoing initiatives or determining future workforce-related priorities. Engagement is conducted quarterly through townhall meetings, supplemented by regular one-on-one meetings and anonymous surveys conducted twice a year (Q12 engagement survey). To enhance the integration of workforce perspectives into decision-making, LHV plans to advance and enforce workforce engagement on an ongoing basis.

LHV is a member of The Estonian Employer's Confederation, Estonian Chamber of Commerce and Industry, Sustainable Business Estonia (KELL) in Estonia and Estonian Human Resource Management Association PARE.

8.3.1.5 Employee engagement and development

Professional and personal development are integral parts of LHV's culture, reflecting our commitment to innovation and continuous improvement in delivering smarter solutions to our customers. We believe that the best ideas come from our employees; therefore, developing one's skills is part of the daily job. Our training approach combines structure and flexibility to meet the diverse development needs of our employees. While LHV's training programs provide a consistent framework, team leaders, in collaboration with employees, can tailor opportunities to individual goals and growth areas. This ensures that employees receive training that is both relevant and supportive of their personal and

professional development. LHV's training policy, as outlined in the Human Resources Policy, emphasizes the importance of enhancing employee competencies through a planned yet adaptable training process. Training is accessible to all employees, with its scope and frequency guided by annual training plans that align departmental objectives with individual development goals. Available formats, including in-house programs, outsourced training, and e-learning options, provide the flexibility needed to address the varied needs and career aspirations of our workforce.

To facilitate continuous learning we are implementing the Learnster platform, a learning management system that centralizes all training materials. We are using this system to keep track of employee training and development.

A particular emphasis lies in mapping employees' strengths using Gallup's Clifton StrengthsFinder assessment. Our teams and employees have an opportunity at any time to take the test, providing them with a comprehensive overview of their greatest strengths, which informs their personal development plans. It also gives an insight into strengths-based leadership which enables managers to lead the teams more effectively.

8.3.1.5.1 Employee Engagement Surveys and Feedback Channels

The employee engagement survey is essential for measuring how engaged employees feel and their satisfaction with development opportunities. The question "Have you had opportunities to learn and grow in the past year?" received a 91% positive response rate. These results highlight our ongoing commitment to enhancing employee satisfaction and engagement.

LHV is committed to upholding legal and ethical conduct. All personnel are required to comply with applicable laws, regulations, and internal policies. To maintain integrity and

transparency, procedures are established for reporting any observed or suspected misconduct.

Personnel are required to report all accidents, incidents, and complaints in the working environment through the following channels: using the Incidents and Complaints form in Outlook Notifications (anonymous reporting is allowed), using the Report a Violation form on the Intranet (anonymous reporting is allowed) and/or directly contacting Human Resources; or reaching out to a member of the Working Environment Council as per Occupational Safety and Working Environment Guidelines and Conflict of Interest Policy. These channels provide transparency and include explanatory information to support reporting. The internal regulations also provide comprehensive guidance for all employees and managers.

The Compliance department will acknowledge receipt and may request additional information. Anonymity and confidentiality are guaranteed for those reporting in good faith, and all information is handled discreetly. LHV ensures that no adverse actions or unfair treatment occur against personnel who raise concerns.

No employees have reported any violations or misconduct this year. Employees also have the right to report issues directly to supervisory authorities without prior notification to LHV. In Estonia, reports can be made to the Estonian Financial Supervision Authority via phone, email, web form, or by arranging a meeting. In the United Kingdom, reports can be made to the Financial Conduct Authority or the Prudential Regulation Authority via phone, email, or mail.

Through our onboarding process, we mandate that new employees familiarize themselves with our mandatory guidelines and policies, including Occupational Safety and Working Environment Guidelines, Health and Safety Policy, and Conflict of Interest Policy via our internal document management system. After doing so, an employee needs to confirm that they have reviewed the document.

LHV ensures protection against discrimination or unfair treatment for individuals reporting in good faith. Investigations are conducted thoroughly and confidentially, with information disclosed only when legally required. Currently, LHV does not have a dedicated process for providing or contributing to remedies in cases where it may have caused or contributed to a material negative impact. Each case is handled delicately and individually through a thorough investigation. As no cases requiring remedies have occurred, there has been no need to establish an internal regulation for this purpose. However, LHV does not rule out the possibility of providing remedies when deemed reasonable.

Knowingly submitting a false report is considered a serious breach and may result in disciplinary action.

8.3.1.5.2 Recognition and Employer Awards

While securing employer awards has never been LHV's primary goal, such recognition serves as a valuable acknowledgment of our efforts to create a supportive and engaging workplace. In recent years, LHV has established a strong reputation as a desirable employer by providing employees with opportunities for professional growth and fostering an inspiring company culture.

Throughout the year, LHV has actively shared its experiences and leadership culture through various podcasts, conferences, schools, and universities. These initiatives have garnered significant recognition, including being named the 1st choice in the financial sector and the 2nd as the Top-of-Mind employer in Estonia by CV-Online's 2024/2025 TOP Employer Survey. In 2025, CV Keskus ranked LHV as the most desirable employer, and in Instar's survey, LHV was recognized as the most attractive employer by experienced professionals. Most recently, LHV Bank achieved a listing in the Times Best Places to Work 2025, further highlighting our commitment to employee satisfaction and workplace excellence.

In addition to our competitive job offerings, LHV has sustained its internship program, actively promoted job-shadowing, and facilitated rotation opportunities. In 2025, we welcomed 50 interns to contribute to our workplace, providing them with valuable hands-on experience and fostering the next generation of talent within our organization.

These accolades and initiatives reflect LHV's dedication to maintaining a positive and growth-oriented environment, making us a top choice for current and prospective employees in the competitive labour market.

8.3.1.6 Employee health and safe working environment

To prioritize the health of our employees, LHV provides a value package, which contains sport and health benefits to maintain physical and mental well-being. We understand the importance of maintaining a healthy balance between work and private life, as well as fostering a supportive mental and physical working environment. Supporting mental health, health audits, supporting sports activities, offering joint training sessions within the company, and summer hiking projects are integral to promoting the overall health of LHV employees.

In 2025, we expanded our health offering by introducing employer-funded health insurance for our employees in Estonia. The insurance, provided in cooperation with Confido, gives access to specialist medical consultations, diagnostics and preventive care, supporting employees in addressing health concerns early and maintaining long-term well-being. This addition strengthens both the physical and mental health support already available at LHV and reflects our commitment to creating a work environment where people are able to stay healthy, receive timely care and feel supported.

At LHV, we recruit and retain qualified employees through a rigorous selection process and continuous development programs in 2025, including our Learnster platform. We

manage workforce-related impacts, risks, and opportunities for example employee turnover and mental or physical health concerns by fostering engagement, measuring mental health indicators, providing multiple feedback channels, and promoting an inclusive culture. Our dedicated HR team and training resources ensure a high-performance workforce that aligns with our strategic objectives.

Coverage with health and safety management system

	Total	Share (%)
Coverage with health and safety management system	1,253	100%
Work-related injuries	0	0%
Work-related fatalities	0	0%
Incidents of discrimination	0	0%
Number of complaints from own workforce	0	0%

*No incidents or complaints have occurred; therefore, no fines, penalties, or compensation have been paid.

*No severe human rights incidents connected to the undertaking workforce have occurred: therefore, no fines, penalties, or compensations have been paid.

8.3.2 Consumers and end-users

LHV has an impact on its customers through financial products and services we offer, keeping this our strategic priority. In line with our ESG policy, we ensure equitable access to resources and enhance economic well-being by improving financial literacy. Our commitment is further demonstrated through our sponsorship programs, which are designed to create a positive and lasting social impact. This includes protection of personal data and fight against fraud. The positive impacts extend to all, retail and corporate customers. These activities present are key to enhance customer relationships, boost satisfaction, and expand market presence. By leveraging digital solutions, easy access and equal opportunities, LHV fosters sustainable consumption and investment behaviours, reinforcing its role as a customer-focused and forward-thinking financial services provider.

LHV has a long-term objective of being the best financial services provider when it comes to customer service. All our customers are equally important to us. We take pride in having one of the highest customer satisfaction in the Estonian banking sector.

At LHV, we ensure that all consumers and end-users are treated equally, while providing tailored support to those who may require additional assistance.

Our statements under general disclosure consider the potential significant impacts of our operations, products, and services on our direct customers and end-users. These impacts are assessed based on the relationships we maintain with our customers and end-users, without extending to the clients or customers of our partners. This includes impacts arising directly from our products and services, as well as our direct business relationships.

We have a positive impact on society through the possibility to enhance financial literacy. For specific consumer groups, such as young people or those with lower financial literacy, we actively strive to create a positive impact and improve their experience. Our initiatives include offering tailored financial literacy programs, providing accessible digital solutions, and ensuring personalized support through our customer service channels. The entirety of our consumer and end-user base is comprised of our retail and corporate customers.

8.3.2.1 Customer experience

We are always guided by the best interests of our customers and do our utmost to provide the best service possible. In our professional performance, problem solving, new service development and activity planning, according to our Customer Service guidelines we always consider the best possible solution for the customer and weigh which services would be the most suitable, considering the customer's needs. We understand our customers to provide them with the most suitable services. LHV monitors the customer's activities to prevent misuse of the financial system for criminal purposes (more can be read under section 7.8 Financial Crime Risk chapter under risk management). LHV's objective is to keep its promises to the customers and to remain honest and open in customer communication.

Our engagement policies emphasize ongoing dialogue with consumers to better understand their needs and concerns, ensuring that our products and services remain inclusive, transparent, and beneficial.

Excellent customer experience is critical to the sustainable growth of any business. For that we engage directly and indirectly with consumers and end-users through regular surveys, client meetings, and feedback process. Keeping the high level of customer experience promotes loyalty, helps us retain customers, and encourages brand advocacy. Our high net promoter score proves best service standard. In the latest

(2024) Kantar Emor's survey, LHV's service recommendation index was 74. A new survey will be carried out in 2026.

Customer feedback is gathered through an automated survey system triggered after interactions via email, phone, chat or in-person meetings. Within 24 hours of the engagement, customers receive a feedback request allowing them to rate their experience and provide open-ended comments. This process applies equally to both private and business clients. In addition to automated surveys, we encourage ongoing feedback through dedicated email addresses, customer support lines, and direct conversations at client meetings.

At LHV, the handling of client complaints is governed by the Handling of Client Complaints guideline. Clients have the right to submit complaints in their preferred format and through their chosen communication channel, including direct communication (via phone, client meetings, chat platforms, etc); written submissions through postal mail, email, or via the LHV website, and indirect channels such as through regulatory bodies like the Financial Supervisory Authority or the Consumer Protection and Technical Regulatory Authority, as well as third-party forums or social media platforms.

Our website provides detailed instructions for clients on how to submit complaints or suggestions, including information on appeal options against LHV decisions.

For complaints received in writing, an acknowledgment is provided within 1 business day of receipt. Complaint resolution timelines are 15 days for private individuals and payment transactions and 30 days for legal entities.

At LHV, client complaints are handled through a structured process to ensure effective resolution and continuous improvement. The Non-Financial Risk Department identifies complaints requiring further analysis and coordinates with relevant business units or product managers. The Compliance Department conducts monthly analyses of complaints against LHV Bank, focusing on compliance risks, root causes, and the resolution process.

Justified complaints in all areas and their analyses are regularly reported to product and service managers to improve offerings, assess risks, and ensure regulatory compliance. Complaint statistics are included in risk reports presented to the Asset-Liability Management Committee (ALCO). As of the end of 2025 LHV has had no identified sustainability complaints.

The responsibility for ensuring effective consumer engagement lies with the Customer Service Department and its head, supported by other teams, such as Compliance and Non-Financial Risk Department. This team ensures that consumer feedback is systematically incorporated into operational strategies and product improvements, and so are complaints effectively resolved while providing insights to improve internal processes, reduce recurring issues, and enhance client satisfaction.

8.3.2.1.1 Principles and policies

Our activities include comprehensive measures for identifying, assessing, managing, and remediating impacts that may arise from our actions, as well as leveraging opportunities to enhance positive outcomes for all our consumers.

In our business conduct regarding the customer experience, we are mainly guided by our Code of Ethics, Customers Complaints Handling guideline, Procedure for external communication, Personal Data Protection Guideline and other relevant internal regulations.

According to our guiding principles, LHV is committed to respecting the human rights of all consumers, ensuring our activities comply with applicable laws and regulations, as well as our internal policies. While we draw on to widely recognized frameworks, our focus remains on adhering to legal requirements, engaging meaningfully with consumers, and addressing any adverse human rights impacts in line with regulatory standards. We also take every customer feedback

seriously and tackle it with care. LHV prioritizes the protection of personal data through stringent compliance with data security and privacy regulations. By ensuring transparency in data processing and implementing robust security measures, we safeguard client and employee information against unauthorized access or misuse.

8.3.2.2 Social impact through e-channels

LHV's services are accessible to everyone through digital channels, thereby fostering inclusivity and convenience in managing personal finances. By promoting equal access to financial services, LHV contributes to a cohesive economy where individuals, regardless of age or gender, can thrive and achieve financial empowerment.

We use our e-channels to promote financial literacy and help make smarter financial everyday decisions.

LHV acts responsibly when planning external communication and marketing messages, both online and offline. We are improving on solutions to ensure that our marketing activities are based on customer segments and the unique needs of those segments. Our goal is to offer most of our products and services online and plan our sales activities increasingly by segments and customer lifecycle.

Ongoingly high phishing attempts and financial crime rates have forced us to proactively warn and educate our customers about possible threats online and take proactive measures to detect unusual usage patterns. We also co-operate with other members of the Banking sector to implement an annual market wide prevention campaign to promote secure use of financial services.

Customer satisfaction and high quality of e-channels has always been a top priority for us. While for the past few years, we have been more focusing on making banking services available online, especially to private customers and simple business structures, we are now working on wider segments

and product portfolio, but also more effective communication and customer service tools online. For LHV, it is continually essential to develop our internet bank and mobile app in a way, that will support the growing product offering and cross-sell targets, high customer activity, and make our e-channels available for wider audience including insurance customers, pension funds and consumer credit product users. Furthermore, when redesigning and improving our electronic channels, we also consider the needs of visually impaired people and have been working on testing and implementing visual and navigational changes.

To ensure our digital platforms are truly inclusive and to better understand their adoption across different demographics, we monitor specific Key Performance Indicators (KPIs- see at the end of this chapter). These include the 'Use of digital channels among private customers with a native language other than Estonian' and the 'Use of digital channels among private customers older than 65'. While formal targets for these KPIs have not been established at this stage, tracking these metrics provides us with crucial insights to guide the ongoing development of our services and ensure we are effectively serving a diverse society.

8.3.2.3 Financial literacy and economic sense of security

For enhancing financial literacy, we actively educate our clients regarding investing through organizing free seminars as part of our Investment School. We supported the Investor Toomas conference organised by Äripäev and the Investment Festival carried out by the Investment Club. In collaboration with Äripäeva Kirjastus, we have supported the availability of investment-related books in Estonian. On yearly bases, LHV measures the share of our clients covered with an investment services contract, which in 2025 was 41.7% (2024 41.6%). In addition, we look at the coverage rate of investment services contracts among young (up to 26 years old) clients, which in 2025 was 47.2% (2024 47.7%). We have set a target to increase the coverage rate of investment services contracts among young clients to reach 60% by 2030.

LHV is actively committed in diverse ways to advancing education in Estonia. We support education workers and offer them a comprehensive package of banking services. And for students we offer a student loan to cover study-related expenses, from living costs to tuition fees, both in Estonia and abroad.

Through our pension fund services, we contribute to our clients' economic sense of security by facilitating access to professionally managed investment solutions. By focusing on sustainable and long-term returns, LHV helps individuals prepare for a financially stable future, empowering them to achieve their retirement goals while maintaining financial independence.

8.3.2.4 Sponsorships

As part of our commitment to fostering strong relationships with our clients and customers, we actively engage in sponsorship activities that resonate with their interests and values. In the case of our sponsorship projects, we prefer long-term and substantial cooperation. We are willing to contribute to the realisation of innovative ideas helping to make life in Estonia better and promote Estonia on the international stage. Our sponsorship contributions are described below. Although we believe that our efforts contribute a positive effect, we are currently unable to measure this with a dedicated KPI, for that reason we have not set any targets or currently plan to do so.

Estonian culture and society

- Estonian Music Days – we support the Au-tasu prize for new Estonian music, which was awarded to Rasmus Puur in 2025.
- #TRESKIFEST music festival; – we continued supporting the Estonian music scene.
- Through the charity function for LHV Pank ('Micro donation') we facilitated donations to several charity organisations.
- 'Charge yourself' programme – we are one of the initiators of the programme giving priority to teaching physics.
- Rakett69 – support to the TV show that popularises science among pupils. In 2025 we also recognised the teacher of the student who won the show.
- Haridustreff – Estonia's largest annual education event, bringing together hundreds of educators to exchange ideas, participate in workshops, and recognize innovation in the field.
- kood / Jõhvi > innovative and international programming school for adults located in Jõhvi, Estonia.

Sport & healthy lifestyle

- Estonian Football Association – LHV Pank has been the main sponsor of the Estonian Football Association and the Estonian national team since 2010. In addition, we supported football clubs through the LHV football card support system.
- Estonian Biathlon Federation – we are the main sponsor of Estonian biathletes
- Majjooks 2025 – LHV continued to be the name sponsor of the biggest women's health sports event in Estonia.
- Estonian Optimist Class Union – we support the development of Estonian sailing.
- Simple Session – we were one of the main sponsors of the top extreme sports event for the fourth year.

Estonian economy and business

- EY Estonian Entrepreneur of the Year competition – we have been one of the main sponsors since 2012.
- Young Entrepreneur Award – in cooperation with the Estonian Chamber of Commerce and Industry, we awarded the prize to Rait Rebane.
- Conferences Business Plan, Investment Festival, Investor Toomas – in cooperation with Äripäev, we supported Estonia's leading business and investment conferences.
- TalTech Business Forum – we supported a two-day business festival organised for students.
- Youth Investment Camp – we supported a four-day investment camp organised for students.
- Conference of the Estonian Association of Real Estate Companies – an annual real estate conference in Estonia that brings together industry professionals, including developers, brokers, and investors.

At LHV, we recognize the impact we have on our customers and end-users and are committed to supporting and assisting them in meaningful ways. We actively contribute to local initiatives by sharing knowledge, providing advice, and engaging directly through the efforts of our people. As a member of the Estonian Information Technology and Telecommunications Association, the Estonian Chamber of Commerce and Industry, and the Estonian Employers' Confederation, we collaborate to drive progress and innovation.

LHV is disclosing the following KPIs as part of its sustainability statement, as those reflect important LHV specific considerations which are deemed relevant by us. By including these KPIs, we aim to provide a comprehensive understanding of our impacts, and opportunities, consistent with the qualitative characteristics of information, ensuring relevance, reliability, and comparability over time. This decision supports our commitment to transparent reporting and our focus on driving sustainable practices in alignment with broader ESG goals.

KPIs related to inclusive, cohesive economy and financial literacy

	2025	2024
Use of digital channels among private customers with native language other than Estonian*	63.2%	64.5%
Use of digital channels among private customers older than 65*	46.1%	46.1%
Share of young people (up to 26 years old) with an investment services contract	47.2%	47.7%

*logging in at least once a month

8.4 Governance information

LHV's governance practices build trust and credibility with stakeholders, including shareholders and regulators. The identification and assessment of material business conduct-related risks are part of LHV's structured risk management framework. This process considers factors such as the geographic context of operations, the nature of financial services, regulatory and ethical requirements within the financial sector, and the structure of financial transactions. By ensuring alignment with ethical standards and societal expectations, LHV promotes transparency and reliable engagement. Key risks include reputational damage, regulatory penalties, non-compliance with anti-corruption laws, and conflicts of interest. In contrast, key opportunities arise from maintaining a strong ethical reputation, fostering stakeholder trust, enhancing LHV's position as a responsible financial institution, supporting sustainable long-term growth.

LHV's corporate governance framework, including its Supervisory Board and dedicated Risk and Capital Committee, oversees the management of business conduct risks. The Group's internal control mechanisms, such as compliance, internal audit, and whistleblowing channels, support proactive risk identification and mitigation.

Ethical leadership and governance practices are integral to LHV's operations. Business conduct policies and a culture of integrity and transparency guide the management of conflicts of interest, ensure compliance with internal and external rules, and align with the company's mission and values. Transparency and accountability reduce risks, including regulatory non-compliance and reputational harm, while supporting long-term stakeholder value.

For detailed information on LHV's corporate governance practices, including the roles and expertise of administrative, management and supervisory bodies, our corporate culture, Code of conduct, whistleblowing practises and the prevention and detection of corruption and bribery, please refer to the

section Corporate governance report which is tagged with relevant footnotes and is integral part of the Consolidated Sustainability Statement. Also, details on the experience and expertise of our administrative, management and supervisory bodies can be found under the section Governance of the group above, tagged with relevant footnotes and forming an integral part of the Consolidated Sustainability Statement.

8.4.1 Value chain management

LHV highly values its relationships with suppliers and strives to foster fairness, responsibility, and strong partnerships. While this area may not have been identified as material in terms of our impacts and risks, we recognize the opportunity to positively contribute as a large cooperative partner. Through our practices, we aim to strengthen supplier relationships and remain a reliable and trusted partner, ensuring mutual respect and collaboration.

Our supplier evaluation process considers not only conventional criteria like cost and quality but also ESG aspects. These assessments are guided by our Rules for conclusion and management of service contracts that ensures that sustainability is integrated in the procurement process.

Our Green Office Principles guide our approach to minimize environmental impacts throughout the lifecycle of purchased goods and services, including their production, usage, and disposal. We prioritize locally produced goods whenever feasible to further support sustainability and local economies.

Annex 1

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Y	8.1.3 Sustainability governance
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Y	8.1.3 Sustainability governance
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Y	8.1.3.1 Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Y	8.2.2 Climate change
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		N	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Y	8.2.2.1 Climate change mitigation targets
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Y	8.2.2.2 Our climate impact

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Y	8.2.2.2 Our climate impact
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				N	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Y	8.2.2.2 Our climate impact
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Y	8.2.2.2 Our climate impact
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	N	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			N	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			N	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				N	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				N	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				N	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				N	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				N	
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				N	
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				N	
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				N	
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				N	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				N	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				N	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				N	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				N	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				N	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				N	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Y	8.3 Social information
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				N	
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Y	8.3.1 Own workforce
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Y	8.3.1 Own workforce
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				N	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Y	8.3.1.3 Remuneration and equal pay
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Y	8.3.1.3 Remuneration and equal pay
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Y	8.3.1.5.1 Employee Engagement Surveys and Feedback Channels
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		N	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				N	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				N	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				N	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				N	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				N	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		N	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				N	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Y	8.3.2.1 Customer experience
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Y	8.3 Social Information
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Y	8.3.2.1 Customer experience
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Y	5. Corporate governance report
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Y	5. Corporate governance report
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		N	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				N	

Annex 2

1. Templates for the KPIs of credit institutions

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Disclosure reference date/ period t		31.12.2025 / 01.01.2025-31.12.2025						
		Total exposure to Taxonomy-aligned activities (currency)		KPI (%)		% coverage (over total assets) (%)	not assessed exposures (% of covered assets)	not assessed exposures (% of covered assets) (%)
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
Main KPI	Green asset ratio (GAR) stock	96.81	96.81	4.86%	4.86%	19.55%	0.00%	0.00%
		Total exposure to Taxonomy-aligned activities (currency)		KPI (%)		% coverage (over total assets) (%)	not assessed exposures (% of covered assets)	not assessed exposures (% of covered assets) (%)
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		(%)	CapEx-based
Additional KPIs	<i>GAR (flow)</i>	39.64	39.64	5.76%	5.76%	0.03%	0.00%	0.00%
	<i>Trading book</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<i>Financial guarantees</i>	0.00	0.00	0.39%	0.81%	0.11%	0.00%	0.00%
	<i>Assets under management</i>	13.34	23.19	9.91%	17.23%	36.48%	0.00%	0.00%
	<i>Fees and commissions income</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1. Assets for the calculation of GAR

Disclosure reference date/period t		31.12.2025															
Stock (Turnover based) Million EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures	Of which financing non-material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR - Covered assets in both numerator and denominator	1,993.97	1,792.11	96.81	96.81	0.00	0.00	0.00	0.00	0.00	96.81	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,993.97	1,792.11	96.81	96.81	0.00	0.00	0.00	0.00	0.00	96.81	0.00	0.00	0.00	0.00	0.00	0.00
3	Financial undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
7	Non-financial undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
8	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
10	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
11	Households	1,956.53	1,791.51	96.81	96.81	0.00		0.00			96.81	0.00	0.00	0.00	0.00		0.00
12	of which loans collateralised by residential immovable property	1,804.91	1,756.08	96.81	96.81	0.00		0.00			96.81	0.00	0.00	0.00	0.00		0.00
13	of which building renovation loans	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
14	of which motor vehicle loans	35.79	35.21	0.00	0.00						0.00	0.00	0.00	0.00	0.00		0.00
15	Local governments financing	37.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
16	Housing financing	0.00	0.00	0.00	0.00	0.00					0.00	0.00	0.00	0.00	0.00		0.00
17	Other local government financing	37.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
19	Exposures included on a voluntary basis	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
20	Total GAR assets	1,993.97												0.00	0.00	0.00	0.00
21	Assets not covered for GAR calculation	8,203.61															
22	Central governments and Supranational issuers	378.06															
23	Central banks exposure	4,270.59															

24	Trading book	0.82															
25	Undertakings and entities not subject to CSRD	3,489.95															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	2,705.16															
27	Loans and advances	2,704.66															
28	of which loans collateralised by commercial immovable property	2,036.98															
29	of which building renovation loans	0.00															
30	Debt securities	0.00															
31	Equity instruments	0.50															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	784.78															
33	Loans and advances	784.78															
34	Debt securities	0.00															
35	Equity instruments	0.00															
36	Derivatives	0.00															
37	On demand interbank loans	28.70															
38	Cash and cash-related assets	2.54															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	32.95															
40	Total assets	10,197.59															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	0.32	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Assets under management	134.61	34.12	13.34	11.96	0.00	0.00	0.30	0.59	0.00	4.50	2.81	0.63	0.00	0.00	0.00	0.00
43	Of which debt securities	12.41	6.48	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.01	0.00	0.00	0.00	0.00
44	Of which equity instruments	122.20	27.64	12.84	11.96	0.00	0.00	0.30	0.59	0.00	4.48	2.81	0.62	0.00	0.00	0.00	0.00

Disclosure reference date/period t		31.12.2025															
Stock (Capex based) Million EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures	Of which financing non-material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR - Covered assets in both numerator and denominator	1,993.97	1,792.11	96.81	96.81	0.00	0.00	0.00	0.00	0.00	96.81	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,993.97	1,792.11	96.81	96.81	0.00	0.00	0.00	0.00	0.00	96.81	0.00	0.00	0.00	0.00	0.00	0.00
3	Financial undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
7	Non-financial undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
8	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
10	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
11	Households	1,956.53	1,791.51	96.81	96.81	0.00		0.00			96.81	0.00	0.00	0.00	0.00		0.00
12	of which loans collateralised by residential immovable property	1,804.91	1,756.08	96.81	96.81	0.00		0.00			96.81	0.00	0.00	0.00	0.00		0.00
13	of which building renovation loans	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
14	of which motor vehicle loans	35.79	35.21	0.00	0.00						0.00	0.00	0.00	0.00	0.00		0.00
15	Local governments financing	37.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
16	Housing financing	0.00	0.00	0.00	0.00	0.00					0.00	0.00	0.00	0.00	0.00		0.00
17	Other local government financing	37.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
19	Exposures included on a voluntary basis	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		
20	Total GAR assets	1,993.97												0.00	0.00	0.00	0.00
21	Assets not covered for GAR calculation	8,203.61															
22	Central governments and Supranational issuers	378.06															
23	Central banks exposure	4,270.59															

24	Trading book	0.82															
25	Undertakings and entities not subject to CSRD	3,489.95															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	2,705.16															
27	Loans and advances	2,704.66															
28	of which loans collateralised by commercial immovable property	2,036.98															
29	of which building renovation loans	0.00															
30	Debt securities	0.00															
31	Equity instruments	0.50															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	784.78															
33	Loans and advances	784.78															
34	Debt securities	0.00															
35	Equity instruments	0.00															
36	Derivatives	0.00															
37	On demand interbank loans	28.70															
38	Cash and cash-related assets	2.54															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	32.95															
40	Total assets	10,197.59															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	0.32	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Assets under management	134.61	50.37	23.19	21.75	0.00	0.00	0.30	1.04	0.00	15.07	1.54	3.89	0.00	0.00	0.00	0.00
43	Of which debt securities	12.41	6.91	0.57	0.45	0.00	0.00	0.00	0.00	0.00	0.21	0.06	0.26	0.00	0.00	0.00	0.00
44	Of which equity instruments	122.20	43.46	22.62	21.29	0.00	0.00	0.30	1.04	0.00	14.87	1.48	3.63	0.00	0.00	0.00	0.00

Disclosure reference date/period t		01.01.2025-31.12.2025															
Flow (turnover based) Million EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures	Of which financing non-material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR - Covered assets in both numerator and denominator	688.32	500.04	39.64	39.64	0.00	0.00	0.00	0.00	0.00	39.64	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	688.32	500.04	39.64	39.64	0.00	0.00	0.00	0.00	0.00	39.64	0.00	0.00	0.00	0.00	0.00	0.00
3	Financial undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
7	Non-financial undertakings	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
8	Loans and advances	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
10	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
11	Households	688.24	487.50	39.64	39.64	0.00		0.00			39.64	0.00	0.00	0.00	0.00		0.00
12	of which loans collateralised by residential immovable property	505.31	487.50	39.64	39.64	0.00		0.00			39.64	0.00	0.00	0.00	0.00		0.00
13	of which building renovation loans	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
14	of which motor vehicle loans	12.54	12.54	0.00	0.00						0.00	0.00	0.00	0.00	0.00		0.00
15	Local governments financing	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
16	Housing financing	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
17	Other local government financing	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
19	Exposures included on a voluntary basis	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
20	Total GAR assets	688.32												0.00	0.00	0.00	0.00
21	Assets not covered for GAR calculation	2,263,917.63															
22	Central governments and Supranational issuers	2,294.47															
23	Central banks exposure	2,240,505.40															

24	Trading book	341.81															
25	Undertakings and entities not subject to CSRD	3,904.95															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	3,375.72															
27	Loans and advances	2,494.58															
28	of which loans collateralised by commercial immovable property	1,418.38															
29	of which building renovation loans	0.00															
30	Debt securities	880.13															
31	Equity instruments	1.00															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	529.23															
33	Loans and advances	529.23															
34	Debt securities	0.00															
35	Equity instruments	0.00															
36	Derivatives	0.00															
37	On demand interbank loans	14,289.88															
38	Cash and cash-related assets	142.91															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	2,438.20															
40	Total assets	2,264,605.95															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Assets under management	85.80	30.49	11.81	10.67	0.00	0.00	0.25	0.49	0.00	3.71	2.34	0.35	0.00	0.00	0.00	0.00
43	Of which debt securities	9.43	5.77	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00
44	Of which equity instruments	76.37	24.72	11.41	10.67	0.00	0.00	0.25	0.49	0.00	3.71	2.34	0.35	0.00	0.00	0.00	0.00

Disclosure reference date/period t		01.01.2025-31.12.2025															
Flow (Capex based) Million EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures	Of which financing non-material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed non-material by the credit institution (5)
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR - Covered assets in both numerator and denominator	688.32	500.04	39.64	39.64	0.00	0.00	0.00	0.00	0.00	39.64	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	688.32	500.04	39.64	39.64	0.00	0.00	0.00	0.00	0.00	39.64	0.00	0.00	0.00	0.00	0.00	0.00
3	Financial undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
7	Non-financial undertakings	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
8	Loans and advances	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
10	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
11	Households	688.24	487.50	39.64	39.64	0.00		0.00			39.64	0.00	0.00	0.00	0.00		0.00
12	of which loans collateralised by residential immovable property	505.31	487.50	39.64	39.64	0.00		0.00			39.64	0.00	0.00	0.00	0.00		0.00
13	of which building renovation loans	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
14	of which motor vehicle loans	12.54	12.54	0.00	0.00						0.00	0.00	0.00	0.00	0.00		0.00
15	Local governments financing	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
16	Housing financing	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
17	Other local government financing	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
19	Exposures included on a voluntary basis	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
20	Total GAR assets	688.32												0.00	0.00	0.00	0.00
21	Assets not covered for GAR calculation	2,263,917.63															
22	Central governments and Supranational issuers	2,294.47															
23	Central banks exposure	2,240,505.40															

24	Trading book	341.81															
25	Undertakings and entities not subject to CSRD	3,904.95															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	3,375.72															
27	Loans and advances	2,494.58															
28	of which loans collateralised by commercial immovable property	1,418.38															
29	of which building renovation loans	0.00															
30	Debt securities	880.13															
31	Equity instruments	1.00															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	529.23															
33	Loans and advances	529.23															
34	Debt securities	0.00															
35	Equity instruments	0.00															
36	Derivatives	0.00															
37	On demand interbank loans	14,289.88															
38	Cash and cash-related assets	142.91															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	2,438.20															
40	Total assets	2,264,605.95															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Assets under management	85.80	38.38	17.82	16.66	0.00	0.00	0.25	0.86	0.00	12.63	1.29	3.90	0.00	0.00	0.00	0.00
43	Of which debt securities	9.43	6.17	0.47	0.43	0.00	0.00	0.00	0.00	0.00	0.18	0.06	0.24	0.00	0.00	0.00	0.00
44	Of which equity instruments	76.37	32.21	17.34	16.23	0.00	0.00	0.25	0.86	0.00	12.45	1.23	3.66	0.00	0.00	0.00	0.00

3. GAR KPI stock

Disclosure reference date/period t		31.12.2025													
% (compared to corresponding total covered assets in the denominator) Turnover based		a	b	c	d	e	f	g	h	i	j	k	l	m	
		Taxonomy-eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Not-assessed exposures	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	GAR - Covered assets in both numerator and denominator	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%
3	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Households	91.57%	4.95%	4.95%	0.00%		0.00%			4.95%	0.00%	0.00%	5.40%	0.00%	
12	of which loans collateralised by residential immovable property	97.29%	5.36%	5.36%	0.00%		0.00%			5.36%	0.00%	0.00%	5.51%	0.00%	
13	of which building renovation loans	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
14	of which motor vehicle loans	98,39%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	
15	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
17	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
19	Exposures included on a voluntary basis	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%		
20	Total GAR assets	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%	

Disclosure reference date/period t		31.12.2025													
% (compared to corresponding total covered assets in the denominator) Capex based		a	b	c	d	e	f	g	h	i	j	k	l	m	
		Taxonomy-eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Not-assessed exposures (3)	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	GAR - Covered assets in both numerator and denominator	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%
3	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Households	91.57%	4.95%	4.95%	0.00%		0.00%			4.95%	0.00%	0.00%	5.40%	0.00%	
12	of which loans collateralised by residential immovable property	97.29%	5.36%	5.36%	0.00%		0.00%			5.36%	0.00%	0.00%	5.51%	0.00%	
13	of which building renovation loans	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
14	of which motor vehicle loans	98.39%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	
15	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
17	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
19	Exposures included on a voluntary basis	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%		
20	Total GAR assets	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%	

4. GAR KPI flow

Disclosure reference date/period t		01.01.2025-31.12.2025												
		a	b	c	d	e	f	g	h	i	j	k	l	m
% (compared to corresponding total covered assets in the denominator) Turnover based		Taxonomy-eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Not-assessed exposures (3)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1	GAR - Covered assets in both numerator and denominator	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%
3	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
7	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
11	Households	70.83%	5.76%	5.76%	0.00%		0.00%			5.76%	0.00%	0.00%	8.13%	0.00%
12	of which loans collateralised by residential immovable property	96.48%	7.84%	7.84%	0.00%		0.00%			7.84%	0.00%	0.00%	8.13%	0.00%
13	of which building renovation loans	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
14	of which motor vehicle loans	100.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%
15	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
17	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
19	Exposures included on a voluntary basis	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	
20	Total GAR assets	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%

Disclosure reference date/period t		01.01.2025-31.12.2025													
% (compared to corresponding total covered assets in the denominator) Capex based		a	b	c	d	e	f	g	h	i	j	k	l	m	
		Taxonomy-eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Not-assessed exposures (3)	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	GAR - Covered assets in both numerator and denominator	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%
3	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Households	70.83%	5.76%	5.76%	0.00%		0.00%			5.76%	0.00%	0.00%	8.13%	0.00%	
12	of which loans collateralised by residential immovable property	96.48%	7.84%	7.84%	0.00%		0.00%			7.84%	0.00%	0.00%	8.13%	0.00%	
13	of which building renovation loans	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
14	of which motor vehicle loans	100.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	
15	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
17	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
19	Exposures included on a voluntary basis	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%		
20	Total GAR assets	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%

5. KPI off-balance sheet exposures

Disclosure reference date/period t		31.12.2025											
		a	b	c	d	e	f	g	h	i	j	k	l
% (compared to corresponding total covered assets in the denominator) Stock - turnover based		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures (4)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	21.86%	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	25.35%	9.91%	8.88%	0.00%	0.00%	0.22%	0.44%	0.00%	3.34%	2.09%	0.47%	0.00%

Disclosure reference date/period t		31.12.2025											
		a	b	c	d	e	f	g	h	i	j	k	l
% (compared to corresponding total covered assets in the denominator) Stock - Capex based		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures (4)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	22.18%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	37.42%	17.23%	16.15%	0.00%	0.00%	0.22%	0.77%	0.00%	11.20%	1.15%	2.89%	0.00%

Disclosure reference date/period t		01.01.2025-31.12.2025											
		a	b	c	d	e	f	g	h	i	j	k	l
% (compared to corresponding total off-balance sheet assets) Flow - turnover based		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures (4)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	35.54%	13.77%	12.44%	0.00%	0.00%	0.29%	0.57%	0.00%	4.33%	2.73%	0.41%	0.00%

Disclosure reference date/period t		01.01.2025-31.12.2025											
		a	b	c	d	e	f	g	h	i	j	k	l
% (compared to corresponding total off-balance sheet assets) Flow - Capex based		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures (4)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	44.73%	20.76%	19.42%	0.00%	0.00%	0.29%	1.00%	0.00%	14.72%	1.50%	4.54%	0.00%

Template 2: Template for the KPIs of asset managers

Standard template for the disclosure required under Article 8 of Regulation (EU) 2020/852 (asset managers)

Exposures		%	Million EUR
1	Total AUM	100%	1,526.8
2	Assets covered by the KPI	10.2%	156.0
	% of covered assets	% Turnover based	% CapEx based
3	Taxonomy eligible	33.6%	41.7%
4	Nuclear activities	4.2%	2.2%
5	Fossil gas activities	0%	0%
6	Taxonomy aligned	13.8%	24.0%
7	Undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	13.8%	24.0%
8	of which Non-financial undertakings	13.8%	24.0%
9	of which Financial undertakings	0%	0%
10	Other covered counterparties and real estate assets	0%	0%
11	Exposures included on a voluntary basis (3)	0%	0%
12	Transitional activities	4.2%	2.3%
13	Enabling activities	2.8%	2.4%
14	Nuclear activities	4.2%	2.2%
15	Fossil gas activities	0.0%	0.0%
	Taxonomy aligned per objective	% Turnover based	% CapEx based
16	Climate Change Mitigation (CCM)	12.3%	21.9%
17	Climate Change Adaptation (CCA)	0.0%	0.0%
18	Water and marine resources (WTR)	0.0%	0.0%
19	Circular economy (CE)	0.6%	0.5%
20	Pollution (PPC)	0.9%	1.5%
21	Biodiversity and Ecosystems (BIO)	0.0%	0.0%
22	Non-assessed exposures		
23	Exposures financing non-assessed non-material activities of counterparties	0%	0%
24	Non-assessed exposures considered non-material by the reporting entity	0%	0%
25	Exposures to counterparties reporting in accordance with Article 7(9) of this Regulation	0%	0%
	Breakdown of covered assets	%	Million EUR
26	Undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	100%	156.0
27	of which Non-financial undertakings	96.5%	150.5
28	of which Financial undertakings	3.5%	5.5
29	Other covered counterparties and real estate assets	0%	0
30	Exposures included on a voluntary basis	0%	0

3. Templates for KPIs of insurance and reinsurance undertakings

Template: The underwriting KPI for non-life insurance and reinsurance undertakings

Economic activities: Non-life insurance and reinsurance underwriting activities	Absolute premiums, year t	Proportion of premiums, year t	Absolute premiums, year t -1	Proportion of premiums, year t-1
(1)	(2)	(3)	(4)	(5)
	Currency	%	Currency	%
Taxonomy-aligned activities	0 EUR	0%	0 EUR	0%
Nuclear activities	0 EUR	0%	0 EUR	0%
Fossil gas activities	0 EUR	0%	0 EUR	0%
Taxonomy-eligible activities	21,456,055 EUR	50%	18,956,049 EUR	50%
Nuclear activities	0 EUR	0%	0 EUR	0%
Fossil gas activities	0 EUR	0%	0 EUR	0%
Non-assessed activities considered non-material	0 EUR	0%	0 EUR	0%
Total	42,959,881 EUR	100%	38,024,813 EUR	100%

Template 2: Investment KPI

Exposures		%	Million EUR
1	Total AUM	100	17.4
2	Assets covered by the KPI	32%	5.5
	% of covered assets	% Turnover based	% CapEx based
3	Taxonomy eligible	25.6%	34.1%
4	Nuclear activities	0.0%	0.0%
5	Fossil gas activities	0.0%	0.0%
6	Taxonomy aligned	2.0%	6.6%
7	Undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	2.0%	6.6%
8	of which Non-financial undertakings	1.5%	1.6%
9	of which Financial undertakings	0.5%	5.0%
10	Other covered counterparties and real estate assets	0.0%	0.0%
11	Investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders	0.0%	0.0%
12	Exposures included on a voluntary basis	0.0%	0.0%
13	Transitional activities	0.1%	0.1%
14	Enabling activities	0.4%	0.7%
15	Nuclear activities	0.0%	0.0%
16	Fossil gas activities	0.0%	0.0%
	Taxonomy aligned per objective	% Turnover based	% CapEx based
17	Climate Change Mitigation (CCM)	0.5%	5.0%
18	Climate Change Adaptation (CCA)	0.0%	0.0%
19	Water and marine resources (WTR)	0.0%	0.0%
20	Circular economy (CE)	0.0%	0.0%
21	Pollution (PPC)	0.0%	0.0%
22	Biodiversity and Ecosystems (BIO)	0.0%	0.0%
23	Non-assessed exposures		
24	Exposures financing non-assessed non-material activities of counterparties	0%	0%
25	Exposures financing counterparties reporting in accordance with Article 7(9) to this Regulation	0%	0%
26	Non-assessed exposures considered non-material by the reporting entity	0%	0%
	Breakdown of covered assets	%	Million EUR
27	Undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	100%	5.5
28	of which Non-financial undertakings	40%	2.2
29	of which Financial undertakings	60%	3.3
30	Other covered counterparties and real estate assets	0%	0.0
31	Investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders	0%	0.0
32	Exposures included on a voluntary basis	0%	0.0

5. Template for the KPIs of mixed group

	Revenue	Proportion of total group revenue (A)	KPI turnover based (B)	KPI CapEx based (C)	KPI turnover based weighted (A*B)	KPI CapEx based weighted (A*C)
A. Financial activities	291.88	94%				
Asset management	11.74	4%	13.84%	24.03%	0.52%	0.91%
Banking activities	271.63	88%	4.86%	4.86%	4.25%	4.25%
Insurance undertakings	8.51	3%	1.99%	6.61%	0.05%	0.18%
			Turnover KPI (B)	CapEx KPI (C)	Turnover KPI weighted (A*B)	CapEx KPI weighted (A*C)
B. Non-financial activities	18.45	6%				
Total revenue of the group	310.33					
					Average KPI turnover based	Average KPI CapEx based
Average KPI of the group					3.98%	4.00%



PART III: FINANCIAL STATEMENTS AND NOTES

9 Consolidated Financial Statements

9.1 Consolidated statement of profit or loss and other comprehensive income

*Net interest income presentation has been changed, further information in Note 1.

<i>EUR thousand</i>	Note	2025	2024*
Interest income calculated using the effective interest method	6	408,010	426,977
Other similar income	6	10,968	16,554
Interest expense	6	-183,879	-170,205
Net interest income	4, 6	235,099	273,326
Fee and commission income	7	85,235	78,675
Fee and commission expense	7	-21,977	-18,373
Net fee and commission income	4, 7	63,258	60,302
Net gain/loss from financial assets measured at fair value		4,204	803
Foreign exchange gain		-455	297
Net gain/loss from financial assets		3,749	1,100
Insurance service revenue	26	41,080	34,969
Insurance service expenses	26	-36,901	-33,038
Net result from reinsurance contracts held	26	-1,725	-960
Net insurance income		2,454	971
Other income		299	2,610
Other expense		-21	-9
Net other income		278	2,601
Total operating income		304,838	338,300
Staff costs	8	-90,969	-82,315
Administrative and other operating expenses	8	-68,337	-64,605
Profit before impairment losses		145,532	191,380
Expected credit losses on financial instruments measured at amortised cost	13	-1,518	-16,256
Profit before income tax		144,014	175,124
Income tax expense	4, 5, 25	-27,009	-24,820
Net profit for the reporting period	4	117,005	150,304
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Unrealised exchange differences on translating the financial statements of foreign operations		-4,969	3,437
Total comprehensive income for the reporting period		112,036	153,741
Total comprehensive income attributable to:			
Owners of the parent		109,296	148,968
Non-controlling interests		2,740	1,336
Total comprehensive income for the reporting period		112,036	150,304
Total profit of the reporting period attributable to:			
Owners of the parent		114,265	152,405
Non-controlling interests		2,740	1,336
Net profit for the reporting period		117,005	153,741
Basic earnings per share (in euros)		0.35	0.46
Diluted earnings per share (in euros)		0.34	0.45

Pages 136 to 187 are an integral part of the consolidated financial statements

9.2 Consolidated statement of financial position

<i>EUR thousand</i>	Note	31 Dec 2025	31 Dec 2024	<i>EUR thousand</i>	Note	31 Dec 2025	31 Dec 2024
Assets				Liabilities			
Cash and balances with central bank	9	4,270,361	3,775,554	Deposits from customers	17	8,134,438	6,910,110
Due from banks and investment companies	9	41,527	41,751	Loans received and debt securities in issue	19	1,043,617	927,686
Due from credit institutions	9	515	1,000	Financial liabilities at fair value through profit or loss	10	1,275	24
Financial assets at fair value through profit or loss	10	24,927	26,272	Accounts payable and other liabilities	10	64,188	76,818
Investments in debt securities at amortised cost	11	378,064	283,533	Insurance contract liabilities	27	15,335	15,258
Loans and advances to customers	12	5,465,391	4,552,093	Reinsurance contract liabilities		0	1,499
Receivables from customers and other receivables	14	12,335	4,736	Subordinated debt	19	206,928	126,256
Insurance contract assets	27	53	89	Total liabilities	4	9,465,781	8,057,651
Reinsurance contract assets		476	2,044	Equity			
Other financial assets	15	272	281	Share capital	20	32,786	32,419
Other assets	15	6,533	6,559	Share premium	20	154,593	146,958
Strategic financial investments	10	1,000	1,000	Legal reserve	20	4,713	4,713
Property, plant and equipment	16	5,632	8,886	Other reserves	20	10,502	16,271
Right-of-use assets	16	6,172	9,320	Treasury shares	20	-7,271	0
Intangible assets	16	12,154	14,043	Retained earnings		562,576	469,727
Goodwill	5	7,550	9,150	Total equity attributable to owners of the parent		757,899	670,088
Total assets	4	10,232,962	8,736,311	Non-controlling interests	5	9,282	8,572
				Total equity		767,181	678,660
				Total liabilities and equity		10,232,962	8,736,311

Pages 136 to 187 are an integral part of the consolidated financial statements

9.3 Consolidated statement of cash flows

<i>EUR thousand</i>	Note	2025	2024*
Cash flows from operating activities			
Interest received		414,242	439,032
Interest paid		-180,577	-144,582
Fees and commissions received		84,748	78,858
Fees and commissions paid		-21,938	-18,419
Other income received/(expenses paid)		3	2,259
Staff costs paid		-83,219	-74,234
Administrative and other operating expenses paid		-56,073	-55,205
Income tax paid		-25,168	-24,432
Premiums received	27	40,388	35,255
Claims, benefits and handling costs paid, acquisition cash flows	27	-30,604	-26,277
Cash flows from operating activities before changes in operating assets and liabilities		141,802	212,255
Increases/decreases in operating assets:			
Financial assets at fair value through profit or loss		2,888	-7,017
Loans and advances to customers		-936,205	-991,830
Investments in debt securities at amortised cost		-93,510	38,355
Other assets		305	988
Due from credit institutions (deposits over 3 months)		485	850
Increases/decreases in operating liabilities:			
Demand deposits of customers		1,403,203	727,418
Term deposits of customers		-138,063	437,939
Covered bond		49,226	248,881
Debt securities		60,000	100,000
Financial liabilities held for trading at fair value through profit or loss		1,381	-1,819
Other liabilities		-17,064	-31,840
Net cash from operating activities		474,448	734,180

<i>EUR thousand</i>	Note	2025	2024*
Cash flows from investing activities			
Purchase of PPE and intangible assets	16	-2,699	-7,252
Net cash used in investing activities		-2,699	-7,252
Cash flows from financing activities			
Paid in share capital (incl. share premium)	20	8,002	4,021
Dividends paid	20	-31,207	-42,278
Acquisition of treasury shares	20	-7,271	0
Subordinated debt raised	19	130,000	20,000
Subordinated debt settled	19	-50,000	-20,000
Repayments of principal element of lease liabilities	18	-3,517	-3,395
Net cash from financing activities		46,007	-41,652
Effect of changes in foreign exchange rates on cash and cash equivalents		-23,173	14,485
Increase in cash and cash equivalents		494,583	699,761
Cash and cash equivalents at the beginning of the year	9	3,817,305	3,117,544
Cash and cash equivalents at the end of the year	9	4,311,888	3,817,305

*Cash flow presentation has been changed, further information in Note 1.

9.4 Consolidated statement of changes in equity

<i>EUR thousand</i>	Share capital	Share premium	Statutory reserve capital	Other reserves	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 Jan 2024	31,983	143,372	4,713	9,333	0	359,029	548,430	7,936	556,366
Paid in share capital	436	3,586	0	0	0	0	4,022	0	4,022
Dividends paid	0	0	0	0	0	-41,578	-41,578	-700	-42,278
Share options	0	0	0	3,501	0	3,308	6,809	0	6,809
Acquisition of treasury shares	0	0	0	0	0	0	0	0	0
Net profit for the year	0	0	0	0	0	148,968	148,968	1,336	150,304
Other comprehensive income	0	0	0	3,437	0	0	3,437	0	3,437
Total comprehensive income	0	0	0	3,437	0	148,968	152,405	1,336	153,741
Balance as at 31 Dec 2024	32,419	146,958	4,713	16,271	0	469,727	670,088	8,572	678,660
Balance as at 1 Jan 2025	32,419	146,958	4,713	16,271	0	469,727	670,088	8,572	678,660
Paid in share capital	367	7,635	0	0	0	0	8,002	0	8,002
Dividends paid	0	0	0	0	0	-29,177	-29,177	-2,030	-31,207
Share options	0	0	0	-800	0	7,761	6,961	0	6,961
Acquisition of treasury shares	0	0	0	0	-7,271	0	-7,271	0	-7,271
Net profit for the year	0	0	0	0	0	114,265	114,265	2,740	117,005
Other comprehensive income	0	0	0	-4,969	0	0	-4,969	0	-4,969
Total comprehensive income	0	0	0	-4,969	0	114,265	109,296	2,740	112,036
Balance as at 31 Dec 2025	32,786	154,593	4,713	10,502	-7,271	562,576	757,899	9,282	767,181

Additional information on equity is provided in Note 20.

9.5 Material accounting policy information

Material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented and to all the consolidated group entities unless stated otherwise.

9.5.1 Basis of preparation

The Group's consolidated financial statements for 2025 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The financial statements have been prepared under the historical cost convention. As an exception, some financial assets and liabilities, including derivatives, are stated at their fair values as described in the accounting policies below.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, and areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

The financial year started on 1 January 2025 and ended on 31 December 2025. The financial figures have been presented in thousands of euros (EUR) unless otherwise indicated. The Group is not offsetting assets and liabilities.

New currently effective requirements

The following amendments became effective for the Group from 1 January 2025:

Amendments to IAS 21 Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

This amendment had no material impact on Group's financial statements.

New requirements not yet effective

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2026, and which the Group has not early adopted.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group is currently assessing the impact of the amendments on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (effective date to be determined, not yet adopted by the EU).

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Group is currently assessing the impact of the amendments on its financial statements.

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2026, but are not expected to affect significantly the Group's consolidated financial statements:

- Annual Improvements to IFRS Accounting Standards (effective for annual periods beginning on or after 1 January 2026).
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date to be determined, not yet adopted by the EU).
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date to be determined, not yet adopted by the EU).

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective date to be determined by the IASB; not yet adopted by the EU).
- IFRS 14, Regulatory Deferral Accounts (effective date to be determined by the IASB; not yet adopted by the EU).

9.5.2 Consolidation

The consolidated financial statements for 2025 comprise the financial statements of AS LHV Group (the parent company) and its subsidiaries AS LHV Pank, AS LHV Finance (a subsidiary of AS LHV Pank), AS LHV Varahaldus, AS LHV Kindlustus, LHV Bank Ltd and AS LHV Paytech. AS LHV Group holds a 65% interest in LHV Finance through AS LHV Pank. AS LHV Group holds a 65% interest in LHV Kindlustus.

Subsidiaries are entities which are controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Acquisitions of subsidiaries and businesses are accounted for using the acquisition method (except for business combinations of entities under common control). The cost of an acquisition is measured as the acquisition-date fair value of the assets acquired, equity instruments issued, and liabilities incurred or assumed.

Transaction costs incurred on issuing equity instruments are deducted from equity; transaction costs incurred on issuing debt instruments are deducted from their carrying amounts and all other transaction costs associated with the acquisition are expensed. According to the acquisition method, the identifiable assets, liabilities, and contingent liabilities of the acquired subsidiary are recognised at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures a non-controlling interest that represents a present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction-by-transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of the net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree. Any negative amount (bargain purchase gain) is recognised in profit or loss, after management reassesses whether it has identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

The revenues and expenses of subsidiaries acquired during the financial year are consolidated in the Group's statement of profit or loss and other comprehensive income from the date of acquisition to the end of the financial year. The results of operations of subsidiaries disposed of during the financial year are consolidated in Group's statement of profit or loss and other comprehensive income from the beginning of the financial year to the date of disposal.

Consistent with the Accounting Act of the Republic of Estonia, the primary financial statements of the consolidating entity (the parent company) have to be disclosed in the notes to the consolidated financial statements. In preparing the primary financial statements of the parent, the same accounting policies have been used as in preparing the consolidated financial statements, except for investments in subsidiaries, which in the parent's separate primary financial statements (see Note 28) are accounted for at cost less any impairment losses.

9.5.3 Functional and presentation currency

The functional and presentation currency of Group entities is the euro (EUR), except for LHV Bank Ltd in the UK whose functional currency is the pound sterling (GBP).

9.5.4 Presentation of statement of financial position in order of liquidity

The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period.

	31 Dec 2025			31 Dec 2024		
	Amounts expected to be recovered or settled			Amounts expected to be recovered or settled		
	Within 12 months after reporting period	After 12 months after the reporting period	Total	Within 12 months after reporting period	After 12 months after the reporting period	Total
ASSETS						
Cash and balances with central bank	4,270,361	0	4,270,361	3,775,554	0	3,775,554
Due from banks and investment companies	41,527	0	41,527	41,751	0	41,751
Due from credit institutions	515	0	515	1,000	0	1,000
Financial assets at fair value through profit or loss	10,292	14,635	24,927	18,857	7,415	26,272
Investments in debt securities at amortised cost	181,654	196,410	378,064	163,124	120,409	283,533
Loans and advances to customers	736,612	4,728,779	5,465,391	684,139	3,867,954	4,552,093
Receivables from customers and other receivables	12,335	0	12,335	4,736	0	4,736
Insurance contract assets	53	0	53	89	0	89
Reinsurance contract assets	476	0	476	2,044	0	2,044
Other financial assets	0	272	272	0	281	281
Other assets	6,533	0	6,533	6,559	0	6,559
Financial investment	0	1,000	1,000	0	1,000	1,000
Property, plant and equipment and right-of-use assets	0	11,804	11,804	0	18,206	18,206
Intangible assets	0	12,154	12,154	0	14,043	14,043
Goodwill	0	7,550	7,550	0	9,150	9,150
LIABILITES						
Deposits from customers	8,107,437	27,001	8,134,438	6,901,852	8,258	6,910,110
Loans received and debt securities in issue	136,886	906,731	1,043,617	263,664	664,022	927,686
Financial liabilities at fair value through profit or loss	1,275	0	1,275	24	0	24
Accounts payable and other liabilities	60,806	3,382	64,188	70,330	6,488	76,818
Insurance contract liabilities	15,335	0	15,335	15,258	0	15,258
Reinsurance contract liabilities	0	0	0	1,499	0	1,499
Subordinated debt	2,473	204,455	206,928	51,256	75,000	126,256

9.5.5 Cash and cash equivalents

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

9.5.6 Financial assets

9.5.6.1 Initial recognition and derecognition

Financial assets are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument and measured at fair value on initial recognition. Transaction costs are included in the initial fair value except for financial assets at fair value through profit or loss whose transaction costs are recognised in profit or loss. Financial assets measured at fair value and financial assets measured at amortised cost are recognised in the statement of financial position on the trade date.

Financial assets are derecognised when (a) the assets are redeemed or the rights to the cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership, but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

9.5.6.2 Subsequent measurement

The Group classifies its financial assets as subsequently measured at fair value through profit or loss, fair value through other comprehensive income or amortised cost. The classification depends on whether the financial asset is a debt instrument, an equity instrument or a derivative.

9.5.6.3 Debt instruments (loans and debt securities)

The classification is based on a combination of assessing the business model for managing the financial assets and whether the contractual cash flows are solely payments of principal and interest (SPPI). The business model assessment is performed for homogenous portfolios/products identified based on how the business is managed in the Group's divisions. The assessment is based on reasonable scenarios taking into consideration how the portfolio is evaluated and reported to management; the risks affecting the performance of the portfolio and how these risks are managed; how managers are compensated; and the frequency, value and timing of sales including the reasons for the sales. In determining if the contractual cash flows are solely payments of principal and interest, principal is defined as the fair value of the debt instrument at initial recognition. The principal amount can change over the life of the instrument if there are repayments of principal or interest is capitalised. Interest cash flows are consistent with the components of a basic lending arrangement including consideration for the time value of money, credit risk, liquidity risk as well as administrative costs and a profit margin. If there are contractual terms introducing exposure to other risks or volatility, the cash flows are not considered to be solely payments of principal and interest. SPPI tests are performed as a part of new product approval tests.

Debt instruments are presented in the statement of financial position within cash and cash equivalents, due from central banks, due from credit institutions, due from investment

companies, loans and advances to customers, financial assets at fair value through profit or loss, financial assets measured at amortised cost, receivables from customers and other financial assets and they include instruments in the following measurement categories.

Fair value through profit or loss: Debt instruments are classified into this category if they do not meet the criteria for amortised cost or fair value through other comprehensive income. This is the case if the instrument is held for trading. Financial assets are held for trading if they are held for the purpose of selling in the short term and profit-taking. Debt instruments are measured at fair value through profit or loss if they are managed and measured on a fair value basis or held with the intention to sell, or if their cash flows are not solely payments of principal and interest.

Amortised cost: Debt instruments are classified into this category if both of the following criteria are met. (a) the business model objective is to hold the assets to collect contractual cash flows and (b) the contractual cash flows are solely payments of principal and interest. The gross carrying amount of these assets is measured using the effective interest method and adjusted for expected credit losses.

9.5.6.4 Equity instruments

Equity instruments are by default classified as financial assets at fair value through profit or loss. However, an irrevocable election can be made on initial recognition to classify equity instruments (not held for trading) as measured at fair value through other comprehensive income.

9.5.6.5 Derivatives

Derivatives (held for trading) are classified as measured at fair value through profit or loss.

9.5.6.6 Modification

The Group may renegotiate loans and modify contractual terms. If the new terms are substantially different from the original ones, the Group derecognises the original financial asset and recognises a new asset. The Group also assesses whether the new financial asset is credit-impaired at initial recognition. If the terms are not substantially different, resulting in less than 10% change in net present value of the loan, the modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the new cash flows using the original effective interest rate of the financial asset and recognises a modification gain or loss.

9.5.6.7 Reclassification

In rare circumstances debt instruments (financial assets) excluding those designated at fair value through profit or loss on initial recognition, can be reclassified if there has been a change in the business model for managing the affected financial assets.

9.5.6.8 Write-off

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Indications of no reasonable expectation of recovery include (i) ceasing of debt collection activities and (ii) where the Group's recovery method is foreclosing on collateral, determining that the value of the collateral is such that there is no reasonable expectation of recovery.

If it is not feasible or economically reasonable for the Group to take measures to recover a receivable, the receivable is classified into non-performing and removed from the statement of financial position. At least one of the conditions

has to be filled to classify a receivable into non-performing.

If a receivable which has been written off as uncollectable is subsequently collected, the amount received is recognised as income.

9.5.7 Expected credit loss of financial assets

The impairment requirements are based on an expected credit loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.

All financial assets measured at amortised cost and fair value through other comprehensive income, as well as lease receivables, financial guarantee contracts, contract assets and certain loan commitments are in the scope for the recognition of ECLs.

ECLs on financial assets measured at amortised cost and lease receivables are presented as allowances, i.e., as an integral part of the measurement of those assets in the statement of financial position. The allowance reduces the gross carrying amount. ECLs on loan commitments and financial guarantee contracts are presented as provisions, i.e., as liabilities, in the statement of financial position. Adjustments to the loss allowances and provisions due to changes in ECLs are recognised in profit or loss as net expected credit losses.

The detailed description of credit risk measurement, definition of default, ECL modelling and incorporation of forward-looking information into credit risk measurement are described in subsection '7.3 Credit risk' under the 'Risk and Capital Management' section.

IFRS 9 measurement category				31 Dec 2025	31 Dec 2024
EUR thousand		Asset class			
Financial assets	Amortised cost	Cash and cash equivalents, due from central banks, investment companies and credit institutions		4,312,403	3,818,305
		Loans and advances to customers	Corporate lending	3,351,378	2,752,869
	Consumer lending		109,180	100,002	
	Investment financing		10,629	9,915	
	Leasing		173,672	178,527	
	Private lending		1,820,532	1,510,780	
	Fair value through profit or loss	Debt securities		378,064	283,533
		Receivables from customers		12,335	4,736
		Other financial assets		272	281
	Financial liabilities	Amortised cost	Shares and fund units		909
Listed bonds			17,123	15,671	
Derivatives			635	3,415	
Pension fund units			6,260	6,307	
Deposits from customers			8,134,438	6,910,110	
Fair value through profit or loss		Loans received and debt securities in issue		1,043,617	927,686
		Accounts payable and other liabilities		41,566	44,674
		Subordinated debt		206,928	126,256
			Derivatives	1,275	24

9.5.8 Property, plant and equipment

Property, plant and equipment (PPE) are non-current assets used in the Group's operating activities that have a useful life of over one year. PPE is initially recognised at its cost, which consists of the purchase price (incl. customs duties and other non-refundable taxes) and any directly attributable expenditure on bringing the asset to its operating condition and location. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to operating expenses during the reporting period in which they are incurred.

PPE is carried in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis. The annual depreciation rate for computers, furniture and fixtures is 33%. Improvements of rental space are either depreciated at the rate of 20% per year or over the lease term, depending on which is shorter. Depreciation is calculated starting from the month of acquisition until the carrying amount decreases to the residual value of the asset. When the residual value is greater than the carrying amount of the asset, depreciation ceases.

The depreciation methods used, and the residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period. The Group performs an impairment test when there are circumstances which indicate impairment. Where an asset's carrying amount is greater than its estimated recoverable amount (the higher of an asset's fair value less costs of disposal and its value in use), the asset is immediately written down to its recoverable amount by recognising an impairment loss in the statement of profit or loss for the reporting period. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. The gains

and losses are included in other income and operating expenses, respectively, in the statement of profit or loss for the reporting period.

9.5.9 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. An intangible asset is initially measured at cost, comprising of its purchase price and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis, except for contracts with customers (see below). The annual amortisation rate for purchased licenses is 33%.

Sales costs related to the acquisition of new contracts with customers are capitalised. Customer contracts are amortised over their useful lives using the declining balance method.

The length of the useful life has been determined based on the historical customer attrition rate, which is 18.48% per year.

The appropriateness of amortisation rates, methods and residual values is assessed at the end of each reporting period. The Group reviews intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use.

9.5.10 Impairment of non-financial assets

Assets that have indefinite useful lives (i.e. goodwill) are not subject to amortisation. Instead, they are tested annually for impairment by comparing their carrying amounts with their recoverable amounts.

Assets with an unlimited useful life and depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In the event of such circumstances, the recoverable amount of the asset is assessed and compared with its carrying amount.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit).

Impairment losses are recognised in profit or loss.

At the end of each following reporting period, assets that have been written down are assessed to determine whether their recoverable amount has increased (except for impairment losses on goodwill that are not reversed). If the impairment test indicates that the recoverable amount of an asset or asset group (cash-generating unit) has increased above its carrying amount, the previous impairment loss is reversed up to the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Reversals of impairment losses are recognised in profit or loss as a reduction of the impairment loss.

9.5.11 Loan commitments, financial guarantees, and performance guarantees

The Group issues commitments to provide loans. These commitments are irrevocable or revocable only in response to a material adverse change. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below-market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Group cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

The Group issues financial guarantees. Financial guarantees represent irrevocable assurances to make payments if a customer fails to make payment to third parties and carry the same credit risk as loans. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the financial guarantee. At the end of each reporting period, the financial guarantees are measured at the higher of (i) the amount of the loss allowance

for the guaranteed exposure determined based on the expected credit loss model and (ii) the remaining unamortised balance of the amount at initial recognition. In addition, an ECL allowance is recognised for fees receivable that are recognised in the statement of financial position as an asset.

Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Such contracts do not transfer credit risk. Performance guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the contract. At the end of each reporting period, the performance guarantee contracts are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the contract at the end of the reporting period, discounted to present value. Where the Group has the contractual right to revert to its customer for recovering amounts paid to settle the performance guarantee contracts, such amounts will be recognised as loans and receivables upon transfer of the loss compensation to the guarantee's beneficiary.

9.5.12 Financial liabilities

The Group classifies financial liabilities as either:

- a) financial liabilities measured at fair value through profit or loss;
- b) financial liabilities measured at amortised cost; or
- c) financial guarantee contracts and loan commitments.

Derivatives are classified as financial liabilities at fair value through profit or loss. All other financial liabilities are subsequently measured at amortised cost using the effective interest method. Transaction costs are included in the calculation of the effective interest rate. The difference

between the proceeds (less transaction costs) and redemption value are recognised in profit or loss during the term of the instrument using the effective interest rate. Interest expense is reported in profit or loss within interest expense.

Deposits from customers are initially recorded on their settlement date at their fair value less transaction costs and are subsequently measured at amortised cost using the effective interest method. Accrued interest liabilities are included in the same item.

Loans received, debt securities issued, and similar subordinated debts are initially recognised at fair value less transaction costs (cash received less transaction costs). Subordinated debts are those liabilities which in the case of the liquidation of a credit institution or declaration of bankruptcy are settled after the satisfaction of the justifiable claims of other creditors. Other financial liabilities (trade payables, accrued expenses and other borrowings) are initially recognised at fair value less transaction costs and are subsequently carried at amortised cost.

Loans received (except subordinated debt) are classified under net cash generated from/used in operating activities as they are issued to support the core business of the LHV.

Financial liabilities are derecognised when they are extinguished (i.e., when the obligation specified in the contract is discharged, cancelled, or expires).

9.5.13 Share-based payments

AS LHV Group operates a share-based compensation programme, under which the company receives services from the Group's employees as consideration for the equity instruments (options) of LHV Group. The fair value of the employee services received in exchange for the grant of the options is recognised during the share-based compensation programme as the Group's staff costs and as an increase in equity (other reserves). The total amount to be expensed is

determined by the fair value at the time of issuing the options. The fair value of the options granted is determined by:

- including any market-based performance conditions (market conditions) that influence the options price (e.g., the LHV Group share price);
- excluding the impact of any service and non-market conditions (vesting conditions other than market conditions) e.g., profitability, sales growth targets and remaining an employee of the Group over a specified period).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the vesting conditions (other than market conditions). It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Starting from 2025, LHV Group repurchases its own shares from the market for the purposes of the share option programme. Previously, LHV Group issued new shares to settle exercised share options. If the repurchase of own shares is not successful to the extent required to settle the exercised options, LHV Group has the right to issue new shares.

According to the law, there are no social security charges when the options are exercised after a 3-year period.

9.5.14 Contingent liabilities

Contingent obligations (guarantees, excluding financial guarantees, and other commitments) whose realisation is less probable than non-realisation or amount cannot be estimated reliably but which may transform into liabilities in certain circumstances, are disclosed in the notes to the financial statements as contingent liabilities. Contingent liabilities may develop in a way not initially expected. Therefore, they

are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable on a portfolio basis. If it becomes probable that an outflow of future economic benefits will be required for an item or a portfolio of items previously classified as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

9.5.15 Fee and commission income and expenses

Fee and commission income comprises revenue from contracts with customers. It does not include revenue from lease contracts or financial instruments and other contractual obligations within the scope of IFRS 9 Financial Instruments.

Fees that are included in the calculation of the effective interest rate of a financial instrument measured at amortised cost, such as loan origination fees, are allocated over the expected tenor of the instrument by applying the effective interest method and presented in net interest income.

Fee and commission income is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which LHV expects to be entitled in exchange for the services.

Fee and commission income is recognised over time on a straight-line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Group's performance. Variable fees are recognised only to the extent that management determines that it is highly probable that a significant reversal will not occur.

Other fee and commission income is recognised at a point in time when the Group satisfies its performance obligation, usually upon the execution of the underlying transaction. The amount of a fee or commission received, or receivable

represents the transaction price for the services identified as distinct performance obligations.

The main types of fees are described below.

Credit card fees comprise interchange income, merchant service charges and card-related service fees earned from card issuing and acquiring activities. Fees for ongoing card services are recognised over time as the related services are provided. Transaction-based fees, including acquiring and interchange fees, are recognised at a point in time when the underlying card transaction is executed.

Settlement fees comprise fees charged for the execution and processing of payment and settlement transactions, including domestic and international transfers. Settlement fees are generally recognised at a point in time when the payment transaction has been executed and the Group has satisfied its performance obligation. Where settlement services are provided continuously over a contractual period, the related fees are recognised over time on a straight-line basis over the period in which the services are rendered.

Fee and commission income for asset custody and asset management provided to customers is recognised as revenue over the period in which the services are provided. Performance-based fees are recognised when it is highly probable that a significant reversal of recognised revenue will not occur, which is most often when the performance criteria are fulfilled.

Brokerage fees, commissions, and fees from negotiating a transaction for a third party, such as arrangement of acquisitions or the purchase or sale of a business, are recognised on the completion of the transaction.

Expenses that are directly related to the generation of fee and commission income are recognised as fee and commission expense.

9.5.16 Asset management services

The Group provides asset management services (Note 21). Assets managed by the Group that belong to third parties are accounted for off the statement of financial position. The Group derives service fees from the holding and management of such assets. The services do not involve any credit or market risks for the Group.

9.5.17 Corporate income tax

9.5.17.1 Corporate income tax, including dividend income tax in Estonia

According to the Estonian Income Tax Act, a company's annual profit is not subject to corporate income tax in Estonia. Instead, income tax is levied on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business-related disbursements, and transfer pricing adjustments.

The tax rate on distributed profits is 22% of the net amount paid out (i.e., 22/78). Under certain conditions, received dividends can be redistributed without additional income tax costs. The exemption applies if the company receiving and redistributing the dividends had at least a 10% ownership stake in the distributing company at the time of receipt.

The previously applicable reduced tax rate of 14% (14/86 of the net dividend) for regularly distributed dividends is no longer effect as of January 1, 2025. However, a transitional provision may apply to dividends received before this date that were taxed at the lower rate when subsequently distributed.

Corporate income tax on dividends is recognized as an expense and a liability to the extent of the planned dividend distribution. Deferred income tax is accounted for on the undistributed profits of subsidiaries and changes in other reserves, except when the group controls the subsidiary's dividend policy and it is unlikely that the temporary difference will be reversed in the near future through dividend payments or other means. Since the group controls the dividend policy of its subsidiaries, it can also determine the timing of the reversal of temporary differences related to investments in subsidiaries. Therefore, the group does not recognize deferred tax liabilities on such temporary differences unless management expects them to reverse in the near future.

The maximum potential corporate income tax liability that would arise if all free equity were distributed as dividends is disclosed in the notes to the consolidated financial statements.

Starting from Q2 2018 to 2024 credit institutions had to make advance payments of income tax at the rate of 14% of their quarterly profits (Note 25). Starting from January 1, 2025 the tax rate for credit institutions is 18%. The tax has to be paid by the 10th day of the third month following the quarter. Advance income tax payments are non-refundable and thus recognised as an expense, but they can be used to reduce the income tax payable on future dividend distributions. LHV is a growing company and cannot utilise the paid advance income tax in the foreseeable future. Therefore, the tax is recognised as an expense.

9.5.17.2 Corporate income tax in other countries

The profit of the entity located in the United Kingdom that has been adjusted for permanent and temporary differences as permitted by local tax laws is subject to corporate income tax.

Corporate income tax rates	2025	2024
United Kingdom	25%	25%

9.5.18 Classification of insurance contracts

An insurance contract is a written agreement between the insurer and the policyholder under which the policyholder undertakes to pay the insurance premiums specified in the contract, and the insurer undertakes to pay the insured amount or the insurance benefits or to fulfil other contractual obligations when the insured event occurs. All contracts concluded between the Group's insurance company and its customers qualify as insurance contracts.

The contracts issued by the company are non-life insurance contracts and in most cases the contract term is one year. Exceptions include short-term travel insurance contracts, which provide cover for one trip and are entered into for the duration of the trip, and equipment insurance and extended warranty contracts, which may have a term exceeding one year.

Reinsurance

Reinsurance is partial transfer of the insurance risks taken by the insurer to a reinsurer under a reinsurance contract. Reinsurance contracts are usually signed for a term of one year. As an exception, proportional reinsurance contracts in motor third party liability insurance are signed for a term of three years.

Reinsurers' share of the liability for remaining coverage and the liability for incurred claims is recognised in accordance with the reinsurance contracts.

Liability for remaining coverage

The Liability for Remaining Coverage (LRC) is calculated using current assumptions about future cash flows, which are then, if necessary, discounted to their present value. As the Company does not have insurance contracts that last longer than a year the cash flows are not discounted. This liability reflects the portion of the insurance contract that remains to be fulfilled in the future.

To assess the adequacy of the LRC, the Company organises an onerousness test at least once a year. In case the result of the test is negative, and the group of contracts must actually be unprofitable, the Company increases the LRCs and reflects the loss of the group of contracts.

Reinsurers' share of the liability for remaining coverage is calculated only for those contracts that are covered by a proportional reinsurance contract.

In accordance with the current IFRS 17 Insurance Contracts, an insurance company may choose between two measurement models, the General Measurement Model (hereinafter GMM) and the simplified Premium Allocation Approach (hereinafter PAA). The term of the insurance contracts is usually one year, LHV Kindlustus uses the PAA to measure these insurance contracts. For groups of contracts with a coverage period more than 1 year, LHV Kindlustus performs a PAA eligibility test, which has concluded that the application of the PAA method does not result in materially different results compared to the GMM. Therefore, LHV Kindlustus uses PAA for all its portfolios.

Liability for incurred claims

The liability for incurred claims refers to the obligation of insurers to cover claims that have already occurred but have not yet been settled. It involves estimating the cost of claims based on available information, historical data, and actuarial calculations.

A significant component of the liability for incurred claims in addition to case reserves (handled but not settled and reported but not handled) is incurred-but-no-reported (IBNR) claims. These are claims that have occurred but haven't been reported to the insurer by the reporting date. Estimating IBNR claims involves using statistical methods and historical patterns to predict future claims. In addition the cost of handling the claims is estimated. As of 31 December 2025, IBNR and the associated claims handling costs take up approximately 12,3% (2024: 12,5%) of LIC.

IFRS 17 requires insurers to consider the time value of money when estimating the cost of settling these claims, especially when there's a significant time gap between the occurrence of the claim and its settlement. Since majority of these claims are settled within a year after their emergence they are not discounted.

9.6 Notes to the consolidated financial statements

NOTE 1 General information

The consolidated financial statements of AS LHV Group and its subsidiaries (collectively referred to as the Group or LHV) for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The subsidiaries are AS LHV Pank, AS LHV Finance (a subsidiary of AS LHV Pank), AS LHV Varahaldus, AS LHV Kindlustus, AS LHV Paytech and LHV Bank Ltd. AS LHV Group holds a 65% interest in LHV Finance through AS LHV Pank and a 65% interest in AS LHV Kindlustus.

AS LHV Group is a limited liability company incorporated and domiciled in Estonia. The address of its registered office is Tartu mnt 2, Tallinn. AS LHV Group is a holding company. AS LHV Pank provides banking, financial advisory and securities brokerage services to customers in Estonia and in the UK. It has customer service offices in Tallinn, Tartu and Pärnu. LHV Bank Ltd, which was established in 2021, is based in the UK. AS LHV Finance offers hire-purchase and consumer finance services. AS LHV Varahaldus offers pension and other fund management services. AS LHV Kindlustus offers various non-life insurance products. AS LHV Paytech provides payment solutions. On 31 December 2025 the Group had 1,239 full-time employees, incl. 67 non-active staff (31 December 2024: 1,227 employees, incl. 69 non-active staff).

Rain Lõhmus, who owns 20.94% of the voting rights, and Andres Viisemann, who owns 10.94% of the voting rights (see also Note 20), have significant influence over AS LHV Group.

The Group's annual report (incl. consolidated financial statements) was approved and authorised for issue by the Management Board on 02 March 2026. Approved annual report is subject to the approval of Supervisory Board and the general meeting. The Group's annual report which has been approved by the Management Board must also be approved by the Supervisory Board and the shareholders. The shareholders have the right not to approve the annual report and to demand that a new annual report is prepared.

Certain disclosures required by IFRS Accounting Standards have been included in the Risk and Capital Management section of the Annual Report as follows:

Credit Risk

Disclosures relating to the nature and extent of credit risk are provided in section 7.3 'Credit risk' and its subsections. These disclosures address the following IFRS 7 requirements:

Qualitative disclosures (IFRS 7.33): A description of the Group's exposures to credit risk and how they arise, along with the objectives, policies, and processes for managing and measuring credit risk, is provided in section 7.3.1 'Credit risk management'.

Quantitative disclosures (IFRS 7.34, 35A-36):

Information about the credit quality of financial assets (as required by IFRS 7.35M) is presented in the tables within section 7.3.3.3 'Loan portfolio by internal ratings and stages'.

Detailed information about the measurement of expected credit losses (ECL) (as required by IFRS 7.35F-G), including the Group's credit impairment framework, the definition of a significant increase in credit risk (SICR), the definition of default, and the forward-looking assumptions used, is provided in section 7.3.2 'Credit impairment framework'.

Information about the changes in the loss allowance and the reasons for those changes (as required by IFRS 7.35H-J) are presented in the tables within section 7.3.4 'Quality of credit portfolio'.

Disclosures on collateral and other credit enhancements obtained (as required by IFRS 7.35K) are described in section 7.3.1.2 'Credit risk mitigation' and further detailed in 7.3.4.3 'Loans against collateral'.

Disclosure on maximum exposure to credit risk (as required by IFRS 7.36A) are described in section 7.3.3.1 'Risk concentration'.

Information on concentrations of risk (as required by IFRS 7.34(c)) is provided in section 7.3.1.3 'Concentration risk' and 7.3.3.2 'Distribution of loans by economic sectors and stages'.

Disclosures on modified financial assets (as required by IFRS 7.35J) are detailed in section 7.3.2.6 'Modifications of financial assets'.

Liquidity Risk

Disclosures relating to the nature and extent of liquidity risk are provided in section 7.4 'Liquidity Risk'. These disclosures address the following IFRS 7 requirements:

Qualitative disclosures (IFRS 7.33, 39(c)): A description of how the Group manages liquidity risk, including the liquidity risk inherent in IFRS 7.39(a) is provided in section 7.4.1 'Liquidity risk management'.

Quantitative disclosures (IFRS 7.34, 39(a)):

A maturity analysis for financial liabilities showing remaining contractual maturities (as required by IFRS 7.39(a)) is presented in the tables within section 7.4.1 'Liquidity risk management'.

Market Risk

Disclosures relating to the nature and extent of market risk, including foreign currency risk, price risk and interest rate risk are provided across sections 7.5.1-7.5.3 and the introductory part of section 7.5 'Market risk'. These disclosures address the following IFRS 7 requirements:

Qualitative disclosures (IFRS 7.33): A description of the Group's exposures to each type of market risk and how they are managed is provided in the introductory parts of section 7.5 'Market risk' and in the subsections 7.5.1-7.5.3 of section 7.5. 'Market risk'.

Quantitative disclosures (IFRS 7.34, 40-42):

Interest rate risk (as required by IFRS 7.41): A sensitivity analysis showing the effect of interest rate changes on profit or loss is presented in section 7.5.3 'Interest rate risk'.

Foreign currency risk (as required by IFRS 7.40): A sensitivity analysis showing the effect of foreign exchange rate movements on profit or loss is presented under the section 7.5.1 'Foreign currency risk' heading in section 7.5. Quantitative data on open currency exposures is also provided in the tables within this section.

Other price risk (as required by IFRS 7.42): A sensitivity analysis showing the effect of movements in securities prices on profit or loss is presented in section 7.5.2 'Price risk'.

Presentation change

Presentation in Consolidated statement of profit or loss and other comprehensive income regarding interest income has changed. Previously all interest was shown in Interest income and interest income using effective interest rate was shown as included. In current financial statement, it is shown separately: Interest income calculated using the effective interest method and other similar income. New presentation improves presentation of interest income showing separately interest income based on effective interest and other similar income.

Presentation in Consolidated statement of cash flows has changed. Previously mandatory reserve in central bank was not included in the balance cash and cash equivalents in consolidated cash flow statement. The presentation has changed due to accounting policy change, as these balances are available for use, and such presentation better reflects what is the actual cash and cash equivalent.

The Group's operating segments fee presentation is changed and aligned with the changed reporting structure for the Group's chief decision makers. Previously fees related to banking services were presented as net in interest and fee lines, now these are presented separately.

Please see Note 4 for information on operating segments related disclosures.

Interest income change in presentation

<i>EUR thousand</i>	2024	Change in presentation	2024*
Interest income	443,531	-443,531	0
Incl. interest income based on EIR	426,977	-426,977	0
Interest income calculated using the effective interest method	0	426,977	426,977
Other similar income	0	16,554	16,554
Interest expense	-170,205	0	-170,205
Net interest income	273,326	0	273,326

Change in cash flow statement

<i>EUR thousand</i>	2024	Change in presentation	2024 as changed
Mandatory reserves at central banks	-7,340	7,340	0
Net cash from in operating activities	725,556	7,340	732,896
Increase in cash and cash equivalents	692,421	7,340	699,761
Cash and cash equivalents at the beginning of the year	3,061,645	55,899	3,117,544
Cash and cash equivalents at the end of the year	3,754,066	63,239	3,817,305

NOTE 2 Significant management estimates and assumptions

Consistent with International Financial Reporting Standards as adopted by the European Union, management makes estimates and assumptions which affect the amounts reported in the financial statements. Although the estimates are based on management's best knowledge and judgement, actual outcomes may differ from these estimates. Management's estimates have been applied in the valuation of loans, receivables and investments (Notes 10, 11, 12 and 14), the determination of the useful lives of PPE and intangible assets (Note 16), goodwill impairment tests (Note 5) and determination of insurance liabilities (Note 27). Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Changes in management's estimates are recognised prospectively.

The most significant estimates and assumptions are related to IFRS 9, namely the criteria for a significant increase in credit risk (SICR), the calculation of probability of default (PD) and loss given default (LGD), the business model and solely payments of principal and interest (SPPI) assessment for the classification of financial assets. Please see more information regarding credit risk in the 'Risk and Capital Management' section, subsection 7.3 'Credit risk'. Information regarding SPPI test is available in section "Material accounting policy information".

When calculating expected credit losses (ECLs) there are a number of key concepts that require a high level of judgement. Estimation of ECLs is, by nature, uncertain and the accuracy of the estimates depend on many factors, e.g., macroeconomic forecasts and involves complex modelling and judgements. The assessment of SICR is a concept under IFRS 9 and requires significant judgement. At the end of each reporting period the Group performs an assessment of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial

instrument, using key risk indicators that are used in the Group's existing risk management processes. Another area requiring significant judgement is the incorporation of forward-looking information and macroeconomic scenarios. IFRS 9 requires an unbiased and probability-weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. LHV uses internally developed macroeconomic forecasts as the basis for the forward-looking information in the ECL measurement. LHV uses both models and judgements based on the input of experts to determine ECLs. The objective of making judgements based on the input of experts is to incorporate the estimated impact of factors not captured in the modelled ECL. The degree of judgement that is required to estimate ECLs depends on the outcome of the calculations, materiality, and the availability of detailed information. The models, assessments and assumptions are regularly reviewed by the risk organisation.

LHV analysed the issued performance guarantee contracts to assess whether they would meet the definition of insurance contracts in the scope of IFRS 17 and concluded that its performance guarantee contracts are out of scope as: the obligation to holder is limited to the guarantee amount and not related to underlying risk in all cases; there are no scenarios with commercial substance where LHV would have to pay significant additional amounts to the holders of such guarantees; sums drawn shall be reimbursed to LHV by the applicant; and, the majority of them are issued under limit or guarantee limit agreements of the applicants, which are debt instruments, and so do not expose LHV to insurance risk. Accordingly, LHV accounts for these contracts as loan commitments in accordance with IFRS 9.

NOTE 3 Fair value of financial assets and financial liabilities

To determine the fair value, future cash flows are discounted based on the market interest curve. The below table provides an overview of the assessment techniques, which depend on the hierarchy of assets and liabilities measured at fair value:

<i>EUR thousand</i>	IFRS 9 measurement	Level 1	Level 2	Level 3	Total fair value	Carrying value
Fair value of financial assets and financial liabilities as at 31 Dec 2025						
Cash and balances with central bank	AC	1,317,834	2,952,527	0	4,270,361	4,270,361
Due from banks and investment companies	AC	41,527	0	0	41,527	41,527
Due from credit institutions	AC	0	515	0	515	515
Debt securities	FVTPL	17,123	0	0	17,123	17,123
Shares and fund units*	FVTPL	7,169	0	0	7,169	7,169
Debt securities	AC	0	374,719	0	374,719	378,064
Loans and advances to customers	AC	0	0	5,585,662	5,585,662	5,465,391
	<i>Corporate lending</i>	<i>0</i>	<i>0</i>	<i>3,425,128</i>	<i>3,425,128</i>	<i>3,351,378</i>
	<i>Consumer financing</i>	<i>0</i>	<i>0</i>	<i>111,583</i>	<i>111,583</i>	<i>109,180</i>
	<i>Investment financing</i>	<i>0</i>	<i>0</i>	<i>10,863</i>	<i>10,863</i>	<i>10,629</i>
	<i>Leasing</i>	<i>0</i>	<i>0</i>	<i>177,494</i>	<i>177,494</i>	<i>173,672</i>
	<i>Private lending</i>	<i>0</i>	<i>0</i>	<i>1,860,594</i>	<i>1,860,594</i>	<i>1,820,532</i>
Receivables from customers and other receivables	AC	0	12,335	0	12,335	12,335
Strategic financial investment	FVTPL	0	0	1,000	1,000	1,000
Foreign exchange forwards	FVTPL	0	635	0	635	635
Other financial assets	AC	0	0	272	272	272
Total assets		1,383,653	3,340,731	5,586,934	10,311,318	10,194,392
Deposits from customers	AC	0	8,160,290	0	8,160,290	8,134,438
Loans received and debt securities in issue	AC	0	1,069,667	0	1,069,667	1,043,617
Subordinated debt	AC	0	216,519	0	216,519	206,928
Foreign exchange forwards	FVTPL	0	1,275	0	1,275	1,275
Accounts payable and other liabilities	AC	0	41,566	0	41,566	41,566
Total liabilities		0	9,489,317	0	9,489,317	9,427,824

<i>EUR thousand</i>	IFRS 9 measurement	Level 1	Level 2	Level 3	Total fair value	Carrying value
Fair value of financial assets and financial liabilities as at 31 Dec 2024						15,671
Cash and balances with central bank	AC	878,316	2,897,238	0	3,775,554	3,775,554
Due from banks and investment companies	AC	41,751	0	0	41,751	41,751
Due from credit institutions	AC	0	1,000	0	1,000	1,000
Debt securities	FVTPL	15,671	0	0	15,671	15,671
Shares and fund units*	FVTPL	7,186	0	0	7,186	7,186
Debt securities	AC	0	283,902	0	283,902	283,533
Loans and advances to customers	AC	0	0	4,728,259	4,728,259	4,552,093
	<i>Corporate lending</i>	<i>0</i>	<i>0</i>	<i>2,859,405</i>	<i>2,859,405</i>	<i>2,752,869</i>
	<i>Consumer financing</i>	<i>0</i>	<i>0</i>	<i>103,872</i>	<i>103,872</i>	<i>100,002</i>
	<i>Investment financing</i>	<i>0</i>	<i>0</i>	<i>10,299</i>	<i>10,299</i>	<i>9,915</i>
	<i>Leasing</i>	<i>0</i>	<i>0</i>	<i>185,436</i>	<i>185,436</i>	<i>178,527</i>
	<i>Private lending</i>	<i>0</i>	<i>0</i>	<i>1,569,247</i>	<i>1,569,247</i>	<i>1,510,780</i>
Receivables from customers and other receivables	AC	0	4,736	0	4,736	4,736
Strategic financial investment	FVTPL	0	0	1,000	1,000	1,000
Foreign exchange forwards	FVTPL	0	3,415	0	3,415	3,415
Other financial assets	AC	0	0	281	281	281
Total assets		942,924	3,190,291	4,729,540	8,862,755	8,686,220
Deposits from customers	AC	0	6,955,717	0	6,955,717	6,910,110
Loans received and debt securities in issue	AC	0	940,488	0	940,488	927,686
Subordinated debt	AC	0	132,506	0	132,506	126,256
Foreign exchange forwards	FVTPL	0	24	0	24	24
Accounts payable and other liabilities	AC	0	44,674	0	44,674	44,674
Total liabilities		0	8,073,409	0	8,073,409	8,008,750

*Shares and fund units include the investments of the Group's subsidiary AS LHV Varahaldus in pension fund units in the amount of EUR 6,260 thousand (31 December 2024: EUR 6,307 thousand). Pursuant to the Investment Funds Act, the mandatory share of AS LHV Varahaldus as the management company is 0.5% of the number of units in each of the II pillar pension funds managed by it.

The Group's Management Board has assessed the fair values of assets and liabilities carried at amortised cost. Fair value is estimated by discounting the future cash flows based on the market interest yield curve.

Levels of the fair value hierarchy (based on inputs used):

1. Level 1 – quoted prices in active markets
2. Level 2 – valuation techniques based on observable inputs (market data such as rates and interest curves from similar transactions)
3. Level 3 – other valuation techniques: (a) quantitative information about the significant unobservable inputs used in fair value measurement (if developed and available for the entity); b) a narrative description of the sensitivity of fair value measurement to changes in unobservable inputs (if the change might result in a significant change in fair value measurement); c) the effect of reasonable possible changes in unobservable inputs

For the term structure of financial assets and financial liabilities, please refer to the 'Risk and Capital Management' section, subsection 7.4.

Methods used to estimate fair value

Instrument	Method
Cash and balances with central banks	Carrying amount
Due from banks and investment companies	Carrying amount
Loans and advances to customers	Future cash flows discounted using the weighted average interest rates on new business published by the relevant central banks
Debt securities	Quoted market prices or, if unavailable, observable transaction prices
Equity instruments	Quoted market prices or, if unavailable, valuation methods based on market data
Interest-bearing financial instruments	Discounted cash flows using interest rates for items with similar characteristics
Derivatives	Market data
Loans received and debt securities in issue	Carrying amount
Deposits from customers	Demand deposits at carrying amount; term deposit future cashflows discounted using market rates for similar maturities
Subordinated debt	Discounted cash flows using interest rates for items with similar characteristics

NOTE 4 Operating segments

The Group divides its business activities into operating segments based on the group's legal structure. An operating segment is a part of the Group for which separate financial data is available and which is subject to regular monitoring of operating results by the Group's chief decision makers.

Group's operating segment results are presented only at the legal entity level, as this is the level at which the Group's chief decision-makers monitor the results.

LHV Pank segment includes banking activities and hire-purchase and consumer finance offering in Estonia. The main products are different kinds of credit and payments.

Segment LHV Varahaldus covers the activities of LHV Varahaldus that offers II and III pillar pension fund and other funds management services.

The LHV Kindlustus' segment covers the activities of LHV Kindlustus that offers non-life insurance.

LHV Bank operates in three business lines – banking services for financial intermediaries, SME lending and retail banking.

Other activities include parent company's activities, which are mostly capital and funding related, and Paytech which offers services to LHV Pank and LHV Bank, but also to external customers.

The Management Board of AS LHV Group has been designated as the chief decision maker responsible for the allocation of funds and the assessment of the profitability of business activities. The result reported by a segment includes revenue and expenditure directly related to the segment. The income reported by a segment is based on the revenue recorded in the financial statements and includes gains from transactions between the segments such as loans granted by AS LHV Pank to other group companies. The breakdown of interest income and fee and commission income by customer location is presented in Notes 6 and 7. Non-current non-financial assets are located in the country of domicile, i.e., LHV Bank's assets in the UK (2025 EUR 3.8 million and 2024 EUR 5.4 million) and other LHV companies' assets in Estonia (2025 EUR 28.8 million and 2024 EUR 36.0 million).

LHV Pank and LHV Bank have entered into an intercompany partnership agreement in respect of the Banking Services business line. Income from contracts with external customers is recognised by the entity that controls the relevant financial asset or has the performance obligation. Following initial recognition of external revenue, income is allocated between the parties in accordance with the intercompany partnership agreement. The allocation reflects each party's functional contribution, including assumption of risks, provision of funding, operational execution and customer relationship management. Amounts reallocated between the parties are recognised as intercompany income or expense in the separate financial statements of each entity. In the consolidated financial statements of the Group, such intercompany income and expenses are eliminated in full.

Financial information of operating segments

<i>EUR thousand</i>	LHV Pank	LHV Bank	LHV Varahaldus	LHV Kindlustus	Other activities	Eliminations	2025 Total	LHV Pank	LHV Bank	LHV Varahaldus	LHV Kindlustus	Other activities	Eliminations	2024 Total
Net interest income external*	246,355	28,907	63	444	-40,670	0	235,099	290,812	15,642	108	454	-33,690	0	273,326
Net interest income internal	-40,102	-1,487	3	-217	41,803	0	0	-33,697	-992	2	-160	34,847	0	0
Fee and commission income external	68,835	3,222	10,911	0	2,267	0	85,235	64,681	2,972	8,663	0	2,359	0	78,675
Fee and commission income internal	1,466	0	315	0	4,338	-6,119	0	438	0	273	0	3,953	-4,664	0
Fee and commission expense external	-20,600	-1,033	0	-108	-236	0	-21,977	-17,393	-925	0	-55	0	0	-18,373
Fee and commission expense internal	-2,780	-1,560	0	-11	0	4,351	0	-2,639	-1,313	0	-15	0	3,967	0
Net fee and commission income	46,921	629	11,226	-119	6,369	-1,768	63,258	45,087	734	8,936	-70	6,312	-697	60,302
Fee sharing income	0	25,989	0	0	0	-25,989	0	0	28,710	0	0	0	-28,710	0
Fee sharing expense	-25,989	0	0	0	0	25,989	0	-28,710	0	0	0	0	28,710	0
Net fee sharing	-25,989	25,989	0	0	0	0	0	-28,710	28,710	0	0	0	0	0
Dividend income	0	0	0	12	128,771	-128,770	13	0	0	0	12	81,201	-81,200	13
Net gain/loss from financial assets	1,299	1,232	765	225	-33	248	3,736	581	-131	450	192	-5	0	1,087
Insurance service revenue	0	0	0	41,080	0	0	41,080	0	0	0	34,969	0	0	34,969
Insurance service expenses	0	0	0	-36,901	0	0	-36,901	0	0	0	-33,038	0	0	-33,038
Net result from reinsurance contracts held	0	0	0	-1,725	0	0	-1,725	0	0	0	-960	0	0	-960
Net insurance income	0	0	0	2,454	0	0	2,454	0	0	0	971	0	0	971
Net other income/expense	142	228	0	3	0	-95	278	2,039	662	0	-7	0	-93	2,601
Total net operating income/expense	228,626	55,498	12,057	2,802	136,240	-130,385	304,838	276,112	44,625	9,496	1,392	88,665	-81,990	338,300
Staff costs	-58,459	-26,429	-2,644	0	-3,892	455	-90,969	-54,108	-22,381	-3,169	0	-3,030	373	-82,315
Administrative and other operating expenses	-39,175	-19,607	-4,724	-282	-4,356	-193	-68,337	-41,265	-16,714	-3,910	-194	-2,938	416	-64,605
Total administrative and other operating expenses, staff costs	-97,634	-46,036	-7,368	-282	-8,248	262	-159,306	-95,373	-39,095	-7,079	-194	-5,968	789	-146,920
Profit/loss before impairment losses	130,992	9,462	4,689	2,520	127,992	-130,123	145,532	180,739	5,530	2,417	1,198	82,697	-81,201	191,380
Expected credit losses	76	-1,595	0	0	0	0	-1,518	-15,777	-479	0	0	0	0	-16,256
Income tax expense	-23,979	-2,326	-564	1	0	-141	-27,009	-24,443	794	-801	0	-293	-77	-24,820
Net profit/loss for the reporting period	107,089	5,541	4,125	2,521	127,992	-130,264	117,005	140,519	5,845	1,616	1,198	82,404	-81,278	150,304
Total assets	8,776,107	1,431,709	22,962	28,396	1,031,582	-1,057,794	10,232,962	7,936,527	798,900	20,771	27,411	782,896	-830,194	8,736,311
Total liabilities	8,131,588	1,309,228	537	19,320	697,160	-692,052	9,465,781	7,338,159	712,864	772	20,928	553,923	-568,995	8,057,651

*Interest income includes interest from European Central Bank in the amount of EUR 70,889 (2024: 112,784) thousand.

NOTE 5 Subsidiaries and goodwill

As at 31 December 2025, the Group's subsidiaries, which have been consolidated in these financial statements, included:

- AS LHV Pank (Estonia, ownership interest 100%);
- AS LHV Varahaldus (Estonia, ownership interest 100%);
- AS LHV Finance (Estonia, ownership interest 65% through AS LHV Pank);
- AS LHV Kindlustus (Estonia, ownership interest 65%);
- LHV Bank Ltd (the UK, ownership interest 100%);
- AS LHV Paytech (Estonia, ownership interest 100%).

35% ownership interest in AS LHV Kindlustus and AS LHV Finance belongs to Toveko Invest OÜ. The 35% non-controlling interest has been recognised in the consolidated statement of financial position within non-controlling interests.

LHV Paytech was bought in April 2022 for EUR 8,000 thousand. For the amount received, LHV Paytech shareholders subscribed for new shares issued by LHV Group AS. LHV Bank Ltd was established in the United Kingdom in 2021. In early 2023 LHV Bank started issuing SME loans. In May 2023, it was authorised as a credit institution by the Prudential Regulation Authority. In August 2023 the business transfer from Estonian affiliate, AS LHV Pank's UK branch, to the newly licenced entity was finalized. The banking licence allows LHV Bank to accept customer deposits. In September 2023, LHV Bank launched its deposits offering via the Raisin. LHV Finance was established in 2013 and LHV Pank owns 65% of it. The 35% non-controlling interest has been recognised in the consolidated statement of financial position within non-controlling interests.

LHV Kindlustus was established in 2020 and LHV Group owns 65% of it. The 35% non-controlling interest has been recognised in the consolidated statement of financial position within non-controlling interests.

As at 31 December 2025, goodwill recognised in the consolidated financial statements of LHV Group in the amount of EUR 7,550 thousand consisted of:

- goodwill from the acquisition of an ownership in LHV Varahaldus of EUR 1,044 thousand;
- goodwill from the acquisition of ownership interest in Danske Capital AS by LHV Varahaldus of EUR 2,570 thousand;
- goodwill from the acquisition of an ownership in LHV Paytech of EUR 3,936 thousand.

Impairment tests were performed as at 31 December 2025 and 31 December 2024. The cash-generating unit to which goodwill has been allocated are LHV Varahaldus and LHV Paytech. In case of Paytech cash generating unit is defined more specifically as services offered by Paytech. Goodwill related to LHV Paytech arises from services and part of the revenue and costs are recorded in LHV Pank and LHV Bank. Pricing agreements with LHV Pank and LHV Bank were fixed fee based which means that developments in revenue are not so directly reflected in Paytech's own financial results. Starting from 2026, LHV Bank has decided to discontinue using the services offered by Paytech. Both value in use calculations were based on a 5-year forecast and terminal value.

AS LHV Varahaldus impairment test had following assumptions:

- The volume of assets under management is expected to increase by 9.4% in 2026. After that the annual growth rate is in the range of 11-14% (2024: average annual growth rate 11%). On yearly basis assumed growth rates are: 14%, 13%, 12%, 11%.
- Success fee has been included in future forecasts starting from year 2026 (2024: included partially starting from the second forecast period).
- Due to the economic environment and planned activities, operating costs are expected to grow on average by 5.0% per year (2024: 7.0%). On yearly basis assumed growth rates are following: 29%, 8%, 8%, -1%, 4%.
- The discount rate applied during first 5 years was 13.8% (2024: 17.1%).
- Terminal value prior to discounting is EUR 129.4 million (2024: EUR 75.3 million). It is derived by assuming terminal period growth rate of 2% (2024: 2%) and discount rate of 14.1% (2024: 16.9%).

AS LHV Paytech's impairment test had following assumptions:

- In forecast revenue and costs in AS LHV Pank and LHV Paytech related to offering payment services provided by LHV Paytech are taken into account. In 2024 calculation also revenue and cost in LHV Bank Ltd.
- Revenues are expected to increase on average 7% in a year (2024: 12%). On yearly basis assumed growth rates are following: 20%, 12%, -39%, 22%, 19%.
- Due to the economic environment and changes in product offering, operating costs are expected to decrease by 5% per year (2024: 10%).

- The discount rate applied was 8.4% (2024:8.5%) during first 5 years.
- Terminal value prior to discounting is EUR 11.4 million (2024: EUR 12.6 million). It is derived by assuming terminal period growth rate of 2% (2024: 3%) and discount rate of 8.9% (2024: 7.7%).

In both tests, deriving the main assumptions, management relied on previous years' experience, on its best estimate of probable scenarios and on market data. Based on the result of AS LHV Varahaldus impairment test, the recoverable amounts of the cash generating units as at 31 December 2025 exceeded their carrying amount and, therefore, no impairment loss was recognised. AS LHV Paytech's impairment test indicated that as at 31 December 2025 the recoverable amounts of the cash generating unit was lower than its carrying amount and, therefore, impairment loss of EUR 1,600 thousand was recognised. Based on the result of AS LHV Varahaldus and AS LHV Paytech impairment tests as at 31 December 2024 the recoverable amounts of the cash generating units exceeded their carrying amounts and, therefore, no impairment losses were recognised.

Set out below is the summarised financial information for AS LHV Finance and AS LHV Kindlustus. The information disclosed is presented before intra-group eliminations.

Summarised statement of financial position

<i>EUR thousand</i>	AS LHV Finance		AS LHV Kindlustus	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Current assets	27,865	24,375	12,893	12,062
Non-current assets	66,458	62,705	15,503	13,850
Current liabilities	2,332	1,803	16,167	16,276
Non-current liabilities	72,755	65,600	3,153	3,153
Total net assets	19,236	19,677	9,076	6,483
Accumulated non-controlling interest	6,229	6,402	3,135	2,252

Summarised statement of profit or loss and other comprehensive income

<i>EUR thousand</i>	2025	2024	2025	2024
Total net interest and fee income	9,876	8,506	109	224
Total net insurance income	0	0	2,454	971
Profit/loss before income tax	6,941	3,611	2,522	1,199
Income tax expense	-1,636	-326	0	0
Net profit/loss	5,305	3,285	2,522	1,199
Total comprehensive income/loss	5,305	3,285	2,522	1,199
Profit/(loss) and other comprehensive income allocated to non-controlling interests	1,857	916	883	420
Dividends paid to non-controlling interest	2,030	700	0	0

Summarised statement of cash flows

<i>EUR thousand</i>	2025	2024	2025	2024
Cash generated from operations	5,795	17,236	-658	-2,069
Interest paid	-5,930	-6,739	-300	-291
Income tax paid	-1,636	-326	0	0
Net cash generated from/used in operating activities	-1,771	10,171	-958	-2,360
Net cash generated from/used in investing activities	-122	-81	-396	-624
Net cash generated from/used in financing activities	1,893	-10,090	0	1,000
Net increase/decrease in cash and cash equivalents	0	0	-1,354	-1,984
Cash and cash equivalents at beginning of year	0	0	10,188	12,172
Cash and cash equivalents at end of year	0	0	8,834	10,188

NOTE 6 Net interest income

Net interest income			
<i>EUR thousand</i>	<i>Note</i>	2025	2024
Interest income calculated using the effective interest method			
Corporate loans		204,356	184,567
<i>incl. Stage 3 interest*</i>		3,570	1,453
Hire purchase		3,511	2,942
Consumer loans		12,060	12,099
Private loans		3,297	3,847
Mortgage loans		71,182	76,486
Leveraged loans		1,654	1,683
Credit card loans		1,338	1,239
Due from credit institutions and investment companies		2,530	2,825
Due from central banks		91,920	132,383
Debt securities at amortised cost		15,689	6,182
Other loans		473	2,724
Total interest income calculated using the effective interest method		408,010	426,977
Other similar income			
Leases		10,484	14,221
Debt securities at fair value through profit or loss		484	2,333
Total other similar income		10,968	16,554
Total interest income		418,978	443,531
Interest expense			
Deposits from customers and loans received		-168,551	-159,475
Other liabilities		-1,533	-438
Subordinated debt	19	-13,795	-10,292
Total interest expense		-183,879	-170,205
Net interest income		235,099	273,326
Interest income of loans by customer location			
<i>EUR thousand</i>		2025	2024
Estonia		351,020	408,471
United Kingdom		67,958	35,060
Total		418,978	443,531

*As most Stage 3 loans are sold to debt collectors, the amounts of Stage 3 interest are marginal in all loan portfolios except corporate loans. Interest expense on lease liabilities included in other liabilities interest expense was EUR 285 thousand (2024: EUR 283 thousand). The distribution of the Group's interest income by operating segment is presented in Note 4. The loan portfolio is presented in Note 12.

NOTE 7 Net fee and commission income

Net fee and commission income

<i>EUR thousand</i>	Note	Over time	Point in time	Total 2025	Over time	Point in time	Total 2024
Fee and commission income							
Security brokerage and commission fees		0	6,558	6,558	965	6,558	7,523
Asset management and related fees <i>incl. funds managed by the Group*</i>	23	15,723	212	15,935	13,278	399	13,677
				10,911			8,663
Fiduciary services		1,037	0	1,037	1,118	0	1,118
Currency exchange fees		0	9,841	9,841	0	8,586	8,586
Fees from cards and settlements		2,224	36,173	38,397	1,868	36,056	37,924
Other fee and commission income		7,912	5,555	13,467	5,422	4,425	9,847
Total fee and commission income		26,896	58,339	85,235	22,651	56,024	78,675
Fee and commission expense							
Security brokerage and commission fees paid				-3,672			-3,291
Expenses related to cards				-7,711			-5,979
Expenses related to card payments acquiring				-8,968			-7,587
Transaction costs				-1,168			-1,187
Other fee expense				-458			-329
Total fee and commission expenses				-21,977			-18,373
Net fee and commission income				63,258			60,302

*Commission fees from pension and investment funds are calculated as a fixed percentage of the total assets of the fund and vary between 0.2-2.0% per year.

Fee and commission income by customer location

<i>EUR thousand</i>	2025	2024
Estonia	75,698	68,678
United Kingdom	9,537	9,997
Total	85,235	78,675

Fee and commission income

<i>EUR thousand</i>	Note	LHV Pank	LHV Bank	LHV Varahaldus	LHV Kindlustus	Other activities	Eliminations	2025 Total	LHV Pank	LHV Bank	LHV Varahaldus	LHV Kindlustus	Other activities	Eliminations	2024 Total
Security brokerage and commission fees		6,570	0	0	0	0	-12	6,558	7,452	0	0	0	84	-14	7,522
Asset management and related fees		5,024	0	11,226	0	0	-315	15,935	4,833	0	8,936	0	182	-273	13,678
Fiduciary services		1,037	0	0	0	0	0	1,037	1,118	0	0	0	0	0	1,118
Currency exchange fees		9,841	0	0	0	0	0	9,841	8,586	0	0	0	0	0	8,586
Fees from cards and settlements		32,647	2,984	0	0	4,569	-1,815	38,385	32,855	2,978	0	0	4,032	-1,940	37,925
Other fee and commission income		15,185	234	0	0	2,034	-3,974	13,479	10,277	0	0	0	2,013	-2,443	9,847
Total fee and commission income	4	70,304	3,218	11,226	0	6,603	-6,116	85,235	65,121	2,978	8,936	0	6,311	-4,670	78,676

NOTE 8 Operating expenses

Operating expenses

<i>EUR thousand</i>	Note	2025	2024
Wages, salaries and bonuses		65,405	60,243
Social security and other taxes*		25,564	22,072
Total staff costs		90,969	82,315
IT expenses		15,430	14,042
Information services and banking services		2,009	2,798
Marketing expenses		5,363	4,799
Office expenses		2,502	2,513
Transportation and communication costs		897	707
Training and travelling expenses of employees		2,004	2,150
Other outsourced services		13,099	11,962
Other administrative expenses		13,759	14,632
Depreciation and amortisation	16	11,517	8,964
Rental expenses for short term lease		347	388
Other operating expenses		1,410	1,650
Total other operating expenses		68,337	64,605
Total operating expenses		159,306	146,920

*Social tax includes contributions to state pension funds. LHV has no legal or factual obligation to make pension or other similar payments in addition to social tax.

Audit services provided by PwC in 2025 amounted to EUR 769 (2024: 439) thousand. Audit services provided by other companies in 2025 amounted to EUR 268 (2024: 378) thousand. Other services provided by auditors amounted to EUR 387 (2024: 200) thousand and comprised of capital market transactions related services and other additional services required from auditors by applicable legislation.

The average number of employees working for LHV Group in 2025 was 1,219 (2024: 1,127).

From 2018, the acquisition costs of contracts signed with the customers of pension funds have been capitalised as intangible assets based on the expected lifetime of a customer relationship, i.e., 20 years.

If the costs had been recognised as an expense and not capitalised, marketing expenses would have been EUR 422 thousand (2024: EUR 1,154 thousand) larger.

NOTE 9 Cash and cash equivalents, due from central bank and investment companies

Cash and cash equivalents, due from central banks and investment companies

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Cash and balances with central bank	4,270,361	3,775,554
Due from banks and investment companies	41,527	41,751
Total	4,311,888	3,817,305

Credit quality of cash and cash equivalents, due from banks, investment companies and credit institutions by internal ratings

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024	Grading
1 low credit risk	0	0	Investment grade
2 low credit risk	0	0	
3 low credit risk	5,276	4,353	
4 low credit risk	4,301,629	3,807,335	
5 low credit risk	0	0	
6 low credit risk	1,795	990	
7 medium credit risk	0	0	
8 medium credit risk	1,766	1,354	
9 heightened credit risk	0	0	
10 high credit risk	1,937	4,273	Non-investment grade
11 high credit risk	0	0	
12 non-satisfactory rating	0	0	
13 insolvent	0	0	Default
Total	4,312,403	3,818,305	

As of 31 December 2025, LHV Group also has term deposit with a maturity more than 3 months in the amount of EUR 515 thousand (31 December 2024: EUR 1,000 thousand). The deposit is recognised in the statement of financial position as 'Due from credit institutions. The mandatory banking reserve as of 31 December 2025 was 1% (2024: 1%) of all financial resources raised (deposits from customers). The reserve requirement is to be fulfilled as a monthly average in euros or in foreign securities preapproved by the Estonian Central Bank.

NOTE 10 Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Shares and fund units	909	879
Debt securities	17,123	15,671
Investments (fund units) in managed pension funds	6,260	6,307
Foreign exchange forwards	635	3,415
Total financial assets	24,927	26,272
Foreign exchange forwards	1,275	24
Total financial liabilities	1,275	24

Strategic financial investments at fair value through profit or loss

In 2022 LHV made a small investment of EUR 1 million to Tuum, the provider of core platform to LHV Bank. AS LHV Group has 1.4% interest in the company. LHV main interest was to protect its subsidiaries interests, as Tuum is the most important vendor for LHV Bank. Tuum offers modular bank software, with agility and flexibility in mind. Modularity is a key concept in product design; provides option to choose the capabilities needed and, like a multi-tool, Tuum provides the most appropriate choice of technology to supercharge business from within. The platform is API-first and built around a microservices architecture, ensuring quick and simple integration.

NOTE 11 Investments in debt securities at amortised cost

Investments in debt securities measured at amortised cost by credit ratings

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
4	378,064	281,636
1	0	1,897
Total	378,064	283,533

1 - aligned with credit ratings AAA or equivalent

2-4 - aligned with credit ratings AA+ to A- or equivalent

All the investments in debt securities are government bonds.

NOTE 12 Loans and advances to customers

Loans and advances to customers

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Corporate lending	3,386,246	2,783,873
Consumer financing	112,707	104,913
Investment financing	10,715	9,920
Leasing	174,806	180,116
Private lending	1,822,619	1,513,084
Total	5,507,093	4,591,906
Allowance for credit losses	-41,702	-39,813
Total	5,465,391	4,552,093

Expected credit losses accumulated during the year differ from the amount of impairment losses recognised in profit or loss by the amount of items which were written off as uncollectable in previous periods but collected during the reporting period. Related receipts were recognised within expected credit losses in profit or loss statement.

For credit risk exposures and quality of credit portfolio, see the 'Risk and Capital Management' section 7.3.3 and 7.3.4.

The distribution of loans granted by currency is disclosed in the 'Risk and Capital Management' section 7.5.1.

The distribution of loans granted by maturity is disclosed in the 'Risk and Capital Management' section 7.4.1.

For interest income on loans granted, see Note 6.

NOTE 13 Expected credit losses on financial assets measured at amortised cost

Expected credit losses on financial assets measured at amortised cost

<i>EUR thousand</i>	2025	2024
Expected credit losses on loans and advances	1,542	16,246
Expected credit losses on financial assets (liquidity portfolio)	-24	10
Total	1,518	16,256

NOTE 14 Receivables from customers

Receivables from customers

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Asset management fees from customers	2,890	2,284
Other fees for providing services to customers	1,555	1,002
Payments in transit and other receivables	7,890	1,450
Total	12,335	4,736

All receivables are expected to be settled within 12 months of the end of the reporting period and are thus considered to be current assets.

NOTE 15 Other assets

Other assets

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Financial assets		
VISA and MasterCard guarantee deposits	272	281
Subtotal	272	281
Non-financial assets		
Prepayments to Financial Supervision	1,065	928
Other prepayments*	5,468	5,631
Subtotal	6,533	6,559
Total	6,805	6,840

*Prepayments for office rental, insurance, communication services, periodicals and training

Prepayments are expected to be refunded or used within 12 months of the end of the reporting period and are therefore classified as current assets. VISA guarantee deposits, which secure credit card transactions, are classified as non-current assets.

NOTE 16 Property, plant and equipment, right-of-use assets and intangible assets

PPE and intangible assets

<i>EUR thousand</i>	PPE	Right-of-use assets	Total tangible assets	Intangible assets	Costs incurred for the acquisition of customer contracts	Total intangible assets
Balance as at 31 Dec 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 as at 31 Dec 2023	11,250	10,859	22,109	6,826	7,017	13,843
Additions	1,209	1,621	2,830	3,268	1,154	4,422
Write-off*	-177	-1,789	-1,966	0	0	0
Recalculations	0	0	0	953	0	953
Depreciation/amortisation (Note 8)	-3,396	-1,371	-4,767	-3,843	-1,332	-5,175
Balance as at 31 Dec 2024						
Cost	20,213	20,879	41,092	23,281	19,624	42,905
Accumulated depreciation and amortisation	-11,327	-11,559	-22,886	-16,077	-12,785	-28,862
Carrying amount as at 31 Dec 2024	8,886	9,320	18,206	7,204	6,839	14,043
Additions	79	8	87	2,190	422	2,612
Write-off*	-4,644	0	-4,644	-3,363	0	-3,363
Recalculations	-71	-107	-178	-188	132	-56
Depreciation/amortisation (Note 8)	-3,262	-3,049	-6,311	-3,304	-1,141	-4,445
Balance as at 31 Dec 2025						
Cost	15,577	20,780	36,357	21,920	20,178	42,098
Accumulated depreciation and amortisation	-9,945	-14,608	-24,553	-16,018	-13,926	-29,944
Carrying amount as at 31 Dec 2025	5,632	6,172	11,804	5,902	6,252	12,154

*Writing off fully depreciated tangible and intangible assets.

PPE includes computers, office equipment, furniture, and capitalised office renovation costs. Intangible assets include licences, acquisition costs of contracts with customers and development costs. The Group leases office premises and these are recognised as right-of-use assets from the date when the leased asset becomes available for use by the Group. In 2025 and 2024, there was no indication of impairment of PPE and intangible assets.

NOTE 17 Deposits from customers

Deposits from customers 31 Dec 2025

<i>EUR thousand</i>	Individuals	Financial entities	Non-financial entities	Public sector	Total
Demand deposits	1,345,169	1,760,381	2,146,959	54,492	5,307,001
Term deposits	1,808,438	145,262	785,080	88,657	2,827,437
Total	3,153,607	1,905,643	2,932,039	143,149	8,134,438

Deposits from customers 31 Dec 2024

<i>EUR thousand</i>	Individuals	Financial entities	Non-financial entities	Public sector	Total
Demand deposits	1,055,141	1,591,310	1,684,385	102,063	4,432,899
Term deposits	1,359,221	156,189	918,197	43,604	2,477,211
Total	2,414,362	1,747,499	2,602,582	145,667	6,910,110

The distribution of deposits from customers by currency is presented in the 'Risk and Capital Management' section, subsection 7.5 and by maturity is presented in the 'Risk and Capital Management' section, subsection 7.4.

NOTE 18 Accounts payable and other liabilities

Payables to employees consist of salaries payable and bonus and vacation pay accruals for the reporting period. The increase in payables to employees is attributable to growth in the number of employees during the year. Payments in transit consist of foreign payments and payables to customers related to the intermediation of securities transactions, for which the customer's current account has been debited. All liabilities, except for financial guarantees and part of lease liabilities, are payable within 12 months and are therefore classified as current liabilities.

Accounts payable and other liabilities

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Financial liabilities		
Trade payables	1,505	4,961
Other short-term financial liabilities	11,758	1,982
Lease liabilities	6,460	10,119
Payments in transit	23,539	30,207
Provision of loan commitments and financial guarantees	2,741	6,368
Prepayments received for financial guarantees	2,023	1,156
Subtotal	48,026	54,793
Non-financial liabilities		
Prepayments received for performance guarantees	2,044	1,943
Tax liabilities	5,971	12,916
Payables to employees	7,045	6,178
Other short-term liabilities	1,102	988
Subtotal	16,162	22,025
Total	64,188	76,818

Lease liabilities

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Opening balance	10,119	13,415
New leases	0	0
Payments	-3,517	-3,395
Interest	285	283
Other	-427	-184
Closing balance	6,460	10,119

NOTE 19 Subordinated debt and loans received

Consistent with the nature of the Group's operations, subordinated debt raised is reported within cash flows from financing activities in the statement of cash flows. Other loans raised are reported within cash flows from operating activities.

The Group has raised subordinated debt to increase long-term capital. In the case of default of the Group, the subordinated debt is repayable after all other debts have been settled, but before debts to shareholders are paid. The balances of subordinated debt as at the end of the reporting and the comparative period are disclosed in the table below.

Subordinated debt

<i>EUR thousand</i>	Amount	Interest rate	Maturity date
Subordinated debt as at 31 Dec 2024	125,744		
Tier 2 subordinated bond	744	8.50%	30 September 2032
Tier 2 subordinated bond	35,000	6.00%	30 September 2030
Tier 2 subordinated bond	35,000	10.50%	29 September 2033
Tier 2 subordinated bond	20,000	6.00%	15 November 2034
Tier 1 subordinated bond	20,000	10.50%	perpetual
Tier 1 subordinated bond	15,000	9.50%	perpetual
Subordinated debt as at 31 Dec 2025	205,744		
Tier 2 subordinated bond	744	8.50%	30 September 2032
Tier 2 subordinated bond	80,000	5.50%	16 September 2035
Tier 2 subordinated bond	35,000	10.50%	29 September 2033
Tier 2 subordinated bond	20,000	6.00%	15 November 2034
Tier 1 subordinated bond	20,000	10.50%	perpetual
Tier 1 subordinated bond	50,000	9.50%	perpetual

Loans from financial institutions and debt securities in issue

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Debt securities in issue	489,820	427,525
Covered bonds	553,797	500,161
Total	1,043,617	927,686

Subordinated debt

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Opening balance	126,256	126,653
Issued during the period	130,000	20,000
Redeemed during the period	-50,000	-20,000
Interest expense (Note 6)	13,795	10,292
Interest paid out	-11,835	-10,689
Other changes	-1,288	0
Closing balance	206,928	126,256

AS LHV Group issued EUR 50M of Additional Tier 1 (AT1) bonds in April 2025. The bonds carry a coupon rate of 9.5% and are rated Ba3 (hyb) by Moodys. AT1 bonds are perpetual in nature, the first call date is 5 years after the issue date. The bonds were issued to institutional investors in Europe - approximately half of the bonds were allocated to investors from Great Britain and appx. 38% of the bonds were allocated to investors from the Baltic states. At the same time, on 30 April 2025 the Group called back EUR 15M of AT1 bonds issued in April 2020.

In June 2025, LHV Pank issued EUR 300M of covered bonds. The bonds carry a coupon rate of 2.625% and the yield for investors was 2.68%. Notes were rated Aaa by Moodys. The bonds were issued with an original maturity of 4 years. The issue was oversubscribed 2.5 times. 42% of the bonds were allocated to asset managers from Scandinavia, 20% to investors from Germany, and the rest of the bonds were allocated to investors mostly from CEE countries.

LHV Pank also issued retained covered bonds in 2025. The amount of outstanding retained covered bonds amounted to EUR 450M as at 31.12.2025. Retained covered bonds are treated as part of LHV Pank's counterbalancing capacity and were unencumbered as of 31.12.2025.

All covered bonds, both retained and those issued to the market are issued under LHV Pank's covered bond program. In 2025, the covered bond program was increased from EUR 1 billion to EUR 1.5 billion. Moodys upgraded the rating of the covered bond program and all notes issued under it to Aaa in April 2025, up from Aa1.

In June 2025, LHV Group issued EUR 60M of senior unsecured MREL eligible bonds. The bonds carry a coupon of 4.125% and the yield for investors was 4.24%. Notes were rated Baa3 at the time of issue. Bonds have an original maturity of 4 years, and the Group can call the bonds back after 3 years since the issuance. Bonds were oversubscribed approximately 1.5 times. 38% of the notes were allocated to investors from the Baltic states, 25% to investors from the Scandinavian countries and the rest to investors from the Great Britain and CEE countries.

In September 2025 LHV Group issued Tier 2 bonds in amount of EUR 80M. The bonds carry a coupon rate of 5.5% and the yield to investors was 5.54%. Notes were rated Ba1 by Moodys. The Tier 2 bonds have an original maturity of 10 years, and the Group can call them back after 5 years since the issuance. The issue was oversubscribed 3.6 times. 41% of the notes were allocated to investors from the United Kingdom, 19% to investors from the Germany, Austria, Switzerland, 18% to Baltic investors and the rest was allocated to investors from other European countries.

The rating agency Moody's Investors Service upgraded on 1 September 2025 LHV Group's long-term local currency issuer rating and unsecured debt obligations to Baa2, with a positive outlook.

The distribution of loans received by currency is presented in the 'Risk and Capital Management' section, subsection 7.5.

The distribution of loans received by maturity is presented in the 'Risk and Capital Management' section, subsection 7.4.

NOTE 20 Shareholders' equity

Transactions with share capital and share premium

	Time	Share price (EUR)	Number of shares (thousand)	Share capital (EUR thousand)	Share premium (EUR thousand)	Total (EUR thousand)
Share capital and share premium as at 1 Jan 2024			319,832	31,983	143,372	175,355
Paid in share capital*	May 2024	0.92	4,357	436	3,586	4,022
Share capital and share premium as at 31 Dec 2024			324,189	32,419	146,958	179,377
Paid in share capital*	May 2025	2.18	3,667	367	7,635	8,002
Share capital and share premium as at 31 Dec 2025			327,856	32,786	154,593	187,379

*issuing shares upon the exercise of employee share options

Share capital has been fully paid in using cash contributions. The nominal value of the shares is 0.1 euro each and as at 31 December 2025 the number of shares was 327,856,146 (31 December 2024: 324,188,933). Each share carries one vote at the General Meeting.

According to AS LHV Group's articles of association, the company's minimum share capital is EUR 15 million and maximum share capital is EUR 60 million (31 December 2024: EUR 15 and EUR 60 million, respectively).

Rain Löhmus, who owns 20.94% of the voting rights, and Andres Viisemann, who owns 10.94% of the voting rights in AS LHV Group, have significant influence over the company (31 December 2024: 21.18% and 11.04%, respectively).

Under the current capital requirements set by the CRR, banks have to maintain a ratio of regulatory capital to risk weighted assets above a prescribed minimum level (Tier 1 ratio and Total capital ratio). Based on information provided internally to key management Group's regulatory core tier 1 capital was EUR 662,1 thousand as of 31 December 2025 (2024: EUR 600,0 thousand), regulatory Tier 1 capital amounts to EUR 732,3 thousand (2024: EUR 635,3 thousand), total regulatory capital amounts to EUR 868,3 thousand (2024: EUR 725,5 thousand) and the Group has complied with all externally imposed capital requirements throughout 2025 and 2024.

In the reporting period, the Group paid dividends to shareholders of EUR 0.09 (2024: EUR 0.13) per share and EUR 29,177 thousand (2024: EUR 41,578 thousand) in total.

As at 31 December 2025, the retained earnings of the Group totalled EUR 562,576 thousand (31 December 2024: EUR 469,727 thousand). Using the retained earnings as at the reporting date, the Group could distribute a maximum dividend of EUR 438,809 thousand (2024: EUR 366,387 thousand). Potential dividend would be taxed at 22% (the amount of tax payable would be calculated as 22/78 of the net distribution). The related income tax charge would be EUR 123,767 thousand (2024: EUR 103,340 thousand).

At 31 December 2025, treasury shares include 2,099,703 shares of the LHV Group (2024: 0 shares) owned by LHV Group. These shares carry voting rights in the same proportion as other shares.

Other reserves in the consolidated statement of changes in equity consist of:

Other reserves

EUR thousand	31 Dec 2025	31 Dec 2024
Reserve of share options granted to staff	13,030	13,830
Reserve of unrealised foreign exchange gains or losses	-2,528	2,441
Total	10,502	16,271

The Group grants share options to the members of the Management Boards and equivalent staff as well as the department managers and equivalent staff of Group entities. Total expenses arising from share-based payment transactions amounted to EUR 6,961 thousand in 2025 (2024: EUR 6,809 thousand), which were recognised in the share-based payment reserve in equity. For the share options vested during the year, the share-based payment reserve in the amount of EUR 7,761 thousand (2024: EUR 3,308 thousand) were transferred from share-based payment reserve to retained earnings.

	2025		2024	
	Number of options	Weighted average strike price	Number of options	Weighted average strike price
As at 1 Jan	10,865,493	1.88	11,355,051	1.56
Granted during the year	5,231,650	1.63	3,866,632	1.74
Exercised during the year	-3,667,213	2.182	-4,356,190	0.923
Expired during the year	-19,977	2.182	0	0
As at 31 Dec	12,409,953	1.68	10,865,493	1.88

The weighted average share price at the date of exercise of options exercised during the year ended 31 December 2025 was EUR 3.52 (31 December 2024: EUR 3.49).

There were no options cancelled or forfeited in 2025 and 2024.

Share options outstanding at the end of the year have the following expiry dates:

Grant date	Expiry rate	Share options 31 Dec 2025	Share options 31 Dec 2024
April 22	April 25	0	3,687,190
April 23	April 26	3,311,671	3,311,671
April 24	April 27	3,866,632	3,866,632
April 25	April 28	5,231,650	0
Total		12,409 953	10,865,493
Weighted average remaining contractual life of options outstanding at end of period		1.49	1.35
Range of exercise prices of options outstanding at the end of period		1.63-1.74	1.7-2.182

Inputs for share options are as follows:

	Share options issued in 2025	Share options issued in 2024
Grant date	April 25	April 24
Expiry date	April 28	April 27
Share price at grant date	3.25	3.48
Strike price	1.63	1.74
Risk-free interest rate	2.70%	3.22%
Expected dividend yield	2.64	2.86
Expected annual TSR volatility of the company's shares	0.16	0.09
Number of people to whom the share options were granted	264	227

The vesting period for all share options in the option programme is 3 years. The right to subscribe for shares arises on the first day of the exercise period. The assessed fair value at grant date of options granted during the year ended 31 December 2025 was EUR 1.51 per option (31 December 2024: EUR 1.61). The grant date fair value was calculated using the Black-Scholes model. The model inputs were the LHV Group share price in Q4 2025, price volatility, the interest rates of Estonian government bonds used as proxies for risk-free instruments and the dividend yield.

The price volatility is based on historic daily price changes of the underlying shares, dividends and capital returns for the same period as used for calculating the share price used in the model, adjusted for any expected changes to future volatility due to publicly available information.

In 2025, the share options granted in 2022 were not fully exercised, 19,977 shares were not exercised. The Group may grant share options for the results of 2025.

The members of the Management Board and employees cannot receive a specified amount of cash in lieu of the share options. Share options cannot be exchanged, sold, pledged, or encumbered. Share options can be inherited. The contract on share options expires upon early termination of the employment or board member contract on the initiative of the employee or board member, for which exceptions can be made by the Supervisory Board of AS LHV Group or the Remuneration Committee based on the decision of the Supervisory Board, and upon extraordinary termination of the employment or board member contract by the employer due to reasons resulting from the employee or board member. According to the Credit Institutions Act, the Supervisory Board of AS LHV Group can reduce the number of share options granted or cancel the share options if the overall financial results of the company have significantly deteriorated compared to the previous period, the member of the Management Board or employee no longer meets the performance criteria, the company no longer meets the prudential regulations, the company's business risks are not adequately covered by the company's own funds or the performance fee has been determined based on information, which has subsequently proven to be materially misstated or incorrect.

NOTE 21 Assets under custody

AS LHV Pank, as an account manager for its customers, has custody of or intermediates the following customer assets:

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Cash balances of customers	9,528	16,986
Securities of customers	3,988,351	3,556,494
Total	3,997,879	3,573,480

Asset management fees for the management of the above assets were in the range of 0.01-0.02% per year in 2025 (2024: 0.01-0.02% per year) (for respective income, see Note 7).

The monetary funds of customers who use the platform for an active securities trader, i.e., the trading system LHV Trader offered by LHV Pank are not recognised in the statement of financial position. Due to the nature of the system, LHV Pank deposits the funds in personalised accounts with its partner and as the funds cannot be used for business purposes by LHV Pank (they cannot be lent to other customers or used as collateral), they are accounted for off the statement of financial position. LHV Pank earns commission and interest income on the intermediation of transactions involving these accounts similarly to transactions involving customer accounts recognised in the financial statements.

LHV has a cooperation with IB, providing our customers access to IB's trading platform. This collaboration allows our customers to leverage their investment portfolios by using equities as collateral to obtain loans, which can then be reinvested into additional equities. IB employs sophisticated monitoring systems that closely tracks customer's positions. These systems are designed with pre-emptive thresholds to ensure proactive measures are taken well before the collateral's value approaches critical levels. Specifically, the system intervenes before the collateral value falls below the outstanding loan balance, prompting customers to either reduce their loan balance or provide additional collateral.

If customer does not take the necessary corrective action, the system is programmed to automatically liquidate the collateral to satisfy the outstanding loan. The loans extended to our customers, are managed with a high degree of prudence, including the application of a "haircut" to the collateral value, ensuring that the collateral always exceeds the loan amount. LHV has entered into an agreement with IB, wherein we assume responsibility for any shortfall. Should the proceeds from collateral liquidation be insufficient to cover the loan, the platform charges the deficit to LHV. This arrangement underscores our commitment to safeguarding the financial integrity of our clients' leveraged investments. To date, there has not been any instance where LHV has been required to cover a loss under this arrangement. The fair value of these guarantees is considered to be zero, based on the following methodology: The fair value of the guarantee is calculated as the discounted value of the Expected Loss (EL), where: $EL = \text{Probability of Default (PD)} \times \text{Loss Given Default (LGD)}$.

LHV considers the LGD for these loans to be zero euros, due to the highly automated processes employed by IB. If either the PD or LGD is considered zero in this calculation, the resulting fair value of the guarantee is also zero. Customers have provided similar guarantees to LHV Pank and, therefore, LHV Pank has in substance transferred the guarantees received. To avoid potential losses, LHV Pank monitors customer accounts on a daily basis to identify potential decreases in collateral or deficiency of funds. To date, no claims have been filed against the guarantees and LHV Pank has not made any payments under the guarantees.

NOTE 22 Contingent assets and liabilities

Non-cancellable agreements

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Consumer financing	28,305	51,817
Corporate lending	904,287	627,412
incl. performance guarantees	134,577	110,674
incl. financial guarantees	162,050	111,574
incl. letters of credit	400	1,071
Private lending	47,856	51,093
Investment financing	46,656	0
Leasing	0	0
Total gross	1,027,104	730,322
Provision of loan commitments and financial guarantees	-2,670	-6,368
Total carrying amount	1,024,434	723,954

Income tax on potential future dividends is disclosed in Note 20.

Tax authorities have the right to review the Group's tax records for up to 5 years after the submission of a tax return and upon finding errors may charge additional taxes, interest and fines. Tax authorities did not perform any tax audits at the Group during 2024-2025. According to the assessment of the Group's management, there are no circumstances which would cause tax authorities to charge a significant amount of additional tax from the Group in 2026.

Financial guarantees and unused loan commitments are subject to the ECL requirements of IFRS 9. See also the 'Risk and Capital management' section, subsection 7.3 for more information.

Performance guarantees are contracts that provide compensation in the event another party fails to perform a contractual obligation. Such contracts do not transfer credit

risk. The risk under performance guarantee contracts is the possibility of the insured event (i.e., another party's failure to perform a contractual obligation) occurs. The key risks the Group faces are significant fluctuations in the frequency and severity of payments incurred on such contracts relative to expectations. The Group uses historical data and statistical techniques to predict the levels of such payments. Claims must be made before the contract expires and most claims are settled within a short term. This allows the Group to achieve a high degree of certainty about the estimated payments and, therefore, future cash flows. The Group manages such risks by constantly monitoring the level of payments for such products and has the ability to adjust its fees in the future to reflect any change in claim settlement experience. The Group has a claims handling process and the right to review the claims received and to reject any fraudulent or non-compliant claims.

The exposure to and concentration of performance guarantees expressed in the amounts guaranteed is as follows:

Performance guarantees breakdown by industry

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Construction	104,179	74,088
Water and utilities	4,849	5,508
Manufacturing	5,334	5,963
Administrative activities	1,268	871
Professional, scientific, and technical activities	16,435	17,535
Other	2,512	6,709
Total	134,577	110,674

Performance guarantees breakdown by internal ratings

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
1 low credit risk	0	0
2 low credit risk	0	0
3 low credit risk	0	0
4 low credit risk	0	0
5 low credit risk	4,909	5,010
6 low credit risk	69,996	11,630
7 medium credit risk	18,012	32,345
8 medium credit risk	36,729	16,523
9 heightened credit risk	3,308	42,575
10 high credit risk	138	0
11 high credit risk	596	836
12 non-satisfactory rating	0	243
13 insolvent	889	1,512
Total	134,577	110,674

Performance guarantees are over-collateralised as at each reporting date. Therefore, the Group has not incurred any losses from performance guarantee contracts in 2025 or in earlier periods.

NOTE 23 Transactions with related parties

For the purposes of the Group's financial statements, related parties include:

- Management - members of the Management Board;
- Other related parties - members of the Supervisory Board, their close family members and companies related to them, close family members and companies related to Management Board, owners that have significant influence over the Group and companies related to them;

Transactions

<i>EUR thousand</i>	Note	2025	2024
Interest income	6	3,276	3,639
incl. management		34	43
incl. other related parties		3,242	3,596
Fee and commission income	7	95	171
incl. management		3	6
incl. other related parties		92	165
Interest expense on deposits	6	113	345
incl. management		12	40
incl. other related parties		101	305
Interest expense on subordinated debt	6	121	146
incl. management		3	5
incl. other related parties		118	141

Balances

<i>EUR thousand</i>	Note	31 Dec 2025	31 Dec 2024
Loans and receivables		52,455	52,500
incl. management	14	158	770
incl. other related parties	14	52,297	51,730
Deposits		14,606	14,768
incl. management	17	730	917
incl. other related parties	17	13,876	13,851
Subordinated debt		1,245	1,904
incl. management	19	37	96
incl. other related parties	19	1,208	1,808

The table provides an overview of material balances and transactions with related parties. All transactions involving close family members and companies related to the members of the Management Board and the Supervisory Board and the minority shareholders of the parent company, AS LHV Group, were conducted in the course and on the terms of ordinary business. There are no doubtful receivables from related parties and no loans to related parties have been written down.

Loans granted to related parties have been issued on market terms.

As at 31 December 2025 and as at 2024, management had term and demand deposits. The interest rates of their demand and term deposits corresponded to the Group's official price list.

The interest rate of the subordinated debt raised in May 2020 is 9.5% and the interest rate of the subordinated debt raised in September 2020 is 6%. The interest rate of the subordinated debt raised in 2022 and in 2023 is 10.5%. The interest rate of the subordinated debt raised in 2024 is 6.0%. The interest rate of the subordinated debt raised in 2025 is 5.5% and 9.5%.

As at 31 December 2025, remuneration for December and accrued holiday pay of EUR 222 thousand (31 December 2024: EUR 234 thousand) were reported as payables to management (Note 18). The Group did not have any long-term payables or commitments to the members of the Management Board and the Supervisory Board as at 31 December 2025 and 31 December 2024 (pension liabilities, termination benefits, etc.). The remuneration paid to the members of the Group's Supervisory Board in 2025 totalled EUR 166 thousand (2024: EUR 140 thousand).

Key management personnel compensation

<i>EUR thousand</i>	2025	2024
Salaries and other compensations	1,012	1,178
Pension contribution	149	180
Health insurance	97	117
Share based payments	1,493	872
Total	2,751	2,347

The Group has signed contracts with the members of the Management Board, which do not provide for severance benefits upon termination of the contract. Any matters not regulated by the contracts are resolved in accordance with the laws of the Republic of Estonia.

NOTE 24 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing net profit attributable to owners of the parent by the weighted average number of shares outstanding.

Basic and diluted earnings per share	2025	2024
Profit attributable to owners of the parent (EUR thousand)	114,265	148,968
Weighted average number of shares (thousand)	326,939	323,100
Basic earnings per share (EUR)	0.35	0.46
Weighted average number of shares used in calculating the diluted earnings per shares (thousands)	333,191	328,583
Diluted earnings per share (EUR)	0.34	0.45
Weighted average number of shares used as the denominator (thousands)		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	326,939	323,100
Adjustments for calculation of diluted earnings per share:		
Share options	6,252	5,483
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	333,191	328,583

NOTE 25 Income tax expense

LHV Group's subsidiary LHV Pank calculated advance corporate income tax at the rate of 18% in 2025 and 14% in 2024. Advance corporate income tax for the year 2025 was EUR 22,342 thousand (2024: EUR 22,661 thousand). Corporate income tax in the amount of EUR 4,667 thousand (2024: 2,159 thousand) includes the tax paid in UK and the dividend income tax paid in Estonia.

Income tax expense

<i>EUR thousand</i>	2025	2024
Advance corporate income tax	22,342	22,661
Corporate income tax	4,667	2,159
Total income tax expense	27,009	24,820
Effective tax rate	19%	14%

During the reporting period EUR 35,756 (2024: 18,750) thousand was used from the advance corporate income tax to cover the income tax related to the dividend payment. The balance of the paid and not used advance corporate income tax as of 31.12.2025 was EUR 43,121 thousand (2024: 56,534 thousand).

Reconciliation of tax expense

<i>EUR thousand</i>	LHV Pank	LHv Finance	LHV Varahaldus	LHV Paytech	LHV Kindlustus	LHv Group	LHV Bank	Total 2025
Profit before tax	127,896	6,941	4,689	500	2,522	127,491	7,868	277,907
Income tax rate	18%	0%	0%	0%	0%	0%	25%	
Income tax calculated on profit earned in the relevant entity	23,021	0	0	0	0	0	1,967	24,988
Income tax of the UK Branch	0	0	0	0	0	0	0	0
Income tax expense on dividends	0	1,636	564	0	0	0	0	2,200
Deferred income tax expense on dividends	0	0	140	0	0	0	428	568
Effect of non-taxable income on income tax	-679	0	0	0	0	0	198	-481
From prior periods	0	0	0	0	0	0	-266	-266
Total income tax	22,342	1,636	704	0	0	0	2,327	27,009

Reconciliation of tax expense

<i>EUR thousand</i>	LHV Pank	LHv Finance	LHV Varahaldus	LHV Paytech	LHV Kindlustus	LHv Group	LHV Bank	Total 2024
Profit before tax	162,652	3,611	2,417	665	1,199	82,032	5,048	257,624
Income tax rate	14%	0%	0%	0%	0%	0%	25%	
Income tax calculated on profit earned in the relevant entity	22,771	0	0	0	0	0	1,262	24,033
Income tax of the UK Branch	787	0	0	0	0	0	0	787
Income tax expense on dividends	0	326	800	0	0	295	0	1,421
Deferred income tax expense on dividends	0	669	76	0	0	0	-60	685
Effect of non-taxable income on income tax	-110	0	0	0	0	0	0	-110
From prior periods	0	0	0	0	0	0	-1,996	-1,996
Total income tax	23,448	995	876	0	0	295	-794	24,820

NOTE 26 Insurance revenue and expenses

Insurance revenue

<i>EUR thousand</i>	2025	2024
Insurance revenue	41,081	34,969
Motor own damage insurance	11,684	11,046
Health insurance	11,199	9,199
Motor third party insurance	6,023	5,886
Private property insurance	3,693	2,769
Travel insurance	3,252	2,133
Appliances insurance	4,127	3,228
Other	1,112	708

Insurance service expenses

<i>EUR thousand</i>	Incurring claims	Impact of onerous contracts	Amortisation of acquisition cash flows	Other direct costs	2025 Total	Incurring claims	Impact of onerous contracts	Amortisation of acquisition cash flows	Other direct costs	2024 Total
Motor own damage insurance	-8,297	0	-1,109	-2,242	-11,648	-7,441	0	-1,192	-2,334	-10,967
Health insurance	-9,439	0	-1,274	-2	-10,715	-6,893	0	-1,618	53	-8,458
Motor third party insurance	-3,536	191	-458	-1,172	-4,975	-4,626	-191	-487	-1,281	-6,585
Private property insurance	-2,313	0	-255	-653	-3,221	-1,554	98	-205	-565	-2,226
Appliances insurance	-743	0	-1,310	-706	-2,759	-802	0	-993	-661	-2,456
Travel insurance	-2,319	0	-137	-528	-2,984	-1,413	0	-19	-410	-1,842
Other	-359	0	-51	-189	-599	-299	0	-28	-177	-504
Total	-27,006	191	-4,594	-5,492	-36,901	-23,028	-93	-4,542	-5,375	-33,038

NOTE 27 Insurance contracts liabilities

In accordance with the current IFRS 17 Insurance Contracts, an insurance company may choose between two measurement models, the General Measurement Model (hereinafter GMM) and the simplified Premium Allocation Approach (hereinafter PAA). The term of the insurance contracts is usually one year, LHV Kindlustus uses the PAA to measure these insurance contracts. For groups of contracts with a coverage period more than 1 year, LHV Kindlustus performs a PAA eligibility test, which has concluded that the application of the PAA method does not result in materially different results compared to the GMM. Therefore LHV Kindlustus uses PAA for all its portfolios.

<i>EUR thousand</i>	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
Insurance contract liabilities 01.01.2024	9,491	98	3,838	159	13,586
Insurance contract assets 01.01.2024	0	0	-67	0	-67
Insurance revenue	-34,969	0	0	0	-34,969
Amortisation of acquisition costs	4,542	0	0	0	4,542
Incurred claims and other insurance service expenses	0	-98	23,443	192	23,537
Changes related to past service	0	0	-464	-143	-607
Changes related to future service	0	191	0	0	191
Insurance service result	-30,427	93	22,979	49	-7,306
Premiums received	35,255	0	0	0	35,255
Claims, benefits and handling costs paid	0	0	-21,588	0	-21,588
Acquisition cash flows	-4,689	0	0	0	-4,689
Total cash flows	30,566	0	-21,588	0	8,978
Insurance contract liabilities 31.12.2024	9,630	191	5,229	208	15,258
Insurance contract assets 31.12.2024	0	0	-89	0	-89

<i>EUR thousand</i>	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
Insurance contract liabilities 01.01.2025	9,630	191	5,229	208	15,258
Insurance contract assets 01.01.2025	0	0	-89	0	-89
Insurance revenue	-41,081	0	0	0	-41,081
Amortisation of acquisition costs	4,594	0	0	0	4,594
Incurred claims and other insurance service expenses	0	-191	28,247	201	28,257
Changes related to past service	0	0	-1,266	-176	-1,442
Changes related to future service	0	0	0	0	0
Insurance service result	-36,487	-191	26,981	25	-9,672
Premiums received	40,388	0	0	0	40,388
Claims, benefits and handling costs paid	0	0	-26,335	0	-26,335
Acquisition cash flows	-4,304	0	0	0	-4,304
Total cash flows	36,084	0	-26,335	0	9,749
Insurance contract liabilities 31.12.2025	9,227	0	5,875	233	15,335
Insurance contract assets 31.12.2025	0	0	-53	0	-53

NOTE 28 Parent Company Primary Financial Statements

In accordance with the Estonian Accounting Act, the notes to the consolidated financial statements must include the separate primary financial statements of the parent of the Group.

Parent company statement of profit or loss and other comprehensive income

<i>EUR thousand</i>	2025	2024
Interest income using the effective interest method	43,895	36,728
Interest expense	-42,772	-35,571
Net interest expense	1,123	1,157
Fee and commission income	2,000	2,098
Net fee and commission income	2,000	2,098
Dividends received	128,770	81,200
Foreign exchange losses	-18	-1
Net gain/loss from financial assets measured at fair value	-13	0
Net gain from financial assets	128,739	81,199
Staff costs	-1,621	-1,009
Administrative and other operating expenses	-2,750	-1,413
Profit before impairment losses	127,491	82,032
Impairment of subsidiary	-1,600	0
Profit before income tax	125,891	82,032
Income tax expense	0	-295
Total profit and other comprehensive income for the year	125,891	81,737

Parent company statement of financial position

<i>EUR thousand</i>	Note	31 Dec 2025	31 Dec 2024
Assets			
Due from banks and investment companies		84,036	34,866
Loans and advances to customers		573,773	477,201
Receivables from customers and other receivables		666	527
Investments in subsidiaries		368,772	267,216
Property, plant and equipment		54	0
Strategic financial investments		1,000	1,000
Total assets		1,028,301	780,810
Liabilities			
Financial liabilities at fair value through profit or loss		95	0
Accounts payable and other liabilities		492	434
Debt securities in issue		489,820	427,525
Subordinated debt		206,182	125,510
Total liabilities		696,589	553,469
Equity			
Share capital	20	32,786	32,419
Share premium	20	154,593	146,958
Legal reserve		4,713	4,713
Treasury shares	20	-7,271	0
Other reserves		13,030	13,830
Retained earnings		133,861	29,421
Total equity		331,712	227,341
Total liabilities and equity		1,028,301	780,810

Parent company statement of cash flows

<i>EUR thousand</i>	2025	2024
Cash flows from operating activities		
Interest received	43,784	33,410
Interest paid	-39,475	-26,695
Fees and commissions received	2,000	2,098
Staff costs paid	-723	-654
Administrative and other operating expenses paid	-2,768	-1,414
Income tax paid	0	-295
Cash flows from operating activities before changes in operating assets and liabilities	2,818	6,450
Increases/decreases in operating assets and liabilities:		
Loans granted	-96,689	-121,500
Net change of debt securities in issue	60,000	100,000
Change in other receivables	139	109
Change in other liabilities	-221	4,634
Net cash from operating activities	-33,953	-10,307
Cash flows from investing activities		
Purchase of PPE and intangible assets	-54	0
Capital contributions to subsidiaries	-98,086	-24,417
Dividends received	128,770	81,200
Net cash from investing activities	30,630	56,783
Cash flows from financing activities		
Subordinated debt raised	130,000	20,000
Subordinated debt settled	-50,000	-20,000
Distribution of the voluntary reserve	957	0
Acquisition of treasury shares	-7,271	0
Contribution to share capital (incl. share premium)	8,002	4,021
Dividends paid	-29,177	-41,578
Net cash from/used in financing activities	52,511	-37,557
Effect of changes in foreign exchange rates on cash and cash equivalents	-18	0
Cash and cash equivalents at the beginning of the year	34,866	25,947
Increase in cash and cash equivalents	49,170	8,919
Cash and cash equivalents at the end of the year	84,036	34,866

Parent company statement of changes in equity

<i>EUR thousand</i>	Share capital	Share premium	Statutory reserve capital	Other reserves	Treasury shares	Accumulated loss/retained earnings	Total
Balance as at 1 Jan 2024	31,983	143,372	4,713	10,329	0	-14,046	176,351
Paid in share capital	436	3,586	0	0	0	0	4,022
Dividends paid	0	0	0	0	0	-41,578	-41,578
Acquisition of treasury shares	0	0	0	0	0	0	0
Transfer to legal reserve	0	0	0	0	0	0	0
Share options	0	0	0	3,501	0	3,308	6,809
Total other comprehensive income for 2024	0	0	0	0	0	81,737	81,737
Balance as at 31 Dec 2024	32,419	146,958	4,713	13,830	0	29,421	227,341
Carrying amount of interests under control and significant influence	0	0	0	0	0	-256,741	-256,741
Value of interests under control and significant influence under equity method	0	0	0	0	0	699,488	699,488
Adjusted unconsolidated equity as at 31 Dec 2024	32,419	146,958	4,713	13,830	0	472,168	670,088
Balance as at 1 Jan 2025	32,419	146,958	4,713	13,830	0	29,421	227,341
Paid in share capital	367	7,635	0	0	0	0	8,002
Dividends paid	0	0	0	0	0	-29,117	-29,117
Acquisition of treasury shares	0	0	0	0	-7,271	0	-7,271
Transfer to legal reserve	0	0	0	0	0	0	0
Share options	0	0	0	-800	0	7,666	6,866
Total other comprehensive income 2025	0	0	0	0	0	125,891	125,891
Balance as at 31 Dec 2025	32,786	154,593	4,713	13,030	-7,271	133,861	331,712
Carrying amount of interests under control and significant influence	0	0	0	0	0	-357,634	-357,634
Value of interests under control and significant influence under equity method	0	0	0	0	0	783,821	783,821
Adjusted unconsolidated equity as at 31 Dec 2025	32,786	154,593	4,713	13,030	-7,271	560,048	757,899

Adjusted unconsolidated equity is the maximum amount that can be distributed to shareholders according to Estonian legislation.

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Signatures of the Management Board on the Annual Report

The Management Board has prepared AS LHV Group consolidated annual report for the financial year ended 31 December 2025, consisting of Part I (Strategic and Performance Overview), Part II (Thematic Reviews: Governance, Risks and Sustainability) and Part III (Financial Statements and Notes), the independent auditor's report and the proposal for the distribution of profit, and has approved them for submission to the Annual General Meeting of shareholders.

The Management Board confirms that, to the best of its knowledge, the presented consolidated annual financial statements give a true and fair view of the financial position of the Group, comprising the parent company and its consolidated subsidiaries as a whole, and of its financial performance and cash flows in accordance with International Financial Reporting Standards as adopted by the European Union.

02 March 2026

Mihkel Torim

Chairman of the Management Board
/signed digitally/

Meelis Paakspuu

Member of the Management Board
/signed digitally/

Jüri Heero

Member of the Management Board
/signed digitally/

Kadri Haldre

Member of the Management Board
/signed digitally/



Independent Auditor's Report

To the Shareholders of AS LHV Group

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of AS LHV Group (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 2 March 2026.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- material accounting policy information; and
- the notes to the consolidated financial statements, comprising other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Aktsiaselts PricewaterhouseCoopers
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License No. 6; Registry code: 10142876
+372 6141 800, ee_info@pwc.com

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Independence

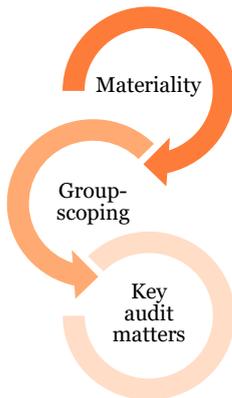
We are independent of the Group in accordance with the ethical requirements of Regulation (EU) No 537/2014 that are relevant to audits of financial statements of public interest entities, and Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Regulation (EU) No 537/2014 and the Code of Ethics (Estonia).

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its subsidiaries within the European Union are in accordance with the applicable law and regulations in the Republic of Estonia and that we have not provided non-audit services that are prohibited under § 59¹ of the Auditors Activities Act of the Republic of Estonia.

The non-audit services that we have provided to the Company and its subsidiaries in the period from 1 January 2025 to 31 December 2025 are disclosed in section 5.5.4 of the consolidated annual report and note 8 to the consolidated financial statements.

Our audit approach

Overview



- Overall Group audit materiality is EUR 7,200 thousand, which represents approximately 5% of profit before tax.
- We have tailored our audit scope based on the risk and size of the entities within the Group. A full scope audit or specified procedures was performed by us, or under our instructions, by a firm outside the PwC network, covering substantially all of the Group's consolidated assets, liabilities, revenues, expenses and profits. The audit procedures, together with qualitative considerations, helped us to ensure that we have obtained sufficient audit evidence on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.
- The key audit matters are expected credit losses on loans and advances to customers and valuation of insurance contract liabilities.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Management Board made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	EUR 7,200 thousand
How we determined it	Approximately 5% of profit before tax
Rationale for the materiality benchmark applied	We have applied this benchmark, as in our view, this is against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within the range of acceptable quantitative materiality thresholds in auditing standards.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Expected credit losses on loans and advances to customers (refer to “Material accounting policy information” section 9.5.7 “Expected credit loss of financial assets”, Note 1 “General information”, Note 2 “Significant accounting estimates and assumptions”, Note 12 “Loans and advances to customers”, Note 13 “Expected credit losses on financial assets measured at amortised cost” and Note 18 “Accounts payable and other liabilities” for further details).</p> <p>As at 31 December 2025, gross carrying amount of loans and advances to customers amounted to EUR 5,507,093 thousand and related expected credit loss</p>	<p>We assessed whether the Group’s accounting policies in relation to assessing the expected credit losses of loans to the public complied with IFRS 9 by assessing each significant model component: EAD, PD, LGD, definitions of default and significant increase in credit risk, use of macroeconomic scenarios.</p> <p>We assessed the design and operating effectiveness of key controls over ECL input data and respective calculations:</p> <ul style="list-style-type: none"> controls over recording of loans data in the system; controls over the automated indexation of collaterals;

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allowance amounted to EUR 41,702 thousand. Additionally, provisions related to off-balance sheet exposures (loan commitments and financial guarantees) as at 31 December 2025 amounted to EUR 2,670 thousand.

We focused on this area because application of IFRS 9 “Financial instruments” 3-stage expected credit loss (ECL) model requires management to use complex calculations with subjective inputs to assess the timing and the amount of expected credit losses.

The key features of the ECL model include:

- classification of loans to 3 stages based on the assessment of significant increase in credit risk;
- assessment of credit risk parameters such as probability of default (PD), loss given default (LGD) and exposure at default (EAD) based on complex modelling techniques and estimates determined by the management;
- application of forward-looking and probability-weighted information in the ECL assessment.

- the design and operating effectiveness of controls related to monitoring of loans. These controls included the assessment of whether clients have been assigned correct rating classes;
- review and approval of ECL calculations for individual material exposures (stage 3).

We performed detailed audit procedures in the following areas:

- the completeness and accuracy of data used in the ECL calculation;
- the compliance of key risk parameters used in ECL calculation system with IFRS 9 methodology;
- the accuracy and compliance of 12-month and lifetime ECL calculations with IFRS 9 methodology;
- the accuracy of discounting in the ECL calculations;
- the existence of valid collateral contracts;
- the accuracy and completeness of data used for staging of loans (including applying the criteria for determining significant increase in credit risk and definition of default);
- the completeness of loans subject to stage 3 assessment and related ECL calculations.

We have assessed the reasonableness of key assumptions made by management, which serve as critical inputs in the ECL model, such as weights of different scenarios and forecasts of key macroeconomic information as at 31 December 2025.

Valuation of insurance contract liabilities (refer to “Material accounting policy information” section 9.5.18 “Classification of insurance contracts” and Note 27 “Insurance contracts liabilities”).

As at 31 December 2025 insurance contract liabilities amounted to EUR 15,335 thousand.

This area involves significant judgements in terms of used assumptions and complex calculation models. There are also significant judgments applied on various methodology points which are implemented and applied in the models to calculate the IFRS 17 results.

Consistent with the insurance industry, the Group uses actuarial valuation models to support the calculations of the insurance contract liabilities. The

Our audit procedures included, but were not limited to:

- We have assessed the entity’s methodology and the assumptions used and tested the insurance contract liabilities.
- We have assessed the reasonableness of assumptions used in actuarial models, including their derivation and reconciliation with the experience analysis or other sources.
- We performed detailed audit procedures in the following areas:
 - premium allocation approach eligibility;
 - calculation of liabilities for incurred claims (LIC) cash flows (CF);
 - calculation of LIC risk adjustment;
 - calculation of liabilities for remaining coverage (LRC).

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complexity of the models, including the processing of significant volumes of data, may give rise to errors as a result of their design or application or significant data requirement. In addition, the assumptions used in the calculations have a significant impact on the level of the liabilities.

- We have performed detailed audit procedures over the completeness, accuracy and appropriateness of the input data used in actuarial models.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor, or by other auditor within the PwC network operating under our instruction. We tailored our audit scope based on the risk and size of the entities within the Group. A full scope audit or specified procedures was performed accordingly, covering substantially all of the Group's consolidated assets, liabilities, revenues, expenses and profits. Where the work was performed by other auditor, we determined the level of involvement we needed to have in the audit work at that component to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

At the Group level we also audited the consolidation process and performed analytical procedures to confirm our conclusion that no material misstatements exist that may affect the consolidated financial statements.

Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises information disclosed in Consolidated Annual report under Part I: STRATEGIC AND PERFORMANCE OVERVIEW, Part II: THEMATIC REVIEWS: GOVERNANCE, RISKS AND SUSTAINABILITY and Allocation of income according to EMTAK (including the Consolidated Sustainability Statement), but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Consolidated Annual report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared (excluding the Consolidated Sustainability Statement) in accordance with the requirements of the Accounting Act of the Republic of Estonia.

In accordance with the Securities Market Act of the Republic of Estonia with respect to the Remuneration Report, our responsibility is to consider whether the Remuneration Report includes the information in accordance with the requirements of Article 135³ (3) of the Securities Market Act of the Republic of Estonia.

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Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements;
- the Management report (excluding the Consolidated Sustainability Statement) has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia; and
- the Remuneration Report has been prepared in accordance with Article 135³ (3) of the Securities Market Act of the Republic of Estonia.

If, based on the work we have performed on the Management report and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement in the Management report or in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.

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- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the presentation of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged as part of our audit engagement letter-by the Management Board to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of AS LHV Group for the year ended 31 December 2025 (the "Presentation of the Consolidated Financial Statements").

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

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The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management Board and those charged with governance

The Management Board is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (Estonia) 3000 (revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" (ISAE (EE) 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE (EE) 3000 (revised) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality management requirements and professional ethics

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics (Estonia).

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;

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- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

Appointment and period of our audit engagement

We were first appointed as auditors of AS LHV Group, as a public interest entity, at the Annual General Meeting of 2022, for the financial year ended 31 December 2024, and accordingly, the length of our total uninterrupted engagement has been 2 years. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of AS LHV Group can be extended for up to the financial year ending 31 December 2043.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Lauri Past
Certified auditor in charge, auditor's certificate no. 567

2 March 2026
Tallinn, Estonia

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Independent practitioner's limited assurance report on AS LHV Group's Consolidated Sustainability Statement

To the shareholders of AS LHV Group

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of AS LHV Group (the "Company"), included in chapter 8 Consolidated Sustainability Statement of Part II: THEMATIC REVIEWS: GOVERNANCE, RISKS AND SUSTAINABILITY of the Consolidated annual report 2025 (the "Consolidated Sustainability Statement"), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note 8.1.4 Impact, risk and opportunity management; and
- compliance of the disclosures in note 8.2.1 EU Taxonomy within the Environmental Information section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (Estonia) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE (EE) 3000 (Revised)") as adopted by Auditing Activities Oversight Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) (Code of Ethics (Estonia)) as adopted by Auditing Activities Oversight Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Aktsiaselts PricewaterhouseCoopers
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The firm applies International Standard on Quality Management (Estonia) 1 (revised), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Consolidated Sustainability Statement

Management Board of the Company is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note 8.1.4 Impact, risk and opportunity management of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management Board of the Company is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in note 8.2.1 EU Taxonomy within the Environmental Information section of the Consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Management Board determines is necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Consolidated Sustainability Statement

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In reporting forward-looking information in accordance with the ESRS, the Management Board of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

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Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE (EE) 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in note 8.1.4 Impact, risk and opportunity management.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Consolidated Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and

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- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in note 8.1.4 Impact, risk and opportunity management.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
 - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
 - obtaining an understanding of the roles and responsibilities in the preparation of the Consolidated Sustainability Statement, including communication within the Group and between the Management Board and those charged with governance.
- evaluated whether the information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the Consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the Consolidated Sustainability Statement;
- where applicable, compared disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and Consolidated annual report 2025;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Janno Hermanson
Certified auditor in charge, auditor's certificate no.570

2 March 2026
Tallinn, Estonia

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Proposal for profit distribution

The Management Board of LHV Group proposes to the General Meeting of shareholders that the profit for 2025 be distributed as follows:

- to pay a dividend of EUR 0.17 per share and EUR 55,736 thousand in total, the related income tax would amount to EUR 15,720 thousand;
- to transfer the profit for the reporting period attributable to the shareholders of the parent of EUR 53,560 thousand to retained earnings.

13 Additional Information

Allocation of income according to EMTAK

Consolidated:

EMTAK	Activity	2025	2024
66121	Security and commodity contracts brokerage	10,875	11,610
64191	Credit institutions (banks) (granting loans)	471,943	487,712
64911	Leasing	10,484	14,221
66301	Fund management	10,911	8,663
	Total income	504,213	522,206

Unconsolidated:

EMTAK	Activity	2025	2024
64201	Activities of holding companies	45,895	38,826
	Total income	45,895	38,826

EMTAK – Estonian classification of economic activities