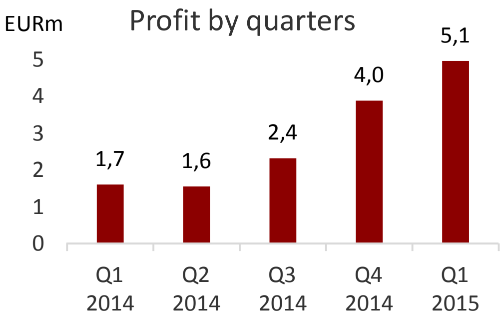
Interim Report January – March 2015
Summary of Results

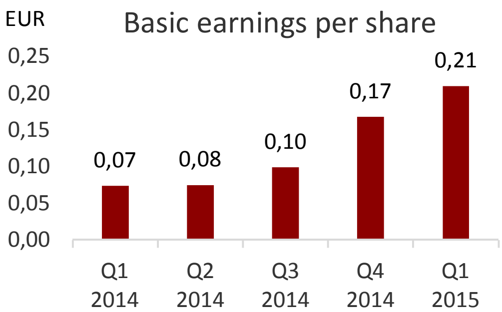
Q1 2015 in comparison with Q4 2014

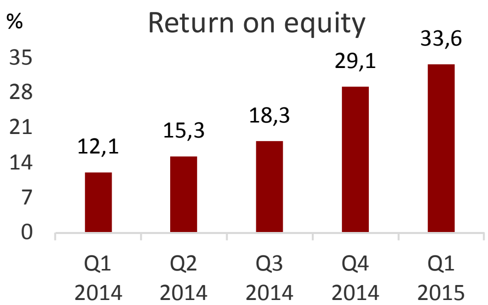
- Net profit EUR 5,1 m (EUR 4,0 m), of which EUR 4,9 m (EUR 3,9 m) is attributable to owners of the parent
- Earnings per share EUR 0,21 (EUR 0,17)
- Net income EUR 9,0 m (EUR 8,3 m)
- Operating expenses EUR 5,4 m (EUR 5,4 m)
- Loan provisions EUR 0,7 m (EUR 0,3 m)
- Return on equity 33,6% (18,3%)
- Capital adequacy 21,4% (22,8%)

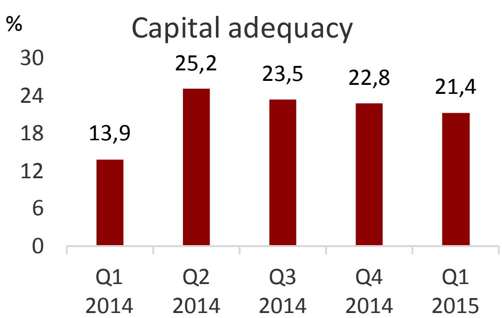
Q1 2015 in comparison with Q1 2014

- Net profit EUR 5,1 m (EUR 4,0 m), of which EUR 4,9 m (EUR 1,4 m) is attributable to owners of the parent
- Earnings per share EUR 0,21 (EUR 0,07)
- Net income EUR 9,0 m (EUR 6,5 m)
- Operating expenses EUR 5,4 m (EUR 4,7 m)
- Loan provisions EUR 0,7 m (EUR 0,2 m)
- Return on equity 33,6% (9,04%)
- Capital adequacy 21,4% (13,9%)









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

Managing Director's Statement

No significant changes occurred in the Baltic business environment at the beginning of 2015. Even though the objective risk profile shows no major changes, market participants are becoming somewhat accustomed to the previously unnerving developments, and dare to look beyond the horizon. Further growth in income continues to support consumer confidence and domestic consumption. With export growth remaining modest, the danger of a decline in competitiveness is rising, dimming the export outlook.

With the European Central Bank launching massive stimulus measures in the first quarter of the year, interest rates have dropped further, propping up the European stock markets. The Baltic commercial real estate market is experiencing local-scale imbalances. With rental prices remaining consistent and financing expenses dropping sharply, the real estate owners' return on equity has soured. This makes commercial real estate profitable and supports new project initiatives. Against the backdrop of a general, albeit sluggish, economic growth, this is bound to add to the risks in the area. With the fundamental demand for commercial real estate showing no significant increase, there is a clear and present danger of a formation of a price and supply bubble.

The start of the year has met LHV's expectations. Consolidated profit for the quarter amounted to EUR 5,1 m. This constitutes a EUR 1,1 m increase from Q4, and a EUR 3,5 m increase from Q1 2014. The sharp growth was triggered by the disposal of business operations in Finland at the beginning of January, of which we informed our investors in the last quarterly report. The disposal of the business is recognised under net financial income. In connection with the disposal, the income tax assets formed last quarter were written off, and charged to income tax expenses in Q1. Consolidated loans of continued operations grew by EUR 26 m during the quarter (+ EUR 30 m in Q4) and deposits by EUR 31 m (+ EUR 66 m in Q4). The volume of funds managed by LHV grew by EUR 21 m in the quarter (EUR 6 m in Q4).

The bank posted a profit of EUR 3,8 m in the first quarter - an increase of EUR 1,0 m from Q4. The sharp increase in profit was supported by the disposal of business operations in Finland. The one-off impact of the disposal was manifested in the formation of income tax assets in Q4, and in the growth in net financial income and reversal of the income tax assets in Q1 2015. Pursuant to the terms and conditions of the transaction, the parties to the transaction are not authorised to disclose the exact price of the transaction. The long-term impact of the disposal of business operations in Finland will be manifested in a drop in interest income and a decrease in loan impairment losses.

The loan portfolio associated with the bank's continued operations grew by EUR 25 m in Q1 and amounted to EUR 323 m. Impairments of loans amounted to EUR 0,4 m in Q1 (EUR 0,0 in Q4), as can be expected after the disposal of the business operations in Finland. A major loan impairment was made on a short-term basis during the quarter, but the bank's well-focused and successful efforts helped to prevent potential loan losses. Deposits grew by EUR 33 m during the quarter (EUR 66 m in Q4), amounting to EUR 495 m.

LHV Bank and the European Investment Fund signed an agreement to maximise the credit options of Estonian SMEs via the InnovFin guarantee. The guarantee provided by the agreement allows LHV Bank to grant EUR 40 m worth of loans to innovative Estonian companies over the next two years. On March 10, LHV Bank became the second Estonian bank to join the pan-European settlement system STEP2 as a direct member. The membership improved settlement conditions for the customers of LHV Bank.

Asset Management posted a profit of EUR 1,2 m in Q1, remaining on par with the last quarter. The volume of funds grew by EUR 21 m and the volume of Pillar 2 pension funds by EUR 32 m. The volume of the Persian Gulf Fund decreased. The investment results of pension funds are comparable to the previous two quarters. Comparison reveals that conservative funds are very well positioned. Aggressive funds started out the year with a good yield, but still fail in comparison with competing funds. Asset Management has consciously reduced the stock market risk in the investment of pension fund assets. For macroeconomic reasons, the funds have established capital preservation as their priority, and will not succumb to risk appetite before the situation changes.

The proportionally weaker yield of aggressive funds in the last 8-9 months has added to the number of customers leaving the funds. 2 300 customers left Pillar 2 in Q1 and there were 130 102 active customers by the end of the quarter.

In March, the share capital of Asset Management was raised, via a bonus issue, by EUR 1,9 m. Asset Management made capital disbursements from voluntary reserves to the parent company in the amount of EUR 2,4 m, and engaged EUR 1 m from the parent in subordinated liabilities.

Mokilizingas posted a profit of EUR 0,2 m in Q1. This constitutes a 100% increase from Q4. Unlike the previous year, new sales did not drop at the beginning of the year. Rather, a modest growth is evident. Loan quality remains stable and strong.

The business outlook for LHV in the upcoming months is reasonably good.

Erkki Raasuke

Table of contents

Financial Summary

Income statement EUR million	**Q1** **2015**	**Q4** **2014**	**Quarter** **over quarter**	**Q1** **2014**	**Year** **over year**
Net interest income	5,22	4,92	6%	3,36	55%
Net fee and commission income	3,34	3,31	1%	2,94	14%
Other financial income	0,47	0,09	422%	0,21	124%
Total net operating income	9,03	8,32	9%	6,51	39%
Other income	0,00	-0,02		0,01	
Operating expenses	-5,45	-5,39	1%	-4,66	17%
Loan losses	-0,66	-0,27	144%	-0,22	200%
Income tax expenses	-0,07	-0,04	75%	-0,06	17%
Discontinued operations	2,26	1,41		0.08	
Net profit	5,11	4,01	27%	1,66	208%
including attributable to owners of the parent	4,90	3,92	25%	1,43	244%

Business volumes EUR million	**Q1** **2015**	**Q4** **2014**	**Quarter** **over quarter**	**Q1** **2014**	**Year** **over year**
Loan portfolio*	326,8	301,0	9%	218,4	50%
Financial investments	146,8	149,5	-2%	56,6	159%
Deposits of customers	489,4	457,9	7%	360,1	36%
Equity (including minority interest)	63,2	58,0	9%	33,6	88%
Equity (owners' share)	60,8	55,9	9%	31,7	92%
Volume of funds managed	525,0	504,3	4%	427,8	23%
Assets managed by bank	582,4	546,8	7%	360,1	62%

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

Ratios EUR million	**Q1** **2015**	**Q4** **2014**	**Quarter** **over quarter**	**Q1** **2014**	**Year** **over year**
Average equity (attributable to owners of the parent)	58,4	53,9	4,5	31,0	27,4
Return on equity (ROE), %	33,6	29,1	4,5	18,4	15,2
Interest-bearing assets, average	559,4	498,8	60,7	396,2	163,3
Net interest margin (NIM) %	3,73	3,95	-0,22	3,39	0,34
Price spread (SPREAD) %	3,66	3,90	-0,24	3,36	0,30
Expense-to-income ratio %	60,3	64,9	-4,5	71,5	-11,1

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

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

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

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

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

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

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

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

Expense-to-income ratio = total operating expenses / total net income * 100

Operating Environment

More and more central banks around the world have started to aggressively intervene in money market dynamics. In January, the European Central Bank (ECB) announced its bond purchase programme, designed to expand the monetary base by EUR 1,1 trillion in 18 months. This means that every month, an average of EUR 60 billion will be conjured up on the European bond market, and used for purchasing sovereign bonds. The creation of additional liquidity on the bond markets is pushing the interest rates of strong and stable borrowers below 0%.

The ECB's actions are beginning to affect the decisions of the Federal Reserve. Against the backdrop of strong US macro-economic indicators, the Federal Reserve is expected to raise the all-time record-low interest rates. At the same time, the drop in the EUR exchange rate, conditioned by the actions of the European Central Bank, is exerting pressure on the Fed, as further strengthening of the dollar would have a negative impact on the country's competitive ability.

The ECB's bond purchase programme is already having a direct impact on the financial markets. The yield is negative for a considerable portion of sovereign and corporate bonds issued in EUR, if held to maturity. The aim of the current monetary policy is to boost corporate and private investments and consumption volumes, triggering an increase in consumer prices. According to Eurostat, consumer prices were still 0,3% lower in February, compared to last year, while the ECB is pursuing a price inflation target of 2%.

Furthermore, the expansion of the monetary base has had a significant impact on the exchange rate of the euro vs other currencies – in Q1, the euro weakened against the dollar by nearly 22%. The weakening euro is bound to significantly enhance the competitive ability of euro zone countries on the global markets. This should gradually pass down to real economy.

Closer to home, tensions are still brewing with regard to the political situation in Russia, and the economic sanctions, which, above all, have wreaked havoc on the Russian economy, but have also had a backlash in the Baltic States. It is difficult to predict whether and when the situation would stabilise. Nonetheless, the Russian rouble, which was in complete free fall at the end of last year, has significantly strengthened in the first quarter of the year, positively affecting the Russia-bound exports of Russia's trade partners.

The outlook for the Baltic States is reasonably good for this year, with expectations of a 2% growth, or more, for all three economies. Even though growth factors are different, they all rely on the increase in domestic consumption and investment volumes. The increase in real wages and employment will also be a major contributor. The key objective of Baltic companies is to find new export markets. The first quarter shows that we are still suffering from the negative impact of the block on Russian exports, similarly to last year, albeit a little less in Estonia, compared to Latvia and Lithuania.

The price of oil, which plummeted last year, has stabilised on much lower levels in the first quarter of the year. The savings gained on the drop in energy prices will have a positive impact both on local companies and standard consumers. The direct impact will mainly be manifested in the drop in fuel and electricity prices.

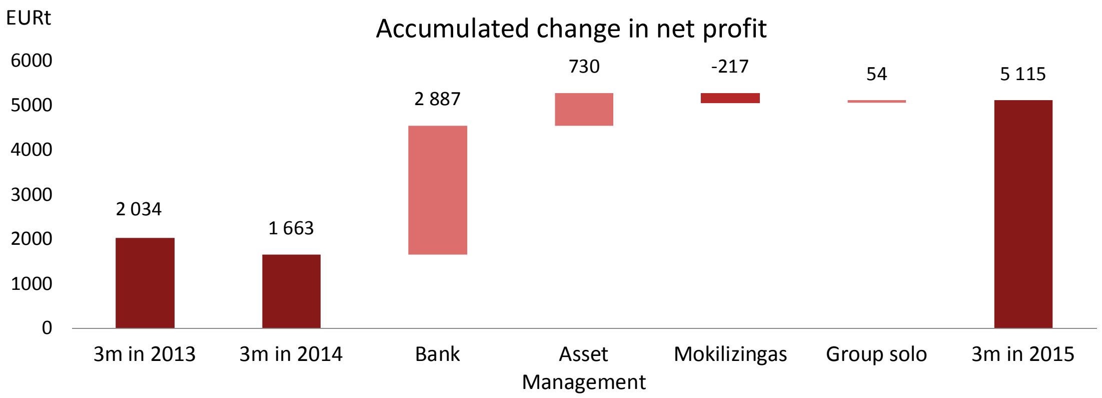
LHV's forecast for 2015 is moderately optimistic. The economy is growing, albeit the previous forecasts may be trimmed down in the short perspective. Investment volumes are growing and credit institutions stand ready to finance. The competition on the banking market is tightening, positively affecting local enterprises. In view of the economic environment, LHV will place greater emphasis on the general management of its portfolios, along with selection of high-quality investment projects. The strategy for the near future is to boost the proportion of lower-risk financing projects in the corporate loan segment. LHV will pursue this objective by offering competitive interest rates to strong, well-performing projects.

Financial Results of the Group

Compared to Q4, the Group's net interest income grew by 5%, standing at EUR 5,2 (Q4: 4,9) million. Net fee and commission income grew by 1% and stood at EUR 3,3 (Q4: 3,3) million. Financial income grew by 400% and stood at EUR 0,5 (Q4: 0,1) million. In total, the net income of the Group increased by 9% in Q1, compared to Q4, amounting to EUR 9,0 (Q4: 8,3) million, with expenses climbing by 1% and amounting to EUR 5,4 (Q4: 5,4) million. The Group's operating profit for Q1 amounted to EUR 3,6 (Q4: 2,9) million. Impairments amounted to EUR 0,7 (Q4: 0,3) million in Q1. The Group's total profit for Q1 amounted to EUR 5,1 million, of which 2,85 million can be attributed to continued operations and 2,25 million to discontinued operations (Q4: 2,6 and 1,4 million, respectively).

Compared to Q1 2014, the Group's net interest income increased by 55% and net fee and commission income by 14%, with financial income increasing by 117%.

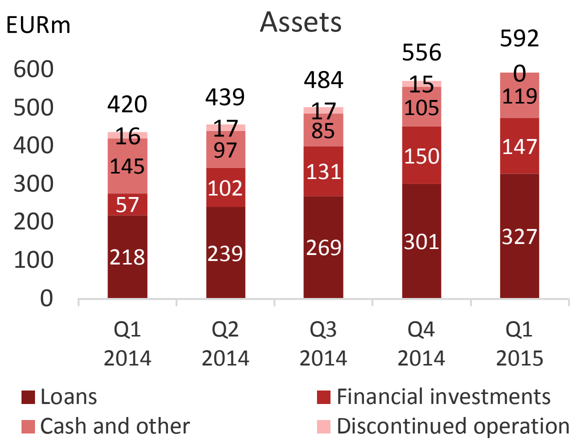
In terms of business entities, AS LHV Pank posted a consolidated profit of EUR 3,8 million, AS LHV Varahaldus a profit of EUR 1,2 million and UAB Mokilizingas a profit of EUR 0,2 million. The LHV Group separately posted a loss of EUR 0,1 million, as it does not have a separate revenue generating unit and the main type of expense of the Group is interest expense from subordinated liabilities.



The Group's volume of deposits as at the end of Q1 amounted to EUR 489 (Q4: 458) million, of which demand deposits formed EUR 275 (Q4: 274) million and term deposits EUR 214 (Q4: 184) million.

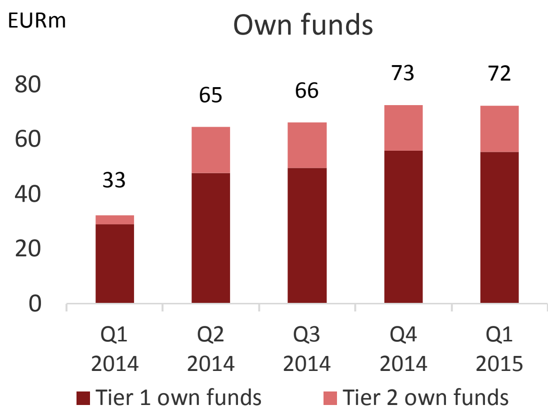
As at the end of Q1, the volume of loans granted by the Group amounted to EUR 327 (Q4: 301) million and the volume of financial investments to EUR 147 (Q4: 150) million, which respectively is 9% and 2% more than at the end of Q2.

Compared to Q1 2014, the volume of the Group's deposits has increased by 36%, the volume of loans by 50% and the volume of financial investments by 159%.



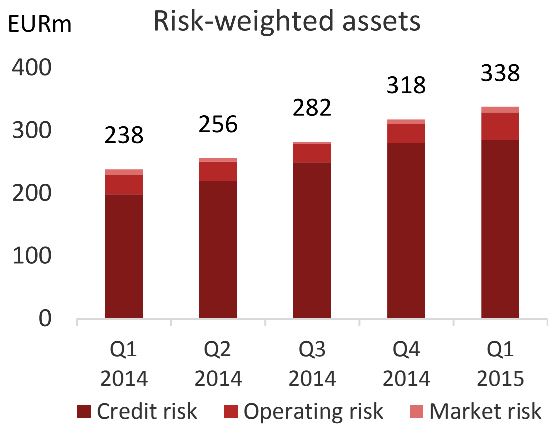
The Group's Liquidity, Capitalisation and Asset Quality

As at 31 March 2015, the Group's own funds stood at EUR 72,2 million (31 December 2014: EUR 72,5 million). The own funds of the Group decreased in Q1 in accordance with the regulations that allow a non-controlling participation to be recognised at decreasing proportions.



The Group is well capitalised as at the end of the reporting period, with the capital adequacy ratio amounting to 21,4% (31 December 2014: 22,8%).

The Group's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 285% as at the end of March (31 December 2014: 190%). The Group recognises cash and bond portfolios as liquidity buffers. These accounted for 43% of the balance sheet (31 December 2014: 41%). The ratio of loans to deposits stood at 67% as at the end of the first quarter (31 December 2014: 70%).

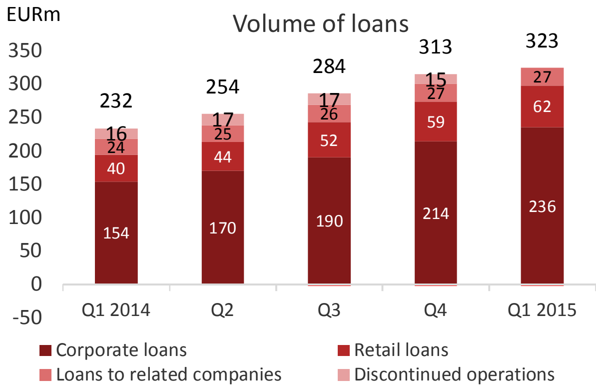


The Group's credit quality was good. As at the end of March, provisions for contingent loan losses amounted to EUR 4,5 million in the balance sheet, i.e. approximately 1,4% of the loan portfolio (31 December 2014: EUR 4,1 million, 1,3%). Estimated loan losses make up 270,2% of the portfolio of loans overdue for more than 90 days.

EUR thousand	31.03.2015	Proportion	31.12.2014	Proportion	31.03.2014	Proportion
Loans to customers	331 278		305 099		222 721	
including overdue loans:	11 904	3,6%	12 420	4,1%	11 151	5,0%
1-30 days	5 371	1,6%	4 910	1,6%	3 632	1,6%
31-60 days	2 933	0,9%	1 328	0,4%	1 624	0,7%
61-90 days	1 932	0,6%	2 755	0,9%	2 953	1,3%
91 and more days	1 668	0,5%	3 427	1,1%	2 942	1,3%
Impairment of loans	-4 509	-1,4%	-4 067	-1,3%	-4 276	-1,9%
Impairment % of loans overdue for more than 90 days	270,2%		118,7%		145,4%	

Overview of AS LHV Pank Consolidation Group

- Strong profit in Q1
- Net growth in the volume of loans to EUR 25 million in Q1 (EUR 29 m in Q4)
- On 9 January 2015, the business operations of the Finnish branch were sold
- On 1 April 2015, the Latvian branch was opened after its transformation from cross-border activities into a branch



EUR million	Q1 2015	Q4 2014	Change %	Q1 2014	Change %	From the beginning of 2015	From the beginning of 2014	Change %
Net interest income	4,17	3,88	7%	2,67	56%	4,17	2,67	56%
Net fee and commission income	1,01	0,78	30%	0,91	11%	1.01	0,91	11%
Other financial income	0,24	0,07	236%	0,19	31%	0,24	0,19	31%
Total net operating income	5,42	4,73	15%	3,76	44%	5,42	3,76	44%
Other income	0,01	-0,01	-267%	0,02	-57%	0,01	0,02	-57%
Operating expenses	-3,45	-3,26	6%	-2,72	30%	-3,45	-2,72	30%
Loan losses	-0,43	-0,03	1,436%	-0,22	95%	-0,43	-0,22	95%
Discontinued operations	2,26	1,41		0,08		2,26	0,08	
Net profit	3,81	2,84	34%	0,92	313%	3,81	0,92	313%
Loan portfolio	323	298	8%	216	49%			
Financial investments	140	143	-2%	51	174%			
Deposits of customers	495	462	7%	361	27%			
Subordinated liabilities	12	12	0%	10	20%			
Equity	49	45	9%	28	76%			

In the overview of financial results, the revenue, expenses and loan portfolio of the Finnish branch (discontinued operations) have been presented separately.

The first quarter was successful with regard to both business volumes and profitability. LHV Bank generated EUR 4,2 million in net interest income and EUR 1,0 million in net fee and commission income. In total, the bank's net income amounted to EUR 5,4 million, expenditure to EUR 3,5 million and loan provisions to EUR 0,4 million. The bank posted EUR 1,5 million in profit from continued operations, and EUR 2,3 million in profit from discontinued operations in Q1.

Net profit of LHV Bank from continued operations amounted to EUR 1,5 million in Q1. This constitutes an 8% increase from Q4 2014 (1,4) and 85% increase from Q1 2014 (0,8). Net interest income increased by 7% and net fee and commission income by 30%. Total net operating income increased by 15%.

Securities brokerage was still the greatest contributor to fee and commission income, but the contribution of cards and payments income is already showing a significant trend of growth.

The huge increase in net interest income can be attributable to growth in business volumes. By the end of Q1, the total volume of loan portfolios amounted to EUR 323 million (2014: EUR 298 million). The volume of portfolios grew by 8% during the quarter. Loans to companies account for the largest portion of the loan portfolio, having increased by 10% and amounting to EUR 236 million (31 December 2014: EUR 214 million). The portfolio of retail loans has grown by 6%, amounting to EUR 62 million (31 December 2014: EUR 59 million). The total volume of loans grew by EUR 25 million in Q1 (Q4 2014: EUR 29 million).

Impairment of loans amounted to EUR 0,4 million in Q1.

The volume of deposits grew by 7% year over year, totalling EUR 495 million by the end of March (2014: EUR 462 million). Of total deposits, demand deposits formed EUR 281 million and term deposits EUR 214 million.

The growth in the corporate credit portfolio, which contains loans and guarantees, met the set target, growing by EUR 84,7 million on an annualised basis (+52%) and EUR 21,6 million on a quarterly basis (+10%).

Loans and guarantees to the real estate sector – the sector which has traditionally received the most financing by commercial banks - showed the biggest growth, compared to the same period last year. Year over year, the growth in real-estate-related activities amounts to EUR 19,0 million (+31%). Alongside real-estate-related activities, a major growth was also evident in loans to financial and insurance activities (EUR 17,0 million; +80%).

Compared to last quarter, the most loans and guarantees were provided to financial and insurance activities (EUR 16,2 million; 74%) as well as the processing industry (EUR 7,6 million; +28%). Higher-than-average credit was also provided to the data and communication sector (EUR 2,1 million; +63%). The real estate sector, which showed the greatest increase on an annualised basis, decreased by EUR 6,4 million (-7%) in the quarter. The decrease was conditioned by the completion of several real estate development projects, at the expense of which the loans are repaid.

The real estate sector still makes up the greatest portion of the credit portfolio (32%). A bulk of the real estate loans have been issued to projects with a high-quality rent flow, and to real estate development projects. A majority of the real estate developments financed are located in Tallinn and Tartu. LHV's market share in the financing of new developments in Tallinn was approximately 20% at the end of Q1. The financed development projects have a good location, are in the final stages of completion, and have an average risk-to-price ratio of 50%.

Alongside the real estate sector, the most credit was provided to financial and insurance activities (share: 15%) and the processing industry (share: 14%). Agriculture, which is under special surveillance due to the Russian import restrictions and the plummet of the rouble, accounts for less than 3% of the portfolio, with the credit provided to the agricultural sector decreasing by 2% during the quarter.

In the beginning of January, the Bank decided to terminate the business operations in Finland, and to sell the small loan business of the Finnish branch. Pursuant to the contract of sale, the entire business operations in Finland were transferred to the new owner, together with all the related assets and liabilities. The transaction involved all contracts with customers, employees and third parties. The loan portfolio sold amounted to nearly EUR 15 million. The Bank's Finnish branch and cross-border activities in Finland will be terminated as of the end of April.

In Q1, the company completed various projects, which enhanced the quality of the services offered by the bank to both private and corporate customers. At the beginning of March, the bank became the second Estonian bank to join the pan-European settlement system STEP2 as a direct member. The membership improved the settlement conditions of the bank's customers. As a direct member of the EBA Clearing system, the bank is able to effect payments more quickly and independently, as well as to provide better services with regard to settlement times.

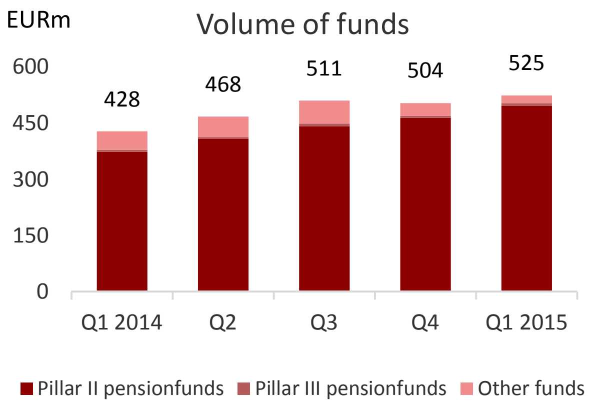
For the provision of cash services to its customers, the bank concluded cooperation agreements for the provision of card payment services with G4S and Eurex. An agreement on the InnovFin guarantee was signed with the European Investment Fund, allowing the bank to provide up to EUR 40 million in loans to innovative Estonian companies over the next two years. The bank was also registered as the official advisor on First North, an alternative market set up in Tallinn, Riga and Vilnius, which allows providing services to customers who wish to list their corporate securities on First North.

The bank's Latvian branch opened for business on April 1. All cross-border activities in Latvia, including contracts with customers, employees and third parties, were transferred to the Latvian branch. Payment, deposit and investment services are provided to the customers of the Latvian branch. Bank cards will be the next service on the list.

At the beginning of the year, the bank won the Dream Employer award.

Overview of AS LHV Varahaldus

- Market share of Pillar 2 by volume as at the end of Q1: 20,7% (as at the end of 2014: 21,1%)
- Total volume of Pillar 2 funds: EUR 496 million (as at the end of 2014: EUR 464 million)



EUR million	Q1 2015	Q4 2014	Change %	Q1 2014	Change %	From the beginning of 2015	From the beginning of 2014	Change %
Net fee and commission income	2,19	2,40	-9%	1,77	23%	2,19	1,77	23%
Net financial income	0,23	0,01	1 538%	0,04	494%	0,23	0,04	494%
Operating expenses	-1,17	-1,17	-1%	-1,29	-10%	-1,17	-1,29	-10%
Profit	1,25	1,24	1%	0,52	140%	1,25	0,52	140%
Financial investments	6,97	6,96	0%	5,71	22%			
Subordinated liabilities	1,50	0,55	173%	0,55	173%			
Equity	7,77	8,85	-12%	5,71	36%			
Assets under management	525	504	4%	428	23%			

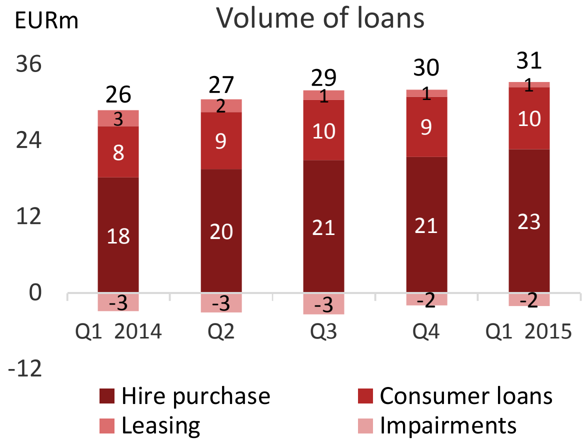
The volume of investment funds managed by LHV Asset Management increased by EUR 21 million to EUR 525 million, with the mandatory pension fund volume increasing to EUR 496 million. Against the backdrop of rising financial markets, the global investment funds of LHV produced a positive yield. The NAV on mandatory pension funds rose from 2,15% to 4,27% during the quarter. The NAV of the voluntary pension fund LHV Supplementary Pension Fund grew by 5,86%. In pension fund management, LHV is governed by macroeconomic considerations, and has intentionally reduced the stock exchange risk, prioritising the protection of capital. Any increase in the risk appetite of the funds will be subject to changes in the current market situation. This strategy has resulted in lower short-term yields, compared to more aggressive funds, and the consequent drop in the number of active customers from 132 thousand to 130 thousand.

Due to lower energy prices, the yield of LHV Persian Gulf Fund was -1%. The fund has announced its relocation to Luxembourg, which was carried out on April 13. LHV World Equities Fund generated a yield of 12,14% in Q1.

Operating income amounted to EUR 2,19 million in Q1, having decreased from Q4 due to exit fees. The operating expenses of LHV Asset Management amounted to EUR 1,17 million in Q - a little less than in Q4.

Overview of UAB Mokilizingas

- Loan portfolio grew by 4% in Q1
- Adoption of the euro



EUR million	Q1 2015	Q4 2014	Change %	Q1 2014	Change %	From the beginning of 2015	From the beginning of 2014	Change %
Net interest income	1,1	1,1	0%	0,8	35%	1,1	0,8	35%
Net fee and commission income	0,2	0,1	7%	0,3	-41%	0,2	0,3	-41%
Operating expenses	-0,8	-0,9	-14%	-0,6	28%	-0,8	-0,6	28%
Loan losses	-0,2	-0,2	-5%	-0,0		-0,2	-0,0	
Income tax expenses	-0,1	-0,0	267%	-0,1	15%	-0,1	-0,1	15%
Profit	0,2	0,1	126%	0,4	-51%	0,2	0,4	-51%
Loan portfolio	31,3	30,1	4%	25,9	21%			
Equity	4,1	3,9	5%	3,7	11%			

The consumer financing market, which consists of the hire-purchase and consumption loan segments, showed a steady growth throughout 2014 and is expected to stabilise in 2015.

In January, hire-purchase sales continued at December's pace, but slowed down thereafter, bottoming in the second half of February. Sales were restored in March, with customers preparing for Easter and becoming accustomed to the new currency (the euro). Even though the market situation is complicated and competition tight, the results posted by Mokilizingas meet expectations and should serve to strengthen the company's market position. This can all be attributed to the company's long-term strategy of making itself useful to customers, maintaining a strong partnership with bigger partners and continuing to pay heed to smaller ones.

A bigger growth is expected of the consumer loan market than of the hire-purchase market in Q1. The small loan market (loans of up to EUR 290) remained stable in 2014, indicating that maximum volume has been reached. Payday loan providers are thus actively pursuing bigger loan segments. Therefore, bigger amounts are offered for a longer period of time, adding special functions to gain a better position on the EUR 290+ loan market. The market has shown a continued growth all through Q4, with a similar trend evident in Q1. Mokilizingas is making an effort to break through the intensive market noise and to reach the customer. These efforts have borne fruit, with positive results posted for Q1 and a further growth expected in the upcoming quarters.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

EUR thousand	Note	Q1 2015	3 months 2015	Q1 2014	3 months 2014
Continued operations					
Interest income		6 214	6 214	4 117	4 117
Interest expense		-992	-992	-755	-755
Net interest income	8	**5 222**	**5 222**	**3 362**	**3 362**
Fee and commission income		3 737	3 737	3 167	3 167
Fee and commission expense		-395	-395	-235	-235
Net fee and commission income	9	**3 342**	**3 342**	**2 932**	**2 932**
Net gains/losses from financial assets measured at fair value		482	482	218	218
Foreign exchange gains/losses		-17	-17	-4	-4
Other financial income		0	0	0	0
Net profit from financial assets		**465**	**465**	**214**	**214**
Other income and expenses		1	1	11	11
Personnel expenses	10	-2 585	-2 585	-1 971	-1 971
Operating expenses	10	-2 863	-2 863	-2 687	-2 687
Operating profit		**3 582**	**3 582**	**1 861**	**1 861**
Impairment losses on loans		-656	-656	-223	-223
Income tax income and expenses		-69	-69	-56	-56
Net profit for the reporting period from continued operations		**2 857**	**2 857**	**1 582**	**1 582**
Profit from discontinued operations		**2 258**	**2 258**	**81**	**81**
Net profit for the reporting period		**5 115**	**5 115**	**1 663**	**1 663**
Other comprehensive income					
Entries which may be charged to the income statement:					
Revaluation of available-for-sale financial assets		-8	-8	6	6
Total comprehensive income for the reporting period		**5 107**	**5 107**	**1 669**	**1 669**
Profit attributable to:					
Owners of the parent		4 903	4 903	1 426	1 426
Non-controlling interest		212	212	237	237
Profit for the reporting period		**5 115**	**5 115**	**1 663**	**1 663**
Total comprehensive income attributable to:					
Owners of the parent		4 895	4 895	1 432	1 432
Non-controlling interest		212	212	237	237
Total comprehensive income for the reporting period		**5 107**	**5 107**	**1 669**	**1 669**
Basic earnings per share (in euros)	14	0,21	0,21	0,07	0,07
Diluted earnings per share (in euros)	14	0,21	0,21	0,07	0,07

Consolidated Statement of Financial Position

EUR thousand	Note	31.03.2015	31.12.2014
Assets			
Balances with central banks	11	88 432	45 427
Due from credit institutions	11	9 904	24 218
Due from investment companies	11	15 138	14 484
Available-for-sale financial assets		4 260	4 273
Financial assets designated at fair value through profit and loss		142 492	145 252
Assets of discontinued operations, classified as held for sale		0	15 473
Loans and advances to customers	7	326 769	301 032
Other receivables from customers		1 448	1 566
Other assets		2 115	2 048
Goodwill		1 044	1 044
Property, plant and equipment		290	308
Intangible assets		547	530
Investments in associates		36	36
Total assets		**592 475**	**555 691**
Liabilities			
Deposits of customers and loans received	12	506 093	475 013
Financial liabilities designated at fair value through profit and loss		284	302
Accrued expenses and other liabilities		6 205	5 435
Liabilities of discontinued operations, classified as held for sale		0	220
Subordinated liabilities		16 684	16 688
Total liabilities		**529 266**	**497 658**
Owner's equity			
Share capital		23 356	23 356
Share premium		33 992	33 992
Statutory reserve capital		435	435
Other reserves		193	132
Retained earnings / accumulated ceficit		2 862	-2 041
Total equity attributable to owners of the parent		**60 838**	**55 874**
Non-controlling interest		2 371	2 159
Total equity		**63 209**	**58 033**
Total liabilities and equity		**592 475**	**555 691**

Consolidated Statement of Cash Flows

EUR thousand	Note	Q1 2015	Q1 2014
Cash flow from operating activities			
Interest received		7 051	4 150
Interest paid		-1 097	-687
Fee and commission income and other income received		3 996	3 133
Fees and commissions paid		-395	-235
Personnel expenses paid		-2 509	-1 932
Administrative and other operating expenses paid		-2 399	-2 173
Income tax paid		-69	-56
Cash flow from operating activities before change in operating assets and liabilities		**4 578**	**2 200**
Net increase/decrease in operating assets:			
Net acquisition/disposal of trading portfolio		4	209
Loans and advances to customers		-12 546	-26 066
Term deposits with banks		0	-494
Mandatory reserve at central bank		-305	-63
Security deposits		-107	-200
Other assets		213	888
Net increase/decrease in operating liabilities:			
Demand deposits of customers		2 336	10 704
Term deposits of customers		29 032	-6 104
Loans received and repayments		-396	-200
Financial liabilities held for trading at fair value through profit and loss		-18	1
Other liabilities		334	-1 102
Cash flow from operating activities of discontinued operations		2 858	-1 107
Net cash flow from operating activities		**25 983**	**-21 334**
Cash flow from investing activities			
Purchase of non-current assets		-187	-99
Available-for-sale investments sold or redeemed		17	6 644
Net change of investments at fair value through profit or loss		3 226	-14 675
Net cash flow from investing activities		**3 056**	**-8 130**
Cash flow from financing activities			
Repayment of loans received		0	-1 000
Net cash flow from financing activities		**0**	**-1 000**
Change in cash and cash equivalents		**29 039**	**-30 464**
Cash and cash equivalents at the beginning of the period		79 632	148 912
Cash and cash equivalents at the end of the period	**11**	**108 671**	**118 448**

Consolidated Statement of Changes in Equity

EUR thousand	Share capital	Share premium	Statutory reserve capital	Other reserves	Accumu-lated deficit	**Total equity ttributable to owners of the parent**	Non-controlling interest	**Total equity**
Balance as at 1.01.2014	**19 202**	**21 871**	**223**	**-12**	**-11 032**	**30 252**	**1 695**	**31 947**
Net profit	*0*	*0*	*0*	*0*	*1 426*	*1 426*	*237*	***1 663***
Other comprehensive income	*0*	*0*	*0*	*6*	*0*	*6*	*0*	***6***
Total comprehensive income for the reporting period	0	0	0	0	9 225	9 246	476	**9 722**
Balance as at 31.03.2015	**19 202**	**21 871**	**223**	**-6**	**-9 606**	**31 684**	**1 932**	**33 616**
Balance as at 1.01.2015	**23 356**	**33 992**	**435**	**132**	**-2 041**	**55 874**	**2 159**	**58 033**
Options reserve	0	0	0	69	0	69	0	**69**
Net profit	*0*	*0*	*0*	*0*	*4 903*	*4 903*	*212*	***5 115***
Other comprehensive income	*0*	*0*	*0*	*-8*	*0*	*-8*	*0*	***-8***
Total comprehensive income for the reporting period	0	0	0	-8	4 903	4 895	212	**5 107**
Balance as at 31.03.2015	**23 356**	**33 992**	**435**	**193**	**2 862**	**60 838**	**2 371**	**63 209**

Notes to the Consolidated Financial Statements

NOTE 1 Accounting Policies

The interim financial statements have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted in the European Union. The interim financial statements should be viewed together with the Annual Report for the financial year ended on 31 December 2014, which has been prepared in accordance with the International Financial Reporting Standard (IFRS). The new and revised standard and interpretations which entered into force on 1 January 2015 have no significant impact on the Group's financial statements as at the moment of the preparation of the interim financial statements. The interim financial statements have not been audited and do not contain the entire range of data required for the preparation of the financial statements.

The financial figures of the interim financial statements have been presented in thousands of euros, unless otherwise indicated. The interim financial statements have been consolidated and include the results of AS LHV Group and its subsidiaries AS LHV Varahaldus (100% interest), AS LHV Pank (100% interest), AS LHV Finance (65% interest) and UAB Mokilizingas (50% interest + 1 share).

NOTE 2 Business Segments

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

The revenue of a reported segment includes gains from transactions between the segments, i.e. loans granted by AS LHV Pank to other group companies. The division of interest income and fee and commission income by customer location has been presented in Notes 8 and 9. The breakdown of interest income by customer location does not include from current accounts, deposits and investments in securities. The Group does not have any customers, whose income would account for more than 10% of the corresponding type of revenue.

	Q1 2015				Q1 2014			
Income of reported segments	**Interest income**	**Fee and commission income**	**Intra-segment income**	**Income from external customers**	**Interest income**	**Fee and commission income**	**Intra-segment income**	**Income from external customers**
AS LHV Pank (consolidated)	5 072	1 396	258	6 210	4 333	1 259	277	5 315
AS LHV Varahaldus	17	2 187	0	2 204	25	1 772	0	1 797
UAB Mokilizingas	1 380	156	0	1 536	1 107	224	0	1 331
Total	**6 469**	**3 739**	**258**	**9 950**	**5 465**	**3 255**	**277**	**8 443**

	Q1 2015					Q1 2014				
Generation of operating profit and net profit	**Operating profit**	**Impair-ments**	**Income tax**	**Dis-continued operations**	**Net profit**	**Operating profit**	**Impair-ments**	**Income tax**	**Dis-continued operations**	**Net profit**
AS LHV Pank (consolidated)	1 980	-430	0	2 258	3 808	1 061	-221	0	81	921
AS LHV Varahaldus	1 250	0	0	0	1 250	520	0	0	0	520
UAB Mokilizingas	504	-226	-69	0	209	483	-2	-56	0	425
Other	-152	0	0	0	-152	-203	0	0	0	-203
Total	**3 582**	**-656**	**-69**	**2 258**	**5 115**	**1 861**	**-223**	**-56**	**81**	**1 663**

NOTE 3 Breakdown of Financial Assets and Liabilities by Countries

31.03.2015	Estonia	Latvia	Lit-huania	Finland	Nether-lands	Ger-many	Other EU	USA	Other	Total
Balances with other banks and investment companies	92 244	194	1 637	3	2 050	3	2 709	14 395	239	**113 474**
Financial instruments and securities	6 942	4 295	3 847	0	284	14 344	96 591	20 449	0	**146 752**
Loans to customers	276 602	628	31 808	2,461	11	1	15 240	0	18	**326 769**
Receivables from customers	1 233	2	208	3	0	0	1	0	1	**1 448**
Other financial assets	1	0	0	0	0	0	0	782	0	**783**
Total financial assets	**377 022**	**5 119**	**37 500**	**2 467**	**2 345**	**14 348**	**114 541**	**35 626**	**258**	**589 226**
Deposits of customers and loans received	448 206	2 193	1 530	535	3	103	33 516	353	19 654	**506 093**
Subordinated liabilities	16 684	0	0	0	0	0	0	0	0	**16 684**
Other financial liabilities	3 025	0	814	0	0	0	13	3	0	**3 855**
Total financial liabilities	**467 915**	**2 193**	**2 344**	**535**	**3**	**103**	**33 529**	**356**	**19 654**	**526 632**

Unused loan commitments in the amount of EUR 62 265 thousand are for the residents of Estonia.

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

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

NOTE 4 Breakdown of Assets and Liabilities by Contractual Maturity Dates

31.03.2015	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits of customers and loans received	275 084	88 884	126 154	15 820	911	**506 853**
Subordinated liabilities	0	301	904	4 823	21 589	**27 617**
Other liabilities	0	5 527	0	0	0	**5 527**
Unused loan commitments	0	62 265	0	0	0	**62 265**
Financial guarantees by contractual amounts	0	9 880	0	0	0	**9 880**
Interest rate swaps	0	67	121	96	0	**284**
Total liabilities	**275 084**	**166 924**	**127 179**	**20 739**	**22 500**	**612 426**
Assets held for managing liquidity risk by contractual maturity dates						
Balances with other banks and investment companies	113 474	0	0	0	0	**113 474**
Bonds at market value	0	20 965	60 570	55 268	5 317	**142 120**
Loans to customers	0	34 303	96 314	209 506	27 192	**367 315**
Receivables from customers	0	1 566	0	0	0	**1 566**
Total assets held for managing liquidity risk	**113 474**	**56 834**	**156 884**	**264 774**	**32 509**	**624 475**
Maturity gap from financial liabilities and assets	**-161 610**	**-110 090**	**29 705**	**244 035**	**10 009**	**12 049**

It is possible to take a short-term loan from the central bank against the security of the majority of instruments in the bond portfolio.

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

NOTE 5 Open Foreign Currency Positions

31.03.2015	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Balances with other banks and investment companies	103 976	484	1 822	583	5 559	1 050	**113 474**
Securities	126 292	0	0	2	20 457	1	**146 752**
Loans granted	325 782	2	0	52	895	37	**326 769**
Receivables from customers	1 446	0	0	0	2	0	**1 448**
Other assets	175	0	0	0	716	0	**891**
Total assets bearing currency risk	**557 671**	**486**	**1 822**	**637**	**27 629**	**1 088**	**589 334**
Liabilities bearing currency risk							
Deposits of customers and loans received	463 371	466	1 756	563	39 082	855	**506 093**
Interest rate swaps	284	0	0	0	0	0	**284**
Accrued expenses and other liabilities	4 828	47	70	69	262	117	**5 393**
Subordinated liabilities	16 684	0	0	0	0	0	**16 684**
Total liabilities bearing currency risk	**485 167**	**513**	**1 826**	**632**	**39 344**	**972**	**528 453**
Off-balance sheet assets by contractual amounts	62	0	0	0	11 591	0	**11 653**
Off-balance sheet liabilities by contractual amounts	11 591	0	0	0	0	62	**11 653**
Open foreign currency position	**60 975**	**-27**	**-3**	**5**	**-124**	**54**	**60 880**

31.12.2014	EUR	LTL	LVL	SEK	USD	Other	Total
Assets bearing currency risk							
Balances with other banks and investment companies	79 917	826	576	538	1 507	765	**84 129**
Securities	102 888	2 970	0	2	43 664	1	**149 525**
Loans granted	271 057	29 019	6	19	915	16	**301 032**
Receivables from customers	1 393	174	0	0	2	0	**1 566**
Other assets	149	0	0	0	634	0	**783**
Total assets bearing currency risk	**455 401**	**32 989**	**582**	**559**	**46 722**	**782**	**537 035**
Liabilities bearing currency risk							
Deposits of customers and loans received	416 865	808	275	521	55 866	678	**475 013**
Interest rate swaps	302	0	0	0	0	0	**302**
Accrued expenses and other liabilities	**747**	3 321	305	35	133	314	**4 855**
Subordinated liabilities	16 688	0	0	0	0	0	**16 688**
Total liabilities bearing currency risk	**434 602**	**4 129**	**580**	**556**	**55 999**	**992**	**496 858**
Off-balance sheet assets by contractual amounts	33 608	0	0	0	9 275	0	**42 883**
Off-balance sheet liabilities by contractual amounts	9 275	33 608	0	0	0	0	**42 883**
Open foreign currency position	**45 132**	**-4 748**	**2**	**3**	**-2**	**-210**	**40 177**

NOTE 6 Fair Value of Financial Assets and Liabilities

The Management Board of the Group has determined the fair value of assets and liabilities recognised at amortised cost in the balance sheet. To determine the fair value, future cash flows are discounted based on the market interest curve.

The below table provides an overview of the assessment techniques, which depend on the hierarchy of assets and liabilities measured at fair value:

	Level 1	Level 2	Level 3	31.03.2015	Level 1	Level 2	Level 3	31.12.2014
Financial assets at fair value through profit and loss								
Shares and fund units	6 107	0	0	**6 107**	6 107	0	0	**6 107**
Available-for-sale bonds	4 260	0	0	**4 260**	4 273	0	0	**4 273**
Bonds at fair value through profit and loss	136 385	0	0	**136 385**	139 145	0	0	**139 145**
Total financial assets	**146 752**	**0**	**0**	**146 752**	**149 525**	**0**	**0**	**149 525**
Financial liabilities at fair value through profit and loss								
Interest rate swaps	0	284	0	**284**	0	302	0	**302**
Total financial liabilities	**0**	**284**	**0**	**284**	**0**	**302**	**0**	**302**

Hierarchy levels:

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

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

Loans are issued in the bank's business segments on market conditions. Therefore, the fair value of loans does not materially differ from their carrying amount as at 31 March 2015 and 31 December 2014. In determining the fair value of loans, management judgements are used. Loans issued are thus categorised under hierarchy level 3.

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

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

A bulk of the subordinated loans were received in 2014, and the remainder in 2012. The interest rate levels of these loans are more or less the same. Considering the short term of the loan received in June 2014, no major changes have occurred in the interest rate levels. Thus, the fair value of the loans does not materially differ from their net book value. In determining the fair value of loans, management judgements are used. Loans issued are thus categorised under hierarchy level 3.

NOTE 7 Breakdown of Loan Portfolio by Economic Sectors

	31.03.2015	%	31.12.2014	%
Individuals	65 831	19,87%	61 965	20,31%
Real estate activities	83 541	25,22%	87 516	28,68%
Financial activities	36 211	10,93%	22 097	7,24%
Manufacturing	31 910	9,63%	26 804	8,79%
Professional, scientific and technical activities	6 172	1,86%	2 443	0,80%
Wholesale and retail trade	14 779	4,46%	14 838	4,86%
Other service activities	7 784	2,35%	7 646	2,51%
Arts and entertainment	23 849	7,20%	24 812	8,13%
Transportation and storage	11 567	3,49%	11 136	3,65%
Agriculture	8,908	2,69%	8 065	2,64%
Administrative and support service activities	14 772	4,46%	11 321	3,71%
Construction	5 372	1,62%	4 853	1,59%
Education	1 694	0,51%	1 717	0,56%
Information and communication	3 016	0,91%	4 049	1,33%
Other sectors	15 872	4,79%	15 837	5,19%
Total	**331 278**	**100%**	**305 099**	**100%**

The loan portfolio has been provisioned in the amount of EUR 4 509 thousand (31 December 2014: EUR 4 067 thousand). As at 31 March 2015, the loan portfolio totalled EUR 326 769 thousand (31 December 2014: EUR 301 032 thousand).

NOTE 8 Net Interest Income

Interest income	**Q1 2015**	**3M 2015**	**Q1 2014**	**3M 2014**
Balances with credit institutions and investment companies	20	20	7	7
Balances with the central bank	-31	-31	21	21
Bonds	115	115	161	161
Leasing	307	307	207	207
Leverage loans and lending of securities	211	211	216	216
Consumer loans	556	556	431	431
Hire purchase	1 536	1 536	898	898
Business loans	3 262	3 262	1 985	1 985
Other loans	238	238	191	191
Total	**6 214**	**6 214**	**4 117**	**4 117**
Interest expense				
Deposits of customers and loans received	-695	-695	-426	-426
Subordinated liabilities	-297	-297	-329	-329
including loans between related parties	*-100*	*-100*	*-60*	*-60*
Total	**-992**	**-992**	**-755**	**-755**
Net interest income	**5 222**	**5 222**	**3 362**	**3 362**

Interest income on loans by customer location (interest on bank balances and bonds excluded):	**Q1 2015**	**3M 2015**	**Q1 2014**	**3M 2014**
Estonia	4 701	4 701	2 794	2 794
Finland	0	0	0	0
Latvia	10	10	8	8
Lithuania	1 399	1 399	1 126	1 126
Total	**6 110**	**6 110**	**3 928**	**3 928**

NOTE 9 Net Fee and Commission Income

Fee and commission income	Q1 2015	3M 2015	Q1 2014	3M 2014
Security brokerage and commissions paid	589	589	687	687
Asset management and similar fees	2 408	2 408	1 946	1 946
Currency conversion revenues	160	160	80	80
Fees from cards and payments	321	321	137	137
Fee from Snoras's portfolio management*	84	84	169	169
Other fee and commission income	175	175	148	148
Total	**3 737**	**3 737**	**3 167**	**3 167**
Fee and commission expense				
Security brokerage and commissions paid	-149	-149	-123	-123
Other fee and commission expense	-246	-246	-112	-112
Total	**-395**	**-395**	**-235**	**-235**
Net fee and commission income	**3 342**	**3 342**	**2 932**	**2 932**

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

Fee and commission income by customer location:	Q1 2015	3M 2015	Q1 2014	3M 2014
Estonia	3 403	3 403	2 718	2 718
Finland	5	5	3	3
Latvia	23	23	33	33
Lithuania	247	247	292	292
Sweden	59	59	121	121
Total	**3 737**	**3 737**	**3 167**	**3 167**

NOTE 10 Operating Expenses

	Q1 2015	3M 2015	Q1 2014	3M 2014
Wages, salaries and bonuses	1 970	1 970	1 498	1 498
Social security and other taxes	615	615	473	473
Total personnel expenses	**2 585**	**2 585**	**1 971**	**1 971**
IT expenses	340	340	287	287
Information services and bank services	163	163	134	134
Marketing expenses	840	840	1 058	1 058
Office expenses	128	128	104	104
Transportation and communication expenses	50	50	40	40
Staff training and business trip expenses	57	57	50	50
Other outsourced services	620	620	377	377
Other administrative expenses	261	261	259	259
Depreciation of non-current assets	153	153	147	147
Operational lease payments	217	217	204	204
Other operating expenses	34	34	27	27
Total other operating expenses	**2 863**	**2 863**	**2 687**	**2 687**
Total operating expenses	**5 448**	**5 448**	**4 658**	**4 658**

NOTE 11 Balances with the Central Bank, Credit Institutions and Investment Companies

	31.03.2015	31.12.2014
Demand deposits*	25 042	38 702
Legal reserve with the central bank	4 803	4 498
Other balances with the central bank	83 629	40 929
Total	**113 474**	**84 129**
Cash and cash equivalents in the Statement of Cash Flows	108 671	79 631

The breakdown of receivables by countries has been presented in Note 3. Demand deposits include receivables from investment companies in the total amount of EUR 15 138 thousand (31 December 2014: EUR 14 484 thousand). All other demand and term deposits are held with credit institutions and the central bank. The minimum reserve requirement as at 31 March 2015 was 1% (2014: 1%) of all financial resources (customer deposits and loans received). The reserve requirement is to be fulfilled as a monthly average in euros or in the foreign financial assets approved by the central bank.

NOTE 12 Deposits of Customers and Loans Received

Deposits/loans by type	**31.03.2015**	**31.12.2014**
Demand deposits	275 079	273 732
Term deposits	214 314	184 190
Loans received	16 700	17 091
Total	**506 093**	**475 013**
Deposits/loans by customer category		
Individuals	158 101	156 444
Legal persons	339 753	311 228
Public sector	8 239	7 341
Total	**506 093**	**475 013**

Loans received include loans granted by the Estonian Rural Development Foundation in the amount of EUR 3 381 thousand (31 December 2014: EUR 3 557 thousand) for the purpose of financing loans to small companies in rural areas, overdraft received, and the loan from the European Central Bank in the amount of EUR 13 010 thousand (31 December 2014: EUR 13 005 thousand). As a rule, the nominal interest rate of the deposits of customers and loans granted equals to their effective interest rate, as no other significant fees have been paid.

NOTE 13 Contingent Liabilities

Irrevocable transactions	**Performance guarantees**	**Financial guarantees**	**Unused loan commitments**	**Total**
Liability in the contractual amount as at 31 March 2015	7 210	2 670	62 265	**72 145**
Liability in the contractual amount as at 31 December 2014	6 892	2 899	61 334	**71 125**

NOTE 14 Basic Earnings and Diluted Earnings Per Share

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

	Q1 2015	3M 2015	Q1 2014	3M 2014
Profit attributable to owners of the parent (EUR thousand)	4 903	4 903	1 426	1 426
Weighted average number of shares (in thousands of units)	23 356	23 356	19 203	19 203
Basic earnings per share (EUR)	0,21	0,21	0,07	0,07
Diluted earnings per share (EUR)	0,21	0,21	0,07	0,07

NOTE 15 Capital Adequacy

Capital base	**31.03.2015**	**31.12.2014**
Paid-in share capital	23 356	23 356
Share premium	33 992	33 992
Reserves	435	435
Accumulated loss	-2 041	-11 244
Intangible assets (subtracted)	-1 591	-1 574
Profit for the reporting period	0	9 203
Non-controlling interest	1 423	1 727
Total Tier 1 capital	**55 574**	**55 895**
Subordinated liabilities	16 650	16 650
Total Tier 2 capital	**16 650**	**16 650**
Net own funds for calculation of capital adequacy	**72 224**	**72 545**
Risk-weighted assets		
Credit institutions and investment companies under standard method	5 106	8 237
Companies under standard method	165 572	153 250
Retail claims under standard method	99 532	101 741
Overdue claims under standard methods	4 750	5 438
Units and shares of investment funds under standard method	5 809	5 608
Shares of associated companies	36	0
Other assets under standard method	3 764	5 675
Total capital required for credit risk and counterparty's credit risk	**284 569**	**279 949**
Currency risk	5 978	5 735
Interest position risk	2 970	2 028
Share position risk	83	96
Operating risk under base method	44 367	30 066
Total risk-weighted assets	**337 967**	**317 874**
Capital adequacy (%)	**21,37**	**22,82**
Tier 1 capital ratio (%)	**16,44**	**17,58**

Shareholders of AS LHV Group

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

As at 31 March 2015, AS LHV Group has 266 shareholders:

- 13 370 738 shares (57,2%) were held by members of the Supervisory Board and Management Board, and related parties.
- 9 115 388 shares (39,4%) were held by Estonian entrepreneurs and investors, and related parties.
- 789 489 shares (3,4%) was held by LHV's former and current employees, and related parties.

Top ten shareholders as at 31 December 2014:

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

Shares held by members of the Management Board and Supervisory Board

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

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

AS LHV Group
Supervisory Board: Raivo Hein, Rain Lõhmus, Heldur Meerits, Tiina Mõis, Hannes Tamjärv, Tauno Tats, Andres Viisemann
Management Board: Erkki Raasuke

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

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

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