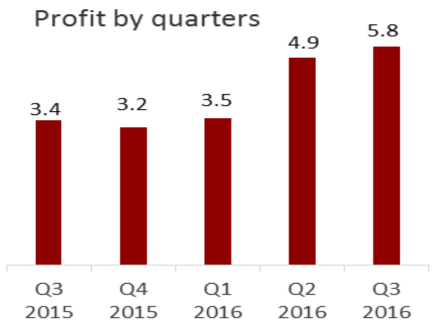
Interim Report January – September 2016
Summary of Results

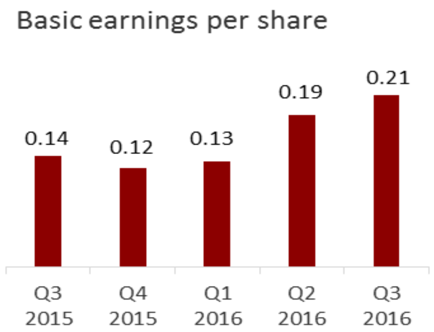
Q3 2016 in comparison with Q2 2016

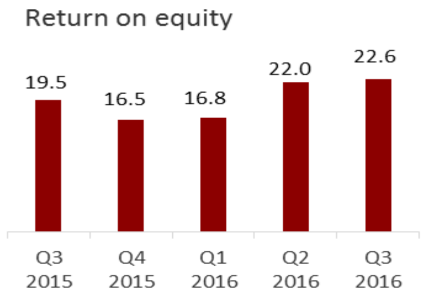
- Net profit EUR 5.8 m (EUR 4.9 m), of which EUR 5.3 m (EUR 4.6 m) is attributable to owners of the parent
- Earnings per share EUR 0.21 (EUR 0.19)
- Net income EUR 13.5 m (EUR 12.7 m)
- Operating expenses EUR 7.2 m (EUR 7.1 m)
- Loan provisions EUR 0.5 m (EUR 0.7 m)
- Return on equity 22.6% (22.0%)
- Capital adequacy 22.5% (22.1%)

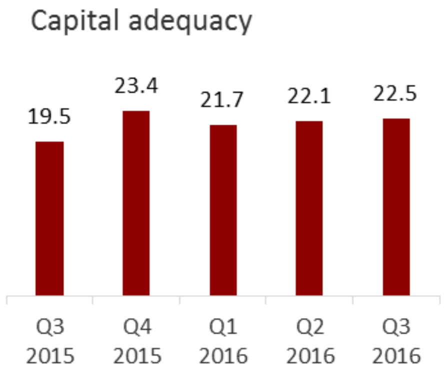
Q3 2016 in comparison with Q3 2015

- Net profit EUR 5.8 m (EUR 3.4 m), of which EUR 5.3 m (EUR 3.2 m) is attributable to owners of the parent
- Earnings per share EUR 0.21 (EUR 0.14)
- Net income EUR 13.5 m (EUR 10.2 m)
- Operating expenses EUR 7.2 m (EUR 6.1 m)
- Loan provisions EUR 0.5 m (EUR 0.6 m)
- Return on equity 22.6% (19.5%)
- Capital adequacy 22.5% (19.5%)









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

Dear investor in LHV,

The global economic environment was somewhat calmer in Q3. For a time in late June, the British decision to leave the European Union made for tense going, but relative calm was restored in surprisingly short order. Yet the situation remains tenuous. Central banks have either postponed interest rate hikes or are talking about stimulus measures. The upcoming US presidential elections are also increasing tensions. The outcome of the vote in just a few weeks will have a major impact on the outlook for free trade and modern democracy.

LHV’s view of economic developments in our region is perhaps best reflected in the discussions around the inputs for the annual stress test. One of the best tools for assessing long-term risk management is, of course, to perform thorough and rigorous stress tests. The test scenario is described as a very sudden, profound worsening in the economic environment; the test measures the negative impact of the change on the profitability and capitalisation of a financial institution. The outcome of the test is the determination of the sufficient capital reserve for allowing organisation to be able to ride out the complicated situation.

Looking toward 2017, we will be using quite a similar scenario to the one used for 2016. In the big picture, we believe the risk sources have not changed all that much. We have, however, moved to a more conservative footing in our position regarding the possible decline in real estate prices, transaction activity and workforce market disruptions. In short, we believe the economic situation is largely the same as it was, with a similar outlook. As real estate prices have risen in the meantime and unemployment has dropped even further, however, we foresee more room for a correction. On the positive side, we do not see major domestic disruptions to the balance or exposed risks. The record-low interest rates make it easy to service loans and the growth of loan volumes has stayed moderate in all respects.

The third quarter was a successful one for LHV. The group's consolidated profit amounted to EUR 5.8 million, which is EUR 0.9 million more than in Q2, and EUR 2.4 million more than in Q3 2015. Profit was fuelled by the customers’ high activity level, strong credit quality and revenue generated through the acquisition of Danske Capital.

In the first nine months of 2016, LHV posted a profit of EUR 14.2 million, i.e. a EUR 2.6 million increase from last year (Q1 2015 included extraordinary revenue from disposal of business operations in Finland). The return on equity held by LHV's shareholders amounts to 20.6% in the first nine months of 2016.

The group's consolidated loan portfolio grew by EUR 9 million during the quarter (+ EUR 38 million in Q2) and consolidated deposits by EUR 69 million (+ EUR 27 million in Q2). The volume of funds managed by LHV grew by EUR 46 million (EUR 294 million in Q2 in connection with the acquisition of AS Danske Capital).

The Bank posted EUR 3.7 million in profit in Q3, which is EUR 0.2 million more than in the previous quarter. The Bank’s strong forward momentum has continued for over a year now – since the moment the ATM network was opened and services to retail customers were expanded. The Bank gained 8,400 customers during the quarter and the Bank currently has over 100,000 customers.

The Bank’s loan portfolio grew EUR 8 million in Q3, reaching EUR 473 million. With regard to loans, loans to individuals grew the most. Corporate loans were issued actively but in connection with the seasonal completion of real estate development projects, loan repayment also took place at a higher volume. Credit quality has remained strong, with some higher-risk loans either having been refinanced or the borrower’s outlook having improved. Loan impairment costs were EUR 0.4 million in Q3, which is EUR 0.3 million less than in the previous quarter.

Customers’ deposits grew in Q3 by a brisk EUR 71 million, reaching EUR 754 million by the end of the quarter. Demand deposits grew by EUR 96 million, while term deposits shrank by EUR 25 million. The Bank’s term deposits volume is the lowest it has been in the last five years. The sea change in the structure of deposits is illustrated by the fact that while at the end of 2011, the Bank had EUR 173 million in term deposits and EUR 35 million in demand deposits, the indicators as at the end of September stood at EUR 165 million and EUR 589 million, respectively. The average expense on deposits has dropped throughout the period and in terms of the cost of its internal funds, LHV Bank is just as competitive as other banks providing service in Estonia.

Asset Management posted a profit of EUR 2.2 million in Q3, which is EUR 0.5 million more than the result in Q2. The acquisition of Danske Capital and growth in business volumes were responsible for the leap in profit growth. The companies’ merger took effect in late July and the process of merging funds with similar risk profiles still lies ahead. The Asset Management team has done good work to integrate the two businesses and the positive effect from the larger business volumes is now showing up dramatically in the company’s profit.

During Q3, the volume of funds grew by EUR 46 million, reaching EUR 937 million at the end of the quarter. The pension funds investing in Asset Management's equity markets have shown the best yields from the beginning of the year. Risks in the largest pension fund acquired with Danske Capital were partially hedged in July. Coupled with the rise in equity markets, that puts LHV’s Pensionifond 50 presently as the weakest fund in its risk category in terms of yield.

The number of active 2nd pillar pension customers grew by 900 in Q3 and stands at 177,000. The number of customers in Danske Capital funds dropped by 2,600 and the number of customers in funds that were constantly under LHV management grew by 3,500.

The strong stream of revenue from service fees will continue until the end of 2016. From February next year, lower management fee rates will enter into effect, which will result in a sudden reduction of Asset Management's revenue. The management fees of the former Danske Capital's 2nd pillar pension funds will drop by an average of 28% and the management fees for the 2nd pillar pension funds that have been continuously LHV managed will drop by an average 15%. In this manner, the increased efficiency from the merger of the asset management companies will be passed on to customers.

Mokilizingas posted a profit of EUR 0.2 million in Q3, which is EUR 0.1 million less than in the last quarter. After a slowdown in the sale of credit products due to changes in regulations, this area is once again gaining momentum, although we will fall visibly short of the targets set in the beginning of the year. The financing portfolio grew by EUR 1 million in the quarter and reached EUR 38 million at the end of the quarter. The portfolio's credit quality remains strong. In Q3, Mokilizingas started offering customers a new credit card. The test period will last several months, after which time a decision will be taken on whether to expand it to the entire customer base.

In late September, the Financial Supervision Authority issued its annual SREP (supervisory review and evaluation process) decision on LHV Group and LHV Bank. According to the decision of FSA LHV Group should on consolidated level keep in additional capital in the amount of 1,89% (last year 1,50%), from which at least 0,74% should be covered by Core Tier 1 capital and at least 0,99% should be covered by Tier 1 capital. Taking into account the Financial Supervision Authority's rating and factoring in an adverse scenario buffer, LHV Group's supervisory board set a group-wide minimum total capital ratio at 16.19% and a minimum Tier 1 ratio at 13.29%.

LHV's outlook for the months ahead is good. Both the Bank and Asset Management are ahead of their financial targets. Stable credit quality, new customers, and good fund yields will allow the current momentum to be sustained. Mokilizingas is lagging somewhat behind its target volumes but return on capital has not suffered. We hope to close out our first financial year as a publicly listed company with strong results and affirm that there is always demand and room for good work.

Erkki Raasuke

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Financial Summary

Income statement EUR million	**Q3 2016**	**Q3 2015**	**Year over year**	**9M 2016**	**9M 2015**	**Year over year**
Net interest income	7.70	6.20	24%	21.72	16.86	29%
Net fee and commission income	5.38	3.92	37%	13.34	10.86	23%
Other financial income	0.45	0.08	463%	1.80	0.25	620%
Total net operating income	13.53	10.20	33%	36.86	27.97	32%
Other income	-0.02	0.00	-	0.09	0.03	200%
Operating expenses	-7.16	-6.08	18%	-21.09	-17.12	23%
Loan losses	-0.50	-0.56	-11%	-1.50	-1.33	13%
Income tax expenses	-0.06	-0.06	0%	-0.21	-0.20	5%
Discontinued operations	0.00	-0.08	-100%	0.00	2.18	-100%
Net profit	5.79	3.42	69%	14.15	11.53	23%
including attributable to owners of the parent	5.35	3.18	68%	12.93	10.88	19%

Business volumes EUR million	**Q3 2016**	**Q2 2016**	**Quarter over quarter**	**Q3 2015**	**Year over year**
Loan portfolio	478.3	469.3	2%	396.3	21%
Financial investments	77.7	103.9	-25%	159.2	-51%
Deposits of customers	741.0	672.0	10%	590.0	26%
Equity (including minority interest)	101.8	95.8	6%	69.9	46%
Equity (owners' share)	97.3	91.8	6%	67.0	45%
Volume of funds managed	937.0	890.6	5%	543.3	72%
Assets managed by bank	908.4	881.9	3%	783.6	16%

Ratios EUR million	**Q3 2016**	**Q3 2015**	**Year over year**	**9M 2016**	**9M 2015**	**Year over year**
Average equity (attributable to owners of the parent)	94.6	65.4	29.2	83.7	62.0	21.7
Return on equity (ROE), %	22.6	19.5	3.2	20.6	23.4	-2.8
Interest-bearing assets, average	836.1	659.5	176.6	807.7	608.0	199.7
Net interest margin (NIM) %	3.68	3.76	-0.1	3.58	3.70	-0.12
Price spread (SPREAD) %	3.61	3.68	-0.1	3.52	3.62	-0.10
Cost/income ratio %	5.,0	59.6	-6.6	57.1	61.1	-4.0

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

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

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

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

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

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

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

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

Operating Environment

The year started out on a positive note, with expectations of a modest acceleration in global economic growth. By now, however, it is clear there is a significantly higher likelihood of the growth rate declining for a second year in a row. Yet the freshly released IMF World Economic Outlook indicates there is hope of breaking the trend – global economic growth is expected to accelerate to 3.4% in 2017.

Based on developments in the first half of the year, the negative pressure on the world economy is above all coming from the developed countries led by the US, where the economy is essentially being driven by ordinary consumers even as other sources of growth are performing below expectations.

The situation is the other way around in the Eurozone – due to weaker internal demand, economic growth in Q2 slowed to 1.6%. The Eurozone should be able to maintain the same rate for this year as a whole, while next year's growth is projected by the IMF to slow somewhat. Whereas the French economy will manage growth on par with that of 2016, a lower rate of growth is seen as likely for Germany. In addition, it is feared that the negative impacts related to the exit of Great Britain from the Eurozone will become more palpable and that inflation will rise significantly due to the recovering oil and energy prices, which will put pressure on internal consumption, thus far the main engine driving growth.

In Estonia's most important trading partners, confidence in the economy is declining in Sweden and Latvia but rising significantly in Lithuania and Finland. The decrease in confidence in Sweden is also expressed in the drop in next year's forecast economic growth to 2%. The decline is mainly due to a decrease in investments and stabilising domestic consumption, which to this point had been stimulated by the drop in interest rates. At the same time, the abovementioned forecasts may be revised if Sweden is able to maintain Q2's 3.4% economic growth in subsequent quarters. For Estonia, the most important thing to keep an eye on is the rapid rise in Swedish import volumes and the banks' favourable attitude toward investments.

When it comes to Finland, we are seeing a slow recovery after several years of recession. But the recovery is taking place in fits and starts, as seen by the fact that economic growth slowed to 0.4% in Q2 due to negative net export. As a positive sign, the Finnish confidence indicator has reached a five-year high, having risen sharply in the last couple months. From the standpoint of Estonia, the continued increase of Finnish import volumes is also important, as it is in the case of Sweden.

The economy of an important target market for LHV, Lithuania, grew 1.9% in Q2. The main engine for growth is strong internal consumption, driven by rapid wage growth and a drop in the unemployment level. Investments and exports made a relatively weak contribution, on the other hand, due to the slower adoption of EU assistance and falling prices of petroleum products. The Lithuanian economy is set to grow more than 2.5% this year and the rate should rise even faster next year. Increasing EU assistance and the fading of the negative comparison base with regard to petroleum products and Russian export give an additional impetus.

A hallmark of the Estonian economy has been the constant revision of originally more optimistic forecasts. The 0.8% economic growth in Q2 was a contributing factor, as it marked a clear slowing compared to Q1, where growth was boosted by the rise in excise rates. The economic forecast released by the Ministry of Finance in September lowered growth forecast due to the worsening of the outlook for the country's main trading partners. In spite of this, economic growth is expected to increase next year to 2.5%, although it should be borne in mind such optimistic forecasts have not always panned out in previous years. The rapid increase in incomes will continue but the return of inflation will also have significant influence on the growth of real wages. As a result, export and investments are becoming more and more important alongside internal consumption.

LHV does not anticipate any sudden changes in the Estonian economy in the next 12 months. Economic growth will remain largely on the same level, failing to achieve its full potential. Rapid growth in wages is exerting pressure on already falling corporate profits, as a result of which it will be more and more important for companies to be able to adapt quickly and successfully increase productivity. To succeed in this, a qualitative leap must be made with regard to investments.

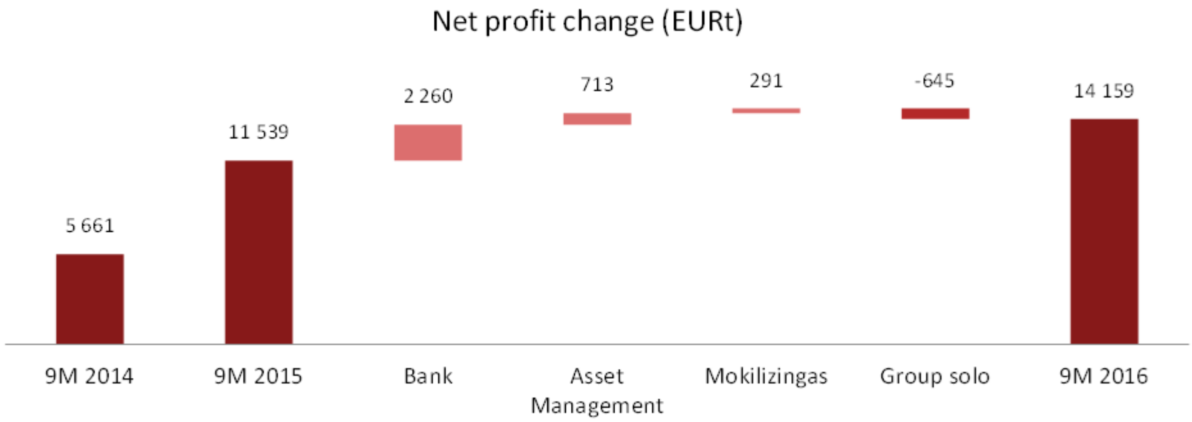
In terms of economic sectors, higher-than-average risks are evident in the agriculture and energy sectors. More attention should be paid to risks in the transport and warehousing sector and the construction sector, which has experienced a noteworthy decline in profits compared to last year. LHV takes an increasingly conservative view of the real estate market, following developments on the local and Scandinavian markets. Rental property projects involve a significant risk of insufficient demand for absorbing the developed volumes in the near future; and corrections are taking place in rental prices or vacancy rates.

On a positive note, the financing environment remains favourable. Growth in the balance of loans from credit institutions has picked up in 2016. The loan to deposit ratio and overdue loans remain at post-crisis lows. With the record-low interest rates and interbank competition having a positive impact on local entrepreneurship, the opportunities should be further exploited. LHV stands ready to boldly and efficiently contribute to the search of new sources of growth, offering a long-term partnership to enterprises and making an effort to create additional value.

Financial Results of the Group

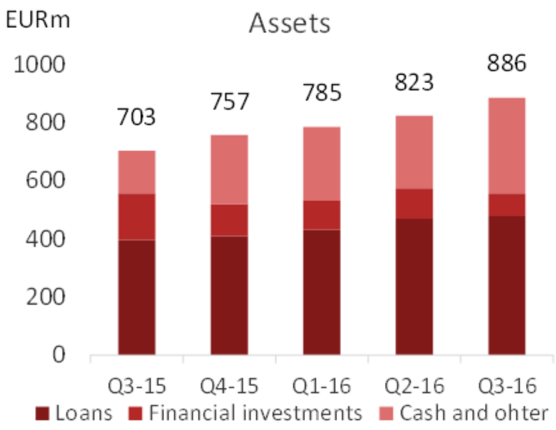
Compared to Q2, the Group's net interest income grew in Q3 by 7%, standing at EUR 7.7 (Q2: 7.2) million. Net fee and commission income increased by 25% and stood at EUR 5.4 (Q2: 4.3) million. Financial income decreased by 61% and stood at EUR 0.5 (Q2: 1.2) million. In total, the net income of the Group increased by 7% in Q3, compared to Q2, amounting to EUR 13.5 (Q2: 12.7) million, with expenses increasing by 1% and amounting to EUR 7.2 (Q2: 7.1) million. The Group's operating profit for Q3 amounted to EUR 6.3 (Q2: 5.7) million. Impairments amounted to EUR 0.5 (Q2: 0.7) million in Q3. The Group's total profit for Q3 amounted to EUR 5.8 million (Q2: 4.9). Compared to Q3 2015, the Group's net interest income increased by 24% and net fee and commission income by 37%.

In terms of business entities, AS LHV Pank posted a consolidated profit of EUR 3.7 million, AS LHV Varahaldus a profit of EUR 2.2 million and UAB Mokilizingas a profit of EUR 0.2 million. The LHV Group separately posted a loss of EUR 0.3 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 Q3 amounted to EUR 741 (Q2: 672) million, of which demand deposits formed EUR 578 (Q2: 482) million and term deposits EUR 162 (Q2: 190) million.

As at the end of Q3, the volume of loans granted by the Group amounted to EUR 478 (Q2: 469) million, increasing in Q3 by 2%. Compared to Q3 2015, the volume of the Group's deposits has increased by 25% and the volume of loans by 21%.



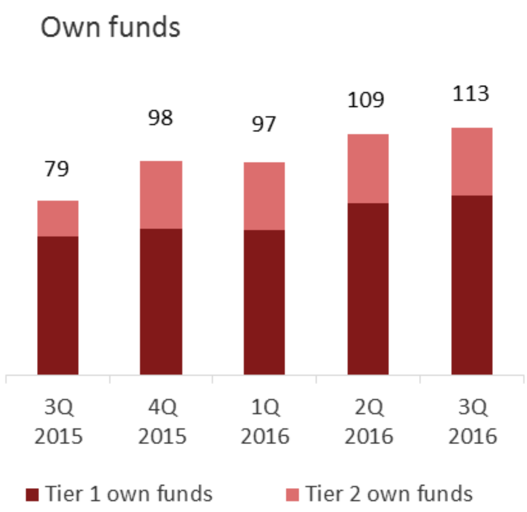
The Group's Liquidity, Capitalisation and Asset Quality

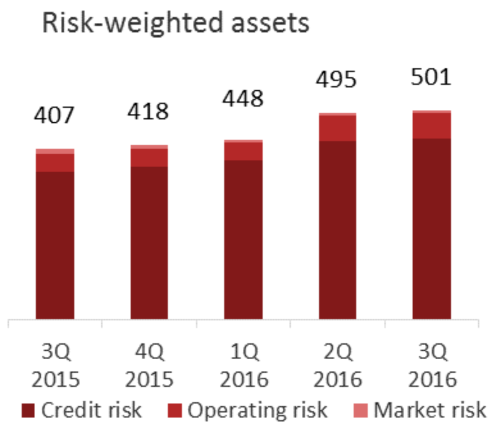
As at 30 September 2016, the Group's own funds stood at EUR 112.5 million (30 June 2016: EUR 109.4 million). The own funds of the Group increased in Q3 by including the Q2 2016 profit to own funds.

The Group is well capitalised as at the end of the reporting period, with the capital adequacy ratio amounting to 22.5% (30 June 2016: 22.1%).

The Group's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 260% as at the end of September (30 June 2016: 262%). The Group recognises cash and bond portfolios as liquidity buffers. These accounted for 43% of the balance sheet (30 June 2016: 40%). The ratio of loans to deposits stood at 65% as at the end of the third quarter (30 June 2016: 71%). Group's maturity structure is presented in Note 5.

The Group's credit quality was good. As at the end of September, provisions for estimated loan losses amounted to EUR 5.3 million in the balance sheet, i.e. approximately 1.1% of the loan portfolio (30 June 2016: EUR 5.2 million, 1.1%). Estimated loan losses make up 255.1% (30 June 2016: 214.1%) of the portfolio of loans overdue for more than 90 days.



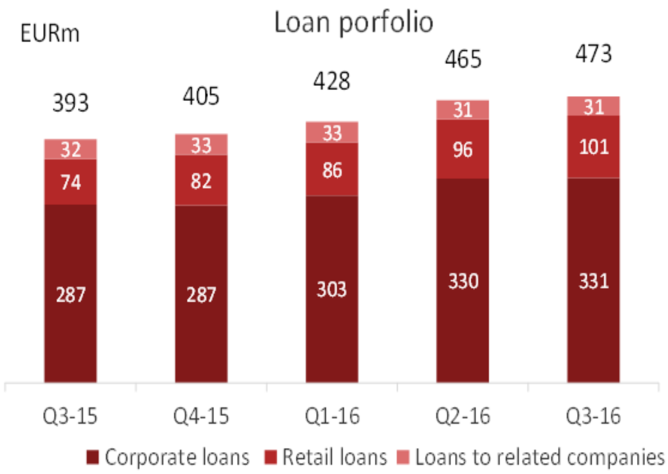


EUR thousand	30.09.2016	Proportion	30.06.2016	Proportion
Loans to customers	483 597		474 452	
including overdue loans:	17 026	3.5%	10 904	2.3%
1-30 days	11 505	2.4%	4 863	1.0%
31-60 days	2 310	0.5%	2 628	0.6%
61-90 days	1 136	0.2%	1 007	0.2%
91 and more days	2 076	0.4%	2 406	0.5%
Impairment of loans	-5 297	-1.1%	-5 152	-1.1%
Impairment % of loans overdue for more than 90 days	255.1%		214.1%	

Capital base	30.09.2016	30.06.2016	31.12.2015
Paid-in share capital	25 356	25 356	23 356
Share premium	45 892	45 892	33 992
Statutory reserves transferred from net profit	1 580	-30	895
Other reservs	-34	1 580	-23
Accumulated deficit	10 517	10 517	-2 503
Intangible assets (subtracted)	-8 549	-8 486	-1 734
Net profit for the reporting period	5 075	2 051	10 879
Non-controlling interest	1 792	1 614	1 937
Total Tier 1 capital	**81 629**	**78 494**	**66 799**
Subordinated debt	30 900	30 900	30 900
Total Tier 2 capital	**30 900**	**30 900**	**30 900**
Net own funds for capital adequacy	**112 529**	**109 394**	**97 699**
Capital requirements			
Central governments and central bank under standart method	1 438	377	-
Credit institutions and investment companies under standard method	5 711	8 938	5 949
Companies under standard method	291 238	294 770	232 779
Retail claims under standard method	105 025	98 591	106 445
Public sector under standard method	212	209	-
Housing real estate under standard method	4 829	4 473	-
Overdue claims under standard methods	5 861	4 555	7 758
Investment funds' shares under standard method	10 228	9 108	6 369
Other assets under standard method	7 329	5 366	5 712
Total capital requirements for covering the credit risk and counterparty credit risk	**431 871**	**426 387**	**365 012**
Capital requirement against foreign currency risk under standard method	4 600	3 969	6 527
Capital requirement against interest position risk under standard method	2 105	2 599	2 342
Capital requirement against equity portfolio risks under standard method	541	564	87
Capital requirement for operational risk under base method	61 812	61 811	44 367
Total capital requirements for adequacy calculation	**500 929**	**495 330**	**418 334**
Capital adequacy (%)	**22.46**	**22.09**	**23.35**
Tier 1 capital ratio (%)	**16.30**	**15.85**	**15.97**

Overview of AS LHV Pank Consolidation Group

- (Net) growth in deposit volume in Q3 – EUR 71 million
- (Net) growth in loan volume in Q3 – EUR 8 million (Q2: EUR 37 million)
- Good profitability in Q3
- Increase in number of clients



EUR million	Q3 2016	Q2 2016	Change %	Q3 2015	Change %	From the beginning of 2016	From the beginning of 2015	Change %
Net interest income	6.60	6.11	8%	4.98	32%	18.38	13.50	36%
Net fee and commission income	1.47	1.13	31%	1.44	2%	3.95	3.47	14%
Other financial income	0.30	1.09	-72%	0.03	815%	1.55	0.06	2529%
Total net operating income	8.37	8.32	1%	6.46	30%	23.88	17.02	40%
Other income	0.04	0.19	-79%	0.01	333%	0.36	0.07	439%
Operating expenses	-4.34	-4.38	-1%	-3.82	14%	-13.07	-10.83	21%
Loan losses	-0.37	-0.63	-42%	-0.37	0%	-1.09	-0.64	70%
Discontinued operations	0.00	0.00	-	-0.08	-100%	0.00	2.19	-100%
Net profit	3.71	3.49	6%	2.21	68%	10.07	7.81	29%
Loan portfolio	473	465	2%	393	20%			
Financial investments	67	94	-29%	152	-56%			
Deposits of customers	754	683	10%	595	27%			
Subordinated liabilities	20	20	0%	15	33%			
Equity	72	68	6%	53	36%			

Q3 was successful both in terms of business volumes and profitability. LHV Bank generated EUR 6.6 million in net interest income and EUR 1.5 million in net fee and commission income. In total, the bank's net income amounted to EUR 8.4 million, expenditure to EUR 4.3 million and loan provisions to EUR -0.4 million. The net profit of LHV Bank amounted to EUR 3.7 million in Q3. This constitutes an 6% increase from Q2 (3.5) and an 68% increase from Q3 2015 (2.2). Net interest income grew by 8% during the quarter, and net fee and commission income decrease by 31%, compared to Q2. Net operating income increased by 1%.

Securities brokerage fees, transaction fees and fees from cards are greatest contributor to fee and commission income.

The increase in net interest income stems from the growth in business volumes. By the end of Q3, the total volume of the bank's loan portfolios amounted to EUR 473 million (Q2 2016: EUR 465 million). The volume of portfolios grew 2% over the quarter.

The corporate credit portfolio, which contains loans and guarantees, grew by EUR 42.6 million on an annualised basis (+14 %) and EUR 0.7 million on a quarterly basis (+0%) The greatest source of the growth was real estate activity, which has traditionally been well-financed by commercial banks. Compared to the previous year, loans for real estate purposes grew by EUR 29.5 million (+29%). Commercial real estate projects with a strong rental flow were the greatest contributor to this growth. Loans issued for financial activities, often including the activities of holding companies related to the financing of corporate purchases, grew by EUR 7.9 million, year-over-year (+14%). They were followed by other services, with the corresponding loan portfolio growing by EUR 8.0 million (300 %).

Compared to the last quarter, the most loans and guarantees were provided to real estate activities (EUR 13.2 million; +26%), the art, entertainment and leisure time (including sports associations) field (EUR 2.6 million; +10%) and the health care and social welfare field (EUR 0.8 million; +21%).

The most corporate loans were granted in the real estate sector, which makes up 38% of the bank's corporate credit portfolio. The bulk of the real estate loans have been issued to projects with a high-quality rent flow; a second major category comprises real estate development projects. A majority of the real estate developments financed are located in Tallinn, and a few are in other larger cities in Estonia. LHV's market share in the financing of new developments in Tallinn was approximately one-fifth at the end of Q2 2016. LHV's real estate development portfolio is also well-positioned should market trends change – financed developments are sited in good locations, the major developments are nearing completion and the average risk to price ratio is around 50%.

Besides the real estate sector, the most credit was provided to companies pursuing financial and insurance activities (share: 19%) and the processing industry (share: 12%). With regard to sectors with a higher than average risk due to the economic and geopolitical situation, agriculture makes up 1% of the total portfolio volume; transport, less than 1%; lodging and food services, 1%; and the energy industry, 2%.

Customer activity and opening of new accounts grew in Q3 compared to the first two quarters of the year. During the quarter, the number of bank customers grew by 8,400 and the customer base reached over 100,000 customers. New record levels were achieved in customer activity in payments, card payments and receiving of card payments.

The volume of deposits grew by EUR 71.4 million over the quarter. Loan growth in Q3 remained modest. Loans grew EUR 8.2 million. Private loans saw the most growth – EUR 2.8 million – followed by small loans (EUR 2.3 million) and a microloan introduced to the market in the second quarter (EUR 1.1 million). Corporate loans grew by EUR 0.9 million. Corporate loans were issued actively but in connection with the seasonal completion of real estate development projects, loan repayment also progressed at a higher volume. A major loan and guarantee with a higher-than-average risk level, amounting to EUR 9.9 million, were also repaid to the bank at the end of the quarter. The quality of corporate banking loans remained at a very good level. Profit in Q3 amounted to EUR 3.7 million.

During the quarter, a large share of bond investments was completed. In the absence of new investment opportunities, the bank's balance in the European Central Bank reached EUR 284.2 million by the end of Q3 – 33% of the bank's balance sheet volume. Along with the money and bonds investments in commercial banks, the bank's liquid assets made up 44% of the bank's balance sheet volume. Due to the rapid growth of deposits and the bank's increased liquid assets, the interest rates on term deposits were lowered even further.

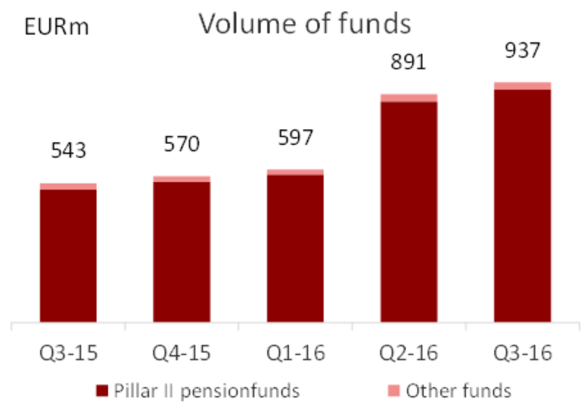
In Q3, the corporate loans portfolio was divided into two segments. Loans of under 250,000 euros were moved from the corporate banking to the retail banking financing department and over-250,000 euro loans were left in the corporate banking domain. The move of smaller loans to the retail banking area was important for keeping the focus of corporate banking and credit analysis operations centred on key loan customers who require more individual analysis. Under-250,000 euro business loans will from now start undergoing a more cost-effective scoring process.

A number of key developments were finalised during the quarter. Swipe payment cards as well as card payment terminals and cash machines also based on the same technology were introduced to the market. The bank's new website was opened, which got a fresh appearance and functionality. Leasing, hire-purchase and consumer loan agreements became accessible online. A major marketing campaign aimed at business customers took place at the end of the quarter, aimed at making SMEs better aware of the services offered by the bank to business customers.

At the initiative of the Krediidiinfo credit reporting agency, a foundation agreement on the establishment of a Positive Credit Register was signed in Estonia; and the Bank acceded to the agreement. Register members (banks and other lenders) will start using the Positive Credit Register to exchange information on individuals' loan obligations to other lenders.

Overview of AS LHV Varahaldus

- The merger with AS Danske Capital took effect on 28th of July
- The volume of 2nd pillar funds totals EUR 937 million
- Reduction of share capital by EUR 2.7 million



EUR million	Q3 2016	Q2 2016	Change %	Q3 2015	Change %	From the beginning of 2016	From the beginning of 2015	Change %
Net fee and commission income	3.79	3.08	23%	2.33	63%	9.02	6.95	30%
Net financial income	0.11	0.02	450%	0.03	267%	0.13	0.15	-13%
Operating expenses	-1.75	-1.48	18%	-1.13	55%	-4.79	-3.45	39%
Profit	2.15	1.62	33%	1.23	75%	4.36	3.66	19%
Financial investments	10.2	9.0	13%	6.96	47%			
Subordinated liabilities	2.1	2.1	0%	1.5	40%			
Equity	19.2	19.7	-3%	8.12	136%			
Assets under management	937.0	890.6	5%	543.3	72%			

The merger with AS Danske Capital, acquired on 2 May, took effect on 28 July with LHV Asset Management as the acquiring company. As a result of the merger, Danske Capital AS was considered dissolved and LHV Asset Management became the legal successor of Danske Capital AS. The balance sheet date was 1 May.

In July, three funds that had no customers were liquidated. In August, LHV World Equities Fund, as the receiving fund, acquired Danske Invest New Europe Fund. At the end of the quarter, LHV Asset Management had eight mandatory and three voluntary pension funds as well as one UCITS fund. It also provided investment management service to one UCITS. LHV Asset Management decided to form two passively managed pension funds, but the process of registering the conditions continues.

The operating income of LHV Asset Management in Q3 amounted to EUR 3.79 million (EUR 3.08 million in Q2). The increase in operating income was first and foremost due to the transaction conducted in early May with Danske Capital, which had only a partial effect on income in Q2.

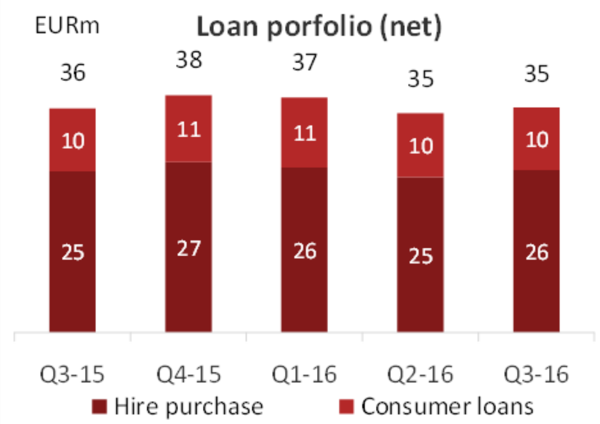
Operating expenses for Q3 amounted to EUR 1.75 million (EUR 1.48 million in Q2). July marked the end of another 2nd pillar fund changing season and similar to March, marketing expenses were higher due to out-of-office 2nd pillar sales.

On 23 September, LHV Group decided to reduce LHV Asset Management's share capital by EUR 2.70 million. The reason for reducing share capital was to ensure more effective management of capital on the consolidated group level. LHV Asset Management had no need to hold share capital in the existing amount.

The volume of funds grew by EUR 46 million to EUR 937 million. The number of active 2nd pillar customers grew by 1.1 thousand. In the former Danske funds, the number decreased by 2.6 thousand while it increased by 3.7 thousand in funds continuously under LHV management.

LHV's 2nd pillar pension funds all produced a positive yield in Q3. The yields on funds investing exclusively into bond markets ranged from +0.4% to +0.9% and the yields on pension funds investing into equities markets ranged from +1.2% to +2.1% (+2.7% for the 3rd pillar fund).

Overview of UAB Mokilizingas



EUR million	Q3 2016	Q2 2016	Change %	Q3 2015	Change %	From the beginning of 2016	From the beginning of 2015	Change %
Net interest income	1.3	1.4	-7%	1.3	0%	4.1	3.5	17%
Net fee and commission income	0.1	0.1	0%	0.1	0%	0.4	0.5	-20%
Operating expenses	-1.0	-1.0	0%	-1.0	0%	-3.0	-2.6	15%
Loan losses	-0.1	0.1	0%	-0.2	-50%	-0.4	-0.6	-33%
Income tax expenses	-0.1	-0.1	0%	0.0	-	-0.3	-0.2	50%
Profit	0.2	0.3	-33%	0.2	0%	0.8	0.6	33%
Loan portfolio	38.0	37.0	3%	38.0	0%			
Equity	5.8	5.6	4%	4.4	32%			

In Hire Purchase segment Mokilizingas continues to work in a strong collaboration with Bite Lietuva and Senukai, launching seasonal campaigns and supporting the sales. Q3 2016 HP sales amounted to EUR 10.3 million (Q2 2015: 10.6). The number of contracts signed increased by 2%, average contract amount remained stable with some decrease. Margins remained at similar levels with a slight decrease compared to Q3 2015.

Consumer Loan sales amounted to EUR 1.9 million and decreased by 25% compared to Q3 2015. The number of contracts signed decreased by 12% and average contract amount decreased by 14%. However, margins are in line with Q3 2015.

Mokilizingas has launched two notable projects in Q3. An invoice integration with Bite Lietuva started in mid-August and quickly showed good outcomes in sales. This integration and "Back-to-school" campaign had an effect on Bite's September sales which increased by 33% compared to 2015 and accounted EUR 645 thousand. A further phase of the project is "Direct Delivery" sales and is planned to be launched in Q4. Once complete, Mokilizingas will be fully integrated in all Bite's sales channels including branches, e-shop, and direct delivery sales.

As planned, Mokilizingas has launched a renewed self-service website. This is a major step towards unifying all customer related processes since all the following projects will be designed in the same manner. The new process will allow customers to take consumer loans without compulsory registration. The consent ratification and general admission process is quicker and more customer friendly. The rewards from the projects are expected to be felt in Q4.

Further developments will include new services aimed to improve customer experience at all POS and e-commerce platforms.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

(in thousands of euros)	Note	Q3 2016	9M 2016	Q3 2015	9M 2015
Continuing operations					
Interest income		8 788	25 076	7 204	19 903
Interest expense		-1 092	-3 362	-1 002	-3 040
Net interest income	9	**7 696**	**21 714**	**6 202**	**16 863**
Fee and commission income		6 326	16 142	4 385	12 179
Fee and commission expense		-951	-2 803	-464	-1 316
Net fee and commission income	10	**5 375**	**13 339**	**3 921**	**10 863**
Net gains/losses from financial assets measured at fair value		485	1 688	65	185
Foreign exchange gains/losses		-36	106	14	57
Net gains from financial assets		**449**	**1 794**	**79**	**242**
Other income		9	149	6	54
Other expense		-26	-54	-5	-18
Staff costs	11	-3 048	-9 777	-2 653	-7 963
Administrative and other operating expenses	11	-4 108	-11 309	-3 428	-9 156
Profit before impairment losses on loans and advances		**6 347**	**15 856**	**4 122**	**10 885**
Share of result of associates		0	1	0	0
Impairment losses on loans and advances		-500	-1 497	-571	-1 332
Profit before tax		**5 847**	**14 360**	**3 551**	**9 553**
Income tax expense		-55	-201	-61	-197
Net profit for the reporting period from continuing operations		**5 792**	**14 159**	**3 490**	**9 356**
Profit from discontinued operations	12	**0**	**0**	**-75**	**2 183**
Net profit for the reporting period	2	**5 792**	**14 159**	**3 415**	**11 539**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale investments:					
Revaluation of available-for-sale financial assets		-4	-11	-5	-6
Total profit and other comprehensive income for the reporting period		**5 788**	**14 148**	**3 410**	**11 533**
Total profit of the reporting period attributable to:					
Owners of the parent		5 345	12 919	3 180	10 879
Non-controlling interest		447	1 240	235	660
Total profit for the reporting period	2	**5 792**	**14 159**	**3 415**	**11 539**
Total comprehensive income attributable to:					
Owners of the parent		5 341	12 908	3 175	10 873
Incl. continuing operations		*5 341*	*12 908*	*3 250*	*8 690*
Incl. discontinued operations		*0*	*0*	*-75*	*2 183*
Non-controlling interest		447	1 240	235	660
Total comprehensive income for the reporting period		**5 788**	**14 148**	**3 410**	**11 533**
Basic earnings per share (in euros)	17	0.21	0.53	0.14	0.47
Diluted earnings per share (in euros)	17	0.21	0.52	0.13	0.45

The Notes on pages 18 to 29 are an integral part of the consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

(in thousands of euros)	Note	30.09.2016	31.12.2015
Assets			
Due from central bank	4, 5, 6, 13	288 461	199 844
Due from credit institutions	4, 5, 6, 13	14 500	14 735
Due from investment companies	4, 6, 13	12 354	15 922
Available-for-sale financial assets	4, 6, 7	580	3 508
Financial assets at fair value through profit or loss	4, 6, 7	77 101	106 608
Loans and advances to customers	4, 6, 8	478 299	409 997
Receivables from customers		2 739	2 026
Other financial assets		901	940
Other assets		1 195	1 128
Tangible assets		1 206	685
Intangible assets		906	689
Goodwill		7 644	1 044
Total assets	2	**885 886**	**757 126**
Liabilities			
Deposits of customers and loans received	14	741 788	632 760
Financial liabilities at fair value through profit or loss	6	0	89
Accounts payable and other liabilities	15	11 372	20 137
Subordinated debt	6	30 900	30 900
Total liabilities	2	**784 060**	**683 886**
Owner's equity			
Share capital		25 356	23 356
Share premium		45 892	33 992
Statutory reserve capital		1 580	895
Other reserves		1 078	551
Retained earnings / accumulated deficit		23 439	11 205
Total equity attributable to owners of the parent		**97 345**	**69 999**
Non-controlling interest		4 481	3 241
Total equity		**101 826**	**73 240**
Total liabilities and equity		**885 886**	**757 126**

The Notes on pages 18 to 29 are an integral part of the consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

(in thousands of euros)	Note	Q3 2016	9M 2016	Q3 2015	9M 2015
Cash flow from operating activities					
Interest received		8 654	24 756	7 072	20 518
Interest paid		-961	-3 164	-726	-2 747
Fees and commissions received		6 311	16 238	4 425	12 399
Fees and commissions paid		-948	-2 804	-464	-1 318
Staff costs paid		-3 136	-9 728	-2 783	-7 931
Administrative and other operating expenses paid		-3 968	-10 909	-3 331	-8 891
Cash flow from operating activities before change in operating assets and liabilities		**5 952**	**14 389**	**4 193**	**12 030**
Net increase/decrease in operating assets:					
Net acquisition/disposal of trading portfolio		4	-228	17	-14
Loans and advances to customers		-9 902	-69 659	-37 989	-81 639
Term deposits with banks		0	0	1	1
Mandatory reserve at central bank		-708	-1 287	-696	-1 279
Security deposits		4	39	1	-110
Other assets		-228	-821	-2 120	-2 170
Net increase/decrease in operating liabilities:					
Demand deposits of customers		93 708	142 889	84 649	114 466
Term deposits of customers		-24 713	-19 160	-4 818	17 396
Loans received		-	-	0	5 645
Repayments of loans received		-82	-14 678	-6 325	-7 072
Financial liabilities held for trading at fair value through profit and loss		-46	-111	-20	-104
Other liabilities		-11 774	-8 357	-6 041	5 133
Net cash generated/used in operating activities from continuing operations		**52 215**	**43 016**	**30 852**	**62 283**
Cash generated from/ used in operating activities from discontinued operations		0	0	-75	2 783
Net cash generated from/used in operating activities		**52 215**	**43 016**	**30 777**	**65 066**
Cash flow from investing activities					
Purchase of non-current assets		-674	-1 268	-310	-673
Disposal of non-current assets		0	10	0	0
Acquisition and disposal of associates		0	-10 926	0	0
Proceeds from disposal and redemption of investment securities available for sale		-2 787	1 285	28	451
Net change of investments at fair value through profit or loss		29 493	37 404	-18 046	-10 075
Net cash flow from investing activities		**26 032**	**26 505**	**-18 328**	**-10 297**
Cash flow from financing activities					
Paid in share capital (incl. share premium)		0	13 900	0	0
Net cash from financing activities		**13 900**	**13 900**	**0**	**0**
Effect of exchange rate changes on cash and cash equivalents	6	**-36**	**106**	**19**	**62**
Net decrease/increase in cash and cash equivalents		**78 211**	**83 527**	**12 468**	**54 831**
Cash and cash equivalents at the beginning of the period		229 679	224 363	121 995	79 632
Cash and cash equivalents at the end of the period	13	**370 890**	**370 890**	**134 463**	**134 463**

The Notes on pages 18 to 29 are an integral part of the consolidated interim financial statements

Condensed Consolidated Interim Statement of Changes in Equity

	Attributable to owners of LHV Group							
(in thousands of euros)	Share capital	Share premium	Statutory reserve capital	Other reserves	Accumulated deficit/ retained earnings	**Total**	Non-controlling interest	**Total equity**
Balance as at 01.01.2015	**23 356**	**33 992**	**435**	**132**	**-2 041**	**55 874**	**2 159**	**58 033**
Transfer to statutory reserve capital	0	0	460		-460	0	0	**0**
Share options	0	0	0	299	0	299	0	**299**
Profit for the year	*0*	*0*	*0*	*0*	*10 879*	*10 879*	*660*	**11 539**
Other comprehensive loss	*0*	*0*	*0*	*-13*	*0*	*-13*	*0*	***-13***
Total profit and other comprehensive income for the reporting period	0	0	0	-13	10 879	10 866	660	**11 526**
Balance as at 30.09.2015	**23 356**	**33 992**	**895**	**418**	**8 378**	**67 039**	**2 819**	**69 858**
Balance as at 01.01.2016	**23 356**	**33 992**	**895**	**551**	**11 205**	**69 999**	**3 241**	**73 240**
Transfer to statutory reserve capital	0	0	685	0	-685	0	0	**0**
Share options	0	0	0	538	0	538	0	**538**
Paid in share capital	2 000	11 900	0	0	0	13 900	0	**13 900**
Profit for the year	0	0	0	0	12 919	12 919	1 240	**14 159**
Other comprehensive loss	0	0	0	-11	0	-11	0	**-11**
Total profit and other comprehensive income for the reporting period	0	0	0	-11	12 919	12 908	1 240	**14 148**
Balance as at 30.09.2016	**25 356**	**45 892**	**1 580**	**1 078**	**23 439**	**97 345**	**4 481**	**101 826**

The Notes on pages 18 to 29 are an integral part of the consolidated interim financial statements

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 Accounting Policies

The interim financial statements have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted in the European Union and accordance with International Financial Reporting Standards as adopted by European Union. The interim financial statements should be read in conjunction with the group's annual financial statements as at 31 December 2015.

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

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

These condensed consolidated interim financial statements are not audited and do not contain the entire range of data required for the preparation of the financial statements.

The financial figures of the interim financial statements have been presented in thousands of euros, unless otherwise indicated. The interim financial statements have been consolidated and include the results of AS LHV Group and its subsidiaries AS LHV Varahaldus (100% interest), AS LHV Pank (100% interest), OÜ Cuber Tehnology (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 which are subject to regular monitoring of operating profit by the Group's decision-maker. The Management Board of AS LHV Group has been designated as the decision-maker responsible for allocation of funds and assessment of the profitability of the business activities. The result posted by a segment includes revenue and expenditure directly related to the segment.

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

Q3 2016	Retail banking	Private banking	Corporate banking	Asset manage-ment	Hire-purchase and consumer finance in Estonia	Hire-purchase and consumer finance in Lithuania	Treasury activities	Intra-segment elimi-nations	Total
Interest income	1 293	245	4 517	9	1 853	1 570	845	-1 544	8 788
Interest expense	0	0	-951	-42	-296	-284	-1 063	1 544	-1 092
Net interest income	**1 293**	**245**	**3 566**	**-33**	**1 557**	**1 286**	**-218**	**0**	**7 696**
Fee and commission income	2 085	204	44	3 787	6	137	63	0	6 326
Fee and commission expense	-773	0	-14	0	-97	-18	-49	0	-951
Net fee and commission income	**1 312**	**204**	**30**	**3 787**	**-91**	**119**	**14**	**0**	**5 375**
Net income	**2 605**	**449**	**3 596**	**3 754**	**1 466**	**1 405**	**-204**	**0**	**13 071**

Net gains from financial assets	-3	0	0	146	0	0	306	0	449
Administrative and other operating expenses, staff costs	-2 190	-217	-1 034	-1 750	-349	-1 008	-625	0	-7 173
Operating profit	**412**	**232**	**2 562**	**2 150**	**1 117**	**397**	**-523**	**0**	**6 347**
Impairment losses on loans and advances	-123	0	-106	0	-136	-135	0	0	-500
Income tax	0	0	0	0	0	-55	0	0	-55
Net profit	**289**	**232**	**2 456**	**2 150**	**981**	**207**	**-523**	**0**	**5 792**
Total assets	**290 724**	**122 472**	**437 151**	**24 513**	**32 953**	**38 344**	**97 464**	**-157 735**	**885 886**
Total liabilities	**378 300**	**243 452**	**160 981**	**5 355**	**28 432**	**32 538**	**31 157**	**-96 155**	**784 060**

Q3 2015	Retail banking	Private banking	Corporate banking	Asset manage-ment	Hire-purchase and consumer finance in Estonia	Hire-purchase and consumer finance in Lithuania	Treasury activities	Intra-segment elimi-nations	Total
Interest income	851	139	3 833	15	1 001	1 593	864	-1 092	7 204
Interest expense	0	0	-1 286	-29	-168	-309	-302	1 092	-1 002
Net interest income	**851**	**139**	**2 547**	**-14**	**833**	**1 284**	**562**	**0**	**6 202**
Fee and commission income	1 436	217	137	2 330	9	168	88	0	4 385
Fee and commission expense	-380	0	-5	0	-1	-21	-57	0	-464
Net fee and commission income	**1 056**	**217**	**132**	**2 330**	**8**	**147**	**31**	**0**	**3 921**
Net income	**1 907**	**356**	**2 679**	**2 316**	**841**	**1 431**	**593**	**0**	**10 123**
Net gains from financial assets	-6	0	0	47	0	-1	39	0	79
Administrative and other operating expenses, staff costs	-1 942	-231	-990	-1 134	-323	-979	-481	0	-6 080
Operating profit	**-41**	**125**	**1 689**	**1 229**	**518**	**451**	**151**	**0**	**4 122**
Impairment losses on loans and advances	-38	0	-218	0	-110	-205	0	0	-571
Income tax	0	0	0	0	0	-61	0	0	-61
Discontinued operations	-75	0	0	0	0	0	0	0	-75
Net profit	**-154**	**125**	**1 471**	**1 229**	**408**	**185**	**151**	**0**	**3 415**
Total assets	**234 232**	**98 655**	**352 141**	**12 114**	**18 971**	**38 220**	**70 026**	**-121 384**	**702 975**
Total liabilities	**306 076**	**196 973**	**130 247**	**3 990**	**17 225**	**33 799**	**16 775**	**-71 968**	**633 117**

NOTE 3 Risk Management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2015.

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

NOTE 4 Breakdown of Financial Assets and Liabilities by Countries

30.09.2016	Estonia	Latvia	Lit-huania	Finland	The Nether-lands	Ger-many	Other EU	USA	Other	Total
Due from banks and investment companies	295 354	0	2 207	0	0	0	2 795	12 189	2 770	**315 315**
Financial assets at fair value	11 367	2 840	18 742	0	0	19 140	25 590	2	0	**77 681**
Loans and advances to customers	425 575	305	36 175	222	9	47	15 272	52	642	**478 299**
Receivables from customers	2 277	2	458	0	0	0	2	0	0	**2 739**
Other financial assets	108	0	0	0	0	0	0	793	0	**901**
Total financial assets	**734 681**	**3 147**	**57 582**	**222**	**9**	**19 187**	**43 659**	**13 036**	**3 412**	**874 935**
Deposits of customers and loans received	629 116	1 577	1 805	1 308	1	633	48 142	2 225	56 981	**741 788**
Subordinated dept	30 900	0	0	0	0	0	0	0	0	**30 900**
Financial liabilities at fair value	7 232	0	711	27	0	0	13	3	0	**7 986**
Total financial liabilities	**667 248**	**1 577**	**2 516**	**1 335**	**1**	**633**	**48 155**	**2 228**	**56 981**	**780 674**

Unused loan commitments in the amount of EUR 130 846 thousand are for the residents of Estonia.

31.12.2015	Estonia	Latvia	Lit-huania	Finland	The Nether-lands	Ger-many	Other EU	USA	Other	Total
Due from banks and investment companies	209 268	0	1 784	0	874	0	1 081	15 786	1 708	**230 501**
Financial assets at fair value	7 501	3 838	3 327	0	0	36 944	47 454	11 051	1	**110 116**
Loans and advances to customers	362 002	585	38 223	20	7	1	9 139	0	20	**409 997**
Receivables from customers	1 784	2	240	0	0	0	0	0	0	**2 026**
Other financial assets	108	0	0	0	0	0	0	832	0	**940**
Total financial assets	**580 663**	**4 425**	**43 574**	**20**	**881**	**36 945**	**57 674**	**27 669**	**1 729**	**753 580**
Deposits of customers and loans received	539 478	2 406	1 776	625	29	302	40 024	2 211	45 909	**632 760**
Subordinated debt	30 900	0	0	0	0	0	0	0	0	**30 900**
Accounts payable and other financial liabilities	16 606	0	639	27	0	0	13	3	0	**17 288**
Financial liabilities at fair value	89	0	0	0	0	0	0	0	0	**89**
Total financial liabilities	**587 073**	**2 406**	**2 415**	**652**	**29**	**302**	**40 037**	**2 214**	**45 909**	**681 037**

Unused loan commitments in the amount of EUR 118 696 thousand are for the residents of Estonia.

NOTE 5 Breakdown of Assets and Liabilities by Contractual Maturity Dates

30.09.2016	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits from customers and loans received	575 702	65 789	94 713	5 967	0	**742 171**
Subordinated debt	0	532	1 596	8 511	38 214	**48 853**
Accounts payable and other financial liabilities	0	7 986	0	0	0	**7 986**
Unused loan commitments	0	130 846	0	0	0	**130 846**
Financial guarantees by contractual amounts	0	4 142	0	0	0	**4 142**
Foreign exchange derivatives (gross settled)	0	5 148	0	0	0	**5 148**
Total liabilities	**575 702**	**214 443**	**96 309**	**14 478**	**38 214**	**939 146**
Financial assets by contractual maturity dates						
Due from banks and investment companies	315 252	63	0	0	0	**315 315**
Financial assets at fair value (debt securities)	0	19 005	17 321	27 313	3 609	**67 248**
Loans and advances to customers	0	35 796	137 367	327 858	36 134	**537 155**
Receivables from customers	0	2 739	0	0	0	**2 739**
Other financial assets	0	5170	0	0	0	**5 170**
Foreign exchange derivatives	901	0	0	0	0	**901**
Total financial assets	**316 153**	**62 773**	**154 688**	**355 171**	**39 743**	**928 528**
Maturity gap from financial assets and liabilities	**-259 549**	**-151 670**	**58 379**	**340 693**	**1 529**	**-10 618**

31.12.2015	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits from customers and loans received	433 027	66 578	110 230	23 284	716	**633 835**
Subordinated debt	0	532	1 596	8 511	39 810	**50 449**
Accounts payable and other financial liabilities	0	17 288	0	0	0	**17 288**
Unused loan commitments	0	118 696	0	0	0	**118 696**
Financial guarantees by contractual amounts	0	5 369	0	0	0	**5 369**
Foreign exchange derivatives (gross settled)	0	14 487	0	0	0	**14 487**
Financial liabilities at fair value	0	26	63	0	0	**89**
Total liabilities	**433 027**	**222 976**	**111 889**	**31 795**	**40 526**	**840 213**
Financial assets by contractual maturity dates						
Due from banks and investment companies	230 501	0	0	0	0	**230 501**
Financial assets at fair value (debt securities)	0	19 250	69 590	12 136	2 977	**103 953**
Loans and advances to customers	0	43 364	114 515	280 732	19 297	**457 908**
Receivables from customers	0	2 026	0	0	0	**2 026**
Other financial assets	940	0	0	0	0	**940**
Foreign exchange derivatives	0	14 487	0	0	0	**14 487**
Total financial assets	**231 441**	**79 127**	**184 105**	**292 868**	**22 274**	**809 815**
Maturity gap from financial assets and liabilities	**-201 586**	**-143 849**	**72 216**	**261 073**	**-18 252**	**-30 398**

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

NOTE 6 Open Foreign Currency Positions

30.09.2016	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	299 571	1 886	7 614	1 742	2 627	1 875	**315 315**
Financial assets at fair value	35 925	0	0	2	41 718	36	**77 681**
Loans and advances to customers	477 183	0	6	2	1 102	5	**478 299**
Receivables from customers	1 970	8	58	2	700	1	**2 739**
Other financial assets	211	0	0	0	690	0	**901**
Total assets bearing currency risk	**814 860**	**1 895**	**7 678**	**1 748**	**46 837**	**1 917**	**874 935**
Liabilities bearing currency risk							
Deposits from customers and loans received	680 230	1 853	4 938	1 603	51 943	1 221	**741 788**
Accounts payable and other financial liabilities	4 274	45	2 673	125	93	776	**7 986**
Subordinated debt	30 900	0	0	0	0	0	**30 900**
Total liabilities bearing currency risk	**715 404**	**1 898**	**7 611**	**1 728**	**52 036**	**1 997**	**780 674**
Open gross position derivative assets at contractual value	0	0	0	0	5 123	47	**5 170**
Open gross position derivative liabilities at contractual value	4 612	0	0	0	0	536	**5 148**
Open foreign currency position	**94 844**	**-3**	**67**	**20**	**-76**	**-569**	**94 283**

31.12.2015	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	218 849	1 638	1 101	587	7 338	988	**230 501**
Financial assets at fair value	71 894	0	0	1	38 213	8	**110 116**
Loans and advances to customers	408 804	0	0	79	1 070	44	**409 997**
Receivables from customers	1 945	0	0	0	81	0	**2 026**
Other financial assets	233	0	0	0	707	0	**940**
Total assets bearing currency risk	**701 725**	**1 638**	**1 101**	**667**	**47 409**	**1 040**	**753 580**
Liabilities bearing currency risk							
Deposits from customers and loans received	579 117	1 605	2 549	353	48 279	857	**632 760**
Financial liabilities at fair value	89	0	0	0	0	0	**89**
Accounts payable and other financial liabilities	4 015	45	2 902	308	9 219	799	**17 288**
Subordinated debt	30 900	0	0	0	0	0	**30 900**
Total liabilities bearing currency risk	**614 121**	**1 650**	**5 451**	**661**	**57 498**	**1 656**	**681 037**
Open gross position derivative assets at contractual value	0	0	4 360	0	10 127	0	**14 487**
Open gross position derivative liabilities at contractual value	14 487	0	0	0	0	0	**14 487**
Open foreign currency position	**73 117**	**-12**	**10**	**6**	**38**	**-616**	**72 543**

NOTE 7 Fair Value of Financial Assets and Liabilities

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

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

	Level 1	Level 2	Level 3	30.09.2016	Level 1	Level 2	Level 3	31.12.2015
Financial assets at fair value through profit and loss								
Shares and fund units*	588	10 208	0	**10 796**	352	6 349	0	**6 701**
Available-for-sale bonds and shares	580	0	0	**580**	3 508	0	0	**3 508**
Bonds at fair value through profit and loss	66 283	22	0	**66 305**	99 907	0	0	**99 907**
Total financial assets	**67 451**	**10 230**	**0**	**77 681**	**103 767**	**6 349**	**0**	**110 116**
Financial liabilities at fair value through profit and loss								
Interest rate swaps	0	0	0	**0**	0	**89**	0	**89**
Total financial liabilities	**0**	**0**	**0**	**0**	**0**	**89**	**0**	**89**

*Shares and fund units include the Group companies' AS LHV Varahaldus investment into pension fund units in the amount of EUR 10 208 (31.12.2015: 6 349) thousand. Pursuant to the Investment Funds Act, the mandatory shares of LHV Varahaldus as the management company is 1% of the number of units in each of the mandatory pension fund managed by it.

Hierarchy levels:

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

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

As at 30.09.2016 the fair value of corporate loans and overdraft is EUR 546 thousand (0.16%) lower than their carrying amount (30.06.2016: 523 thousand, 0.16% higher) . Loans are issued in the bank's business segments on market conditions. Therefore, the fair value of loans does not materially differ from their carrying amount as at 30 September 2016 and 30 June 2016. In determining the fair value of loans, considerable management judgements are used (discounted cash flow method with current market interest is used for the valuation). Loans issued are thus categorised under hierarchy level 3.

Lease interest rates offered to customers generally correspond to interest rates prevailing in the market for such products. Considering that the interest rate environment has been relatively stable since the Group started to provide leasing, consequently the fair value of lease agreements does not materially differ from their carrying amount. As significant management judgment is required to determine fair value, leases are classified as level 3 in the fair value hierarchy. Leveraged loans, hire-purchase and credit cards granted to customers are of sufficiently short-term nature and they have been issued at market terms, therefore the fair market rate of interest and also the fair value of loans do not change significantly during the loan term. The effective interest rate of consumer loans issued is at the same level as the interest rate of the loan product offered in the market and it can be stated that the carrying amount of loans does not significantly differ from their fair value. The fair value level of leveraged loans, hirepurchase, credit cards and consumer loans is 3 as significant judgmental assumptions are used for the valuation process.

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

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

From all the subordinated loans received, EUR 15 000 thousand were received in October 2015 and the rest in 2014. Subordinated loans were issued on market terms and considering the movements in loan and interest market, we can say that the market conditions are similar as they were when issuing the subordinated loans so that the fair value of the loans does not materially differ from their net book value. In determining the fair value of loans, considerable management judgements are used. Loans issued are thus categorised under hierarchy level 3.

NOTE 8 Breakdown of Loan Portfolio by Economic Sectors

	30.09.2016	%	31.12.2015	%
Individuals	112 769	23.3%	91 793	22.1%
Real estate activities	128 579	26.6%	106 836	25.8%
Manufacturing	39 518	8.2%	36 919	8.9%
Arts and entertainment	30 412	6.3%	25 724	6.2%
Financial activities	60 149	12.4%	46 887	11.3%
Wholesale and retail trade	11 684	2.4%	16 563	4.0%
Administrative and support service activities	7 983	1.7%	11 355	2.7%
Transportation and storage	11 819	2.4%	14 706	3.6%
Agriculture	7 807	1.6%	8 836	2.1%
Other service activities	20 992	4.3%	23 184	5.6%
Construction	10 596	2.2%	6 637	1.6%
Information and communication	8 466	1.8%	4 791	1.2%
Professional, scientific and technical activities	10 332	2.1%	2 482	0.6%
Education	607	0.1%	1 618	0.4%
Other sectors	21 883	4.5%	16 346	3.9%
Total	**483 596**	**100%**	**414 677**	**100%**
Provision	-5 297		-4 680	
Total loan portfolio	**478 299**	**100%**	**409 997**	**100%**

NOTE 9 Net Interest Income

Interest income	**Q3 2016**	**9M 2016**	**Q3 2015**	**9M 2015**
Balances with credit institutions and investment companies	14	69	31	75
Balances with the central bank	-222	-608	-34	-101
Bonds	85	309	95	308
Leasing	404	1 151	367	1 008
Leverage loans and lending of securities	92	388	182	586
Consumer loans	1 393	3 791	652	1 800
Hire purchase	1 919	5 874	1 798	4 950
Business loans	4 601	12 768	3 779	10 450
Creditcard loans	144	394	106	297
Other loans	358	940	228	530
Total	**8 788**	**25 076**	**7 204**	**19 903**
Interest expense				
Deposits of customers and loans received	-556	-1 765	-698	-2 139
Subordinated liabilities	-536	-1 597	-304	-901
including loans between related parties	-114	-342	-100	-300
Total	**-1 092**	**-3 362**	**-1 002**	**-3 040**
Net interest income	**7 696**	**21 714**	**6 202**	**16 863**

Interest income on loans by customer location (interest on bank balances and bonds excluded):	**Q3 2016**	**9M 2016**	**Q3 2015**	**9M 2015**
Estonia	7 317	20 305	5 480	15 106
Latvia	0	11	7	23
Lithuania	1 594	4 990	1 625	4 492
Total	**8 911**	**25 306**	**7 112**	**19 621**

NOTE 10 Net Fee and Commission Income

Fee and commission income	Q3 2016	9M 2016	Q3 2015	9M 2015
Security brokerage and commissions paid	785	2 143	639	1 833
Asset management and similar fees	4 126	10 066	2 593	7670
Currency conversion revenues	240	626	259	510
Fees from cards and payments	910	2 490	586	1 316
Fees related to collection of debts	0	0	2	6
Fee from Snoras's portfolio management*	0	45	69	228
Other fee and commission income	265	772	237	616
Total	**6 326**	**16 142**	**4 385**	**12 179**
Fee and commission expense				
Security brokerage and commissions paid	-208	-603	-141	-446
Expenses related to cards	-232	-673	-125	-399
Expenses related to acquiring	-268	-845	-110	-205
Other fee and commission expense	-243	-682	-88	-266
Total	**-951**	**-2 803**	**-464**	**-1 316**
Net fee and commission income	**5 375**	**13 339**	**3 921**	**10 863**

* Mokilizingas was providing till Q2 2016 portfolio administration services to Snoras Bank, to whom the portfolio was sold in 2011.

Fee and commission income by customer location:	Q3 2016	9M 2016	Q3 2015	9M 2015
Estonia	6 059	15 336	4 023	11 150
Finland	0	0	0	8
Latvia	0	17	18	66
Lithuania	215	634	248	763
Sweden	0	0	0	96
Luxembourg	52	155	96	96
Total	**6 326**	**16 142**	**4 385**	**12 179**

NOTE 11 Operating Expenses

	Q3 2016	9M 2016	Q3 2015	9M 2015
Wages, salaries and bonuses	2 091	7 183	1 959	6 001
Social security and other taxes*	957	2 594	694	1 962
Total personnel expenses	**3 048**	**9 777**	**2 653**	**7 963**
IT expenses	429	1 302	360	1 001
Information services and bank services	228	576	163	506
Marketing expenses	1 289	3 174	1 191	2 773
Office expenses	120	404	100	315
Transportation and communication expenses	65	190	59	162
Staff training and business trip expenses	111	304	69	216
Other outsourced services	828	2 339	731	1 981
Other administrative expenses	547	1 460	294	908
Depreciation of non-current assets	218	658	186	504
Operational lease payments	236	711	234	677
Other operating expenses	37	191	41	113
Total other operating expenses	**4 108**	**11 309**	**3 428**	**9 156**
Total operating expenses	**7 156**	**21 086**	**6 081**	**17 119**

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

NOTE 12 Discontinued operations

Profit from discontinued operations	Q3 2016	9M 2016	Q3 2015	9M 2015
Other financial income	0	0	0	2 936
Total expenses	0	0	-75	-753
Net profit from discontinued operations	**0**	**0**	**-75**	**2 183**

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

	30.09.2016	31.12.2015
Term deposits with maturity less than 3 months*	31 080	30 657
Legal reserve with the central bank	7 425	6 138
Other receivables from central bank*	276 810	193 706
Total	**315 315**	**230 501**
*Cash and cash equivalents in the Statement of Cash Flows	307 890	224 363

The breakdown of receivables by countries has been presented in Note 4. Demand deposits include receivables from investment companies in the total amount of EUR 12 354 thousand (31 December 2015: EUR 15 922 thousand). All other demand and term deposits are held with credit institutions and the central bank.

The minimum reserve requirement as at 30 September 2016 was 1% (31 December 2015: 1%) of all financial resources (customer deposits and loans received). The reserve requirement is to be fulfilled as a monthly average in euros or in the foreign financial assets approved by the central bank.

NOTE 14 Deposits of Customers and Loans Received

Deposits/loans by type	Individuals	Legal entities	Public sector	30.09.2016
Demand deposits	179 198	393 949	5 258	578 405
Term deposits	72 025	83 155	6 629	161 809
Loans received	0	0	832	832
Accrued interest liability	333	394	15	742
Total	**251 556**	**477 498**	**12 734**	**741 788**

Deposits/loans by type	Individuals	Legal entities	Public sector	31.12.2015
Demand deposits	127 084	303 153	2 573	432 810
Term deposits	81 949	98 242	3 478	183 669
Loans received	0	13 000	2 510	15 510
Accrued interest liability	322	424	25	771
Total	**209 355**	**414 819**	**8 586**	**632 760**

Loans received include loans granted by the Estonian Rural Development Foundation in the amount of EUR 832 thousand (31 December 2015: EUR 2 510 thousand) for the purpose of financing loans to small companies in rural areas and overdraft received. As a rule, the nominal interest rate of the deposits of customers and loans granted equals to their effective interest rate, as no other significant fees have been paid.

NOTE 15 Accounts payable and other liabilities

Financial liabilities	30.09.2016	31.12.2015
Trade payables and payables to merchants	2 545	3 022
Other short-term financial liabilities	884	473
Accrued interest on subordinated loans	206	205
Payments in transit	4 236	13 455
Financial guarantee contracts issued	115	133
Subtotal	**7 986**	**17 288**
Non-financial liabilities		
Performance guarantee contracts issued	162	158
Tax liabilities	1 067	933
Payables to employees	1 221	1 083
Other short-term liabilities	936	675
Subtotal	**3 386**	**2 849**
Total	**11 372**	**20 137**

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

NOTE 16 Contingent Liabilities

Irrevocable transactions	Performance guarantees	Financial guarantees	Unused loan commitments	Total
Liability in the contractual amount as at 30 September 2016	10 363	4 142	130 846	**145 351**
Liability in the contractual amount as at 31 December 2015	7 853	5 369	118 696	**131 918**

NOTE 17 Basic Earnings and Diluted Earnings Per Share

In order to calculate basic earnings per share, net profit has been divided by the weighted average number of shares issued. For calculation of diluted earnings per share for 2015 the annual average potential shares from subordinated bonds is used. The last convertible bonds were redeemed in October 2015.

	Q3 2016	9M 2016	Q3 2015	9M 2015
Total profit (incl. discontinued operations) attributable to owners of the parent (EUR thousand)	5 345	12 919	3 019	10 879
Weighted average number of shares (in thousands of units)	25 356	24 356	23 356	23 356
Basic earnings per share (EUR)	0.21	0.53	0.14	0.47
Weighted average number of shares used for calculating the diluted earnings per shares (in thousands of units)	25 836	24 836	24 068	24 044
Diluted earnings per share (EUR)	0.21	0.52	0.13	0.45

NOTE 18 Capital Management

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

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

The amount of capital that the Group managed as of 30.09.2016 was 112 529 thousand euros (31.12.2015: 97 699 thousand euros). The goals of the Group’s capital management are set based on both the regulative requirements and additional internal buffer.

The Group follows the general principles in its capital management:

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

Capital base	**30.09.2016**	**31.12.2015**
Paid-in share capital	25 356	23 356
Share premium	45 892	33 992
Reserves	1 580	895
Other reserves	-34	-23
Accumulated loss	10 517	-2 503
Intangible assets (subtracted)	-8 549	-1 734
Profit for the reporting period	5 075	10 879
Non-controlling interest	1 792	1 937
Total Tier 1 capital	**81 629**	**66 799**
Subordinated liabilities	30 900	30 900
Total Tier 2 capital	**30 900**	**30 900**
Total net own funds	**112 529**	**97 699**

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

NOTE 19 Transactions with related parties

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

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

Transactions	9M 2016	9M 2015
Interest income	**39**	**37**
incl. management	10	2
incl. shareholders and their related entities that have significant influence	29	35
Fee and commission income	**1**	**6**
Incl. management	1	6
Interest expenses from deposits	**4**	**25**
incl. management	0	0
incl. shareholders and their related entities that have significant influence	4	25
Interest expenses from subordinated loans	**343**	**299**
incl. management	21	16
incl. shareholders and their related entities that have significant influence	322	283

Balances	30.09.2016	31.12.2015
Loans and receivables as at the year-end	**1 472**	**2 458**
incl. management	621	641
incl. shareholders and their related entities that have significant influence	851	1 817
Deposits as at the year-end	**14 766**	**13 409**
incl. management	503	764
incl. shareholders and their related entities that have significant influence	14 263	12 645
Subordinated loans as at the year-end	**6 113**	**6 113**
incl. management	397	397
incl. shareholders and their related entities that have significant influence	5 716	5 716

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

Loans granted to related parties are issued at market conditions.

In Q3, salaries and other compensations paid to the management of the parent AS LHV Group and its subsidiaries totalled EUR 288 thousand (Q3 2015: EUR 342 thousand), including all taxes. As at 30.09.2016, remuneration for September and accrued holiday pay in the amount of EUR 104 thousand (31.12.2015: EUR 100 thousand) is reported as a payable to management (Note 15). The Group did not have any long-term payables or commitments to the members of the Management Board and the Supervisory Board as at 30.09.2016 and 31.12.2015 (pension liabilities, termination benefits, etc.). In Q3 2016, the remuneration paid to the members of the Group's Supervisory Board totalled EUR 9 thousand (Q3 2015: EUR 8 thousand).

Management is related to the share-based compensation plan. In Q3 2016 the share-based compensation to management amounted to EUR 99 thousand (Q3 2015: EUR 63 thousand).

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

Shareholders of AS LHV Group

AS LHV Group has a total of 25 356 005 ordinary shares, with a nominal value of 1 euro.

As at 30 September 2016, AS LHV Group has 5 289 shareholders:

- 12 998 514 shares (51.3%) were held by members of the Supervisory Board and Management Board, and related parties.
- 12 357 491 shares (48.7%) were held by Estonian entrepreneurs and investors, and related parties.

Top ten shareholders as at 30 September 2016:

Number of	Participation	Name of shareholder
3 357 920	13.2%	AS Lõhmus Holdings
2 748 367	10.8%	Rain Lõhmus
1 638 844	6.5%	Andres Viisemann
1 418 000	5.6%	Ambient Sound Investments OÜ
1 210 215	4.8%	OÜ Krenno
999 456	3.9%	AS Genteel
951 978	3.8%	AS Amalfi
696 297	2.7%	OÜ Kristobal
653 165	2.6%	SIA Krugmans
576 667	2.3%	Bonaares OÜ

Shares held by members of the Management Board and Supervisory Board

Erkki Raasuke holds 81 436 shares.
Rain Lõhmus holds 2 748 367 shares, AS Lõhmus Holdings 3 357 920 shares and OÜ Merona Systems 435 718 shares.
Andres Viisemann holds 1 638 844 shares, Viisemann Holdings OÜ holds 434 925 shares and Viisemann Investment AG holds 400 000 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 999 456 shares.
Heldur Meerits does not hold shares. AS Amalfi holds 951 978 shares.
Raivo Hein does not hold shares. OÜ Kakssada Kakskümmend Volti holds 529 690 shares.
Sten Tamkivi holds 355 shares. OÜ Seikatsu holds 1 825 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, Tauno Tats, Andres Viisemann, Sten Tamkivi
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, Andres Viisemann, Sten Tamkivi
Management board: Jüri Heero, Erki Kilu, Andres Kitter, Meelis Paakspuu, Indrek Nuume, Martti Singi

AS LHV Finance
Supervisory board: Erki Kilu, Rain Lõhmus, Veiko Poolgas, Jaan Koppel
Management board: Kalev Karus

OÜ Cuber Tehnology
Management board: Jüri Laur

UAB Mokilizingas
Supervisory board: AS LHV Group, AS LHV Pank, UAB „K2Z", KŪB „RAZFin
Management board: Erki Kilu, Jurgis Rubazevicius, Benas Pavlauskas, Mantas Jonuška
CEO: Benas Pavlauskas

Signatures of the Management Board to the Condensed Consolidated Interim Report

The Management Board has prepared the summary of results for January to September 2016 period the condensed consolidated interim financial statements of AS LHV Group for the 9-month period ended 30 September 2016.

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

21.10.2016

Erkki Raasuke