

Interim Report January – December 2023

Summary of Results

Q4 2023 in comparison with Q3 2023

- Net profit EUR 32.8 m (EUR 39.5 m), of which EUR 32.5 m (EUR 39.1 m) is attributable to owners of the parent
- Earnings per share EUR 0.10 (EUR 0.12)
- Net income EUR 85.7 m (EUR 81.5 m)
- Operating expenses EUR 37.9 m (EUR 32.8 m)
- Loan and bond provisions EUR 9.4 m (EUR 2.9 m)
- Income tax expenses EUR 5.6 m (EUR 6.3 m)
- Return on equity 24.5% (31.6%)
- Capital adequacy 21.9% (25.2%)

Q4 2023 in comparison with Q4 2022

- Net profit EUR 32.8 m (EUR 24.3 m), of which EUR 32.5 m (EUR 24.1 m) is attributable to owners of the parent
- Earnings per share EUR 0.1 (EUR 0.08)
- Net income EUR 85.7 m (EUR 56.6 m)
- Operating expenses EUR 37.9 m (EUR 26.9 m)
- Loan and bond provisions EUR 9.4 m (EUR 0.3 m)
- Income tax expenses EUR 5.6 m (EUR 5.1 m)
- Return on equity 24.5% (24.0%)
- Capital adequacy 21.9% (21.7%)

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

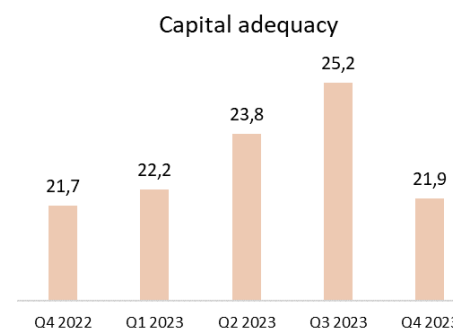
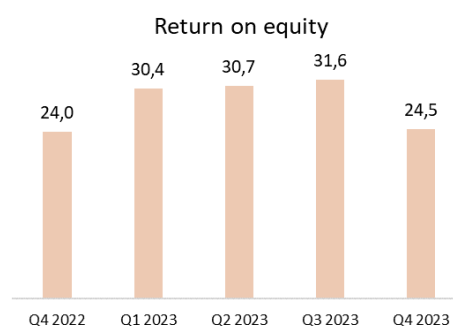
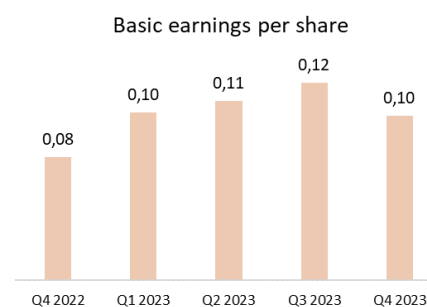
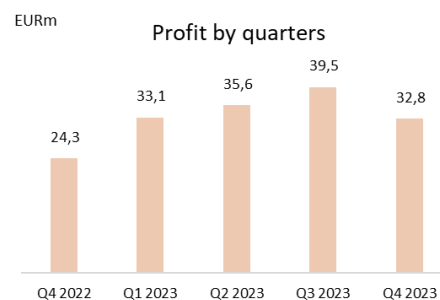


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Summary of financial results

The Group's Q4 2023 consolidated net profit was EUR 32.8 million, which decreased by EUR 6.7 million compared to Q3 2023 and increased by EUR 8.5 million compared to Q4 2022. The profit for the Group's shareholders was EUR 32.5 million in Q4 2023, which was EUR 6.5 million less than in Q3 2023. The total profit for the Group's shareholders in 2023 was EUR 139.6 million.

The Group's Q4 2023 consolidated net income was EUR 85.7 million, which increased by EUR 4.2 million compared to Q3 2023 and by EUR 29.1 million compared to Q4 2022.

The Group's net interest income decreased by 1% in Q4 2023 compared to Q3 2023, amounting to EUR 67.7 million (EUR 68.1 million in Q3 2023).

Net service fee income grew by 20%, amounting to EUR 16.3 million (EUR 13.6 million in Q3 2023). In total, the Group's net income increased by 5% in Q4 2023 compared to Q3 2023, amounting to EUR 85.7 million (EUR 81.5 million in Q3 2023).

Operating expenses amounted to EUR 37.9 million in Q4, having increased by EUR 5.0 million compared to Q3 2023 and by EUR 11.0 million compared to Q4 2022.

The Group's Q4 operating profit was EUR 47.8 million (EUR 48.7 million in Q3 2023). Write-downs amounted to EUR 9.4 million in Q4 (EUR 2.9 million in Q3 2023).

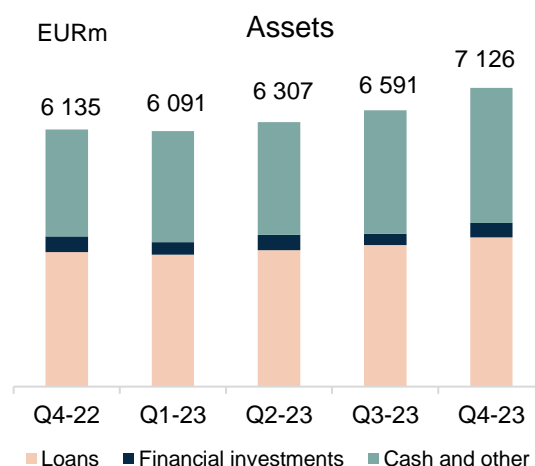
Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.2 million in Q4 (EUR 0.2 million in Q3 2023).

The Group's Q4 net profit was EUR 32.8 million (EUR 39.5 million in Q3 2023). Compared to Q4 2022, the Group's net interest income grew by 53% and the net service fee income grew by 41%.

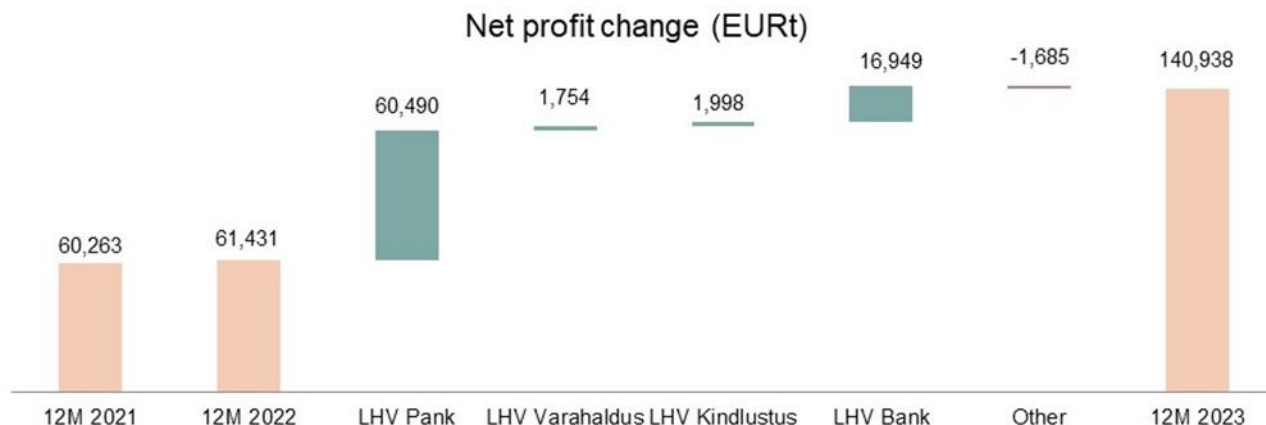
Return on equity owned by LHV shareholders was 24.5% in Q4 2023, which decreased by 7.1 percentage points from Q3 2023 (31.6%) and increased by 0.5 percentage points compared to Q4 2022 (24.0%).

The Group's loan volume grew to EUR 3,562 million by the end of Q4 (EUR 3,376 million in Q3 2023), having grown by 6% or EUR 186 million in a quarter (a growth of EUR 122 million in Q3 2023). Compared to Q4 2022, the Group's loan volume has grown by 11%.

The volume of deposits increased by EUR 415 million in a quarter (an increase of EUR 254 million in Q3 2023). More than a half of the growth came from the deposits of ordinary clients, while the volume of deposits engaged from platforms and the volume of deposits of financial intermediaries also grew. Of the deposits, EUR 3,788 million (EUR 3,817 million in Q3 2023) were call deposits, EUR 1,372 million (EUR 1 080 million in Q3) term deposits and EUR 570 million (EUR 419 million in Q3) platform deposits.



Across business units, AS LHV Pank's consolidated net profit amounted to EUR 33.6 million in Q4, that of AS LHV Varahaldus amounted to EUR 0.5 million and that of AS LHV Kindlustus amounted to EUR 0.4 million. The net profit of LHV Bank was EUR 3.0 million. The net profit of AS LHV Paytech was EUR 0.4 million. Viewed separately, LHV Group made a net loss of EUR 1.5 million.



The Bank's net profit at the consolidated level was EUR 33.6 million in Q4 2023, which is EUR 2.5 million less than the result in the previous quarter (EUR 36.0 million in Q3 2023) and EUR 3.7 million more than the net profit of Q4 2022. The number of the Bank's clients grew by 10,100 in a quarter (6,600 in Q3 2023), amounting to a total of 417 500.

The Bank's loan portfolio grew by EUR 97 million in Q4 (EUR 176 million in Q3 2023, reaching EUR 3 549 million).

The deposits of the Bank's clients increased by EUR 279 million in Q4, while the balance of the deposits of payment intermediaries increased by EUR 82 million, platform deposits grew by EUR 45 million, and the deposits of the remaining clients grew by EUR 152 million. The total volume of deposits was EUR 5 535 million at the end of Q4.

The net profit of LHV Varahaldus was EUR 0.5 million in Q4 2023 (EUR 0.6 million in Q3 2023). The service fee income of LHV Varahaldus amounted to EUR 2.3 million (EUR 2.3 million in Q3 2023). The operating expenses of LHV Varahaldus were EUR 1.5 million in Q4 2023 (EUR 1.3 million in Q3 2023). Expenses related to non-current assets (including depreciation on client agreements) were EUR 0.4 million in Q4 2023 (EUR 0.4 million in Q3 2023).

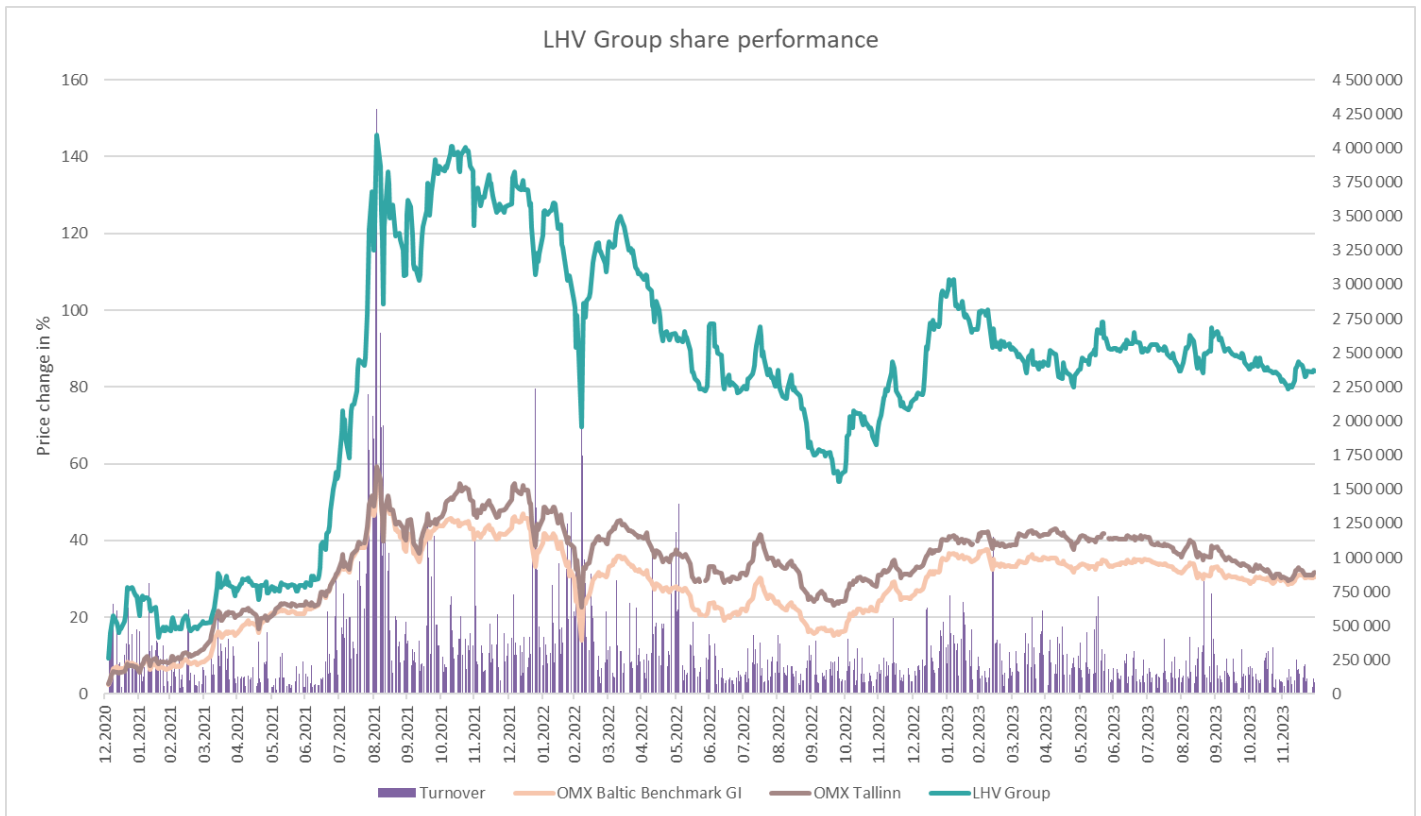
The total volume of funds managed by LHV grew by EUR 68 million in a quarter (a decrease of EUR 13 million in Q3 2023).

The number of active 2nd pillar clients decreased by 1,200 in a quarter (a decrease of 3 800 in Q3 2023).

The net profit of LHV Kindlustus was EUR 0.4 million in Q4 2023 (EUR 0.3 million in Q3 2023). The volume of gross premiums increased by EUR 0.7 million in the quarter, reaching EUR 8.2 million. Income from insurance activities at LHV Kindlustus increased by EUR 0.3 million in the quarter, to EUR 1.8 million.

As at the end of Q4 2023, the net loan portfolio of LHV Bank amounted to EUR 79 million and the volume of deposits was EUR 239 million. The net profit of LHV Bank was EUR 3.0 million in Q4 2023 (EUR 3.2 million in Q3 2023). The net income of LHV Bank was EUR 12.0 million in Q4 2023 (EUR 11.8 million in Q3 2023).

There is only one class of shares issued by LHV, each share gives 1 voting right. The shares of LHV Group is traded on NASDAQ Tallinn main list since May 2016. Graph below presents LHV Group share performance against OMX Tallinn index and OMX Baltics benchmark index. LHV Group share has outperformed both indexes and has raised 84%, when comparison indexes have increased by 32% and 31% respectively. Group share price was 3.49 euros in the end of Q3 and based on the stock price, LHV's market value was EUR 1 116 million. When monitoring the share price, it should be taken into account that a 1/10 share split was carried out in the middle of 2022.

**Business volumes**

EUR million	Quarter			Year	
	Q4 2023	Q3 2023	over quarter	Q4 2022	over year
Loan portfolio	3 561.8	3 375.6	6%	3 208.6	11%
Financial investments	335.1	270.8	24%	373.6	-11%
Deposits of customers	5 731.0	5 316.2	8%	4 900.5	17%
incl. deposits of financial intermediates	1 317.7	1 287.7	2%	1 500.4	3%
Equity (including minority interest)	556.4	522.2	7%	420.8	32%
Equity (owners' share)	548.4	514.5	7%	412.9	33%
Volume of funds managed	1 519.1	1 451.3	5%	1 332.2	14%
Client securities	3 504.0	3 552.1	-1%	3 208.4	9%

Income statement			Quarter	Q4	Year			Year
EUR million	Q4 2023	Q3 2023	over quarter	2022	over year	12M 2023	12M 2022	over year
Net interest income	67.67	68.14	-1%	44.10	53%	253.82	129.11	97%
Net fee and commission income	16.30	12.52	20%	11.55	41%	54.15	44.90	21%
Other financial income	0.48	-0.59	NA	0.84	-43%	0.73	-0.60	NA
Total net operating income	84.45	80.07	4%	56.49	49%	308.70	173.41	78%
Other income	1.24	0.31	300%	0.08	1 450%	1.76	0.13	1 254%
Operating expenses	-37.85	-32.81	15%	-26.88	41%	-134.34	-89.64	50%
Loan and bond portfolio gains/(-losses)	-9.43	-2.88	227%	-0.25	3 672%	-11.54	-8.05	43%
Income tax expenses	-5.64	-6.31	-11%	-5.11	10%	-23.65	-14.42	64%
Net profit	32.77	39.48	-17%	24.33	35%	140.93	61.43	129%
Including attributable to owners of the parent	32.54	39.06	-17%	24.08	35%	139.60	59.81	133%

Ratios			Quarter	Q4	Year			Year
EUR million	Q4 2023	Q3 2023	over quarter	2022	over year	12M 2023	12M 2022	over year
Average equity (attributable to owners of the parent)	531.5	494.5	37.0	400.5	131.0	480.7	364.7	116.0
Return on equity (ROE), %	24.5	31.6	-7.1	24.0	0.5	29.0	16.4	12.6
Return on assets (ROA), %	1.9	2.4	-0.5	1.6	0.3	2.1	0.9	1.2
Interest-bearing assets, average	6 763.0	6 364.7	398.3	6 139.5	623.5	6 545.9	6 437.6	108.3
Net interest margin (NIM) %	4.00	4.28	-0.28	2.87	1.13	3.88	2.01	1.87
Price spread (SPREAD) %	3.77	4.13	-0.36	2.84	0.93	3.75	1.98	1.77
Cost/income ratio %	44.2	40.3	3.9	47.5	-3.3	43.3	51.7	-8.4
Profit attributable to owners before income tax	38.2	45.3	-7.1	29.1	9.1	163.3	73.9	89.4

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

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

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

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

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

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

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

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

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

Operating Environment

In the second half of 2023, world economic growth slowed and the general climate of shaken confidence prevalent throughout the year deepened. Although the impact of the monetary policy decisions taken by central banks is starting to take effect, higher inflation rates continue to be a concern. The slow recovery of trade, along with the anxious geopolitical situation and resulting disruptions in key supply chains have only reinforced the uncertainty. If the Israel-Gaza conflict that started in October leads to wider war in the Middle East, economic impacts could result chiefly through a rise in the prices of oil and natural gas. The US presidential elections are also significant in regard to shaping the economic environment in 2024. Forecasts call for world economic growth to continue to slow, falling to 2.7–2.9%.

Yet the divisions between the regions of the world continue to deepen. Emerging markets rich in raw materials, led by Asia's largest economies, are seen as likely to drive global growth forecasted for the next year. The Chinese economy is expected to slow, growing only 4.7% in 2024, down from 5.2%, but despite the weakness of the Chinese real estate sector, continued economic growth will be supported by easing of monetary policy and additional infrastructure investments. As to developed regions, the US has performed stronger than expected, with economic growth in Q3 of 3.1% year-over-year. On the other hand, the European economy entered negative territory, with a figure of –0.1% in the second half of 2023; however, the impacts of tighter monetary policy have not had a chance to take hold yet. Next year's forecast for the Eurozone is not especially optimistic either; economic growth is projected to be 0.9%. The situation in the British economy is similar to that of the Eurozone, likewise estimated to have fallen by 0.1% in Q3. The prevailing environment of negative reference rates in Japan may see an upturn in 2024 and 2025 thanks to growing pressure from inflation in excess of 2%.

The world's largest stock market indexes saw a noteworthy rise in the last quarter of the year. The S&P 500 rose by 11.2% in the last quarter and closed the year up 24.2%, at an all-time high. The Tokyo stock exchange had an even higher rise, with Nikkei 225 up 28% for the year and 5% in the last quarter. Q4 growth of the European stock market index STOXX 600 was 6.4% and annual growth was 12.7%. Although the London stock exchange FTSE 100 reached an all-time high in February 2023, the index shed some points for the rest of the year, being outstripped by other major indexes. The index closed the year with 3.8% growth and saw a modest 1.6% growth in Q4. The Shanghai exchange moved in the opposite direction, losing 4.4% over the year, with a 3.7% drop in the last quarter.

The slowing European economy is saddled by strict monetary policy. With use of bank financing widespread, this is reflected increasingly acutely in interest costs. Weak demand, coupled with a drop in export level and the Russia-Ukraine war, is impeding growth. In Q4, inflation fell across the Eurozone as a whole, ending up at 2.9% annual growth as at the end of December. The greatest impact on lower inflation came from cheaper energy prices, but the slower rise in food prices also contributed. At the same time, there are still major disparities between the inflation figures for Eurozone countries. In Q4, inflation was lowest in Belgium, Denmark and Italy – just 0.5% year-over-year in December. On the other hand, in Iceland and Slovakia, inflation was still high, 6.9% and 6.6% respectively.

The course of the Israel-Hamas war and the situation along the major trade routes in the Red Sea will be crucial in determining inflation trends. Although the rise in energy prices seen in 2022 has peaked, the outbreak of hostilities in the Middle East in October 2022 again caused volatility in natural gas prices. Natural gas rose close to 15% in October, yet by the end of the quarter it had fallen 22.7% overall, back to where it was before the war. On the other hand, the price of crude oil fell 17% in Q4, finishing the quarter at USD 77.63 a barrel. Despite some volatility, the impacts of the Israel-Hamas war have not yet manifested in dramatic fashion. However, should the war spread into a wider conflict, significant supply chains would be cut off and this would raise the prices of oil and natural gas for Europe and thereby push inflation up.

That being said, inflation in the Eurozone in Q4 remained higher than the European Central Bank (ECB)'s 2% target. The ECB Governing Council continued to hold course as far as restrictive monetary policy and made no changes to interest rates in its last two meetings of the year in October and December. The rate on main refinancing operations stayed at 4.5%, the deposit facility at 4%, and the marginal lending facility at 4.75%. In Q4 of 2023, the 6-month Euribor began dropping, reaching 3.861% in December. Markets are counting on reference interest rates to be lowered in the second half of 2024, considering that the 12-month Euribor fell below the 3-month and 6-month Euribor in Q4.

Due to the after-effects of the pandemic, demand for workforce in the Eurozone has stayed strong. Yet in the last half of 2023, the labour market showed signs of weakening, above all in the processing industry. As a whole, the Eurozone unemployment rate rose to 6.4% in November. Yet there are differences from one region to the next: in some countries, unemployment in the last quarter has risen, while it is lower in others. The highest unemployment rate in the Eurozone in November was in Spain at 11.9%; and the lowest was in Malta at 2.5%.

The stresses experienced by Estonia's main trading partners are somewhat concerning, bound up in continuing effects of inflation, soft consumer spending and high interest rates. In Finland, business confidence is trending negatively and has fallen as low as it was during the pandemic. This suggests deepening instability in the labour market, which had been high above all in the construction sector. Low investments and cratering demand in the Swedish construction sector are starting to be reflected in rising unemployment, which in December rose to 8.2%, a high for the year. Then again, Lithuania has successfully overcome the trend of growing gloom in the business sector that characterized the first half of the year.

The UK economy is contending with problems similar to that of the Eurozone, but is in a less favourable position in regard to inflation and economic growth. Prices rose more than in the Eurozone, although the Q4 brought some relief with inflation dropping to 4.2% in December. Since inflation is still over the target, the Bank of England, like its counterpart ECB, left rates unchanged at 5.25% at the last meeting of the year. Signs of weakening can also be spotted on the labour market. Wage growth in the second half of the year slowed and unemployment rose 4.2%, which is comparable to the level at the beginning of the pandemic. Outlook for the UK economy is less rosy than for the Eurozone. Growth of 0.6 to 0.7% is forecasted for UK for 2024, which is less than the 0.9% forecasted for the Eurozone.

In Estonia, the recession that had lasted six quarters, continued in the Q4 of 2023. The contraction has dented business confidence, which is at its lowest level since the pandemic started in spring 2020. Industrial output and export dropped to a lower than expected level in the second half of the year. In November, output was 5.8% less than in the same period the year before, and export fell 8.1% year-over-year. Energy and commodities prices, higher due to the Russia-Ukraine war, were also reflected in the drop in value-added being generated. Foreign demand was curtailed by the weakness of Estonia's main export markets and the stronger euro with respect to the sovereign Scandinavian currencies. Internal demand was hobbled by lower consumer confidence and tendency of people to save more and spend less.

The consumer price index grew 9.2% over the year. In Q4, inflation outstripped the Eurozone average, closing out the year

at 4.3% year-over-year. The fact that inflation slowed compared to the three other quarters of 2023 was a positive, though. Construction prices returned to growth in the second half of the year. Growth compared to the average in 2022 was 6.1%. Over half of the rise can be attributed to materials prices increasing 5.2% and the rest to higher costs of workforce and use of machinery.

Household deposits continued growth in Q4, which was encouraged by low consumer confidence and rise in the level of interests on deposits. The volume of term deposits has significantly grown compared to the demand deposits – almost trebling over the year. The average interest rate on households' term deposits grew by 0.62 percentage points in December compared to the previous quarter, and stood at 4.26%. The loan market stabilized in Q4 and both the volume of housing loans issued and loans granted to businesses dropped compared to December 2022. Thanks to the 6-month Euribor falling in the last month of the year, the average interest rate on housing loans dropped to 5.5% by the end of the quarter, and the average interest rate on long-term loans to businesses rose to 6.9%. Home loans in arrears remained stable, making up 0.1% of housing loans. For companies, the share of loans in arrears dropped by 0.1 percentage point to 0.2% by the end of the last quarter.

The outlook for the Estonian economy in the year ahead continues to be weak. The Bank of Estonia (Eesti Pank) forecast calls for contraction of 0.4% in 2024. The main factor behind the drop is lower external demand, competitiveness problems and the continuing war in Ukraine. Uncertainty is also increased by planned tax hikes. To this point, the drop in demand for workforce has not been felt but forecasts call for unemployment to rise to 9% next year. At the same time, the forecasted slowing of price growth in 2024 is a positive development.

Source: Eesti Pank, Statistics Estonia, IMF World Economic Outlook 2023, OECD, Office for National Statistics.

The Group's Liquidity, Capitalisation and Asset Quality

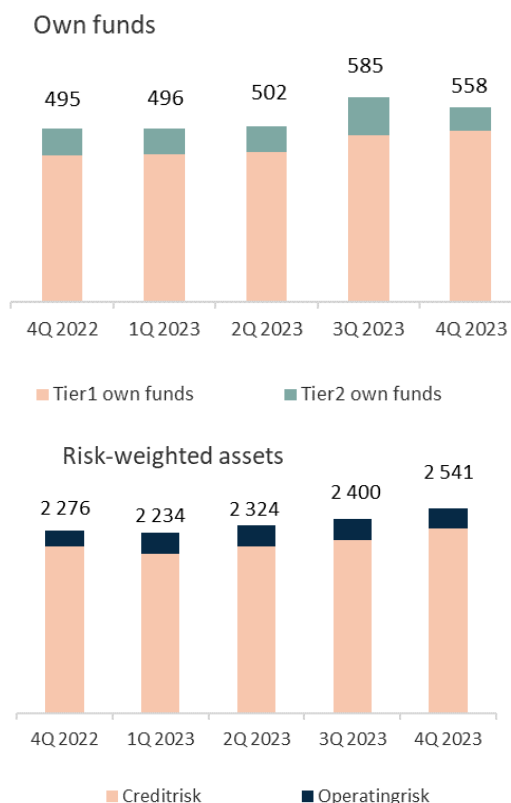
As at 31 December 2023, the Group's own funds stood at EUR 557.6 million (31 December 2022: EUR 495.0 million). LHV Group own funds are calculated based on regulative requirements.

Compared to Group's internal capital adequacy ratio target 19.7%, the Group is capitalised good enough as at the end of the reporting period, with the capital adequacy ratio is amounting to 21.9% (31 December 2022: 21.7%). In addition to total capital adequacy targets the Group has also set internal targets for the core Tier 1 capital adequacy ratio to 14.70% and Tier 1 capital adequacy ratio to 16.85%. The internal targets were approved in December 2023 by the Group's Supervisory Board, after the completion of the annual supervisory assessment by the ECB. LHV Group includes only that part of the current year's profit for which the European Central Bank has given permission as part of its own funds. Obtaining the permit is done with the referrer, but it is also applied to the reporting quarter afterwards, which is why the capitalization ratios also change, and the Group reflects them in the next report. As of today, we have received permission to include the profits of the three quarters.

The minimum requirement for own funds and eligible liabilities (MREL) is a building block of the resolution plan and LHV has to maintain sufficient own funds and qualifying liabilities which can be used to cover losses in resolution planning. On 21st of June 2021 Estonian FSA set two separate MREL ratios on the consolidation group level for LHV Group. MREL-TREA is calculated based on total risk weighted assets. MREL-LRE is calculated based on total assets. On 26th of September 2022 the Estonian FSA applied new MREL target levels that are applicable for LHV Group. The final targets for the MREL ratios have been applied with a transitional period until 1st of January 2024. The final target levels of the ratios have been set at 24.57% for MREL-TREA and 5.91% for MREL-LRE. The current interim targets are 19.08% (MREL-TREA) and 5.91% (MREL-LRE). LHV Group issued EUR 100 million of MREL eligible bonds in September 2021 in order to fulfil the MREL target ratios. LHV Group issued in Q4 2022 additional MREL eligible unsecured bonds in the amount of EUR 88 million, to fulfil MREL targets. An additional 18 million euros were issued in the second quarter. In the third quarter, MREL eligible unsubordinated bonds were offered, and the issue in the amount of 100 million euros, the settlement was carried out in the fourth quarter.

The Group's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 194.2% as at the end of December (31 December 2022: 139.7%). Financial intermediates' deposits in Bank are covered 100% with liquid assets. Excluding the financial

intermediates deposits the Groups LCR is 449.9% (31.12.2022: 231.5%). The Group recognises cash and bond portfolios as liquidity buffers. These accounted for 48% of the balance sheet (31 December 2022: 46%). The ratio of loans to deposits stood at 60% as at the end of the fourth quarter (31 December 2022: 61%). Group's maturity structure is presented in Note 5.



The credit quality of the group remained at a good level. A loan discount reserve of 29.7 million euros was formed in the balance sheet at the end of December to cover estimated loan losses. As of the end of the fourth quarter, the fair value of the collateral of the loan portfolio is 8% higher than the book value of the loan portfolio.

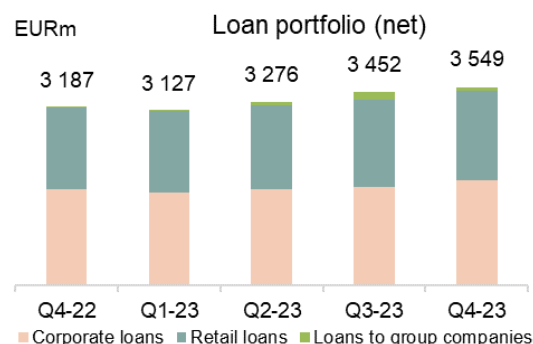
	Over-collateralized loans		Under-collateralized loans		Total	
	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral
Stage 1	1 601 382	2 568 667	1 663 359	939 492	3 264 741	3 508 159
Corporate Lending	642 083	940 685	1 241 603	654 198	1 883 686	1 594 883
Consumer Financing	0	0	90 161	0	90 161	0
Investment Financing	7 676	28 032	2 265	1 888	9 941	29 920
Leasing	18 937	27 210	122 006	92 015	140 943	119 225
Private Lending	932 686	1 572 740	207 324	191 391	1 140 010	1 764 131
Stage 2	162 772	251 716	118 802	68 017	281 574	319 733
Corporate Lending	90 801	118 633	81 392	51 598	172 193	170 231
Consumer Financing	0	0	14 223	0	14 223	0
Investment Financing	9	15	14	4	23	19
Leasing	4 781	7 823	18 613	13 271	23 394	21 094
Private Lending	67 181	125 245	4 560	3 144	71 741	128 389
Stage 3	10 215	20 086	5 261	3 571	15 476	23 657
Corporate Lending	5 166	7 459	4 421	3 357	9 587	10 816
Consumer Financing	0	0	604	0	604	0
Investment Financing	5	9	1	0	6	9
Leasing	1 121	1 847	235	214	1 356	2 061
Private Lending	3 923	10 771	0	0	3 923	10 771

Capital base	31.12.2023	31.12.2022	31.12.2021
Paid-in share capital	31 983	31 542	29 864
Share premium	143 372	141 186	97 361
Statutory reserves transferred from net profit	4 713	4 713	4 713
Other reserves	-996	-1 441	47
Retained earnings	229 287	170 010	133 693
Intangible assets (subtracted)	-21 278	-23 333	-14 473
Net profit for the reporting period (COREP)	58 845	46 180	46 053
Other adjustments	-8	-369	-128
CET1 capital elements or deductions	-9 860	0	-12 209
CET1 instruments of financial sector entities where the institution has a significant investment	-3 496	-3 351	-4 328
CET1 instruments of financial sector entities where the institution has not a significant investment	0	-180	-5 236
Tier 1 capital	432 562	364 956	275 357
Additional Tier 1 capital	55 000	55 000	35 000
Total Tier 1 capital	487 562	419 956	310 357
Subordinated debt	70 000	75 000	75 000
Total Tier 2 capital	70 000	75 000	75 000
Net own funds for capital adequacy	557 562	494 956	385 357
Risk weighted assets			
Central governments and central bank under standard method	0	0	0
Credit institutions and investment companies under standard method	12 316	11 553	10 465
Companies under standard method	1 300 707	1 204 523	1 141 853
Retail claims under standard method	226 592	219 031	212 860
Public sector under standard method	0	0	6
Housing real estate under standard method	610 181	513 483	291 338
Overdue claims under standard methods	19 759	8 004	19 332
Investment funds' shares under standard method	188	186	190
Other assets under standard method	109 295	102 697	93 939
Total capital requirements for covering the credit risk and counterparty credit risk	2 279 038	2 059 477	1 769 983

Foreign currency risk	1 793	18 324	3 489
Interest position risk	0	0	0
Equity portfolio risk	746	740	2 079
Credit valuation adjustment risk	1 966	2 228	1 211
Operational risk under base method	259 437	197 920	152 778
Total risk weighted assets	2 542 980	2 278 689	1 929 540
Capital adequacy (%)	21.93	21.72	19.97
Tier 1 capital ratio (%)	19.17	18.43	16.08
Core Tier 1 capital ratio (%)	17.01	16.02	14.27

Overview of AS LHV Pank Consolidation Group

- Net profit EUR 33.6 million
- Launching a growth account
- Based on the CVKeskus.ee survey, the most desirable employer
- LHV Youth Bank went to Tik-Tok and Instagram
- UK Branch was closed



EUR million	Q4 2023	Q3 2023	Change %	Q4 2022	Change %	From the beginning of 2023	From the beginning of 2022	Change %
Net interest income	59.58	59.90	-1%	44.39	34%	228.47	129.50	76%
Net fee and commission income	8.44	5.72	48%	8.26	2%	27.22	32.41	-16%
Other financial income	2.37	-0.46	NA	0.69	243%	2.65	-0.43	NA
Total net operating income	70.39	65.16	8%	53.34	32%	258.34	161.48	60%
Other income	1.16	0.33	254%	0.10	1 060%	1.73	0.20	771%
Operating expenses	-22.87	-20.50	12%	-18.10	26%	-85.23	-64.54	32%
Loan and bond portfolio gains/(-losses)	-9.59	-2.77	246%	-0.43	2 130%	-11.37	-3.00	279%
Income tax expenses	-5.52	-6.19	-11%	-4.99	11%	-22.11	-13.26	67%
Net profit	33.57	36.03	-7%	29.92	12%	141.37	80.88	75%
Loan portfolio	3 549	3 452	3%	3 187	11%			
Financial investments	327	257	28%	365	-10%			
Deposits of customers incl. deposits of financial entities	5 535	5 256	5%	4 957	12%			
Subordinated liabilities	114	114	0%	114	0%			
Equity	530	495	7%	388	37%			

LHV Pank earned net interest income of EUR 59.6 million and EUR 8.4 million in net service fee income in Q4. Net financial income amounted to EUR 2.4 million in Q4. In total, the Bank's income was EUR 71.6 million and expenses were EUR 22.9 million. Net income rose by 34% and expenses increased by 26% over the year. The discounts of loans and bonds amounted to EUR 9.6 million in Q4. We made forward-looking discounts and the volume of the portfolio grew; we also made changes in methodology. We are keeping a very close eye on developments in the credit portfolio.

LHV Pank accounts for and recognises in expenses a 14% advance income tax which was EUR 5.4 million in Q4. Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.1 million in Q4.

The Bank's Q4 profit amounted to EUR 33.6 million, which is 7% less than in Q3 2023 (36.0) and 12% more than in Q4 2022 (29.9).

Of the various service fees, income from settlements, currency exchange, cards and the receipt of card payments contributed the largest amount.

The total volume of the Bank's loan portfolio reached EUR 3 549 million by the end of Q4 (Q3 2023: EUR 3,452 million). The volume of the portfolio grew by 3% during the quarter. The volume of loans grew by EUR 97 million in Q4 (Q3 2023: a growth of EUR 176 million). The net retail loan portfolio grew by 3% during the quarter, reaching EUR 1 595 million (Q3 2023: EUR 1 546 million). The net corporate loan portfolio grew by 7% during the quarter, reaching EUR 1 887 million (Q3 2023: EUR 1 769 million).

The volume of deposits at the Bank increased by EUR 279 million from the previous quarter and stood at EUR 5 535 million (Q3 2023: EUR 5 256 million). The volume of payment intermediaries' deposits grew by EUR 82 million during the quarter. Of the deposits, EUR 3,698 million were call deposits, EUR 1 374 million term deposits and EUR 463 million platform deposits. The volume

of the deposits of private customers amounted to EUR 1 678 million as at the end of the quarter, having grown by 3% in a quarter.

The Bank's expense-income ratio was 32.0% in Q4, which was 1.9 percentage points lower than in Q4 2022 (33.9%).

The corporate credit portfolio, which includes loans and guarantees, grew by EUR 131.3 million in 2023 (+7%) with quarter-over-quarter growth of EUR 142.9 million (+8%). The greatest source of the growth was loans issued to the power, gas, steam and conditioned air sector, which grew by EUR 88.0 million (+66%) over the year. Next came loans to companies in the transport and warehousing sector, which grew EUR 35.8 million from the year before (+149%) and loans issued to the construction sector, which grew EUR 31.5 million (+88%) over the year.

Compared to Q3 2023, the portfolio growth was most influenced by the transport and warehousing sector (quarterly growth EUR 46.6 million; +351%), followed by the sector engaged in real estate activities (EUR 30.5 million; +4%) and the manufacturing industry sector (EUR 20.2 million; +13%).

The majority of corporate loans were granted to the real estate sector, which makes up 37% of the Bank's corporate loan portfolio. Of real estate loans, the principal part was issued to projects with high-quality rental streams, with real estate developments making up a much smaller share. Most of the financed real estate developments are located in Tallinn, while projects located in other major Estonian cities and in the vicinity of Tallinn made up about 25% of development projects. LHV's market share of new development financing in Tallinn made up about one-third by estimate at the end of Q4 2023. The LHV real estate development portfolio is well-positioned in case market trends should change – the financed developments are in good locations and the risk to planned sales price ratio averages 59%.

After the real estate sector, the largest amount of credit has been issued to companies in the power, gas, steam and conditioned air sector (11%) and to manufacturing industry companies (9%). Of sectors that usually run a higher credit risk, construction makes up 3%, transport and warehousing 3% and HoReCa 2% of the total volume of the portfolio.

Over the quarter, the number of the bank's clients grew by 10 100. Client activity levels remained good. Deposits increased by EUR 279 million during the quarter, and loans increased by EUR 97 million.

Ordinary clients' deposits grew by EUR 153 million during the quarter, deposits raised from the deposits platform rose by EUR 45 million, and financial intermediaries' deposits increased by EUR 82 million. Both in the fourth quarter and for the year as a whole, deposits saw significant growth in the market. The households' deposits balance set new records, and the respective figure for companies peaked in October. Interest rates reached

their peak in September and stabilised by the end of Q4. Attractive interest rates on term deposits and the addition of new clients contributed to the higher deposits balance. In Q4, the balance of term deposits grew and accounted for about 40% of ordinary clients' deposits by the end of December. By the end of Q4, we had raised EUR 463 million from the deposits platform. Although the interest rates paid on platform deposits are slightly more advantageous than the level on the Estonian market, we prefer to raise deposits from the local market.

Loans to non-LHV-Group companies grew by EUR 118 million and consumer loans increased by EUR 49 million. Q4 was very similar to the previous one in terms of demand for loans. Interest in loans has grown but there is more deliberation given to decisions, which is expressed in activity remaining stable at a low level. Competition is stiff and it is a customer's market. Bank margins on home loans have dropped to 1.7% across the market. As of the end of the year, we are offering refinancing of home loan agreements on preferential terms, compensating notary fees. Loan portfolios grew about 5% in our market in 2023. The LHV loan portfolio outpaced the market's growth – 11% for the home loan portfolio, about 9% for the corporate loan portfolio.

The net profit for the quarter was EUR 33.6 million. The strong fourth-quarter result was positively influenced mainly by net service fee income and interest income. Service charge fees and expenses are as planned. We outpaced our projected profit in our updated financial plan by EUR 5 million by the end of the quarter.

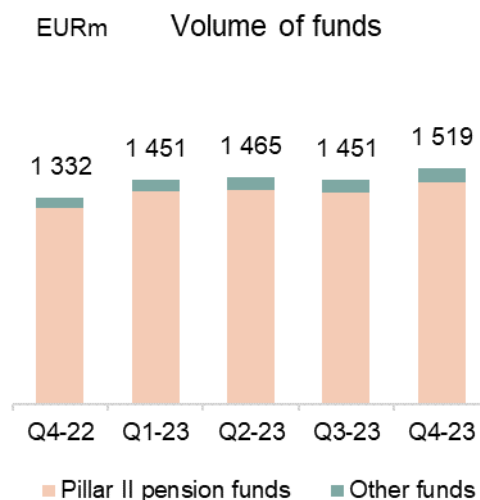
Loan impairments increased by approximately EUR 6.8 million compared to the last quarter. Model-based forward-looking impairments contributed significant influence to the higher write-down figures. In addition, the macroeconomic environment worsened but we also made changes to our methods. Nevertheless, we see the quality of the bank's loan portfolio as staying strong and the share of overdue loans continues to be very low. A growth trend is continuing in consumer loans for a third quarter in a row, albeit with signs of slowing.

In Q4, there continued to be a major focus on deposits, with the interest rates payable on term deposits peaking and stabilising by year's end. In October, the annual stock trading simulation game Stock Shark drew a record number of participants. A total of 2 500 took part in a beginner investor course, and just under 200 participants passed the test and received a diploma. We closed LHV's UK branch. Our investment banking team, with new members as of early 2023, helped to successfully organise the IPO for Infotar and provided consultation to Enefit Green in the sale of a pellet plant in Brocēni, Latvia.

LHV was selected as the most desirable employer in an annual survey conducted by Estonia's biggest recruiting platform, CVKeskus.ee. In addition, LHV Pank was the preferred employer in CV.ee's annual Top Employer survey.

Overview of AS LHV Varahaldus

- Net profit for Q4 was EUR 0.5 million
- 123 thousand active second-pillar customers by the end of the year
- Volume of assets in second-pillar funds – EUR 1.4 billion, increase of EUR 58 million in a quarter
- Nearly 35 thousand third-pillar Clients by the end of the year, the volume of funds grew by EUR 9 million in a quarter



EUR million	Q4 2023	Q3 2023	Change %	Q4 2022	Change %	12M 2023	12M 2022	Change %
Net fee and commission income	2.25	2.26	0%	2.01	12%	8.85	7.95	11%
Net financial income	0.12	-0.03	NA	0.14	-14%	0.27	-0.14	NA
Operating expenses	-1.48	-1.26	17%	-1.21	22%	-5.51	-5.23	5%
Depreciation of non-current assets	-0.35	-0.37	-5%	-0.40	-13%	-1.47	-1.85	-21%
Profit	0.54	0.60	-10%	0.54	0%	2.14	0.73	193%
Financial investments	6.0	8.0	-25%	8	-25%			
Equity	23.0	22.0	5%	23.0	0%			
Assets under management	1 519.0	1 451.0	5%	1 330.0	14%			

In Q4, the operating income of LHV Varahaldus amounted to EUR 2.2 million and the net profit was EUR 0.5 million. Operating income was about the same as in the previous quarter and largely corresponded to the financial plan, while the somewhat larger operating expenses compared to Q3 were related to internet and mobile bank developments and year-end marketing campaigns. Net financial income or income earned from the increase of value of own shares was EUR 0.1 million in Q4, a better results than in the previous quarter thanks to fund yields.

The year ended positively in all regards for major equity markets. Measured in euros, SP500 and Nasdaq Composite grew by 2.8% and 3.9%, respectively, in the last quarter. Similar growth figures were demonstrated also by major European markets over three months. On the whole, 2023 was a very good year for equity markets – measured in euros, SP500, Nasdaq and Euro Stoxx 50 grew by 20.3%, 38.8% and 22.2%, respectively. At the same time, we have to admit that 2023 was, indeed, strong both in the Estonian fund landscape and the global equity markets, but it followed a very weak 2022. Over the past two years, SP500 is

barely positive, while Nasdaq is even negative despite the strong rise of technology shares. The decline of the year before has been largely overcome.

Compared to the market indices, the largest actively managed LHV pension funds did somewhat more poorly both in the last quarter and in 2023 as a whole, but in a two-year view, the greater dispersion of asset classes has resulted in smaller fluctuations and better results. The values of the shares of M, L and XL pension funds grew in Q4 by 2.8%, 2.2% and 2.8%, respectively. Pension fund Roheline decreased by 0.9% in a quarter, while pension fund Indeks grew by 5.0%. The yields of III pillar funds remained similar to those of the II pillar funds of similar strategy – the yield of Indeks III was 4.9%, Roheline III dropped by 0.3%, and LHV's pension fund Aktiivne III grew the value of the clients' assets by 3.1%.

The number of LHV's active second-pillar clients did not change significantly in the quarter, amounting to more than 123 thousand by the end of the year. Compared to previous years, the number of clients wishing to exit the II pillar has decreased despite the

more complex economic environment. On the basis of the applications submitted by the end of November (the applications enter into force and the disbursements are made at the beginning of May 2024) fewer than 1,500 of LHV's active clients are leaving. The number is still too high, but the system as whole is ever more rapidly reaching the point where the number of people joining the II pillar exceeds the number of those exiting the II pillar. The volume of assets in second-pillar funds was more than EUR 1.4 billion by the end of the year, an increase of EUR 58 million in a quarter.

Q4 was characterised by a higher activity in the III pillar. By the end of the year, the third-pillar funds have more than 35 thousand people. The volume of third-pillar assets grew by EUR 9 million in a quarter, amounting to EUR 84 million by the end of the year.

The increase of the reference index, which depends on the receipt of social tax and is connected to salary and employment growth, was very fast for the second year running – 12.6% in 2022 and

11.3% in 2023. The goal for the coming periods is for yields to cover the difference with the reference index.

By the end of the year, the portfolio of the actively managed funds M, L and XL as well as the distribution of asset classes largely correspond to the long-term goal – private capital, real estate and unlisted bonds primarily to Estonian enterprises make up a large part of the L and XL portfolio, while the rest is distributed between listed shares and bonds. We shall continue making investments into unlisted asset classes also in the coming year, while also taking into account changes in fund volumes and the necessary liquidity. A new focus in the new year is on increasing payments in the II pillar; the possibility to increase payments enters into force from 2025 and the submission of applications for that starts from the beginning of the year. Instead of the former 2%+4%, the II pillar payments can now also be increased to 4%+4% or 6%+4%, and the year will start with a joint campaign by all the fund managers.

Overview of AS LHV Kindlustus

The Q4 sales results of AS LHV Kindlustus increased compared to the previous quarter. The growth was mainly driven by motor TPL, home and extended guarantee insurance. Gross insurance premiums increased by 8.9%, while net earned premiums grew by 5.7% compared to Q3 2023. The volume of insurance premiums from the health insurance product solution marketed in cooperation with Confido was EUR 1 216 thousand in Q4. The number of insurance contracts and the volume of payments has reached a certain level of stability and the active growth stage has ended. As at the end of Q4, the company met the growth goals of the 2023 financial plan.

The development of insurance information systems continued. In Q4 2023, we ended our cooperation with an external development partner who worked on the development of claims handling software. Starting from 2024, software development will be done by our own IT team. In addition to that, the improvement of the sales software functionalities continued and several extensive developments were completed. Cooperation with the development teams of other LHV Group companies is being constantly improved.

As at 31 December 2023, LHV Kindlustus had 229 thousand valid insurance contracts and 161 thousand customers.

The volume of gross insurance premiums was EUR 8 197.6 thousand and the net earned insurance premiums totalled EUR

6 699.5 thousand in Q4. Vehicle and motor TPL insurance made up 53% and health insurance 20% of the volume of insurance premiums in Q4.

During Q4, 19 351 new loss events were registered and claims adjustment was completed for 18 400 events. As at the end of the quarter, a total of 2 598 claim files were open. The net losses incurred in the period together with indirect claims adjustment costs were EUR 4 260 thousand.

The frequency of losses was relatively stable in major insurance types. Vehicle all-risks insurance showed a very positive trend in Q4, with the loss frequency remaining low during the entire quarter. No major loss events occurred in Q4. Vehicle all-risks insurance and motor TPL insurance had the largest number of medium-sized loss events. The company's profit in Q4 was EUR 422.5 thousand. The result meets the goals established for the company in the 2023 financial plan. The volume of the company's operating expenses as at 31 December 2023 narrowly exceeded the planned level.

EUR thousand	Q4 2023	Q3 2023	Change %	Q4 2022	Change %
Gross insurance premiums	8 198	7 525	9%	6 028	36%
Net earned insurance premiums	6 700	6 335	6%	3 111	115%
Net losses incurred	4 102	4 108	0%	2 428	69%
Total net operating expenses	2 154	1 930	12%	1 212	78%
Underwriting result	299	298	0%	-529	NA
Net profit	423	299	41%	-527	NA

As of the end of Q4, LHV Kindlustus employed 51 people.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

<i>(in thousands of euros)</i>	Note	Q4 2023	12M 2023	Q4 2022	12M 2022
Interest income		100 712	336 620	49 770	152 413
Interest expense		-33 042	-82 801	-5 672	-23 302
Net interest income	9	67 670	253 819	44 098	129 111
Fee and commission income		19 440	70 727	15 734	61 495
Fee and commission expense		-3 140	-16 581	-4 185	-16 595
Net fee and commission income	10	16 300	54 146	11 549	44 900
Net gains from financial assets measured at fair value		486	-728	-101	-2 008
Foreign exchange rate gains/losses		-6	1 457	937	1 414
Net gains from financial assets		480	729	836	-594
Other income		1 246	1 792	76	224
Other expense		-3	-28	-1	-98
Total other income		1 243	1 764	75	126
Staff costs		-18 645	-66 472	-13 170	-46 795
Administrative and other operating expenses		-19 207	-67 849	-13 711	-42 843
Total expenses	11	-37 852	-134 321	-26 881	-89 638
Profit before impairment losses		47 841	176 137	29 677	83 905
Change in financial investments		189	9	180	-5 056
Impairment losses on loans and bonds	21	-9 619	-11 549	-430	-2 996
Profit before income tax		38 411	164 598	29 427	75 853
Income tax expense		-5 643	-23 660	-5 112	-14 421
Net profit for the reporting period	2	32 768	140 938	24 315	61 432
Other comprehensive income/loss:					
Items that may be reclassified subsequently to profit or loss:					
Unrealized exchange differences arising on the translation of the financial statements of foreign operations		-60	834	-123	-1 489
Total profit and other comprehensive income for the reporting period		32 708	141 772	24 192	59 943
Total profit of the reporting period attributable to:					
Owners of the parent		32 537	139 602	24 078	59 808
Non-controlling interest		231	1 336	237	1 624
Total profit for the reporting period	2	32 768	140 938	24 315	61 432
Total profit and other comprehensive income attributable to:					
Owners of the parent		32 477	140 436	23 955	58 319
Non-controlling interest		231	1 336	237	1 624
Total profit and other comprehensive income for the reporting period		32 708	141 772	24 192	59 943
Basic earnings per share (in euros)	16	0.10	0.44	0.08	0.19
Diluted earnings per share (in euros)	16	0.10	0.43	0.07	0.19

The Notes on pages 22 to 37 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

<i>(in thousands of euros)</i>	Note	31.12.2023	31.12.2022
Assets			
Due from central bank	4, 5, 6, 12	3 052 890	2 390 964
Cash and cash equivalents	4, 5, 6, 12	52 145	87 933
Due from investment companies	4, 6, 12	12 509	3 391
Due from credit institutions		1 850	0
Financial assets at fair value through profit or loss	4, 6, 7	18 453	9 354
Financial assets at amortized cost	7	321 888	364 230
Loans and advances to customers	4, 6, 8, 21	3 561 791	3 208 572
Receivables from customers		49 505	21 019
Other financial assets		273	124
Other assets		8 184	6 775
Financial investment		1 000	1 180
Tangible assets	19	22 109	16 859
Intangible assets	19	13 843	13 853
Goodwill		9 150	10 748
Total assets	2	7 125 590	6 135 002
Liabilities			
Loans received from Central Banks (TLTRO)	13	0	147 841
Deposits of customers	13	5 731 005	4 900 515
Loans received and debt securities in issue	13	563 728	438 642
Financial liabilities at fair value through profit or loss	7	1 843	3 850
Accounts payable and other liabilities	14	145 995	92 462
Subordinated debt	6, 20	126 653	130 843
Total liabilities	2	6 569 224	5 714 153
Owner's equity			
Share capital		31 983	31 542
Share premium		143 372	141 186
Statutory reserve capital		4 713	4 713
Other reserves		9 333	5 683
Retained earnings		359 029	229 817
Total equity attributable to owners of the parent		548 430	412 941
Non-controlling interest		7 936	7 908
Total equity		556 366	420 849
Total liabilities and equity		7 125 590	6 135 002

The Notes on pages 21 to 36 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

<i>(in thousands of euros)</i>	Note	Q4 2023	12M 2023	Q4 2022	12M 2022
Cash flows from operating activities					
Interest received		97 567	328 464	47 770	149 230
Interest paid		-26 294	-57 074	-5 289	-21 159
Fees and commissions received		19 400	70 702	15 732	61 493
Fees and commissions paid		-3 139	-16 581	-4 185	-16 595
Other income received		-988	-1 171	-2 150	-2 095
Staff costs paid		-16 683	-60 271	-11 461	-40 894
Administrative and other operating expenses paid		-19 103	-59 570	-8 475	-31 365
Income tax		-6 098	-23 655	-2 951	-12 732
Cash flows from operating activities before change in operating assets and liabilities		44 662	180 844	28 991	85 883
Net increase/decrease in operating assets:					
Net increase/(decrease) in financial assets at fair value through profit or loss		-2 887	-6 539	2 830	-35
Loans and advances to customers		-195 302	-357 992	-120 471	-540 335
Mandatory reserve at central bank		-3 055	-7 211	2 392	8 609
Security deposits		0	24	0	2 112
Other assets		-4 771	-25 168	-30 419	-4 053
Deposits with more than 3 months maturity		-1 850	-1 850	0	0
Net increase/decrease in operating liabilities:					
Demand deposits of customers		--27 176	-859 141	-411 155	-1 006 749
Term deposits of customers		432 503	1 665 447	143 020	97 695
Loan received		0	0	88 267	88 267
Prepayments of loans received		-27	-147 547	784	-49 216
Financial liabilities held for trading at fair value through profit and loss		1 408	-2 007	3 843	3 693
Other liabilities		20 922	55 303	22 798	23 942
Net cash generated from/used in operating activities		264 427	494 163	-269 120	-1 290 187
Cash flows from investing activities					
Purchase of non-current assets		-10 104	-16 901	2 393	-11 299
Acquisition of subsidiaries and affiliates		0	0	0	-8 966
Net changes of investment securities at fair value through profit or loss and of investment securities at amortized cost		-64 918	41 056	-2 758	-235 818
Net cash flows from/used in investing activities		-75 022	24 155	-365	-256 083
Cash flows from financing activities					
Paid in share capital (incl. share premium)		0	2 627	0	45 504
Dividends paid		0	-13 842	0	-14 046
Subordinated loans received		99 800	153 431	20 000	20 263
Repayments of subordinated loans received		-40 000	-40 000	0	0
Repayments of the principal of lease liabilities		7 447	5 963	-416	-1 423
Net cash flows from/used in financing activities		67 247	108 179	19 584	50 298
Effect of exchange rate changes on cash and cash equivalents	6	-126	1 549	-500	-441
Net increase/decrease in cash and cash equivalents		256 526	628 046	-250 401	-1 496 413
Cash and cash equivalents at the beginning of the period		2 805 119	2 433 599	2 684 000	3 930 012
Cash and cash equivalents at the end of the period	12	3 061 645	3 061 645	2 433 599	2 433 599

The Notes on pages 21 to 36 are an integral part of the condensed consolidated interim financial statements

Condensed Consolidated Interim Statement of Changes in Equity

<i>(in thousands of euros)</i>	Share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings	Total equity attributable to owners of LHV Group	Non-controlling interest	Total equity
Balance as at 01.01.2022	29 864	97 361	4 713	4 733	179 746	316 417	8 384	324 801
Paid in share capital	1 678	43 825	0	0	0	45 503	0	45 503
Dividends paid	0	0	0	0	-11 946	-11 946	-2 100	-14 046
Share options	0	0	0	2 439	2 209	4 648	0	4 648
<i>Profit for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>59 808</i>	<i>59 808</i>	<i>1 624</i>	<i>61 432</i>
<i>Other comprehensive income/loss</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-1 489</i>	<i>0</i>	<i>-1 489</i>	<i>0</i>	<i>-1 489</i>
Total profit and other comprehensive income for the reporting period	0	0	0	-1 489	59 808	58 319	1 624	59 943
Balance as at 31.12.2022	31 542	141 186	4 713	5 683	229 817	412 941	7 908	420 849
Balance as at 01.01.2023	31 542	141 186	4 713	5 683	229 817	412 941	7 908	420 849
Paid in share capital	441	2 186	0	0	0	2 627	0	2 627
Dividends paid	0	0	0	0	-12 617	-12 617	-1 225	-13 842
Change in accounting methods	0	0	0	0	-153	-153	-83	-236
Share options	0	0	0	2 816	2 380	5 196	0	5 196
<i>Profit for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>139 602</i>	<i>139 602</i>	<i>1 336</i>	<i>140 938</i>
<i>Other comprehensive income/loss</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>834</i>	<i>0</i>	<i>834</i>	<i>0</i>	<i>834</i>
Total profit and other comprehensive income for the reporting period	0	0	0	834	139 602	140 436	1 336	141 772
Balance as at 31.12.2023	31 983	143 372	4 713	9 333	359 029	548 430	7 936	556 366

The Notes on pages 21 to 36 are an integral part of the condensed consolidated interim financial statements

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted by the European Union, and consists of condensed consolidated financial statements and selected explanatory notes.

The accounting policies and methods of computation used in the preparation of the interim report are the same as the accounting policies and methods of computation used in the annual report for the year ended 31 December 2022, which comply with the International Financial Reporting Standards, as adopted by the European Union (IFRS EU).

These condensed consolidated interim financial statements have not been reviewed, not audited and do not contain the entire range of information required for the preparation of complete financial statements. The condensed consolidated interim financial statements should be read in conjunction with the Annual

Report prepared for the year ended 31 December 2022, which has been prepared in accordance with the International Financial Reporting Standards (IFRS EU).

The applicable accounting policies have not changed compared to the previous financial year, except for the treatment of the liquidity portfolio treated at the market price. We reclassified this portfolio to accounting at amortized cost at the beginning of the second quarter. It was a fundamental change in the risk taken by the business line.

The financial figures of the condensed consolidated interim financial statements have been presented in thousands of euros, unless otherwise indicated. The interim financial statements have been consolidated and include the results of AS LHV Group and its subsidiaries AS LHV Varahaldus (100% interest), AS LHV Pank (100% interest), LHV UK Ltd (100% interest), AS EveryPay (100% interest) and AS LHV Finance (65% interest) and AS LHV Kindlustus (65% interest).

NOTE 2 Business Segments

The Group divides its business activities into segments according to its legal structure, except LHV Pank divides its business activities by 3 main business segments: retail banking, corporate banking and financial intermediates. 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.

	Retail banking	Corporate banking	Asset management	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	UK LHV Ltd	Other activities	Total
Q4 2023									
Interest income	24 464	38 791	31	3 954	-6 905	117	12 356	27 905	100 712
Interest expense	8 714	-16 759	0	-1 821	7 178	-45	-2 709	-27 599	-33 042
Net interest income	33 177	22 031	31	2 133	273	72	9 647	306	67 670
Fee and commission income	9 234	1 837	2 252	236	984	1 705	2 305	887	19 440
Fee and commission expense	-3 323	-978	0	-162	366	0	-108	1 065	-3 140
Net fee and commission income	5 911	859	2 252	74	1 350	1 705	2 197	1 952	16 300
Other income	27	1 069	0	1	0	-5	106	44	1 243
Net income	39 115	23 959	2 283	2 209	1 623	1 772	11 950	2 302	85 213

Net gains from financial assets	-5	-1	94	0	-3	1	4	389	480
Administrative and other operating expenses, staff costs	-12 877	-6 484	-1 837	-1 058	-2 452	-1 352	-8 878	-2 915	-37 852
Operating profit	26 232	17 475	540	1 151	-832	421	3 076	-223	47 841
Impairment losses on loans and advances	-607	-8 229	0	-1 239	0	0	-31	675	-9 430
Income tax	-2 780	-1 583	0	-178	-597	0	0	-505	-5 643
Net profit	22 846	7 663	540	-265	-1 429	421	3 045	-52	32 768

	Retail banking	Corporate banking	Asset management	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	UK LHV Ltd	Other activities	Total
12M 2023									
Interest income	85 829	132 615	50	15 580	-22 996	318	33 668	91 555	336 620
Interest expense	40 786	-55 310	0	-6 215	28 929	-152	-4 750	-86 089	-82 801
Net interest income	126 615	77 305	50	9 365	5 933	166	28 918	5 467	253 819
Fee and commission income	34 318	6 499	8 845	951	5 816	5 006	8 030	1 261	70 727
Fee and commission expense	-16 849	-3 378	0	-740	387	0	-222	4 221	-16 581
Net fee and commission income	17 469	3 122	8 845	211	6 203	5 006	7 808	5 482	54 146
Other income	19	1 513	0	2	0	-14	106	138	1 764
Net income	144 104	81 940	8 895	9 578	12 135	5 158	36 832	11 087	309 729
Net gains from financial assets	14	-1	241	0	-3	-87	-76	641	729
Administrative and other operating expenses, staff costs	-43 728	-20 521	-6 996	-3 767	-13 553	-4 767	-31 303	-9 686	-134 321
Operating profit	100 389	61 419	2 140	5 812	-1 422	304	5 453	2 043	176 137
Impairment gains/(-losses) on loans and bond portfolio	-812	-6 187	0	-3 746	0	0	-176	-618	-11 539
Income tax	-10 176	-7 323	-488	-689	-1 890	0	0	-3 094	-23 660
Net profit	89 401	47 909	1 652	1 377	-3 312	304	5 277	-1 668	140 938
Total assets 31.12.2023	2 742 899	3 726 731	23 262	93 549	0	55 569	369 316	114 264	7 125 590
Total liabilities 31.12.2023	4 180 348	885 028	725	75 203	1 114 526	50 322	315 813	-52 740	6 569 225

	Retail banking	Corporate banking	Asset management	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	LHV UK Ltd	Other activities	Total
Q4 2022									
Interest income	21 242	23 008	0	3 634	588	14	226	1 058	49 770
Interest expense	2 729	-8 331	0	-754	4 044	-16	-66	-3 278	-5 672
Net interest income	23 971	14 677	0	2 880	4 632	-2	160	-2 220	44 098
Fee and commission income	2 225	685	2 015	228	10 194	397	0	-10	15 734
Fee and commission expense	-545	-12	0	-231	-3 973	0	0	576	-4 185
Net fee and commission income	1 680	673	2 015	-3	6 221	397	0	566	11 549
Other income	0	46	0	0	13	-5	0	21	75
Net income	25 651	15 396	2 015	2 877	10 866	390	160	-1 633	55 722
Net gains from financial assets	-249	0	136	0	0	4	5	940	836
Administrative and other operating expenses, staff costs	-6 008	-3 395	-1 610	-560	-5 748	-922	-5 268	-3 370	-26 881
Operating profit	19 394	12 001	541	2 317	5 118	-528	-5 103	-4 063	29 677
Impairment gains/(-losses) on loans and bond portfolio	-547	979	0	-856	-6	0	0	180	-250
Income tax	-2 366	-1 618	0	0	-748	0	0	-380	-5 113
Net profit	16 481	11 362	541	1 461	4 364	-528	-5 103	-4 263	24 315

	Retail banking	Corporate banking	Asset management	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	UK LHV Ltd	Other activities	Total
12M 2022									
Interest income	53 531	74 998	0	12 945	8 276	26	226	2 411	152 413
Interest expense	0	-16 918	0	-2 521	0	-16	-164	-3 683	-23 302
Net interest income	53 531	58 080	0	10 424	8 276	10	62	-1 272	129 111
Fee and commission income	9 356	2 573	7 951	845	39 326	1 487	0	-43	61 495
Fee and commission expense	-2 361	-59	0	-830	-14 935	0	0	1 590	-16 595
Net fee and commission income	6 995	2 514	7 951	15	24 391	1 487	0	1 547	44 900

Other income	8	105	0	0	-27	-5	0	45	126
Net income	60 534	60 699	7 951	10 439	32 640	1 492	62	320	174 137
Net gains from financial assets	-357	0	-147	0	-24	-32	7	-41	-594
Administrative and other operating expenses, staff costs	-21 169	-12 574	-7 076	-2 241	-20 834	-3 153	-11 739	-10 852	-89 638
Operating profit	39 008	48 125	728	8 198	11 782	-1 693	-11 670	-10 573	83 905
Impairment losses on loans and advances	-1 467	-472	0	-910	-53	0	0	-5 150	-8 052
Income tax	-4 365	-4 871	-830	-1 107	-1 634	0	0	-1 614	-14 421
Net profit	33 176	42 782	-102	6 181	10 095	-1 693	-11 670	-17 337	61 432
Total assets									
30.09.2022	2 840 041	3 201 314	23 681	91 711	0	29 892	41 437	-93 074	6 135 002
Total liabilities									
30.09.2022	3 702 964	482 009	590	72 792	1 485 722	24 814	5 750	-60 488	5 714 153

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 2022. There have been no major changes in the risk management department or in any risk management policies since the year end.

Fortunately, the impact on personnel risk has been minimal, LHV was ready to work in home offices and almost all employees worked for two months from home offices. This reduced social interaction and the chances of being exposed to the virus.

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

The escalated conflict in Ukraine in early 2022, did not have direct impact to LHV credit portfolio, because of historical restrictive lending to customers exposed to risks outside EU. However, changed environment needs to be considered, when issuing credits both to corporates and retail clients going forward.

The Estonian economy has been in recession for 8 quarters. So far, the cooling economy has had no significant negative impact on the credit portfolio quality. LHV is continuously monitoring credit portfolio quality and is in close dialog with customers, so that in case of a need, potential risks could be mitigated.

NOTE 4 Breakdown of Financial Assets and Liabilities by Countries

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

Subordinated debt	126 653	0	0	0	0	0	126 653
Financial liabilities at fair value	1 843	0	0	0	0	0	1 843
Accounts payable and other financial liabilities	128 456	0	0	0	0	0	128 456
Total financial liabilities	4 285 287	132 432	1 587 058	72 933	372 131	101 844	6 551 685

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

31.12.2022	Estonia	Germany	Other EU	USA	UK	Other	Total
Due from banks and investment companies	1 938 118	0	329 496	24 727	189 847	101	2 482 288
Financial assets at fair value and at amortised cost	244 845	4 973	123 735	21	3	6	373 584
Loans and advances to customers	3 161 803	612	17 867	622	22 974	4 694	3 208 572
Receivables from customers	21 019	0	0	0	0	0	21 019
Other financial assets	24	0	0	100	0	0	124
Total financial assets	5 365 809	5 585	471 098	25 470	212 823	4 801	6 085 587
Loans received from Central Banks (TLTRO)	147 841	0	0	0	0	0	147 841
Deposits of customers and loans received	3 617 636	5 292	794 100	14 890	439 714	28 883	4 900 515
Loans received and bonds issued	0	0	438 642	0	0	0	438 642
Subordinated debt	130 843	0	0	0	0	0	130 843
Financial liabilities at fair value	3 850	0	0	0	0	0	3 850
Accounts payable and other financial liabilities	84 125	0	0	0	0	0	84 125
Total financial liabilities	3 984 295	5 292	1 232 742	14 890	439 714	28 883	5 705 816

Unused loan commitments in the amount of EUR 601 093 thousand are for the residents of Estonia.

NOTE 5 Breakdown of Assets and Liabilities by Contractual Maturity Dates

31.12.2023	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits from customers	3 789 133	578 393	1 328 891	70 035	339	5 766 791
Loans received and bonds issued	0	318	211 703	379 056	0	591 077
Subordinated debt	0	1 806	28 809	127 368	0	157 983
Accounts payable and other financial liabilities	0	128 456	0	0	0	128 456
Unused loan commitments	0	495 653	0	0	0	495 653
Financial guarantees by contractual amounts	0	55 061	0	0	0	55 061
Foreign exchange derivatives (gross settled)	0	148 397	0	0	0	148 397
Financial liabilities at fair value	0	1 843	0	0	0	1 843
Total liabilities	3 789 133	1 409 927	1 569 403	576 459	339	7 345 261
Financial assets by contractual maturity dates						
Due from banks and investment companies	3 117 544	0	1 850	0	0	3 119 394
Financial assets at fair value and at amortised cost (debt securities)	0	98 658	153 577	79 856	1 380	333 471
Loans and advances to customers	0	234 191	542 038	2 641 711	1 692 834	5 110 774
Receivables from customers	0	49 505	0	0	0	49 505
Foreign exchange derivatives (gross settled)	0	148 397	0	0	0	148 397
Other financial assets	273	0	0	0	0	273
Total financial assets	3 117 817	530 751	697 465	2 721 567	1 694 214	8 761 814
Maturity gap from financial assets and liabilities	-671 316	-879 176	-871 938	2 145 108	1 693 875	1 416 553

31.12.2022	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Loans received from Central Banks (TLTRO)	0	0	0	150 082		150 082
Deposits from customers	4 643 310	95 807	143 740	18 082	0	4 900 939
Loans received and bonds issued	0	0	2 000	452 250	0	454 250
Subordinated debt	0	2 406	46694	105538	0	154 638
Accounts payable and other financial liabilities	0	84 125	0	0	0	84 125
Unused loan commitments	0	601 093	0	0	0	601 093
Financial guarantees by contractual amounts	0	52 577	0	0	0	52 577
Foreign exchange derivatives (gross settled)	0	171 694	0	0	0	171 694
Financial liabilities at fair value	0	3 850	0	0	0	3 850
Total liabilities	4 643 310	1 011 552	192 434	725 952	0	6 573 248

Financial assets by contractual maturity dates						
Due from banks and investment companies	2 428 288	0	0	0	0	2 428 288
Financial assets at fair value and at amortised cost (debt securities)	0	236 130	4 966	123 519	471	365 086
Loans and advances to customers	0	186 547	487 298	2 115 010	1 258 430	4 047 285
Receivables from customers	0	21 019	0	0	0	21 019
Foreign exchange derivatives (gross settled)	0	171 694	0	0	0	171 694
Other financial assets	124	0	0	0	0	124
Total financial assets	2 428 412	615 390	492 264	2 238 529	1 258 901	7 033 496

Maturity gap from financial assets and liabilities	-2 214 898	-396 162	299 830	1 512 577	1 258 901	460 248
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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

31.12.2023	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	2 810 963	1 047	283 486	1 480	13 570	8 849	3 119 394
Financial assets at fair value and at amortised cost	334 032	1	0	6 275	31	2	340 341
Loans and advances to customers	3 473 113	23	79 674	189	8 676	116	3 561 791
Receivables from customers	47 706	0	1 494	168	1 822	-1 685	49 505
Other financial assets	100	0	173	0	0	0	273
Total assets bearing currency risk	6 665 914	1 071	364 827	8 112	24 099	7 281	7 071 304
Liabilities bearing currency risk							
Deposits from customers	5 296 501	9 494	255 272	8 867	151 070	9 801	5 731 005
Loans received and bonds issued	563 728	0	0	0	0	0	563 728
Financial liabilities at fair value	1 843	0	0	0	0	0	1 843
Accounts payable and other financial liabilities	107 544	30	11 775	479	6 597	2 031	128 456
Subordinated debt	126 653	0	0	0	0	0	126 653
Total liabilities bearing currency risk	6 096 269	9 524	267 047	9 346	157 667	11 832	6 551 685
Open gross position derivative assets at contractual value	0	8 359	0	1 334	133 071	5 633	148 397
Open gross position derivative liabilities at contractual value	94 218	0	54 179	0	0	0	148 397
Open foreign currency position	475 427	-94	43 601	100	-497	1 082	519 619

31.12.2022	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	2 255 128	1 466	197 580	2 538	17 806	7 769	2 482 288
Financial assets at fair value and at amortised cost	373 514	0	2	1	26	42	373 584
Loans and advances to customers	3 180 499	74	22 306	385	5 068	241	3 208 572
Receivables from customers	25 865	5	751	241	-4 512	-1 330	21 019
Other financial assets	124	0	0	0	0	0	124
Total assets bearing currency risk	5 835 130	1 545	220 639	3 164	18 388	6 721	6 085 587
Liabilities bearing currency risk							
Loans received from Central Banks (TLTRO)	147 841	0	0	0	0	0	147 841
Deposits from customers	4 533 633	5 323	193 442	10 968	148 058	9 089	4 900 515
Loans received and bond issued	438 642	0	0	0	0	0	438 642
Financial liabilities at fair value	0	0	0	0	3 849	1	3 850
Accounts payable and other financial liabilities	65 099	19	9 757	172	8 987	91	84 125
Subordinated debt	130 843	0	0	0	0	0	130 843
Total liabilities bearing currency risk	5 316 058	5 343	203 199	11 140	160 895	9 182	5 705 817
Open gross position derivative assets at contractual value	9 403	3 757	0	8 001	148 162	2 371	171 694
Open gross position derivative liabilities at contractual value	162 291	0	0	0	9 403	0	171 694
Open foreign currency position	366 183	-40	17 440	25	-3 748	-89	379 770

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	31.12.2023	Level 1	Level 2	Level 3	31.12.2022
Financial assets at fair value through profit and loss								
Shares and fund units*	745	5 856	0	6 601	1 075	7 474	0	8 549
Bonds at fair value through profit and loss	11 551	0	0	11 551	765	0	0	765
Interest rate swaps and foreign exchange forwards	0	301	0	301	0	40	0	40
Total financial assets	12 296	6 157	0	18 453	1 840	7 514	0	9 354
Financial liabilities at fair value through profit and loss								
Interest rate swaps and foreign exchange	0	1 843	0	1 843	0	3 850	0	3 850
Total financial liabilities	0	1 843	0	1 843	0	3 850	0	3 850

*Shares and fund units include the Group companies' AS LHV Varahaldus investment into pension fund units in the amount of EUR 5 856 (31.12.2022: 7 474) thousand. Pursuant to the Investment Funds Act, the mandatory shares of LHV Varahaldus as the management company is 0.5% of the number of units in each of the mandatory pension fund managed by it.

As of December 31, 2023, the liquidity portfolio in the amount of EUR 321 888 thousand is reflected in the amortised cost and the loss from the revaluation of the portfolio is reflected in the income statement in the line Impairment losses on loans and bonds in the total amount of EUR 80 thousand. The estimated market value of the liquidity portfolio as of December 31, is EUR 319 421 thousand.

Hierarchy levels:

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

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.

Interest rate swaps are instruments, where the fair value is determined via the model-based approach by using the inputs

As at 31.12.2023 the fair value of corporate loans and overdraft is EUR 78 899 thousand (3.90%) higher than their carrying amount

(31.12.2022: 37 846 thousand, 2.11% higher). Loans are issued in the bank's business segments on market conditions. Therefore, the fair value of retail loans does not materially differ from their carrying amount as at 31 December 2023 and 31 December 2022. In determining the fair value of loans, considerable management judgements are used (discounted cash flow method with current market interest is used for the valuation). Loans issued are thus categorised under hierarchy level 3.

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

Leveraged loans, hire-purchase and credit cards granted to customers are of sufficiently short-term nature and they have been issued at market terms, therefore the fair market rate of interest and also the fair value of loans do not change significantly during the loan term. The fair value level of leveraged loans, hirepurchase, credit cards and consumer loans is 3 as significant judgmental assumptions are used for the valuation process.

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

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

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

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

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

31.12.2022	Stage 1	Stage 2	Stage 3	Provision	Total	%
Individuals	1 127 636	115 433	5 446	-3 157	1 245 358	38.8%
Agriculture	76 817	2 743	0	-112	79 448	2.5%
Mining and Quarrying	1 038	519	122	-49	1 630	0.1%
Manufacturing	126 670	28 626	81	-1 308	154 069	4.8%
Energy	92 186	1 305	0	-321	93 170	2.9%
Water and sewerage	29 314	90	0	-275	29 129	0.9%
Construction	106 356	5 243	58	-1 716	109 941	3.4%
Wholesale and retail trade	144 586	6 599	69	-924	150 330	4.7%
Transportation and storage	15 198	10 323	1	-691	24 831	0.8%
Accommodation and catering	11 844	23 446	44	-1 531	33 803	1.1%
Information and communication	10 839	3 004	1	-34	13 810	0.4%
Financial activities	119 436	9 337	0	-823	127 950	4.0%
Real estate activities	757 443	34 577	1 558	-3 269	790 309	24.6%
Professional, scientific and technical activities	68 001	7 313	30	-171	75 173	2.3%
Administrative and support service activities	115 072	4 563	32	-3 116	116 551	3.6%
Local municipalities	79 272	0	0	-127	79 145	2.5%
Education	5 151	596	0	-302	5 445	0.2%
Health care	14 312	541	0	-86	14 767	0.5%
Arts and entertainment	27 619	30 225	15	-2 588	55 271	1.7%
Other service activities	6 970	1 503	11	-42	8 442	0.3%
Total	2 935 760	285 986	7 468	-20 642		
Provision	-10 938	-7 632	-2 072			
Total loan portfolio	2 924 822	278 354	5 396		3 208 572	100%

NOTE 9 Net Interest Income

Interest income	Q4 2023	12M 2023	Q4 2022	12M 2022
From balances with credit institutions and investment	-69	4 964	1 588	3 668
From central bank	29 686	86 519	6 828	8 594
From debt securities	2 467	8 372	239	-210
Leasing	3 278	11 365	1 963	6 407
Leverage loans and lending of securities	342	1 383	365	1 629
Consumer loans	3 137	12 126	2 763	9 607
Hire purchase	813	3 450	871	3 338
Corporate loans	41 113	138 725	24 421	79 130
Credit card loans	286	1 028	228	836
Mortgage loans	18 215	62 885	9 471	28 144
Private loans	1 007	3 735	721	2 450
Other loans	435	2 068	312	8 820
Total	100 712	336 620	49 770	152 413
Interest expense				
Deposits of customers and loans received	-24 669	-59 869	-2 379	-5 965
Balances with the central bank	0	0	0	-7 661
Other interest expense	-558	-1 016	0	0
Subordinated liabilities	-7 815	-21 916	-3 293	-9 676
including loans between related parties	-89	-356	-87	-331
Total	-33 042	-82 801	-5 672	-23 302

Net interest income	67 670	253 819	44 098	129 111
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Interest income on loans by customer location

(interest on bank balances and bonds excluded):	Q4 2023	12M 2023	Q4 2022	12M 2022
Estonia	66 940	233 419	40 894	140 140
Great Britain	1 686	3 346	221	221
Total	68 626	236 765	41 115	140 361

NOTE 10 Net Fee and Commission Income

Fee and commission income	Q4 2023	12M 2023	Q4 2022	12M 2022
Security brokerage and commissions paid	1 310	4 400	949	4 329
Asset management and similar fees	3 927	15 311	3 496	13 581
Currency exchange fees conversion revenues	1 756	5 868	2 003	8 462
Fees from cards and payments	9 191	32 963	7 644	27 580
Other fee and commission income	3 256	12 185	1 642	7 543
Total	19 440	70 727	15 734	61 495

Fee and commission expense

Security brokerage and commissions paid	-602	-2 440	-513	-2 340
Expenses related to cards	-250	-5 993	-1 764	-6 216
Expenses related to acquiring	-1 813	-6 936	-1 931	-7 344
Other fee and commission expense	-475	-1 212	23	-695
Total	-3 140	-16 581	-4 185	-16 595

Net fee and commission income	16 300	54 146	11 549	44 900
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Fee and commission income by customer location:	Q4 2023	12M 2023	Q4 2022	12M 2022
Estonia	10 875	39 912	13 974	54 143
Great Britain	4 069	15 205	1 760	7 352
Total	14 944	55 117	15 734	61 495

NOTE 11 Operating Expenses

	Q4 2023	12M 2023	Q4 2022	12M 2022
Wages, salaries and bonuses	13 679	48 734	9 710	35 077
Social security and other taxes*	4 966	17 737	3 460	11 718
Total personnel expenses	18 645	66 472	13 170	46 795
IT expenses	4 101	14 412	2 770	8 232
Information services and bank services	326	1 526	328	1 356
Marketing expenses	1 118	3 861	1 091	3 273
Office expenses	436	2 605	632	1 934
Transportation and communication expenses	160	566	170	568
Staff training and business trip expenses	764	1 844	392	1 309
Other outsourced services	2 607	12 584	3 092	9 059
Other administrative expenses	1 447	14 725	2 730	8 513
Depreciation of non-current assets	7 343	13 421	3 009	7 378
Operational lease payments	442	1 294	-906	161
Other operating expenses	463	1 012	403	1 060

Total other operating expenses	19 207	67 849	13 711	42 843
Total operating expenses	37 852	134 321	26 881	89 638

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

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

	31.12.2023	31.12.2022
Demand and term deposits with maturity less than 3 months*	49 466	91 324
Statutory reserve capital with the central bank	55 899	48 689
Demand deposit from central bank*	3 012 179	2 342 275
Total	3 117 544	2 482 288

*Cash and cash equivalents in the Statement of Cash

Flows	3 061 645	2 433 599
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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 12 509 thousand (31 December 2022: EUR 3 391 thousand). All other demand and term deposits are held with credit institutions and the central bank.

The minimum reserve requirement as at 31 December 2023 was 1% (31 December 2022: 1%) of all financial resources (customer deposits and loans received). The reserve requirement is to be fulfilled as a monthly average in euros or in the foreign financial assets approved by the central bank.

NOTE 13 Deposits of Customers and Loans Received

Deposits by type	Individuals	Financial entities	Non-financial entities	Public sector	31.12.2023
Demand deposits	745 277	1 219 427	1 746 452	74 571	3 785 727
Term deposits	1 026 781	96 704	753 648	43 265	1 920 398
Accrued interest liability	13 721	1 522	9 063	574	24 880
Total	1 785 779	1 317 653	2 509 163	118 410	5 731 005

Deposits by type	Individuals	Financial entities	Non-financial entities	Public sector	31.12.2022
Demand deposits	1 065 135	1 477 182	2 042 117	58 406	4 642 840
Term deposits	63 208	23 046	146 137	24 587	256 978
Accrued interest liability	336	192	156	13	697
Total	1 128 679	1 500 420	2 188 410	83 006	4 900 515

Loans received 31.12.2023	TLTRO	Covered bonds	Preferred senior bond	Total loans received and dept securities in issue
Loans received	0	249 577	311 192	560 769
Accrued interest liability	0	141	2 818	2 959
Total	0	249 718	314 010	563 728

Loans received 31.12.2022	TLTRO	Covered bonds	Preferred senior bond	Total loans received and dept securities in issue
Loans received	150 000	249 284	188 672	437 956
Accrued interest liability	-2 159	141	545	686
Total	147 841	249 425	189 217	438 642

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

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

In November 2022, LHV Group Carried out a tap issue of senior unsecured bonds with a maturity date in September 2025. As a result, LHV raised additional funds in the amount of EUR 88 million. The nominal value of the issued bonds increased by 100 million euros. Since it was an increase in the volume of previously issued bonds, the terms and conditions of the new bonds are identical to the previous issue.

In 2020, the Bank raised EUR 200 million in negative interest funds through the TLTRO III program offered by the European Central Bank. By the end of 2023 the loan was returned.

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 implemented.

NOTE 14 Accounts payable and other liabilities

	31.12.2023	31.12.2022
Financial liabilities		
Trade payables and payables to merchants	2 131	1 943
Other short-term financial liabilities	16 288	10 676
Lease liabilities	13 415	6 766
Payments in transit	48 632	40 101
Financial guarantee contracts issued	615	1 228
Liabilities from insurance services	47 375	23 411
Subtotal	128 456	84 125
Not financial liabilities		
Performance guarantee contracts issued	1 750	1 058
Tax liabilities	10 630	3 086
Payables to employees	4 408	3 457
Other short-term liabilities	751	736
Subtotal	17 539	8 337
Total	145 995	92 462

Payables to employees consist of unpaid salaries; bonus accruals and vacation pay accrual for the reporting period and the increase in liabilities is caused by the increase in the number of employees during the year. Payments in transit consist of foreign payments

and payables to customers related to intermediation of securities transactions. All liabilities, except for financial guarantees, are payable within 12 months and are therefore recognised as current liabilities.

NOTE 15 Contingent Liabilities

Irrevocable transactions	Performance guarantees	Financial guarantees	Letter of credit	Unused loan commitments	Total
Liability in the contractual amount as at 31 December 2023	56 217	55 061	3 732	495 653	610 663
Liability in the contractual amount as at 31 December 2022	30 174	52 577	6 605	601 093	690 449

NOTE 16 Basic Earnings and Diluted Earnings Per Share

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

	Q4 2023	12M 2023	Q4 2022*	12M 2022*
Total profit (incl. discontinued operations) attributable to owners of the parent (EUR thousand)	32 537	139 602	24 078	59 808
Weighted average number of shares (in thousands of units)	319 833	318 731	315 425	311 229
Basic earnings per share (EUR)	0.10	0.44	0.08	0.19
Weighted average number of shares used for calculating the diluted earnings per shares (in thousands of units)	325 517	324 415	321 714	317 518
Diluted earnings per share (EUR)	0.10	0.43	0.07	0.19

* 2022 data is adjusted according to share split carried out in Q3 2022.

NOTE 17 Capital Management

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

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

The amount of capital that the Group managed as of 31.12.2023 was 557 562 thousand euros (31.12.2022: 494 956 thousand euros). The goals of the Group's capital management are set based on both the regulative requirements and additional internal buffer.

The Group follows the general principles in its capital management:

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

Capital base	31.12.2023	31.12.2022
Paid-in share capital	31 983	31 542
Share premium	143 372	141 186
Reserves	4 713	4 713
Other reserves	-996	-1 447
Accumulated loss	229 287	170,010
Intangible assets (subtracted)	-21 278	-23 333
Profit for the reporting period (COREP)	58 845	49 179
Other adjustments	-8	-369

CET1 capital elements or deductions	-9 860	0
CET1 instruments of financial sector entities where the institution has a significant investment	-3 496	-3 351
CET1 instruments of financial sector entities where the institution has not a significant investment	0	-180
Total Core Tier 1 capital	432 562	364 956
Additional Tier 1 capital	55 000	55 000
Total Tier 1 capital	487 562	419 956
Subordinated liabilities	70 000	75 000
Total Tier 2 capital	70 000	75 000
Total net own funds	557 562	494 956

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

NOTE 18 Transactions with related parties

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

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

Transactions	Q4 2023	12M 2023	Q4 2022	12M 2022
Interest income	98	1 338	83	178
incl. management	30	126	39	79
incl. shareholders that have significant influence	68	1 212	44	99
Fee and commission income	14	82	74	88
Incl. management	4	26	7	15
incl. shareholders that have significant influence	10	56	67	73
Interest expenses from deposits	28	109	20	36
incl. management	20	32	1	6
incl. shareholders that have significant influence	8	77	19	30
Interest expenses from subordinated loans	89	356	87	331
incl. management	3	9	2	9
incl. shareholders that have significant influence	86	347	85	322

Balances	31.12.2023	31.12.2022
Loans and receivables as at the year-end	28 579	7 570
incl. management	4 717	3 901
incl. shareholders that have significant influence	23 862	3 669
Deposits as at the year-end	9 351	7 763
incl. management	2 448	765
incl. shareholders that have significant influence	6 903	6 998
Subordinated loans as at the year-end	4 462	4 434
incl. management	172	148
incl. shareholders that have significant influence	4 290	4 286

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

Loans granted to related parties are issued at market conditions.

In Q4, salaries and other compensations paid to the management of the parent AS LHV Group and its subsidiaries totalled EUR 715 thousand (Q4 2022: EUR 781 thousand), including all taxes. As at 31.12.2023, remuneration for December and accrued holiday pay in the amount of EUR 179 thousand (31.12.2022: EUR 214 thousand) is reported as a payable to management. The Group

did not have any long-term payables or commitments to the members of the Management Board and the Supervisory Board as at 31.12.2023 and 31.12.2022 (pension liabilities, termination benefits, etc.). In Q4 2023, the remuneration paid to the members of the Group's Supervisory Board totalled EUR 32 thousand (Q4 2022: EUR 30 thousand).

Management is related to the share-based compensation plan. In Q4 2023 the share-based compensation to management amounted to EUR 580 thousand (Q4 2022: EUR 433 thousand).

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

NOTE 19 Tangible and intangible assets

<i>(in thousands of euros)</i>	Tangible assets	Right of use assets	Total tangible assets	Intangible assets	Costs incurred for the acquisition of customer contracts	Total intangible assets
Balance as at 31.12.2021						
Cost	9 278	6 523	15 801	11 146	16 714	27 860
Accumulated depreciation and amortisation	-4 846	-2 481	-7 327	-7 382	-8 653	-16 035
Carrying amount 31.12.2021	4 432	4 042	8 474	3 764	8 061	11 825
Purchase of non-current assets	6 527	5 642	12 169	3 745	0	3 745
Depreciation/amortisation charge	-1 431	-2 377	-3 808	-1 990	-1 503	-3 493
Tangible and intangible assets added by						
the acquisition of a subsidiary	23	0	23	896	0	896
Write-off of on-current assets	-13	0	-13	-366	0	-366
Capitalised selling costs	0	0	0	0	881	881
Balance as at 31.12.2022						
Cost	15 815	12 165	27 980	15 421	17 595	33 016
Accumulated depreciation and amortisation	-6 264	-4 858	-11 122	-9 006	-10 156	-19 162
Carrying amount 31.12.2022	9 551	7 307	16 858	6 415	7 439	13 854
Purchase of non-current assets	3 422	8 766	12 188	3 838	0	3 838
Depreciation/amortisation charge	-1 753	-5 344	-7 097	-3 427	-1 297	-4 724
Recalculation of the accumulated	86	14	100	537	0	537
Write-off of on-current assets	-56	116	60	-736	0	-736
Capitalised selling costs	0	0	0	0	875	875
Balance as at 31.12.2023						
Cost	19 181	21 047	40 228	19 060	18 470	37 530
Accumulated depreciation and amortisation	-7 931	-10 188	-18 119	-12 234	-11 453	-23 687
Carrying amount 31.12.2023	11 250	10 859	22 109	6 826	7 017	13 843

NOTE 20 Subordinated debts

Subordinated debts (in thousands of euros)

	Year of issue	Amount	Interest rate	Maturity date
Subordinated Tier 2 liabilities	2020	35 000	6.0%	September 30 2030
Subordinated Tier 2 liabilities	2023	35 000	10.5%	September 29 2033
Additional subordinated Tier 2 liabilities	2019	20 000	8.0%	Perpetual
Additional subordinated Tier 2 liabilities	2020	15 000	9.5%	Perpetual
Additional subordinated Tier 2 liabilities	2022	20 000	10.5%	Perpetual
Subordinated debt as at 31.12.2023		125 000		
Subordinated debt as at 30.09.2023		165 000		

NOTE 21 Changes in impairments

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

Changes in impairments	Balance as at 01.01	Impairment provisions/reversals set up during the year	Written off during the reporting period	Balance as at 31.12
Corporate loans	-15 288	-5 426	5 216	-15 498
Consumer loans	-1 320	-2 092	1 303	-2 108
Investment financing	-130	-8	125	-13
Leasing	-1 250	-1 204	445	-2 009
Private loans	-1 061	-593	641	-1 014
Total 2022	-19 049	-9 323	7 730	-20 642

Shareholders of AS LHV Group

AS LHV Group has a total of 319 832 743 ordinary shares, with a nominal value of 0.1 euro.

As at 31 December 2023, AS LHV Group has 37 547 shareholders:

- 147 263 793 aktsiat (46,04%) were held by members of the Supervisory Board and Management Board, and related parties.
- 172 568 950 aktsiat (53,96%) were held by Estonian entrepreneurs and investors, and related parties.

Top ten shareholders as at 31 December 2023:

Number of	Participation	Name of shareholder
37 162 070	11.6%	AS Lõhmus Holdings
33 910 370	10.6%	Viisemann Investments AG
25 449 470	8.0%	Rain Lõhmus
12 446 070	3.9%	Krenno OÜ
11 310 000	3.5%	AS Genteel
10 875 280	3.4%	AS Amalfi
10 828 210	3.4%	Ambient Sound Investments OÜ
7 188 990	2.3%	SIA Krugmans
6 691 020	2.1%	Bonaares OÜ
6 037 590	1.9%	OÜ Merona Systems

Shares held by members of the Management Board and Supervisory Board

Madis Toomsalu holds 1 228 440 shares.

Martti Singi holds 850 659 shares and Unitas OÜ holds 77 540 shares.

Meelis Paakspuu holds 603 300 shares.

Jüri Heero holds 788 980 shares and Heero Invest OÜ holds 306 820 shares.

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

Andres Viisemann holds 545 840 shares. Viisemann Holdings OÜ holds 1 300 000 shares and Viisemann Investment AG holds 33 910 370 shares.

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

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

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

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

Sten Tamkivi holds 4 000 shares. OÜ Seikatsu holds 159 390 shares and OÜ Notorious 172 240 shares.

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

AS LHV Group

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

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

AS LHV Varahaldus

Supervisory board: Madis Toomsalu, Andres Viisemann, Kadri Kiisel

Management board: Vahur Vallistu, Joel Kukemelk, Eve Sirel

AS LHV Pank

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

Management board: Kadri Kiisel, Jüri Heero, Andres Kitter, Meelis Paakspuu, Indrek Nuume, Martti Singi

AS LHV Finance

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

Management board: Heidy Kütt

AS LHV Kindlustus

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

Management board: Martti-Sten Merilai, Taavi Lehemaa

LHV UK Limited

Board of Directors: Erki Kilu, Andres Kitter

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

AS EveryPay

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

Management board: Lauri Teder

Signatures of the Management Board to the Condensed Consolidated Interim Report

The Management Board has prepared the summary of results for January to December 2023 period the condensed consolidated interim financial statements of AS LHV Group for the 12-months period ended 31 December 2023.

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

06.02.2024

Madis Toomsalu

Martti Singi

Meelis Paakspuu

Jüri Heero