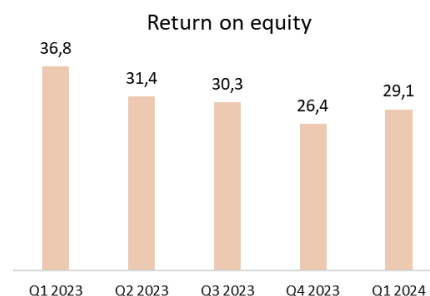
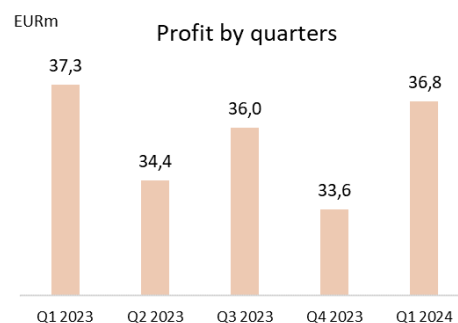


Interim Report January – March 2024

Summary of Results

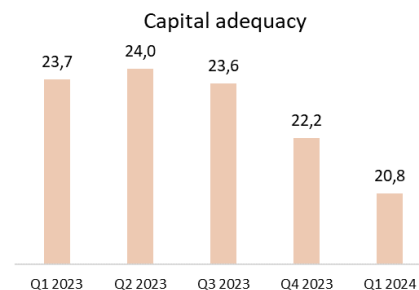
Q1 2024 in comparison with Q4 2023

- Net profit EUR 36.8 m (33.6 m euro), of which EUR 36.7 m (EUR 33.5 m) is attributable to owners of the parent
- Net income EUR 68.8 m (EUR 71.6 m)
- Operating expenses EUR 22.8 m (EUR 22.9 m)
- Loan and bond provisions EUR 2.8 m (EUR 9.6 m)
- Income tax expenses EUR 6.4 m (EUR 5.5 m)
- Return on equity 29.1% (26.4%)
- Capital adequacy 20.8% (22.2%)



Q1 2024 in comparison with Q1 2023

- Net profit EUR 36.8 m (EUR 37.3 m), of which EUR 36.7 m (EUR 36.8 m) is attributable to owners of the parent
- Net income EUR 68.8 m (EUR 61.7 m)
- Operating expenses EUR 22.8 m (20.8 m)
- Loan and bond provisions EUR 2.8 m (EUR -1.6 m)
- Income tax expenses EUR 6.4 m (EUR 5.1 m)
- Return on equity 29.1% (36.8%)
- Capital adequacy 20.8% (23.7%)



The calculated capital adequacy is in line with COREP.

From March 2023, LHV Pank's profit is reduced by sharing the income of the payment intermediaries segment with LHV Bank Ltd in accordance with the signed cooperation agreement.

The return on equity ratio is based on the profit and equity attributed to the owners of AS LHV Pank and do not include any non-controlling interest.

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Business activities

Over the quarter, the number of the bank's clients grew by 10 000. Client activity at the beginning of the year was more modest than in earlier periods. Deposits grew by EUR 136 million over the quarter and loans increased by EUR 1 million.

Ordinary clients' deposits grew by EUR 121 million during the quarter, deposits from deposit platform decreased by EUR 23 million and financial intermediaries' deposits increased by EUR 38 million. The financial situation faced by households and their savings capacity has started to improve a bit, but a recovery will take time. Annual growth of households savings reached 5.9% in February; corporate deposits, 2.3%. We have outpaced market growth by offering appealing interest rates and landing new customers. The growth of term deposits has slowed in anticipation of lower interest rates, and the average market interest rate in February was down to 3.75%. Up to the end of Q1, we kept our rates at a higher level. Financial intermediaries with larger deposits have been impacted by the lower activity level on the market, volatility is down, but clients are diversifying their clients' deposits among different banks.

Loans to companies outside the LHV group grew by EUR 37 million and consumer loans increased by EUR 30 million. Since the last quarter of 2023, the loan market has stabilized and the growth rate of housing loans issued and loans granted to companies has remained 5.9% and 6.2%, respectively. The beginning of the year is usually calmer, but a very successful home loan refinancing campaign and lower amortization are behind the strong growth. The home loan refinancing campaign helps clients switch banks without notary fees, which has helped us set records for new sales for several months. These contracts appear as portfolio growth with some latency. The campaign will also continue in Q2.

Net profit for the quarter was EUR 36.8 million. The strong first-quarter result was influenced in a positive direction mainly by interest income. The growth in interest income is slowing, since the interest paid on deposits are growing faster. Due to higher interest income and lower discounts, net profit exceeded the planned target by EUR 6.8 million by the end of the quarter. Income from service charges is slightly lagging behind target and expenses are at the planned levels.

Loan impairments in the first quarter were EUR 2.8 million. As the macroeconomic environment has changed compared to the end of the year, we performed model-based forward-looking write-downs. The write-downs have also impacted rating changes for individual clients. Yet the outlook for the macroeconomic environment in Q2 tends positive, and the bank envisages impairments as being conservative. As a whole, the quality of the bank's loan portfolio has stayed strong and the share of overdue loans continues to be very low. We are seeing growth in consumer loans, but the levels are reasonable and in line with expectations.

In Q1, we also introduced a number of new features in user friendliness and launched a new product on the market. In the internet bank, we updated the portfolio overview and added a watchlist feature. Additionally, we updated the pension function and added the option of submitting an application for larger contributions. We fleshed out our private banking value offer with the MasterCard Airport Security Fast Track service and added ordinary account investments to the pre-filled data in the automated tax declaration. January was the market launch of our LHV Savings Account, which allows customers to put money aside in an interactively fun way. It's easy to use the product and clients earn higher interest rates this way. The product has had a great reception. In March, we launched a bank service offer for teachers in order to publicly recognize education workers.

To increase our visibility, we launched cooperation with Tallinn Airport. We are the name sponsor for the re-opened business lounge, Airport LHV Lounge. The Youth Bank is now on TikTok and Instagram.

To increase internal efficiency, we adopted the use of ChatGPT to find new ways of simplifying everyday work and to generate more value-added.

LHV Pank was selected as the Top Employer in an annual survey conducted by Estonia's leading job portal and recruitment agency, CV.ee (CV-Online). In other news, the Dive bank customer service evaluation survey once again found us to be the bank with the best customer service, this time with record-high results. The Ministry of Culture and the Estonian Olympic Committee bestowed the title of Friend of Sport for 2024 on LHV Pank.

Financial Summary

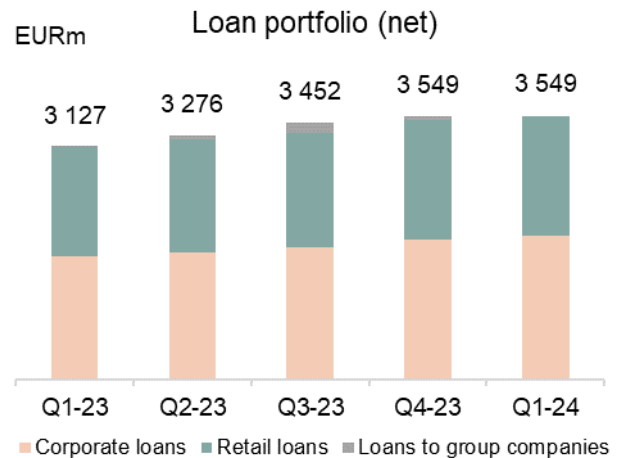
LHV Pank earned net interest income of EUR 60.2 million and EUR 7.9 million in net service fee income in Q1. Net financial income amounted to EUR 0.4 million in Q1. In total, the Bank's income was EUR 68.8 million and expenses were EUR 22.8 million. Net income rose by 12% and expenses increased by 10% over the year. The discounts of loans and bonds amounted to EUR 2.8 million in Q1. We made forward-looking discounts and the volume of the portfolio grew. 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 6.2 million in Q1. Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.2 million in Q1.

The Bank's Q1 profit amounted to EUR 36.8 million, which is 10% more than in Q4 2023 (33.6) and 1% less than in Q1 2023 (37.3).

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 was more than EUR 3 549 million by the end of Q1 (Q4 2023: EUR 3 549 million). The volume of loans grew by EUR 1 million in Q1 (Q4 2023: a growth of EUR 97 million). In the first quarter LHV Bank Ltd repaid the loan in the amount of EUR 66.4 million. The net retail loan portfolio grew by 2% during the quarter, reaching EUR 1 625 million (Q4 2023: EUR 1 595 million). The net corporate loan portfolio grew by 2% during the quarter, reaching EUR 1 924 million (Q4 2023: EUR 1 887 million).



The volume of deposits at the Bank increased by EUR 136 million from the previous quarter and stood at EUR 5 671 million (Q4 2023: EUR 5 535 million). The volume of payment intermediaries' deposits grew by EUR 38 million during the quarter. Of the deposits, EUR 3 734 million were call deposits, EUR 1 497 million term deposits and EUR 440 million platform deposits. The volume of the deposits of private customers amounted to EUR 1 717 million as at the end of the quarter, having grown by 2% in a quarter.

The Bank's expense-income ratio was 33.2% in Q1, which was 0.5 percentage points lower than in Q1 2023 (33.7%).

Income statement	Q1	Q4	Quarter	Q1	Year
EUR million	2024	2023	over	2023	over
			quarter		year
Net interest income	60.25	59.58	1%	52.90	14%
Net fee and commission income	7.87	8.44	-7%	7.55	4%
Other financial income	0.38	2.37	-84%	1.18	-68%
Total net operating income	68.50	70.39	-3%	61.63	11%
Other income	0.29	1.16	-75%	0.03	867%
Operating expenses	-22.79	-22.87	0%	-20.78	10%
Loan losses	-2.81	-9.59	-71%	1.59	NA
Income tax expenses	-6.38	-5.52	16%	-5.15	24%
Net profit	36.81	33.57	10%	37.32	-1%

Business volumes

EUR million	31.03.2024	31.12.2023	Change
Loan portfolio	3 549.4	3 548.5	0%
Financial investments	238.4	328.8	-28%
Deposits of customers	5 670.8	5 534.7	2%
incl. deposits of financial institutions	1 341.5	1 229.5	9%
Equity (including minority interest)	490.9	530.0	-7%
Number of bank customers	427 999	417 460	3%

Ratios	Q1	Q4	Quarter	Q1	Year
EUR million	2024	2023	over quarter	2023	over year
Net profit	36.8	33.6	3.2	37.3	-0.5
Net profit attributable to owners of the parent	36.7	33.5	3.2	36.8	-0.1
Average equity	504.6	506.5	-1.9	399.7	104.9
Return on equity (ROE), %	29.1	26.4	2.7	36.8	-7.7
Return on assets (ROA), %	2.16	2.05	0.11	2.48	-0.32
Net interest income	60.2	59.6	0.6	52.9	-7.3
Interest-bearing assets, average	6 791.8	6 511.5	280.3	6 015.0	765.80
Net interest margin (NIM) %	3.6	3.7	-0.1	3.5	0.1
Price spread (SPREAD) %	3.3	3.5	-0.2	3.5	-0.2
Cost/income ratio %	33.2	32.0	1.2	33.7	-0.5

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

Liquidity and capitalisation

The Bank's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 191.5% as at the end of March (31 December 2023: 191.4%). In the first quarter, deposits received from deposit platforms decreased by 27 million euros.

The bank has a significant amount of financial intermediary deposits, which are fully covered by liquid assets and result in 100% in the LCR calculation. Thus, such deposits bring the LCR arithmetically lower without changing the actual liquidity situation. Excluding the financial intermediates' deposits the LCR is 406.9% (31.12.2023: 420.5%). The Bank recognises cash and bond portfolios as liquidity buffers. These accounted for 48% of the balance sheet (31.12.2023: 47%). The ratio of loans to deposits stood at 63% as at the end of the first quarter (31.12.2022: 64%).

LHV Bank includes as part of its own funds only that part of current year's profit, which the European Central Bank has given permission. Obtainment permission is done with the referrer, but is also applied to reported quarter afterwards, which is why the capitalization ratios will also change and bank reflects them in the next report. At the moment, the European Central Bank has given permission to include the profit of the year 2023.

Bank runs every year internal liquidity assessment process (ILAAP), which is done both on statical and dynamical balance sheet modelling.

In assessment bank follows both regulative and internal liquidity ratios dynamics and fulfillment of limits. In dynamic assessment bank is following its own risk scenario.

Banks own funds based on CAD calculations at the end of December were EUR 537.3 million (31.12.2023: 550.7 mln euro).

Bank is adequately capitalized at end of the reporting period, capital adequacy was 20.53% (31.12.2023: 22.07%), calculated according to CRR IV directive. Banks capital adequacy exceeds internal capital targets, which is 18.7%.

Both AS LHV Bank and its subsidiary AS LHV Finance are included into capital adequacy calculation.

Bank uses standard methodology for calculating credit and market risk capital charges and basic indicator approach calculating operational risk capital requirement. Bank has fulfilled all capital requirements in current reporting period.

Each year, an internal capital adequacy assessment process (ICAAP) is performed, the goal of which is to identify potential capital needs in addition to regulatory capital requirements.

Capital base (in thousands of euros)	31.03.2024	31.12.2023
Paid-in share capital	141 500	141 500
Legal reserves transferred from net profit	14 150	12 669
Accumulated profit	284 539	222 187
Intangible assets (subtracted)	-2 979	-2 945
Net profit for the reporting period (COREP)	0	140 133
Dividends to be distributed	0	-76 300
Deductions	-2 205	-8 487
Total Tier 1 capital	435 005	437 235
Subordinated debt	53 000	53 000
Total Tier 1 capital	488 005	490 235
Subordinated debt	59 936	60 434
Total Tier 2 capital	59 936	60 434
Net own funds for capital adequacy	547 941	550 669
Capital requirements		
Central governments and central bank under standard method	0	0
Credit institutions and investment companies under standard method	11 807	23 951
Companies under standard method	1 330 754	1 293 686
Retail claims under standard method	226 391	225 907

Public sector under standard method	13 857	0
Exposures secured by mortgages on immovable property	594 841	583 503
Overdue claims under standard methods	18 462	19 759
Particularly high risk exposures	41 402	42 451
Other assets under standard method	50 643	50 473
Total capital requirements for covering the credit risk and counterparty credit risk	2 288 157	2 239 730
Capital requirement against foreign currency risk under standard method	3 017	2 514
Capital requirement against interest position risk under standard method	0	0
Capital requirement against equity portfolio risks under standard method	777	745
Capital requirement against credit valuation adjustment risks under standard method	2 314	1 966
Capital requirement for operational risk under base method	342 354	236 380
Total capital requirements for adequacy calculation	2 636 619	2 481 335
Capital adequacy (%)	20.78	22.19
Tier 1 capital ratio (%)	18.51	19.76
Core Tier 1 capital ratio (%)	16.50	17.62

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

<i>(in thousands of euros)</i>	Note	Q1 2024	3M 2024	Q1 2023	3M 2023
Interest income		95 011	95 011	61 648	61 648
Interest expense		-34 762	-34 762	-8 748	-8 748
Net interest income	7	60 249	60 249	52 900	52 900
Fee and commission income		13 440	13 440	12 480	12 480
Fee and commission expense		-5 570	-5 570	-4 932	-4 932
Net fee and commission income	8	7 870	7 870	7 548	7 548
Net gains/losses from financial assets measured at fair value		112	112	-320	-320
Foreign exchange gains/losses		263	263	1 501	1 501
Net gains from financial assets		375	375	1 181	1 181
Other income		292	292	30	30
Total other income		292	292	30	30
Staff costs		-12 779	-12 779	-11 297	-11 297
Administrative and other operating expenses		-10 024	-10 024	-9 489	-9 489
Total expenses	9	22 803	22 803	-20 786	-20 786
Profit before impairment losses on loans and advances		45 983	45 983	40 873	40 873
Income tax expense		-6 382	-6 382	-5 147	-5 147
Impairment losses on loans and bonds		-2 807	-2 807	1 592	1 592
Net profit for the reporting period		36 794	36 794	36 794	37 318
Total profit and other comprehensive income for the reporting period		36 794	36 794	37 318	37 318
Total profit of the reporting period attributable to:					
Owners of the parent		36 726	36 726	36 751	36 751
Non-controlling interest		68	68	567	567
Total profit for the reporting period		36 794	36 794	37 318	37 318
Total comprehensive income attributable to:					
Owners of the parent		36 726	36 726	36 751	36 751
Non-controlling interest		68	68	567	567
Total comprehensive income for the reporting period		36 794	36 794	37 318	37 318

Condensed Consolidated Interim Statement of Financial Position

<i>(in thousands of euros)</i>	Note	31.03.2024	31.12.2023
Assets			
Due from central bank	10	2 995 988	2 789 752
Cash and cash equivalents	10	45 250	35 631
Due from investment companies	10	9 866	12 509
Financial assets at fair value through profit or loss	6	6 126	6 945
Financial assets measured at amortised cost	6	232 225	321 888
Loans and advances to customers	5	3 549 439	3 548 513
Receivables from customers		20 266	17 833
Other financial assets		100	100
Other assets		3 957	2 795
Tangible assets		14 604	15 732
Intangible assets		2 979	2 946
Total assets		6 880 800	6 754 644
Liabilities			
Deposits of customers	11	5 670 841	5 534 720
Loans received and debt securities in issue	11	491 262	486 568
Financial liabilities at fair value through profit or loss	6	353	1 843
Accounts payable and other liabilities		113 409	87 430
Subordinated debt		114 049	114 054
Total liabilities		6 389 914	6 224 615
Owner's equity			
Share capital		141 500	141 500
Statutory reserve capital		14 150	12 669
Retained earnings		329 682	369 674
Total equity attributable to owners of the parent		485 332	523 843
Non-controlling interest		5 554	6 186
Total equity		490 886	530 029
Total liabilities and equity		6 880 800	6 754 644

Condensed Consolidated Interim Statement of Cash Flows

<i>(in thousands of euros)</i>	Note	Q1 2024	3M 2024	Q1 2023	3M 2023
Cash flow from operating activities					
Interest received		95 286	95 286	59 823	59 823
Interest paid		-19 664	-19 664	-5 111	-5 111
Fees and commissions received		13 440	13 440	12 480	12 480
Fees and commissions paid		-5 570	-5 570	-4 932	-4 932
Other income		292	292	30	30
Staff costs paid		-10 984	-10 984	-9 496	-9 496
Administrative and other operating expenses paid		-7 700	-7 700	-8 224	-8 555
Income tax		-5 753	-5 753	-5 301	-5 301
Cash flow from operating activities before change in operating assets and liabilities		59 347	59 347	39 268	39 268
Net increase/decrease in operating assets:					
Net acquisition/disposal of trading portfolio		820	820	-2 401	-2 401
Loans and advances to customers		-6 458	-6 458	70 920	70 920
Mandatory reserve at central bank		-1 213	-1 213	-251	-251
Other assets		-1 112	-1 112	-169	-169
Net increase/decrease in operating liabilities:					
Demand deposits of customers		36 136	36 136	-309 615	-309 615
Term deposits of customers		89 429	89 429	269 947	269 947
Repayments of loans received		0	0	-48 591	-48 591
Financial liabilities at fair value through profit and loss		-1 491	-1 491	-149	-149
Other liabilities		24 733	24 733	-9 742	-9 742
Net cash generated from/used in operating activities		200 191	200 191	9 217	9 217
Cash flow from investing activities					
Purchase of current and non-current assets		-743	-743	-837	-837
Net change of investment		89 775	89 775	85 810	85 810
Net cash flow from investing activities		89 032	89 032	84 973	84 973
Net cash from financing activities					
Dividends paid		-77 000	-77 000	-3 500	-3 500
Repayment of principal of lease liabilities		-487	-487	-419	-419
Net cash from financing activities		-77 487	-77 487	-3 919	-3 919
Effect of exchange rate changes on cash and cash equivalents		263	263	1 501	1 501
Net decrease/increase in cash and cash equivalents		211 999	211 999	91 772	91 772
Cash and cash equivalents at the beginning of the period		2 781 993	2 781 993	2 430 551	2 430 551
Cash and cash equivalents at the end of the period	10	2 993 992	2 993 992	2 522 323	2 522 323

Condensed Consolidated Interim Statement of Changes in Equity

<i>(in thousands of euros)</i>	Share capital	Statutory reserve capital	Accumulated deficit/ retained earnings	Total equity attributable to owners	Non- controlling interest	Total equity
Balance as at 01.01.2023	141 500	8 736	231 805	382 041	6 181	388 222
Transfer to statutory reserve capital	0	3 933	-3 933	0	0	0
Dividends paid	0	0	-2 275	-2 275	-1 225	-3 500
Share options	0	0	3 944	3 944	0	3 944
<i>Profit for the year</i>	<i>0</i>	<i>0</i>	<i>140 133</i>	<i>140 133</i>	<i>1 230</i>	<i>141 363</i>
Total profit and other comprehensive income for the reporting period	0	0	140 133	140 133	1 230	141 363
Balance as at 31.12.2023	141 500	12 669	369 674	523 843	6 186	530 029
Balance as at 01.01.2024	141 500	12 669	369 674	523 843	6 186	530 029
Transfer to statutory reserve capital	0	1 481	-1 481	0	0	0
Dividends paid	0	0	-76 300	-76 300	-700	-77 000
Share options	0	0	1 063	1 063	0	1 063
<i>Profit for the year</i>	<i>0</i>	<i>0</i>	<i>36 726</i>	<i>36 726</i>	<i>68</i>	<i>36 794</i>
Total profit and other comprehensive income for the reporting period	0	0	36 726	36 726	68	36 794
Balance as at 31.03.2024	141 500	14 150	329 682	485 332	5 554	490 886

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 Accounting Policies

The interim financial statements have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted in the European Union and accordance with International Financial Reporting Standards as adopted in European Union. The interim financial statements should be read in conjunction with the group's annual financial statements as at 31 December 2023. The accounting

policies adopted are consistent with those of the previous financial year.

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

NOTE 2 Breakdown of Financial Assets and Liabilities by Countries

31.03.2024	Estonia	Germany	Other EU	USA	UK	Other	Total
Due from banks and investment companies	2 478 582	0	530 800	24 161	16 996	565	3 051 104
Financial assets at fair value	571	5 197	331	22	1	4	6 126
Financial assets at amortized cost	81 731	0	150 494	0	0	0	232 225
Loans and advances to customers	3 514 546	1 358	26 267	682	1 388	5 198	3 549 439
Receivables from customers	20 266	0	0	0	0	0	20 266
Other financial assets	0	0	0	100	0	0	100
Total financial assets	6 095 696	6 555	707 892	24 965	18 385	5 767	6 859 260
Deposits of customers	4 200 202	124 559	1 039 565	78 227	197 311	30 977	5 670 841
Loans received and debt securities in issue	0	0	491 262	0	0	0	491 262
Subordinated debt	114 049	0	0	0	0	0	114 049
Financial liabilities at fair value	103 554	0	0	0	0	0	103 554
Accounts payable and other financial liabilities	353	0	0	0	0	0	353
Total financial liabilities	4 418 158	124 559	1 530 827	78 227	197 311	30 977	6 380 059

Unused loan commitments in the amount of EUR 533 965 thousand are for the residents of Estonia.

31.12.2023	Estonia	Germany	Other EU	USA	UK	Other	Total
Due from banks and investment companies	2 440 148	0	367 348	27 363	2 887	146	2 837 892
Financial assets at fair value	319	6	6 586	29	1	4	6 945
Financial assets at amortized cost	166 205	0	155 683	0	0	0	321 888
Loans and advances to customers	3 448 834	845	25 917	560	67 346	5 011	3 548 513
Receivables from customers	17 833	0	0	0	0	0	17 833
Other financial assets	0	0	0	100	0	0	100
Total financial assets	6 073 339	851	555 534	28 052	70 234	5 161	6 733 171
Deposits of customers	4 023 689	132 432	985 299	72 933	220 184	100 183	5 534 720
Loans received and debt securities in issue	0	0	486 568	0	0	0	486 568
Subordinated debt	114 054	0	0	0	0	0	114 054
Financial liabilities at fair value	78 561	0	0	0	0	0	78 561
Accounts payable and other financial liabilities	1 843	0	0	0	0	0	1 843
Total financial liabilities	4 218 147	132 432	1 471 867	72 933	220 184	100 183	6 215 746

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

NOTE 3 Breakdown of Assets and Liabilities by Contractual Maturity Dates

31.03.2024	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits from customers and loans received	3 697 523	882 429	1 020 888	63 667	334	5 664 841
Loans received and debt securities in issue	0	250	22 266	523 763	0	546 279
Subordinated debt	0	53 811	10 820	62 725	0	127 356
Rental payables	0	7 570	0	0	0	7 570
Accounts payable and other financial liabilities	0	95 723	0	0	0	95 723
Unused loan commitments	533 965	0	0	0	0	533 965
Financial guarantees by contractual amounts	0	58 578	0	0	0	58 578
Foreign exchange derivatives (gross settled)	0	177 542	0	0	0	177 542
Financial liabilities at fair value	0	353	0	0	0	353
Total liabilities	4 231 488	1 268 686	1 053 974	650 155	334	7 204 637
Financial assets by contractual maturity dates						
Due from banks and investment companies	3 051 104	0	0	0	0	3 051 104
Financial assets at fair value (debt securities)	0	103 736	57 842	75 893	0	237 471
Loans and advances to customers	0	204 804	595 113	2 562 831	1 715 501	5 078 249
Receivables from customers	0	17 833	0	0	0	17 833
Foreign exchange derivatives (gross settled)	0	177 542	0	0	0	177 542
Other financial assets	100	0	0	0	0	100
Total financial assets	3 051 204	503 915	652 955	2 638 724	1 715 501	8 562 299
Maturity gap from financial assets and liabilities	-1 180 284	-764 771	-401 019	1 988 569	1 715 167	1 357 662

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	3 697 523	578 906	1 223 758	70 035	339	5 570 561
Loans received	0	0	85 318	425 250	0	510 568
Subordinated debt	0	33 311	31 782	63 913	0	129 006
Accounts payable and other financial liabilities	0	78 561	0	0	0	78 561
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	3 697 523	1 391 732	1 340 858	559 198	339	6 989 650
Financial assets by contractual maturity dates						
Due from banks and investment companies	2 837 892	0	0	0	0	2 837 892
Financial assets at fair value (debt securities)	0	96 722	153 577	77 944	0	328 243
Loans and advances to customers	0	233 162	538 946	2 606 400	1 692 834	5 071 342
Receivables from customers	0	17 833	0	0	0	17 833
Foreign exchange derivatives (gross settled)	0	148 397	0	0	0	148 397
Other financial assets	100	0	0	0	0	100
Total financial assets	2 837 992	496 114	692 523	2 684 344	1 692 834	8 403 807
Maturity gap from financial assets and liabilities	-859 531	-895 618	-648 335	2 125 146	1 692 495	1 414 157

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 4 Open Foreign Currency Positions

31.03.2024	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	3 010 004	697	19 217	1 649	13 963	5 574	3 051 104
Financial assets at fair value and amortized cost	233 135	1	1	5 189	24	2	238 351
Loans and advances to customers	3 541 240	20	186	212	7 334	448	3 549 439
Receivables from customers	-5 012	1	23 715	138	1 027	397	20 266
Other financial assets	100	0	0	0	0	0	100
Total assets bearing currency risk	6 779 467	718	43 118	7 188	22 347	6 421	6 859 260
Liabilities bearing currency risk							
Deposits from customers	5 467 445	6 844	19 340	8 903	159 384	8 925	5 670 841
Loans received and debt securities in issue	491 262	0	0	0	0	0	491 262
Swaps	353	0	0	0	0	0	353
Accounts payable and other financial liabilities	95 353	45	759	146	6 898	92	103 293
Subordinated debt	114 049	0	0	0	0	0	114 049
Total liabilities bearing currency risk	6 168 462	6 889	20 099	9 049	166 282	9 017	6 379 798
Open gross position derivative assets at contractual value	23 360	6 144	0	1 909	143 280	2 849	177 542
Open gross position derivative liabilities at contractual value	154 153	0	23 389	0	0	0	177 542
Open foreign currency position	480 212	-27	-370	48	-655	254	479 462

31.12.2023	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	2 803 213	1 047	9 734	1 480	13 570	8 849	2 837 892
Financial assets at fair value	322 524	1	0	6 275	31	2	328 833
Loans and advances to customers	3 472 835	23	66 674	189	8 676	116	3 548 513
Receivables from customers	17 211	0	317	168	1 822	-1 685	17 833
Other financial assets	100	0	0	0	0	0	100
Total assets bearing currency risk	6 615 883	1 071	76 725	8 112	24 099	7 281	6 733 171
Liabilities bearing currency risk							
Deposits from customers	5 334 564	9 494	20 924	8 867	151 070	9 801	5 534 720
Loans received	486 568	0	0	0	0	0	486 568
Swaps	1 843	0	0	0	0	0	1 843
Accounts payable and other financial liabilities	68 067	30	1 380	479	6 574	2 031	78 561
Subordinated debt	114 054	0	0	0	0	0	114 054
Total liabilities bearing currency risk	6 005 096	9 524	22 304	9 346	157 644	11 832	6 215 746
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	516 569	-94	242	100	-474	1 081	517 425

NOTE 5 Breakdown of Loan Portfolio by Economic Sectors and by Stages

31.03.2024	Stage 1	Stage 2	Stage 3	Provision	Total	%
Individuals	1 293 620	91 367	7 704	-7 116	1 385 575	39,0%
Agriculture	87 175	15 118	6	-382	101 917	2,9%
Mining and Quarrying	844	560	48	-63	1 389	0,0%
Manufacturing	140 228	34 118	12 024	-5 996	180 374	5,1%
Energy	174 689	1 306	12	-1 268	174 739	4,9%
Water and Utilities	16 774	0	0	-197	16 577	0,5%
Construction	78 810	14 896	77	-1 553	92 230	2,6%
Wholesale and retail	156 376	25 444	1 337	-2 544	180 613	5,1%
Transport and logistics	65 826	9 237	9	-679	74 393	2,1%
Hotels and Restaurants	12 305	3 463	388	-158	15 998	0,5%
Information and communication	13 806	1 459	127	-71	15 321	0,4%
Financial services	118 511	591	0	-691	118 411	3,3%
Real estate	731 605	110 261	818	-6 618	836 066	23,6%
Professional, scientific and technical activities	81 455	3 947	170	-247	85 325	2,4%
Administrative activities	99 348	2 192	81	-571	101 050	2,8%
Public management	55 209	4 746	0	-248	59 707	1,7%
Education	2 387	3 277	2	-1 332	4 334	0,1%
Health	20 855	906	0	-132	21 629	0,6%
Art and entertainment	44 466	27 696	0	-1 596	70 566	2,0%
Other servicing activities	11 789	1 525	5	-94	13 225	0,4%
Total	3 206 078	352 109	22 808	-31 556		
Provision	-10 916	-11 347	-9 293			
Total loan portfolio	3 195 162	340 762	13 515		3 549 439	100%

31.12.2023	Stage 1	Stage 2	Stage 3	Provision	Total	%
Individuals	1 266 071	89 683	7 593	-6 572	1 356 775	38,2%
Agriculture	96 489	4 410	6	-341	100 564	2,8%
Mining and Quarrying	915	583	54	-81	1 471	0,0%
Manufacturing	137 540	28 214	12 816	-5 035	173 535	4,9%
Energy	176 400	170	12	-1 078	175 504	4,9%
Water and Utilities	17 619	25	0	-209	17 435	0,5%
Construction	83 200	15 426	33	-1 603	97 056	2,7%
Wholesale and retail	182 818	14 518	1 336	-1 898	196 774	5,5%
Transport and logistics	66 531	9 586	0	-691	75 426	2,1%
Hotels and Restaurants	12 571	2 862	406	-153	15 686	0,4%
Information and communication	15 725	551	45	-61	16 260	0,5%
Financial services	170 081	174	0	-1 166	169 089	4,8%
Real estate	727 905	87 849	824	-7 186	809 392	22,8%
Professional, scientific and technical activities	81 198	3 307	376	-268	84 613	2,4%
Administrative activities	100 311	2 746	17	-584	102 490	2,9%
Public management	58 391	4 946	0	-275	63 062	1,8%
Education	2 487	3 300	3	-1 376	4 414	0,1%
Health	17 002	504	0	-92	17 414	0,5%
Art and entertainment	37 591	21 657	0	-1 309	57 939	1,6%
Other servicing activities	12 858	827	7	-78	13 614	0,4%

Total	3 263 703	291 338	23 528	-30 056	
Provision	-12 237	-9 766	-8 053		
Total loan portfolio	3 251 466	281 572	15 475	3 548 513	100%

Loans to related parties were 31.03.2024 EUR 37 692 thousand (31.12.2023: 28 579). Loans have been given out on market terms.

NOTE 6 Fair Value of Financial Assets and Liabilities

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

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

	Level 1	Level 2	Level 3	31.03.2024	Level 1	Level 2	Level 3	31.12.2023
Financial assets at fair value through profit and loss								
Shares and fund units	386	0	0	386	369	0	0	369
Bonds at fair value through profit and loss	5 189	0	0	5 189	6 275	0	0	6 275
Interest rate swaps and foreign exchange forwards	0	551	0	551	0	301	0	301
Total financial assets	5 575	551	0	6 126	6 644	301	0	6 945
Financial liabilities at fair value through profit and loss								
Interest rate swaps and foreign exchange forwards	0	353	0	353	0	1 843	0	1 843
Total financial liabilities	0	353	0	353	0	1 843	0	1 843

As of March 31, 2024, the liquidity portfolio in the amount of EUR 232 225 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 amount of EUR 22 thousand. The fair value of the liquidity portfolio as of 31.03.2024 is EUR 216 705 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

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

Loans are issued in the bank's business segments on market conditions. Therefore, the fair value of loans does not materially differ from their carrying amount as at 31 March 2024 and 31 December 2023. In determining the fair value of loans, considerable management judgements are used (discounted cash flow method with current market interest is used for the valuation). Loans issued are thus categorised under hierarchy level 3.

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

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

All the subordinated loans are received in 2018-2022. Subordinated loans were issued on market terms and considering the movements in loan and interest market, we can say that the market conditions are similar as they were when issuing the subordinated loans so that the fair value of the loans does not materially differ from their net book value. In determining the fair value of loans, considerable management judgements are used. Loans issued are thus categorised under hierarchy level 3.

NOTE 7 Net Interest Income

Interest income	Q1 2024	3M 2024	Q1 2023	3M 2023
Business loans	41 293	41 293	28 144	28 144
including loans between related parties	621	621	34	34
Hire purchase	788	788	904	904
Leasing	3 254	3 254	2 322	2 322
including loans between related parties	12	12	7	7
Leverage loans and lending of securities	397	397	367	367
Bonds	2 660	2 660	530	530
Creditcard loans	294	294	232	232
Consumer loans	3 054	3 054	2 892	2 892
Mortgage loans	18 543	18 543	12 428	12 428
including loans between related parties	60	60	29	29
Balances with credit institutions and investment companies	352	352	1 839	1 839
Balances with the central bank	22 769	22 769	10 722	10 722
Private loans	1 004	1 004	842	842
Other loans	603	603	404	404
Including loans between related parties	12	12	11	11
Total	95 011	95 011	61 648	61 648

Interest expense

Deposits of customers and loans received	-29 373	-29 373	-4 586	-4 586
Other interest expenses	-163	-163	-218	-218
Subordinated liabilities	-5 226	-5 226	-3 944	-3 944
Total	-34 762	-34 762	-8 748	-8 748
Net interest income	60 249	60 249	52 900	52 900

Interest income on loans by customer location

(interest on bank balances and bonds excluded):	Q1 2024	3M 2024	Q1 2023	3M 2023
Estonia	69 082	69 082	48 535	48 535
Great Britain	148	148	22	22
Total	69 230	69 230	48 557	48 557

NOTE 8 Net Fee and Commission Income

Fee and commission income	Q1 2024	3M 2024	Q1 2023	3M 2023
Security brokerage and commissions paid	1 757	1 757	1 108	1 108
Asset management and similar fees	1 808	1 808	1 599	1 599
Currency conversion revenues	2 148	2 148	1 429	1 429
Fees from cards and payments	7 817	7 817	7 105	7 105
Fee sharing	-2 356	-2 356	0	0
Other fee and commission income	2 266	2 266	1 239	1 239
Total	13 440	13 440	12 480	12 480
Fee and commission expense				
Security brokerage and commissions paid	-807	-807	-604	-604
Expenses related to cards	-2 164	-2 164	-1 838	-1 838
Expenses related to acquiring	-1 614	-1 614	-1 703	-1 703
Other fee and commission income	-985	-985	-787	-787
Total	-5 570	-5 570	-4 932	-4 932
Net fee and commission income	7 870	7 870	7 548	7 548

Fee and commission income by customer location:	Q1 2024	3M 2024	Q1 2023	3M 2023
Estonia	11 707	11 707	10 529	10 529
Great Britain	1 733	1 733	1 951	1 951
Total	13 440	13 440	12 480	12 480

NOTE 9 Operating Expenses

	Q1 2024	3M 2024	Q1 2023	3M 2023
Wages, salaries and bonuses	9 972	9 972	8 813	8 813
Social security and other taxes*	2 807	2 807	2 484	2 484
Total personnel expenses	12 779	12 779	11 297	11 297
IT expenses	1 589	1 589	1 360	1 360
Information services and bank services	437	437	404	404
Marketing expenses	483	483	610	610
Office expenses	423	423	431	431
Transportation and communication expenses	155	155	139	139
Staff training and business trip expenses	227	227	273	273
Other outsourced services	1 224	1 224	1 278	1 278
Other administrative expenses	3 344	3 344	3 887	3 887
Depreciation of non-current assets	1 836	1 836	846	846
Operational lease payments	34	34	99	99
Other operating expenses	272	272	162	162
Total other operating expenses	10 024	10 024	9 489	9 489
Total operating expenses	22 803	22 803	20 786	20 786

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

NOTE 10 Balances with the Central Bank, Credit Institutions and Investment Companies

	31.03.2024	31.12.2023
Term deposits with maturity less than 3 months*	55 116	48 140
Legal reserve with the central bank	57 112	55 899
Other receivables from central bank*	2 938 876	2 733 853
Total	3 051 104	2 837 892
*Cash and cash equivalents in the Statement of Cash Flows	2 993 992	2 781 993

The breakdown of receivables by countries has been presented in Note 2. Demand deposits include receivables from investment companies in the total amount of EUR 9 866 thousand (31 December 2023: EUR 12 509 thousand). All other demand and term deposits are held with credit institutions and the central bank.

The minimum reserve requirement as at 31 March 2024 was 1% (31 December 2023: 1%) of all financial resources (customer deposits and loans received). The reserve requirement is to be fulfilled as a monthly average in euros or in the foreign financial assets approved by the central bank.

NOTE 11 Deposits of Customers, Loans Received and Debt Securities in issue

	Individuals	Financial entities	Non-financial		31.03.2024
			entities	Public sector	
Demand deposits	767 480	1 219 472	1 656 676	90 440	3 734 068
Term deposits	949 887	122 022	818 007	46 857	1 936 773
Total	1 717 367	1 341 494	2 474 683	137 297	5 670 841

	Individuals	Financial entities	Non-financial		31.12.2023
			entities	Public sector	
Demand deposits	745 430	1 130 125	1 747 191	74 778	3 697 524
Term deposits	932 974	99 406	761 184	43 632	1 837 196
Total	1 678 404	1 229 531	2 508 375	118 410	5 534 720

31.03.2024	Mortgage bonds	Preferred senior bonds	Total loans received and debt securities in issue
Loans received	249 853	241 409	491 262
Total	249 853	241 409	491 262
31.12.2023	Mortgage bonds	Preferred senior bonds	Total loans received and debt Securities in issue
Loans received	249 718	236 850	486 568
Total	249 718	236 850	486 568

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 12 Assets Under management

AS LHV Pank, operating as an account manager for its customers, has custody of or intermediates the following customer assets:	31.03.2024	31.12.2023
Cash balance of customers	16 542	13 780
Securities of customers	3 623 589	3 490 269
<i>Incl. parent company</i>	151 129	151 129
<i>Incl. shareholders of the parent company and related entities</i>	571 099	562 486
Total	3 640 131	3 504 049

NOTE 13 Contingent Liabilities

Irrevocable transactions	Performance guarantees	Financial guarantees	Letter of credit	Unused loan commitments	Total
Liability in the contractual amount as at 31 March 2024	74 938	58 578	164	533 965	667 645
Liability in the contractual amount as at 31 December 2023	56 217	55 061	3 732	495 653	610 663

General information

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BIC / Swift	LHVBEE22
E-mail	lhv@lhv.ee
Web page	www.lhv.ee
Main activities	banking, finance lease and other lending, security brokerage
Auditor	OÜ KPMG Baltics
Supervisory board	Madis Toomsalu, Raivo Hein, Rain Lõhmus, Heldur Meerits, Tiina Mõis, Andres Viisemann, Liisi Znatokov
Management board	Kadri Kiisel, Jüri Heero, Annika Goroško, Indrek Nuume, Martti Singi, Meelis Paakspuu