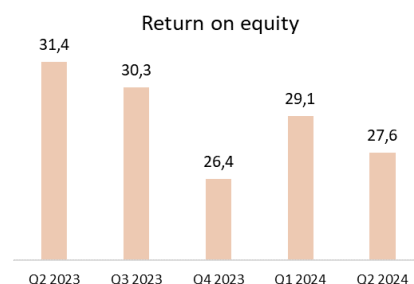
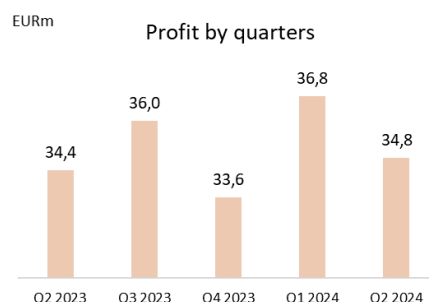


Interim Report January – June 2024

Summary of Results

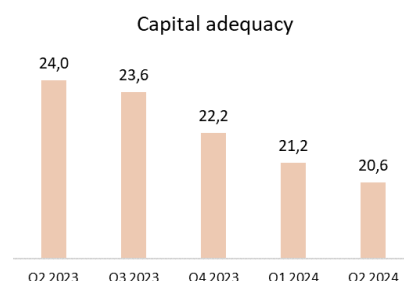
Q2 2024 in comparison with Q1 2024

- Net profit EUR 34.8 m (EUR 36.8 m), of which EUR 34.7 m (EUR 36.7 m) is attributable to owners of the parent
- Net income EUR 68.8 m (EUR 68.8 m)
- Operating expenses EUR 23.2 m (EUR 22.8 m)
- Impairment losses on loans and bonds EUR 4.9 m (EUR 2.8 m)
- Income tax expenses EUR 5.9 m (EUR 6.4 m)
- Return on equity 27.6% (29.1 %)
- Capital adequacy 20.6% (21.2%)



Q2 2024 in comparison with Q2 2023

- Net profit EUR 34.8 m (EUR 34.4 m), of which EUR 34.7 m (EUR 34.2 m) is attributable to owners of the parent
- Net income EUR 68.8 m (EUR 61.4 m)
- Operating expenses EUR 23.2 m (21.1 m)
- Impairment losses on loans and bonds EUR 4.9 m (EUR 0.6 m)
- Income tax expenses EUR 5.9 m (EUR 5.2 m)
- Return on equity 27.6% (31.4%)
- Capital adequacy 20.6% (24.0%)



The calculated capital adequacy is in line with COREP.

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.

Table of Contents

Business activities	3
Financial Summary	4
Liquidity and capitalisation	6
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	8
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	8
Condensed Consolidated Interim Statement of Financial Position	9
Condensed Consolidated Interim Statement of Cash Flows	10
Condensed Consolidated Interim Statement of Changes in Equity	11
Notes to the Condensed Consolidated Interim Financial Statements	12
NOTE 1 Accounting Policies	12
NOTE 2 Business Segments	13
NOTE 3 Breakdown of Assets and Liabilities by Maturity Dates (undiscounted contractual cash flows)	16
NOTE 4 Open Foreign Currency Positions	17
NOTE 5 Breakdown of Loan Portfolio by Economic Sectors and by Stages	18
NOTE 6 Fair Value of Financial Assets and Liabilities	19
NOTE 7 Net Interest Income	20
NOTE 8 Net Fee and Commission Income	21
NOTE 9 Operating Expenses	22
NOTE 10 Balances with the Central Bank	23
NOTE 11 Deposits of Customers and Debt Securities in issue	23
NOTE 12 Assets Under management	23
NOTE 13 Contingent Liabilities	24
NOTE 14 Transactions with related parties	24
General information	26

Business activities

During the quarter, the number of the bank's clients grew by 5 400. The deletion of companies from the Commercial Register – we terminated agreements with 4200 companies as a result – was one reason that the increase in the number of companies was more modest this quarter. New clients accrued at a rate similar to the start of the year and client activity was at a good level. Deposits decreased by EUR 211 million over the quarter, and loans increased by EUR 194 million.

Ordinary clients' deposits grew by EUR 137 million during the quarter and financial intermediaries' deposits decreased by EUR 176 million. The financial situation faced by domestic households and ability to put money in savings has started to improve a bit, but a recovery will take time. Households' savings deposits grew 7.6% year-over-year in May; corporate deposits, 0.6%. Still, the growth rate is clearly lower than the long-term level and the growth is not very broad-based. Deposits are still in the focus, but in Q2, we were more conservative in the interest rates we offered on term deposits. Additionally, we reduced platform deposits by EUR 180 million. Our goal is to raise deposits from the Estonian market. Using the platform, we can quickly grow the deposit volume if necessary.

Loans to non-LHV-Group companies grew by EUR 100 million and retail loans increased by EUR 94 million. Since the last quarter of 2023, the loan market has stabilized and the growth rate of mortgage loans issued has stayed around 6.0%. The growth in loans granted to companies slowed slightly – to 5.6%. We outpaced market growth. The strong results were due to both the continuation of the mortgage loan refinancing campaign and active approach to corporate customers. We signed a cooperation agreement with the European Investment Fund (EIF), which allows LHV to offer small and medium-sized companies loans, loans for apartment association renovation projects, and provide leasing enabling private clients to buy electric vehicles and companies to purchase electric vehicles and hybrid vehicles in the context of the EIF's Sustainable Loan sub-programme. Over three years, the programme will allow us to provide EUR 184 million of financing to companies and individuals, which translates to about 150 renovated apartment buildings, and 100 companies investing into more energy efficient solutions or about 500 electric vehicles.

The net profit for the quarter was EUR 35 million. The strong second-quarter result was mainly the result of interest income.

The growth in net interest income is slowing, since the expenses paid on deposits are growing faster. Due to higher interest income and lower write-downs, net profit exceeded the planned target by EUR 13.6 million by the end of the quarter. Income from service charges is lagging slightly behind the target while expenses are a bit higher than planned, but remain under control.

Loan impairments increased by EUR 2.1 million during the quarter. The outlook for the Estonian economy for 2024 continues to be weak, but the conditions for returning to growth have improved. Due to the continuing fragility of the environment, we also made model-based forward-looking write-downs in Q2. The write-downs have also impacted rating changes for individual clients. 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. Compared to the financial plan, write-downs were EUR 1.8 million lower.

Also in Q2, we introduced a number of new features in user friendliness and launched a new product on the market. We automated trading of Baltic bonds, allowing clients to execute transactions over LHV's digital channel in seconds; the trade is sent to the exchange automatically. Moreover, the internet bank now allows delivery versus payment (DVP) transfers of securities to be made without needing assistance from a bank employee. We introduced the LHV instalment payment product, which broadens the choice of payment solutions for merchants even further. Now clients can pay for goods and services in instalments without signing a credit agreement.

We brought home five eggs from the Golden Egg Awards marketing awards competition – two of them gold, one silver and two bronze – for three of our advertisements ("Freedom to Move On", "Where Are You?" and "Bungee Jump"). The annual LHV May Run, a unique running race for women only, drew a record number of participants. June witnessed the Youth Investment Festival and 30 summer interns started their internships at LHV.

The Kantar Emor employer reputation survey for 2024 revealed that LHV is seen as university students' first choice as an employer.

Financial Summary

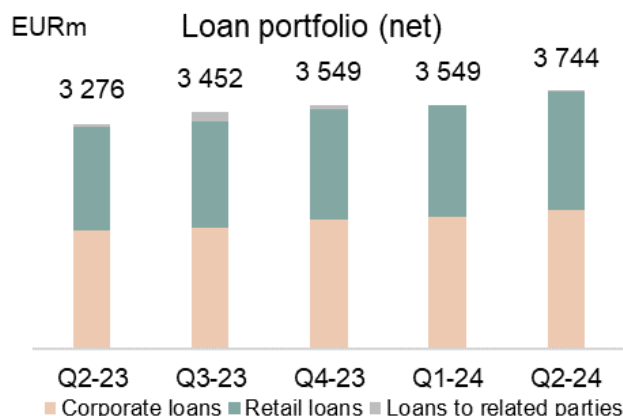
LHV Pank earned EUR 60.1 million in net interest income and EUR 8.2 million in net service fee income in Q2. Net financial income amounted to EUR -0.2 million in Q2. In total, the Bank's income was EUR 68.8 million and expenses were EUR 23.2 million. Net income rose by 12% and expenses increased by 10% over the year. The allowance for expected credit loss of loans and bonds amounted to EUR 4.9 million in Q2. We made forward-looking specific and general impairments. 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 5.6 million in Q2. Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.3 million in Q2.

The Bank's Q2 profit amounted to EUR 34.8 million, which is 5% less than in Q1 2024 (36.8) and 1% more than in Q2 2023 (34.4).

Income from currency exchange, settlements and investment services contribute the most into service fees.

The total volume of the Bank's loan portfolio reached EUR 3 744 million by the end of Q2 (Q1 2024: EUR 3 549 million). The volume of loans grew by EUR 194 million in Q2 (Q1 2024: a growth of EUR 1 million). The net retail loan portfolio grew by 6% during the quarter, reaching EUR 1 719 million (Q1 2024: EUR 1 625 million). The net corporate loan portfolio grew by 5% during the quarter, reaching EUR 2 024 million (Q1 2024: EUR 1 924 million).



The volume of deposits at the Bank decreased by EUR 211 million from the previous quarter and stood at EUR 5,459 million at the end of the quarter (Q1 2024: EUR 5,671 million). The volume of payment intermediaries' deposits dropped by EUR 180 million during the quarter. Of the deposits, EUR 3 677 million were demand deposits, EUR 1 521 million term deposits and EUR 261 million platform deposits. The volume of the deposits of private persons amounted to EUR 1 569 million as at the end of the quarter, having decreased by 9% in a quarter.

The Bank's expense-income ratio was 33.8% in Q2, decreasing by 0.6 percentage points from Q2 2023 (34.3%).

Income statement EUR million	Q2 2024	Q1 2024	Quarter over quarter	Q2 2023	Year over year
Net interest income	60.06	60.25	0%	56.09	7%
Net fee and commission income	8.23	7.87	5%	5.51	49%
Other financial income	-0.17	0.38	NA	-0.44	-60%
Total net operating income	68.12	68.50	-1%	61.17	11%
Other income	0.66	0.29	128%	0.22	206%
Operating expenses	-23.23	-22.79	2%	-21.08	10%
Loan losses	-4.86	-2.81	73%	-0.60	706%
Income tax expenses	-5.86	-6.38	-8%	-5.25	12%
Net profit	34.84	36.81	-5%	34.45	1%

Business volumes

EUR million	30.06.2024	31.12.2023	Change
Loan portfolio	3 743.8	3 548.5	6%
Financial investments	142.8	328.8	-57%
Deposits of customers	5 459.4	5 534.7	-1%
incl. deposits of financial institutions	1 183.8	1 229.5	-4%
Equity (including minority interest)	526.9	530.0	-1%
Number of bank customers	433 370	417 460	4%

Ratios	Q2	Q1	Quarter	Q2	Year
EUR million	2024	2024	over quarter	2023	over year
Net profit	34.8	36.8	-2.0	34.4	0.4
Net profit attributable to owners of the parent	34.7	36.7	-2.0	34.2	0.5
Average equity	503.3	504.6	-1.3	434.9	68.4
Return on equity (ROE), %	27.6	29.1	-1.5	31.4	-3.8
Return on assets (ROA), %	2.04	2.16	-0.12	2.25	-0.21
Net interest income	60.1	60.2	-0.1	56.1	4.0
Interest-bearing assets, average	6 808.0	6 791.8	16.2	6 093.3	714.7
Net interest margin (NIM) %	3.5	3.6	-0.1	3.7	-0.2
Price spread (SPREAD) %	3.3	3.3	0.0	3.6	-0.3
Cost/income ratio %	33.8	33.2	0.6	34.3	-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 (annualised)

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

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

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

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 June (31 December 2023: 191.4%). In the second quarter, deposits received from deposit platforms decreased by 177 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 379.9% (31.12.2023: 420.5%). The Bank recognises cash and bond portfolios as liquidity buffers. These accounted for 44% of the balance sheet (31.12.2023: 47%). The ratio of loans to deposits stood at 69% as at the end of the second 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. Obtaining permission is done with the referrer, but applies retrospectively also for already reported quarter, 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 first quarter 2024.

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 556.8 million (31.12.2023: 550.7 mln euro).

Bank is adequately capitalized at end of the reporting period, capital adequacy was 20.55% (31.12.2023: 22.07%), calculated according to CRR IV directive. Banks capital adequacy exceeds internal capital targets, which is 19.2%.

Both AS LHV Pank 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 <i>(in thousands of euros)</i>	30.06.2024	31.12.2023
Paid-in share capital	141 500	141 500
Legal reserves transferred from net profit	14 150	12 669
Accumulated profit	287 288	222 187
Intangible assets (subtracted)	-2 884	-2 945
Net profit for the reporting period (COREP)	8 522	140 133
Dividends to be distributed	0	-76 300
Deductions	-4 246	-9
Total Tier 1 capital	444 330	437 235
Subordinated debt	53 000	53 000
Total Tier 1 capital	497 330	490 235
Subordinated debt	59 427	60 434
Total Tier 2 capital	59 427	60 434
Net own funds for capital adequacy	556 757	550 669
Capital requirements		
Central governments and central bank under standard method	0	0
Credit institutions and investment companies under standard method	11 270	23 951
Companies under standard method	1 348 985	1 293 686

Retail claims under standard method	200 775	225 907
Public sector under standard method	16 077	0
Exposures secured by mortgages on immovable property	676 301	583 503
Overdue claims under standard methods	24 529	19 759
Particularly high risk exposures	41 805	42 451
Other assets under standard method	40 788	50 473
Total capital requirements for covering the credit risk and counterparty credit risk	2 360 530	2 239 730
Capital requirement against foreign currency risk under standard method	3 636	2 514
Capital requirement against interest position risk under standard method	0	0
Capital requirement against equity portfolio risks under standard method	1 221	745
Capital requirement against credit valuation adjustment risks under standard method	1 381	1 966
Capital requirement for operational risk under base method	342 354	236 380
Total capital requirements for adequacy calculation	2 709 122	2 481 335
Capital adequacy (%)	20.55	22.19
Tier 1 capital ratio (%)	18.36	19.76
Core Tier 1 capital ratio (%)	16.40	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	Q2 2024	6M 2024	Q2 2023	6M 2023
Interest income		96 804	191 815	71 737	133 385
Interest expense		-36 744	-71 506	-15 643	-24 391
Net interest income	7	60 060	120 309	56 094	108 994
Fee and commission income		14 080	27 520	11 192	23 672
Fee and commission expense		-5 848	-11 418	-5 681	-10 613
Net fee and commission income	8	8 232	16 102	5 511	13 059
Net gains/losses from financial assets measured at fair value		103	215	-493	-813
Foreign exchange gains/losses		-277	-14	54	1 555
Net gain/loss from financial assets		-174	201	-439	742
Other income		662	954	216	246
Staff costs		-13 867	-26 646	-10 410	-21 707
Administrative and other operating expenses		-9 358	-19 382	-10 674	-20 163
Profit before impairment losses on loans and advances		45 555	91 538	40 298	81 171
Impairment losses on financial instruments		-4 858	-7 665	-603	989
Income tax expense		-5 861	-12 243	-5 248	-10 395
Net profit for the reporting period		34 836	71 630	34 447	71 765
Other comprehensive income:					
Items that may be reclassified subsequently to other profit or loss		0	0	0	0
Total profit and other comprehensive income for the reporting period		34 836	71 630	34 447	71 765
Total profit of the reporting period attributable to:					
Owners of the parent		34 683	71 409	34 181	70 932
Non-controlling interest		153	221	266	833
Total profit for the reporting period		34 836	71 630	34 447	71 765
Total comprehensive income attributable to:					
Owners of the parent		34 683	71 409	34 181	70 932
Non-controlling interest		153	221	266	833
Total comprehensive income for the reporting period		34 836	71 630	34 447	71 765

Condensed Consolidated Interim Statement of Financial Position

<i>(in thousands of euros)</i>	Note	30.06.2024	31.12.2023
Assets			
Cash and balances with central bank	10	2 805 383	2 789 752
Due from banks and investment companies		50 897	48 140
Financial assets at fair value through profit or loss	6	8 138	6 945
Investments in debt securities at amortised cost	6	134 631	321 888
Loans and advances to customers	5	3 743 775	3 548 513
Other receivables		12 649	17 833
Other financial assets		100	100
Other assets		2 748	2 795
Property and equipment		13 833	15 732
Intangible assets		2 884	2 946
Total assets		6 775 038	6 754 644
Liabilities			
Deposits of customers	11	5 459 381	5 534 720
Loans received and debt securities in issue	11	597 294	486 568
Financial liabilities at fair value through profit or loss	6	43	1 843
Accounts payable and other liabilities		77 359	87 430
Subordinated debt		114 033	114 054
Total liabilities		6 248 110	6 224 615
Owner's equity			
Share capital		141 500	141 500
Statutory reserve capital		14 150	12 669
Retained earnings		365 571	369 674
Total equity attributable to owners of the parent		521 221	523 843
Non-controlling interest		5 707	6 186
Total equity		526 928	530 029
Total liabilities and equity		6 775 038	6 754 644

Condensed Consolidated Interim Statement of Cash Flows

<i>(in thousands of euros)</i>	Note	Q2 2024	6M 2024	Q2 2023* restated	6M 2023* restated
Cash flow from operating activities					
Interest received		96 904	192 190	70 505	130 327
Interest paid		-32 580	-52 244	-9 087	-14 198
Fees and commissions received		14 080	27 520	11 192	23 672
Fees and commissions paid		-5 848	-11 418	-5 681	-10 613
Other income		662	954	216	246
Staff costs paid		-12 240	-23 224	-9 633	-19 129
Administrative and other operating expenses paid		-7 701	-15 888	-10 630	-18 435
Income tax paid		-6 169	-11 922	-5 516	-10 817
Cash flow from operating activities before change in operating assets and liabilities		47 108	105 968	41 366	81 053
Net increase/decrease in operating assets:					
Net acquisition/disposal of trading portfolio		-2 012	-1 192	1 799	-602
Loans and advances to customers		-191 651	-198 109	-150 380	-84 754
Net change in debt and equity securities		97 697	187 472	-44 389	41 421
Mandatory reserve at central bank		2 066	853	-1 674	-1 925
Other assets		1 205	93	-132	-301
Net increase/decrease in operating liabilities:					
Demand deposits of customers		-56 941	-20 805	-317 924	-627 539
Term deposits of customers		-152 763	-63 334	526 283	796 230
Repayments of loans received		0	0	-49 065	-97 656
Bonds issued		100 000	100 000	0	0
Financial liabilities at fair value through profit and loss		-310	-1 801	-3 143	-3 292
Other liabilities		-35 671	-10 617	19 439	14 572
Net cash generated from/used in operating activities		-191 199	98 767	22 180	117 207
Cash flow from investing activities					
Purchase of non-current assets		-792	-1 535	-1 681	-2 518
Net cash flow from/used in investing activities		-792	-1 535	-1 681	-2 518
Dividends paid		0	-77 000	0	-3 500
Repayment of principal of lease liabilities		-490	-977	-426	-845
Net cash from/used in financing activities		-490	-77 977	-426	-4 345
Effect of exchange rate changes on cash and cash equivalents		-277	-14	54	1 555
Net decrease/increase in cash and cash equivalents		-192 758	19 241	20 127	111 899
Cash and cash equivalents at the beginning of the period		2 993 992	2 781 993	2 522 323	2 430 551
Cash and cash equivalents at the end of the period		2 801 234	2 801 234	2 542 450	2 542 450
<i>incl balances with central bank</i>	10	2 750 337	2 750 337	2 418 763	2 418 763
<i>incl balances with banks and investment companies</i>		50 897	50 897	123 687	123 687

Condensed Consolidated Interim Statement of Changes in Equity

<i>(in thousands of euros)</i>	Share capital	Statutory reserve capital	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	1 748	1 748	0	1 748
<i>Profit for the period</i>	<i>0</i>	<i>0</i>	<i>70 932</i>	<i>70 932</i>	<i>833</i>	<i>71 765</i>
Total profit and other comprehensive income for the reporting period	0	0	70 932	70 932	833	71 765
Balance as at 30.06.2023	141 500	12 669	298 277	452 446	5 789	458 235

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	2 269	2 269	0	2 269
<i>Profit for the period</i>	<i>0</i>	<i>0</i>	<i>71 409</i>	<i>71 409</i>	<i>221</i>	<i>71 630</i>
Total profit and other comprehensive income for the reporting period	0	0	71 409	71 409	221	71 630
Balance as at 30.06.2024	141 500	14 150	365 571	521 221	5 707	526 928

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. The condensed consolidated interim financial statements does not contain all the information necessary to be presented in the annual report. These condensed consolidated interim financial statements should be read in conjunction with the group's annual financial statements as at 31 December 2023. The same accounting policies and methods of computation are followed in the condensed consolidated interim financial statements as compared with the most recent annual financial statements..

There are no significant changes in risk policies of the group, all the results including estimates and judgement of expected credit losses are in line with principles described in group's annual financial statements as at 31 December 2023.

The financial figures of the condensed consolidated interim financial statements have been presented in thousands of euros, unless otherwise indicated. The condensed consolidated interim

financial statements have been consolidated and include the results of AS LHV Pank and its subsidiary AS LHV Finance (65% interest).

Correction in classification of investing and operating cash flows

Management identified a classification misstatement related to financial investments. Such purchased and sales have been previously classified under net cash flow from/used in investing activities but as these assets are operating activities in nature then the cash flows from purchases and sales should be classified under net cash generated from/used in operating activities. The presentation has been corrected by reclassifying the affected cash flow statement line items for the prior periods as follows:

	Q2 2023	Increase/(Decrease)	Q2 2023 restated
Administrative and other operating expenses paid	-9 366	-1 264	-10 630
Cash flow from operating activities before change in operating assets and liabilities	42 630	-1 264	41 366
Net change in debt and equity securities	0	-44 389	-44 389
Other liabilities	18 175	1 264	19 439
Net cash generated from/used in operating activities	66 569	-44 389	22 180
Net change in debt and equity securities	-44 389	44 389	0
Net cash flow from/used in investing activities	-46 070	44 389	-1 681

	6M 2023	Increase/(Decrease)	6M 2023 restated
Administrative and other operating expenses paid	-17 590	-845	-18 435
Cash flow from operating activities before change in operating assets and liabilities	81 898	-845	81 053
Loans and advances to customers	-79 460	-5 294	-84 754
Net change in debt and equity securities	0	41 421	41 421
Other liabilities	8 433	6 139	14 572
Net cash generated from/used in operating activities	75 786	41 421	117 207
Net change in debt and equity securities	41 421	-41 421	0
Net cash flow from/used in investing activities	38 903	-41 421	-2 518

NOTE 2 Segments

LHV Pank divides its business activities by 3 main segments: retail banking, corporate banking and financial intermediates. In addition, a separate segment is hire purchase and consumer finance in the subsidiary AS LHV Finance. Financial intermediates segment also includes the fee sharing on the basis of the cooperation agreement concluded with LHV Bank Ltd.

Other activities (not allocated to any segments) include Treasury and the result of activities related to companies belonging to AS LHV Group consolidation Group. LHV Pank is the largest company in LHV Group, meaning that many teams like HR, internal audit, IT maintenance etc are handled centrally by Pank for all or most of the LHV Group's companies.

Q2 2024	Retail banking	Corporate banking	Hire- purchase and consumer finance	Financial inter- mediates	Other activities	Elimi- nations	Total
Interest income	24 371	42 793	3 725	-6 008	33 627	-1 703	96 804
Interest expense	-13 369	-16 560	-1 936	-2 606	-3 975	1 703	-36 744
Intrabank interest income/- expense	16 458	-2 126	2	10 451	-24 785	0	0
Net interest income	27 459	24 107	1 791	1 837	4 866	0	60 060
Fee and commission income	8 192	3 817	215	1 088	768	0	14 080
Fee and commission expense	-4 489	-936	-176	-255	10	0	-5 848
Net fee and commission income	3 703	2 881	38	832	778	0	8 232
Other income	10	591	0	0	61	0	662
Net gains/losses from financial assets	-35	0	0	-1	-138	0	-174
Administrative and other operating expenses, staff costs	-11 857	-7 823	-926	-2 479	-141	0	-23 225
Operating profit	19 280	19 756	903	190	5 426	0	45 555
Impairment losses on loans and advances	-138	-3 968	-779	0	27	0	-4 858
Income tax	-2 422	-2 241	-241	-558	-138	-261	-5 861
Net profit	16 720	13 547	-116	-368	5 314	-261	34 836

6 M 2024	Retail banking	Corporate banking	Hire- purchase and consumer finance	Financial inter- mediates	Other activities	Elimi- nations	Total
Interest income	48 353	84 134	7 567	-11 938	67 121	-3 422	191 815
Interest expense	-25 940	-32 063	-3 895	-5 018	-8 012	3 422	-71 506
Intrabank interest income/- expense	31 899	-3 812	4	21 254	-49 345	0	0
Net interest income	54 311	48 259	3 676	4 298	9 765	0	120 309
Fee and commission income	16 355	7 220	443	2 071	1 430	0	27 520
Fee and commission expense	-8 628	-1 919	-367	-491	-13	0	-11 418
Net fee and commission income	7 727	5 302	76	1 580	1 417	0	16 102
Other income	0	843	0	0	111	0	954
Net gains from financial assets	-36	-1	0	-1	1 538	-1 300	201

Administrative and other operating expenses, staff costs	-22 291	-14 874	-1 831	-4 692	-2 340	0	-46 028
Operating profit	39 712	39 528	1 922	1 185	10 491	-1 300	91 538
Impairment losses on loans and advances	-390	-6 031	-1 916	0	673	0	-7 665
Income tax	-5 017	-4 629	-566	-1 291	-692	-47	-12 243
Net profit	34 305	28 868	-561	-106	10 472	-1 347	71 630
Total assets 30.06.2024	2 707 522	3 923 848	87 941	0	125 173	-69 446	6 775 038
Total liabilities 30.06.2024	3 476 811	1 670 602	70 795	975 954	122 548	-68 600	6 248 110

Q2 2023	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Eliminations	Total
Interest income	20 700	31 549	3 866	-6 473	23 403	-1 308	71 737
Interest expense	-7 542	-4 498	-1 440	-1 406	-2 066	1 308	-15 643
Intrabank interest income/-expense	18 211	-7 835	2	8 408	-18 785	0	0
Net interest income	31 369	19 216	2 428	529	2 552	0	56 094
Fee and commission income	8 590	1 651	233	786	-68	0	11 192
Fee and commission expense	-4 791	-764	-214	114	-26	0	-5 681
Net fee and commission income	3 799	887	19	900	-94	0	5 511
Other income	2	187	0	0	27	0	216
Net gains from financial assets	58	0	0	0	-497	0	-439
Administrative and other operating expenses, staff costs	-10 460	-4 722	-1 002	-2 957	-1 943	0	-21 084
Operating profit	24 768	15 568	1 445	-1 528	45	0	40 298
Impairment losses on loans and advances	330	365	-874	0	-424	0	-603
Income tax	-2 420	-1 891	-186	-497	-160	-94	-5 248
Net profit	22 678	14 042	385	-2 025	-539	-94	34 447

6M 2023	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Eliminations	Total
Interest income	38 111	59 066	7 661	-8 683	39 656	-2 426	133 385
Interest expense	-10 975	-7 521	-2 686	-2 230	-3 406	2 426	-24 391
Intrabank interest income/-expense	32 914	-16 363	2	16 325	-32 877	0	0
Net interest income	60 050	35 182	4 977	5 412	3 373	0	108 994
Fee and commission income	16 014	2 946	479	4 267	-34	0	23 672
Fee and commission expense	-8 599	-1 466	-398	-127	-23	0	-10 613

Net fee and commission income	7 415	1 480	81	4 140	-57	0	13 059
Other income	1	190	0	0	55	0	246
Net gains from financial assets	21	0	0	0	2 996	-2 275	742
Administrative and other operating expenses, staff costs	-20 182	-9 148	-1 944	-6 935	-3 661	0	-41 870
Operating profit	47 305	27 704	3 114	2 617	2 706	-2 275	81 171
Impairment losses on loans and advances	67	3 104	-1 703	0	-479	0	989
Income tax	-4 187	-4 004	-352	-600	-219	-1 033	-10 395
Net profit	43 185	26 804	1 059	2 017	2 008	-3 308	71 765
Total assets 30.06.2023	2 603 783	3 350 502	94 692	0	246 195	-76 339	6 218 833
Total liabilities 30.06.2023	3 912 052	635 236	77 698	1 132 700	78 739	-75 827	5 760 598

NOTE 3 Breakdown of Assets and Liabilities by Maturity Dates (undiscounted contractual cash flows)

30.06.2024	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities by contractual maturity dates						
Deposits from customers	3 677 498	886 948	880 051	39 585	334	5 484 416
Loans received and debt securities in issue	0	3 425	274 728	390 776	0	668 929
Subordinated debt	0	53 811	15 691	56 538	0	126 040
Lease liability	0	7 080	0	0	0	7 080
Accounts payable and other financial liabilities (excluding lease liability)	0	59 514	0	0	0	59 514
Unused loan commitments	546 267	0	0	0	0	546 267
Financial liabilities at fair value	0	43	0	0	0	43
Financial guarantees by contractual amounts	0	60 535	0	0	0	60 535
Foreign exchange derivatives liabilities notional (gross settled)	0	132 096	0	0	0	132 096
Foreign exchange derivatives assets notional (gross settled)	0	- 132 096	0	0	0	- 132 096
Total liabilities	4 223 765	1 071 356	1 170 470	486 899	334	6 952 824

Financial assets by contractual maturity dates						
Due from central bank, banks and investment companies	2 856 280	0	0	0	0	2 856 280
Financial assets at fair value and amortized cost	0	58 841	35 918	46 438	0	141 197
Loans and advances to customers	0	222 107	635 961	2 640 875	1 816 152	5 315 095
Receivables from customers	0	12 649	0	0	0	12 649
Other financial assets	100	0	0	0	0	100
Total financial assets	2 856 380	293 597	671 879	2 687 313	1 816 152	8 325 321
Maturity gap from financial assets and liabilities	-1 367 385	-777 759	-498 591	2 200 414	1 815 818	1 372 497

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 and debt securities in issue	0	0	85 318	425 250	0	510 568
Subordinated debt	0	33 311	31 782	63 913	0	129 006
Lease liability	0	8 057	0	0	0	8 057
Accounts payable and other financial liabilities (excluding lease liability)	0	70 504	0	0	0	70 504
Unused loan commitments	495 653	0	0	0	0	495 653
Financial liabilities at fair value	0	1 843	0	0	0	1 843
Financial guarantees by contractual amounts	0	55 061	0	0	0	55 061
Foreign exchange derivatives liabilities notional (gross settled)	0	148 397	0	0	0	148 397
Foreign exchange derivatives assets notional (gross settled)	0	-148 397	0	0	0	-148 397
Total liabilities	4 193 176	747 682	1 340 858	559 198	339	6 841 253

Financial assets by contractual maturity dates						
Due from central bank, banks and investment companies	2 837 892	0	0	0	0	2 837 892
Financial assets at fair value and amortized cost	0	96 722	153 577	77 944		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
Other financial assets	100	0	0	0	0	100
Total financial assets	2 837 992	347 717	692 523	2 684 344	1 692 834	8 255 410
Maturity gap from financial assets and liabilities	-1 355 184	-399 965	-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. Fair value of the derivative contracts is presented in balance sheet and remaining of notional cashflows in off-balance.

NOTE 4 Open Foreign Currency Positions

30.06.2024	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from central bank, banks and investment companies	2 818 842	887	21 311	1 353	8 688	5 199	2 856 280
Financial assets at fair value and amortized cost	136 196	1	1	6 533	35	3	142 769
Loans and advances to customers	3 736 654	11	180	210	6 443	277	3 743 775
Receivables from customers	8 172	1	448	312	3 550	166	12 649
Other financial assets	100	0	0	0	0	0	100
Total assets bearing currency risk	6 699 965	899	21 941	8 408	18 715	5 644	6 755 573
Liabilities bearing currency risk							
Deposits from customers	5 276 043	7 126	21 858	8 563	134 807	10 985	5 459 381
Loans received and debt securities in issue	597 294	0	0	0	0	0	597 294
Financial liabilities at fair value through profit or loss	43	0	0	0	0	0	43
Accounts payable and other financial liabilities	60 983	35	526	599	4 087	364	66 594
Subordinated debt	114 033	0	0	0	0	0	114 033
Total liabilities bearing currency risk	6 048 396	7 161	22 384	9 162	138 894	11 349	6 237 345
Open gross position derivative assets at contractual value	0	6 280	0	792	119 010	6 014	132 096
Open gross position derivative liabilities at contractual value	132 096	0	0	0	0	0	132 096
Open foreign currency position	519 474	18	-442	37	-1 168	310	518 228

31.12.2023	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from central bank, 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 and amortized cost	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 and debt securities in issue	486 568	0	0	0	0	0	486 568
Financial liabilities at fair value through profit or loss	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

30.06.2024	Stage 1	Stage 2	Stage 3	Provision	Total	%
Individuals	1 361 561	103 023	6 890	-7 443	1 464 031	39.2%
Agriculture	87 180	15 494	5	-334	102 345	2.7%
Mining and Quarrying	771	494	42	-13	1 294	0.0%
Manufacturing	152 894	25 029	19 700	-8 776	188 847	5.2%
Energy	174 901	1 488	0	-1 336	175 053	4.7%
Water and Utilities	29 580	182	0	-388	29 374	0.8%
Construction	85 898	13 189	74	-1 177	97 984	2.6%
Wholesale and retail	149 375	28 545	1 445	-2 263	177 102	4.7%
Transport and logistics	66 901	8 896	7	-649	75 155	2.0%
Hotels and Restaurants	13 418	3 027	163	-108	16 500	0.4%
Information and communication	22 890	1 527	122	-94	24 445	0.7%
Financial services	126 365	1 403	0	-741	127 027	3.4%
Real estate	766 358	133 055	2 294	-6 528	895 179	23.9%
Professional, scientific and technical activities	81 315	7 367	342	-296	88 728	2.4%
Administrative activities	110 722	2 377	65	-672	112 492	3.0%
Public management	49 649	7 363	0	-172	56 840	1.5%
Education	2 576	3 254	1	-1 257	4 574	0.1%
Health	22 358	496	0	-128	22 726	0.6%
Art and entertainment	47 329	25 292	0	-2 393	70 228	1.9%
Other servicing activities	12 745	1 178	16	-88	13 851	0.4%
Total	3 364 786	382 679	31 166	-34 856		
Provision	-11 038	-11 594	-12 224			
Total loan portfolio	3 353 748	371 085	18 942		3 743 775	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 30.06.2024 EUR 37 274 thousand (31.12.2023: 28 579). Loans have been given out on market terms. ECL has increased by EUR 4 800 thousand, mostly related to Stage 3 loans. Several manufacturing companies financials have weakened and we have decided to reclassify them into Stage 3 despite they are servicing the loans without issues.

NOTE 6 Fair Value of Financial Assets and Liabilities

To determine the fair value, future cash flows are discounted based on the market interest curve. The below table provides an

overview of the assessment techniques, which depend on the hierarchy of assets and liabilities measured at fair value:

	IFRS 9 measurement	Level 1	Level 2	Level 3	Total
30.06.2024					
Cash and balances with central bank	AC	0	2 805 383	0	2 805 383
Due from banks and investment companies	AC	0	50 898	0	50 898
Debt securities	FVTPL	6 533	0	0	6 533
Debt securities	AC	0	134 631	0	134 631
Loans and advances to customers	AC	0	0	3 743 775	3 743 775
Receivables from customers	AC	0	12 649	0	12 649
Derivatives	FVTPL	0	995	0	995
Other financial assets	AC	0	0	100	100
Total assets		6 533	3 004 556	3 743 875	6 754 964
Deposits from customers	AC	0	5 459 381	0	5 459 381
Loans received and debt securities in issue	AC	0	597 294	0	597 294
Subordinated debt	AC	0	114 033	0	114 033
Derivatives	FVTPL	0	43	0	43
Accounts payable and other liabilities	AC	0	0	59 514	59 514
Total liabilities		0	6 170 751	59 514	6 230 265
31.12.2023					
Cash and balances with central bank	AC	0	2 789 752	0	2 789 752
Due from banks and investment companies	AC	0	48 140	0	48 140
Debt securities	FVTPL	6 275	0	0	6 275
Debt securities	AC	0	321 888	0	321 888
Loans and advances to customers	AC	0	0	3 548 513	3 548 513
Receivables from customers	AC	0	17 833	0	17 833
Derivatives	FVTPL	0	301	0	301
Other financial assets	AC	0	0	100	100
Total assets		6 275	3 177 914	3 548 613	6 732 802
Deposits from customers	AC	0	5 534 720	0	5 534 720
Loans received and debt securities in issue	AC	0	486 567	0	486 567
Subordinated debt	AC	0	114 054	0	114 054
Derivatives	FVTPL	0	1 843	0	1 843
Accounts payable and other liabilities	AC	0	0	78 561	78 561
Total liabilities		0	6 137 184	78 561	6 215 745

As of June 30, 2024, the liquidity portfolio includes only bonds in the amount of EUR 134 631 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 24 thousand. The fair value of the bonds reflected in the amortised cost as of 30.06.2024 is EUR 133 385 thousand.

Hierarchy levels:

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

Cash and balances with central banks are treated as Level 2 and as their duration is very short, then there is no difference between balance sheet and fair value.

Bonds in FVTPL are included under Level 1, as these are accounted based on market rates, but others in Level 2 as reference rates are used for calculating fair value.

Loans are issued in the bank's business segments on market conditions. Therefore, the fair value of loans does not materially differ from their carrying amount as at 30 June 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 2.

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. Customer deposits are thus categorised under hierarchy level 2.

All the Loans received, securities issued and subordinated loans are received in 2019-2024. All instruments 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 loans or the maturity/call date is so close, that the fair value of the loans does not materially differ from their net book value. Loans issued are thus categorised under hierarchy level 2.

Swaps and forwards 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.

NOTE 7 Net Interest Income

Interest income	Q2 2024	6M 2024	Q2 2023	6M 2023
Business loans	42 424	83 717	32 562	60 706
Hire purchase	733	1 521	878	1 782
Leasing	3 358	6 612	2 645	4 989
Leverage loans and lending of securities	409	806	312	679
Bonds	1 655	4 315	2 537	3 067
Creditcard loans	297	591	245	477
Consumer loans	2 992	6 046	2 988	5 880
Mortgage loans	19 055	37 598	15 196	27 625
Balances with credit institutions and investment companies	263	615	1 608	3 447
Balances with the central bank	24 034	46 803	11 394	22 116
Private loans	967	1 971	904	1 746
Other loans	617	1 220	468	871
Total	96 804	191 815	71 737	133 385
incl calculated based on effective interest rate	93 419	185 143	69 092	128 396
Interest expense				
Deposits of customers and loans received	-34 333	-66 626	-13 252	-19 484
Other interest expenses	-116	-279	-92	-310
Subordinated liabilities	-2 295	-4 601	-2 299	-4 597
Total	-36 744	-71 506	-15 643	-24 391
Net interest income	60 060	120 309	56 094	108 994

NOTE 8 Net Fee and Commission Income

2Q 2024	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial inter- mediates	Other activities	Total
Fee and commission income						
Security brokerage and commission fees	1 132	344	0	8	3	1 487
Asset management and similar fees	1 115	756	0	3	11	1 884
Currency conversion revenues	874	451	0	253	651	2 229
Fees from cards and payments	4 294	897	0	821	7	6 020
Other fee and commission income	778	1 369	215	2	96	2 460
Total	8 192	3 817	215	1 088	768	14 080
Fee and commission expense						
Security brokerage and commission expenses	-637	-88	0	-1	-8	-734
Expenses related to cards	-2 322	-46	0	-1	-1	-2 370
Expenses related to acquiring	-1 148	-563	0	-41	0	-1 752
Other fee and commission expense	-382	-239	-176	-212	18	-991
Total	-4 489	-936	-176	-255	10	-5 848
Net fee and commission income	3 703	2 881	38	832	778	8 232

6M 2024	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial inter- mediates	Other activities	Total
Fee and commission income						
Security brokerage and commission fees	2 586	638	0	11	9	3 243
Asset management and similar fees	2 203	1 462	0	12	16	3 692
Currency conversion revenues	1 872	855	0	449	1 203	4 378
Fees from cards and payments	8 131	1 717	0	1 607	16	11 472
Other fee and commission income	1 564	2 549	443	-9	188	4 735
Total	16 355	7 220	443	2 071	1 430	27 520
Fee and commission expense						
Security brokerage and commission expenses	-1 282	-238	0	-3	-18	-1 542
Expenses related to cards	-4 430	-101	0	-2	-2	-4 535
Expenses related to acquiring	-2 169	-1 102	0	-95	-1	-3 366
Other fee and commission expense	-748	-478	-367	-390	8	-1 975
Total	-8 628	-1 919	-367	-491	-13	-11 418
Net fee and commission income	7 727	5 302	76	1 580	1 417	16 102

2Q 2023	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial inter- mediates	Other activities	Total
Fee and commission income						
Security brokerage and commission fees	949	91	0	0	6	1 046
Asset management and similar fees	1 609	41	0	4	2	1 656
Currency conversion revenues	696	103	0	587	-112	1 275
Fees from cards and payments	4 283	642	0	486	7	5 418
Other fee and commission income	1 052	774	233	-292	30	1 797
Total	8 589	1 651	233	786	-68	11 192
Fee and commission expense						
Security brokerage and commission expenses	-587	-19	0	-4	-16	-626
Expenses related to cards	-2 446	-13	0	-1	-1	-2 461
Expenses related to acquiring	-1 366	-522	0	-152	0	-2 040

Other fee and commission expense	-392	-210	-214	271	-9	-554
Total	-4 790	-764	-214	114	-26	-5 681

Net fee and commission income	3 799	887	18	901	-94	5 551
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6M 2023	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Total
Fee and commission income						
Security brokerage and commission fees	1 996	143	0	7	8	2 154
Asset management and similar fees	3 166	79	0	7	2	3 255
Currency conversion revenues	696	103	0	2 016	-112	2 704
Fees from cards and payments	7 995	1 228	0	2 546	12	11 782
Other fee and commission income	2 159	1 394	479	-310	55	3 777
Total	16 013	2 946	479	4 267	-34	23 672
Fee and commission expense						
Security brokerage and commission expenses	-1 154	-44	0	-8	-24	-1 230
Expenses related to cards	-4 268	-28	0	-3	-1	-4 299
Expenses related to acquiring	-2 423	-984	0	-336	0	-3 743
Other fee and commission expenses	-754	-411	-398	219	3	-1 341
Total	-8 599	-1 466	-398	-127	-23	-10 613
Net fee and commission income	7 415	1 480	81	4 140	-57	13 059

Fee and commission income by customer location:	Q2 2024	6M 2024	Q2 2023	6M 2023
Estonia	12 255	23 962	9 089	19 747
Great Britain	1 825	3 558	2 103	3 925
Total	14 080	27 520	11 192	23 672

NOTE 9 Operating Expenses

	Q2 2024	6M 2024	Q2 2023	6M 2023
Wages, salaries and bonuses	10 794	20 766	7 906	16 719
Social security and other taxes*	3 073	5 880	2 504	4 988
Total personnel expenses	13 867	26 646	10 410	21 707
IT expenses	1 885	3 474	1 542	2 902
Information services and bank services	435	872	381	785
Marketing expenses	647	1 130	754	1 364
Office expenses	391	814	375	806
Transportation and communication expenses	144	299	117	256
Staff training and business trip expenses	258	485	293	566
Other outsourced services	1 269	2 493	1 910	3 188
Other administrative expenses	2 249	5 593	4 100	7 987
Depreciation of non-current assets	1 657	3 493	881	1 727
Other operating expenses	423	729	321	582
Total other operating expenses	9 358	19 382	10 674	20 163
Total operating expenses	23 225	46 028	21 084	41 870

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

NOTE 10 Balances with the Central Bank

	30.06.2024	31.12.2023
Cash and balances with central bank	2 805 383	2 789 752
Total	2 805 383	2 789 752
incl legal reserv with the central bank	55 046	55 899
Total balance with central bank less legal reserv	2 750 337	2 733 853

The minimum reserve requirement as at 30 June 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 and Debt Securities in issue

Deposits by type	Individuals	Financial entities	Non-financial		30.06.2024
			entities	Public sector	
Demand deposits	815 288	1 060 262	1 721 172	80 777	3 677 499
Term deposits	753 684	123 549	857 937	46 712	1 781 882
Total	1 568 972	1 183 811	2 579 109	127 489	5 459 381

Deposits by type	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

Debt securities in issue	Mortgage bond	Preferred senior bond	30.06.2024
Debt securities in issue	249 738	347 556	597 294
Total	249 738	347 556	597 294

Debt securities in issue	Mortgage bond	Preferred senior bond	31.12.2023
Debt securities in issue	249 718	236 850	486 568
Total	249 718	236 850	486 568

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:

	30.06.2024	31.12.2023
Cash balance of customers	17 965	13 780
Securities of customers	3 586 583	3 490 269
<i>Incl. parent company</i>	151 129	151 129
<i>Incl. shareholders of the parent company and related entities</i>	550 868	562 486
Total	3 604 548	3 504 049

LHV has a cooperation with IB, providing our customers access to IB's trading platform. This collaboration allows our customers to leverage their investment portfolios by using equities as collateral to obtain loans, which can then be reinvested into additional equities. IB employs sophisticated monitoring systems that closely tracks customer's positions. These systems are designed with pre-emptive thresholds to ensure proactive measures are taken well before the collateral's value approaches critical levels. Specifically, the system intervenes before the collateral value falls below the outstanding loan balance, prompting customers to either reduce their loan balance or provide additional collateral. If customer does not take the necessary corrective action, the system is programmed to automatically liquidate the collateral to satisfy the outstanding loan.

The loans extended to our customers, are managed with a high degree of prudence, including the application of a "haircut" to the collateral value, ensuring that the collateral always exceeds the loan amount. LHV has entered into an agreement with IB, wherein we assume responsibility for any shortfall. Should the proceeds

from collateral liquidation be insufficient to cover the loan, the platform charges the deficit to LHV. This arrangement underscores our commitment to safeguarding the financial integrity of our clients' leveraged investments.

To date, there has not been any instance where LHV has been required to cover a loss under this arrangement.

The fair value of these guarantees is considered to be zero, based on the following methodology:

The fair value of the guarantee is calculated as the discounted value of the Expected Loss (EL), where:

$$EL = \text{Probability of Default (PD)} \times \text{Loss Given Default (LGD)}$$

LHV considers the LGD for these loans to be zero euros, due to the highly automated processes employed by IB. If either the PD or LGD is considered zero in this calculation, the resulting fair value of the guarantee is also zero.

NOTE 13 Contingent Liabilities

Irrevocable transactions	Performance guarantees	Financial guarantees	Letter of credit	Unused loan commitments	Total
Liability in the contractual amount as at 30 June 2024	85 206	67 411	3 253	546 267	702 137
Liability in the contractual amount as at 31 December 2023	56 217	55 061	3 732	495 653	610 663

NOTE 14 Transactions with related parties

Transactions

<i>euro thousand</i>	Q2 2024	6M 2024	Q2 2023	6M 2023
Interest income	727	1 420	85	155
<i>Incl. management</i>	65	135	53	95
Interest expenses	109	171	31	39
<i>Incl. management</i>	12	31	5	7
<i>Incl. shareholders with significant influence, companies related to them and their close family members</i>	97	140	26	32
Fee and commission income	47	105	20	39
<i>Incl. management</i>	3	7	2	4
<i>Incl. shareholders with significant influence, companies related to them and their close family members</i>	44	98	18	35
Key management personnel				
<i>Personnel expenses</i>	767	1 552	727	1 396

Balances

<i>euro thousand</i>	30.06.2024	31.12.2023
Loans and receivables	37 274	28 579

<i>Incl. management</i>	4 917	2 104
<i>Incl. shareholders with significant influence, companies related to them and their close family members</i>	32 357	26 475
Deposits	102 600	47 452
<i>Incl. management</i>	1 541	1 519
<i>Incl. parent company</i>	86 223	25 946
<i>Incl. shareholders with significant influence, companies related to them and their close family members</i>	14 836	19 987

General information

Legal name	AS LHV Pank
Commercial Registry no	10539549
Legal address	Tartu mnt. 2, 10145 Tallinn
Phone	(372) 6800400
Fax	(372) 6800410
BIC / Swift	LHVBEE22
E-mail	lhv@lhv.ee
Web page	www.lhv.ee
Main activities	banking, finance lease and other lending, security brokerage
Auditor	PricewaterhouseCoopers AS
Supervisory board	Madis Toomsalu, Raivo Hein, Rain Lõhmus, Heldur Meerits, Tiina Möis, Andres Viisemann, Liisi Znatokov
Management board	Kadri Kiisel, Jüri Heero, Annika Goroško, Indrek Nuume, Martti Singi, Meelis Paakspuu



Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholder of AS LHV Pank

Introduction

We have reviewed the accompanying condensed consolidated interim statements of profit or loss and other comprehensive income of AS LHV Pank and its subsidiary for the three-month and six-month periods ended 30 June 2024 and the related condensed consolidated interim statement of financial position then ended, the condensed consolidated interim statement of cash flows for the three-month and six-month periods then ended and the condensed consolidated interim statement of changes in equity for the six-month period then ended, and the related explanatory notes. Management Board is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) (Estonia) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting* as adopted by the European Union.

AS PricewaterhouseCoopers

/signed digitally/

Lauri Past
Auditor's certificate no. 567

4 September 2024
Tallinn, Estonia

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