A large, stylized graphic of the year '2025' in a light orange color. The digits are composed of overlapping geometric shapes, including circles and triangles, creating a modern, abstract look. The background features a complex pattern of overlapping, semi-transparent geometric shapes in various shades of orange and peach, creating a layered, architectural effect.

2025

AS LHV Pank  
**Consolidated annual report 2025**

(Translation of the Estonian original)

**Consolidated annual report 1 January 2025 – 31 December 2025**

Legal name	AS LHV Pank
Commercial Registry no.	10539549
Legal address	Tartu mnt 2, 10145 Tallinn
Phone	(+372) 6800400
E-mail	lhv@lhv.ee
Main activities	Banking Leasing and other lending Financial advisory Security brokerage
Financial year	1 January – 31 December
Management Board	Kadri Kiisel (Chairman) Annika Goroško Indrek Nuume Jüri Heero Meelis Paakspuu Kadri Haldre Mihkel Kasepuu
Supervisory Board	Mihkel Torim (Chairman) Rain Lõhmus Andres Viisemann Tiina Mõis Raivo Hein Liisi Znatokov
Auditor's legal name	PricewaterhouseCoopers AS

**Mandatory elements of the European Single Electronic Format (ESEF) core taxonomy**

Name of reporting entity or other means of identification	<b>AS LHV Pank</b>
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	<b>No changes</b>
Domicile of entity	<b>Republic of Estonia</b>
Legal form of entity	<b>Public Limited Company</b>
Country of incorporation	<b>Republic of Estonia</b>
Address of entity's registered office	<b>Tartu mnt 2, Tallinn, 10145, Republic of Estonia</b>
Principal place of business	<b>Republic of Estonia</b>
Description of nature of entity's operations and principal activities	<b>Banking, leasing and other lending, financial advisory, security brokerage</b>
Name of parent entity	<b>AS LHV Group</b>
Name of ultimate parent of group	<b>AS LHV Group</b>

These are the Group's consolidated financial statements in pdf-format without European Single Electronic Format (ESEF) markups. The original document is submitted in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed: link: <https://nasdaqbaltic.com/statistics/en/instrument/EE3100102203/reports>

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PART I: STRATEGIC AND PERFORMANCE OVERVIEW

# 1 LHV Pank in 2025: Overview and Operating Environment

## 1.1 LHV at a Glance and Key Figures of 2025

**Our vision is encouraging people and businesses to think big and act big.**

**Our mission is to provide better access to financial services and capital.**

**LHV's values are simple, supportive, and effective.**

AS LHV Pank ('the Bank' or 'LHV Pank') remains the largest domestically owned bank in Estonia, consistently delivering strong financial performance and maintaining its position as a leader in customer satisfaction. The bank is dedicated to serving active and independent customers, fostering an entrepreneurial mindset among its clients.

For private customers, LHV Pank offers comprehensive solutions for daily financial management and home loans, emphasizing the best customer experience and innovative options for growing wealth. For business customers, it provides flexible financing and tailored financial solutions, while financial intermediaries benefit from a robust platform for EUR and GBP transactions.

By prioritizing digital communication channels, LHV Pank ensures modern, efficient, and cost-effective services. These savings are passed on to customers through competitively priced banking services, reinforcing the bank's commitment to accessibility and value.

With almost 20% market share in Estonia's daily banking, deposit, and business loan segments, LHV Pank is now the third-largest bank in the country. The bank's long-term vision is to become Estonia's largest and most profitable financial institution by focusing on efficiency, innovation, and exceptional service delivery.

LHV Pank has offices in Tallinn, Tartu and Pärnu. LHV Pank's consolidated financial statements comprise the accounts of LHV Pank and its 65% ownership subsidiary AS LHV Finance ('LHV Finance'), which specialises in consumer financing (together referred to 'the Group' or 'LHV'). Parent company of LHV Pank is AS LHV Group ('LHV Group').

### 1.1.1 Business activities

In 2025, LHV Pank achieved significant milestones in customer acquisition, business growth, and operational efficiency despite the continuing competitive and regulatory pressures.

A stabilizing macroeconomic environment and higher customer confidence enabled the bank to increase the loan and deposits portfolios and overall customer activity.

LHV Pank continued to grow in 2025. The number of customers increased by 36,000 to 492,000, i.e., by 8%. The youth segment grew by 7% to 96,600 customers, fulfilling our target mission in excess. The growth in customer activity and business volumes was broad-based. LHV Pank continued servicing financial intermediaries in euro payments and safeguarding services.

Deposits from customers increased by 11% to EUR 6,964 million. Deposits from regular customers grew by 11% to EUR 5,083 million, while deposits from financial intermediaries increased by 9% to EUR 1,480 million. Intragroup deposits increased by 79% to EUR 105 million. Competition in the deposit market was severe, but the focus was set on collecting more deposits than the market's organic growth, a goal that was fulfilled. The average cost, compared to the market, was lower. With a strong focus on deposits and liquidity, we also collected deposits from European platforms, resulting in a balance of EUR 295 million at the end of the year.

The Group's loan portfolio grew by 11% to EUR 4,683 million during the year. Corporate loans grew by 7% to EUR 2,569 million and retail loans by 17% to EUR 2,114 million. The breakdown of the retail loan portfolio was as follows: home loans 83%, leases 8% and other loans 9%.

The Group's net profit for the decreased due to lower net interest income to EUR 107 million. Total income decreased by 17%, total operating expenses increased by 2%. Net interest income increased due to increased corporate and home loan portfolios, with negative effect coming from repricing of deposits. The increase in net fee and commission income was 4%. It was mainly impacted by the higher customer activity. Credit losses contributed a net positive result of EUR 0.1 million for the year. The quality of the loan portfolio remained strong, with a very low share of non-performing loans. Results for the year also include EUR 24.0 million deferred tax expense for 2026 payable on the expected future dividend payment. The Group's performance indicators were on a weak side in 2025, as targets were not fulfilled by EUR 7.2 million.

The Group's total assets increased by 11% to EUR 8,776 million in 2025.

## Financial results

EUR million	2025	2024	Δ
Net interest income	206.3	257.1	-20%
Net fee and commission income	46.9	45.1	4%
Net fee sharing	-26.0	-28.7	-9%
Net financial income	1.3	0.6	117%
Other income	0.1	2.0	-93%
Total net income	228.6	276.1	-17%
Total operating expenses	97.6	95.4	2%
Expected credit losses	0.0	15.8	na
Income tax expense	24.0	24.4	-2%
<b>Net profit</b>	<b>107.1</b>	<b>140.5</b>	<b>-24%</b>

## Business volumes

Loans (net)	4,683	4,204	11%
Deposits from customers	6,964	6,294	11%
No of bank customers, thous.	492	456	8%

## Key figures, %

Return on equity (ROE) based on average monthly equity	19.0	25.9
Return on equity (ROE)	17.1	25.0
Return on assets (ROA)	1.3	1.9
Net interest margin (NIM)	2.5	3.5
Spread	2.3	3.3
Cost / income ratio	42.7	34.5

## Return on Equity (ROE) based on average monthly equity

= net profit (attributable to the owners of the parent) / average equity (attributable to the owners of the parent) \* 100 where:

average equity (attributable to the owners of the parent) = (equity at the end of the previous reporting period + equity at the month-ends during the reporting period) / 13

**Return on Equity (ROE)** = net profit (attributable to the owners of the parent) / average equity (attributable to the owners of the parent) \* 100

**Return on Assets (ROA)** = net profit / average assets \* 100

**Net Interest Margin (NIM)** = net interest income / average interest earning assets \* 100

**Spread** = yield on interest-bearing assets - cost of interest-bearing liabilities

**Cost/Income ratio (C/I)** = total operating expenses / total net income \* 100

## 1.1.2 Development activities

In 2025, the focus was on customer experience, improving existing services, and enhancing efficiency. Another stream was the cross-sale by utilizing different customer bases from all LHV Group Estonian entities and selling them all the products offered by LHV.

Several improvements were made to customer onboarding processes to improve convenience and speed as the main foundation of a great customer experience. Digital channels were also opened to all users of various LHV Group services. Customers can use biometric authentication, receive notifications for outgoing transactions, which also serves as a mechanism for preventing and detecting fraudulent transactions. The mobile app gained new features for investment services, and the financial portal was updated with new platform and modern design.

## 1.1.3 Organisation

LHV Pank is divided into seven functional areas, each with its own departments. Business areas include retail banking, corporate banking, and financial intermediation. Support areas comprise IT, financial management and support services, risk management, and product development management. Human resource management, marketing and communication, and compliance are smaller bank-wide activities.

In 2025, the number of the Group's employees converted to the full-time equivalent decreased by 40 to 885, including inactive and part-time staff, and the 18 employees of LHV Finance (2024: 19).

The year brought several awards and accolades. Once again, LHV Pank was named the bank with the best customer service in Estonia in a survey conducted by the market research company Dive. LHV Pank ranked first in the Most Attractive Employers survey conducted by the job portal CVKeskus.ee and TOP Employer in survey conducted by the job portal CV-Online Estonia. LHV Pank also received highest ranking in the employer reputation survey conducted by employer branding agency Instar by being the most attractive employer. LHV Pank's staff satisfaction survey Q12 reflected continuously a very high level of satisfaction. City Plaza building, where LHV Pank's Tallinn office is located, has a BREEAM (Building Research Establish Environmental Assessment Method) certificate.

## 1.1.4 Sustainability at LHV Pank

At LHV, we acknowledge the vital role of the financial sector in steering economic shifts and directing resources through lending and investments toward activities that promote a transition to a more resilient and sustainable economy. In 2025, LHV continued to progress towards its sustainability goals, focusing on refining metrics, adapting to evolving regulatory frameworks, and risk management processes while continuously engaging with stakeholders. In this annual report there is a separate section of LHV's consolidated sustainability statements meeting the requirements of the Corporate Sustainability Reporting Directive (CSRD), demonstrating our ongoing dedication to transparent and responsible sustainability practices. Initiatives such as measuring and disclosing the climate impact of our loan portfolio will continue, with an ongoing commitment to enhancing data quality for more accurate reporting. This analytical approach allows us to identify key areas where we can strategically enhance our positive impact, while effectively mitigating both negative impacts and associated financial risk.

## 1.2

# Letter from the CEO

Dear Customers and Partners,

The year 2025 was characterised by change. The interest rate environment shifted rapidly, competition intensified across both the loan and deposit markets, and the broader economic recovery in Estonia remained gradual. In this environment, LHV Pank focused on what we can influence: supporting our customers, growing responsibly, and investing in long-term capability.

I am pleased to say that we made solid progress.

By the end of the year, LHV Pank served 492,000 customers – 36,000 more than a year earlier. Customer activity strengthened throughout the year, with transaction volumes increasing and engagement deepening. Our position in everyday banking remains strong, and we continue to grow faster than the market.

### Strong growth in volumes

In 2025, both our loan portfolio and deposits grew by 11%, outperforming overall market growth in Estonia. More than EUR 1 billion in financing was provided to Estonian companies, and every fourth new mortgage in Estonia was issued by LHV.

Loan growth was balanced: around 70% came from retail lending and 30% from the corporate segment. Throughout the year, we maintained disciplined underwriting standards and focused on well-collateralised projects. Portfolio quality remained strong, with overdue loans at a low level and the overall credit profile stable.

On the funding side, we continued to prioritise deposits from Estonian customers, gradually reducing reliance on platform deposits. Competition for deposits remained intense, but our growth demonstrates the trust customers place in us.

### Navigating interest rate headwinds

The most significant external factor influencing our results was the decline in interest rates. The European Central Bank continued its easing cycle during the year, which affected deposit pricing and the overall attractiveness of term deposits. As loans repriced faster than deposits, net interest income came under pressure.

In the third quarter, the loan portfolio reached market rates, marking the low point for net interest income. Encouragingly, income began to recover in the fourth quarter, supported by higher customer activity and a stabilising margin environment.

For the full year, net profit remained below our financial plan, primarily due to lower net interest income. Nevertheless, business volumes developed broadly in line with expectations, and we closed the year with improved momentum.

### Investing in future capability

2025 was also a year of significant internal development.

We continued our cloud migration and broader technology renewal, moving key systems to modern platforms and accelerating development cycles. We expanded the use of artificial intelligence tools in development and established a dedicated Data and AI function to strengthen analytical capability.

For our customers, we introduced several improvements: the upgraded “Küsi raha 2.0” solution and Mastercard Click to Pay, a renewed investment pricing model that significantly lowered transaction fees, and LHV Premium – a new comprehensive banking and lifestyle service for demanding private clients. At the end of the year, we also prepared the launch of our new mobile app, which will reach clients in early 2026.

While strategic IT investments and marketing expenses increased during the year, we succeeded in reversing previously accelerating cost growth, with expenses stabilising towards the end of the year. These investments are deliberate and aimed at ensuring scalability, efficiency, and competitiveness in the years ahead.

### Recognition and responsibility

Our efforts were recognised both locally and internationally. LHV Pank was named Estonia’s Best Bank by Euromoney and The Banker, and we were once again recognised as one of Estonia’s most desirable employers.

These recognitions reflect the dedication of our people. In a year that required adaptability and resilience, our team remained focused on supporting customers and delivering results.

### Looking ahead

Although Estonia’s economic growth remained modest in 2025, there are signs of gradual improvement. Inflation has eased compared to prior peaks, interest rates have stabilised, and both households and businesses are cautiously regaining confidence. The recovery is not yet broad-based, but the foundations are strengthening.

LHV Pank enters 2026 with a strong capital position, a well-collateralised loan portfolio, a stable deposit base, and renewed technological capability. Our ambition remains unchanged: to grow responsibly, outperform the market, and be the best banking partner for Estonian people and businesses.

Thank you to our customers for your trust and to our employees for your commitment.

Sincerely,

**Kadri Kiisel**  
Chairman of the Management Board of AS LHV Pank



## 2 Macroeconomic and Market **Context**

The global macroeconomic environment in 2025 was marked by heightened trade tensions, volatile trading conditions, and rising geopolitical uncertainty. Despite these challenges, global economic activity showed modest improvement. World output is estimated to have grown by 3.3 per cent, while growth in advanced economies moderated to 1.7 per cent. Global trade volumes expanded by an estimated 4.1 per cent in 2025. However, the lagged effects of evolving trade policies are expected to materialise in 2026, resulting in a projected slowdown in trade growth to 2.6 per cent. Global inflation eased during the year but remained above its historical average, at approximately 4.1 per cent.<sup>1</sup>

Among the world's largest economies, growth in the United States was projected to moderate to approximately 2.1 per cent in 2025, reflecting elevated policy uncertainty and the lingering effects of trade tariffs. In Asia, China's economy was forecast to expand by around 5.0 per cent, supported by fiscal stimulus measures; however, structural challenges in the real estate sector persisted. India continued to stand out, recording one of the highest growth rates among major economies, real GDP projected to grow above 7 per cent, underpinned by strong domestic demand and sustained investment activity. The euro area was expected to grow

by approximately 1.4 per cent, with Germany—the region's largest economy—registering a modest expansion of about 0.2 per cent as it navigated the effects of trade tensions on its export-oriented industries.<sup>2</sup>

Global financial markets were volatile in 2025 amid heightened economic and geopolitical uncertainty. Increased uncertainty drove capital inflows into alternative safe-haven assets, most notably precious metals such as gold and silver. Gold delivered a particularly strong performance, generating a return of 64.5 per cent during the year. At the same time, the traditional safe-haven status of U.S. Treasuries showed signs of erosion, while the U.S. dollar continued to weaken. The U.S. Dollar Index declined by 9.4 per cent over the year.

Equity markets experienced a sharp sell-off in April in response to escalating tariff-related tensions. However, strong investment momentum in artificial intelligence helped sustain investor sentiment, with the S&P 500 Index ending the year up 16.4 per cent. European equities also posted solid gains, with the STOXX Europe 600 rising by 16.8 per cent, largely supported by the defence sector. The UK's FTSE 100 recorded a return of 21.5 per cent. Asian equity markets also performed strongly. Japan's Nikkei 225 delivered a return of 26.2 per cent, while China's SSE Composite Index gained 18.4 per cent.

In 2025, the euro area<sup>3</sup> economy continued to expand at a moderate pace, with real GDP growth projected at approximately 1.4 per cent. Economic activity remained resilient despite global headwinds, supported by firmer foreign demand and reduced trade policy uncertainty compared with earlier forecasts. Domestic demand—driven by household consumption and business investment—

continued to underpin growth, although sectoral performance was uneven. External sectors, particularly exports, were expected to benefit from the recovery in foreign demand, while investment activity faced ongoing competitiveness challenges.

Wage growth moderated to around 4 per cent, reflecting persistent labour cost pressures amid subdued productivity growth. Labour market conditions remained strong, with unemployment close to historically low levels. Employment growth continued to support household spending, although consumer sentiment and savings behaviour pointed to a more cautious outlook.

Inflation eased to approximately 2.1 per cent in 2025, driven by declining headline pressures. Energy price contributions remained subdued, while food inflation moderated. Core inflation, excluding energy and food, also softened, reflecting easing labour cost pressures and the lagged effects of euro appreciation. From a policy perspective, the ECB's Governing Council kept key interest rates unchanged from their June 2025 levels, signalling increased confidence that inflationary pressures were abating and would converge towards target, while reiterating the data-dependent nature of future policy decisions.

Euro-area money markets reflected these dynamics, with interbank borrowing costs trending lower over the year, providing relief to borrowers and aligning with market expectations of future monetary easing. The 6-month Euribor—a key benchmark for mortgages and loan agreements—declined from approximately 2.56 per cent in early January to around 2.11 per cent by December. The most pronounced declines occurred in the first half of the year, as markets priced in potential rate cuts amid moderating

inflation and growth. Over the same period, the 3-month and 12-month Euribor rates also eased, indicating a broad-based compression of the yield curve.

In 2025, the UK economy<sup>4</sup> expanded at a modest pace, with real GDP growth of approximately 1.4 per cent, reflecting a gradual recovery rather than a pronounced upswing. Economic activity was driven primarily by the services sector, particularly consumer-facing and professional services, while manufacturing remained weak and construction activity was subdued amid elevated financing costs and cautious investment sentiment.

Inflation eased compared with previous years but remained above the Bank of England's target, averaging around 3.5 per cent in 2025. The decline was largely driven by fading energy price pressures, although services inflation and wage-related costs remained elevated. Labour market conditions softened over the year, with unemployment rising to around 5 per cent, vacancies declining, and wage growth moderating. These developments pointed to increasing slack in the labour market, while conditions remained relatively tight by historical standards.

Overall, the UK economy in 2025 was characterised by subdued growth, easing but still elevated inflation, and a gradually cooling labour market, rather than a sharp economic downturn.

The Estonian<sup>5</sup> economy entered a gradual recovery phase in the second quarter of 2025. Real GDP is estimated to have increased by approximately 0.7 per cent for the year as a whole, driven primarily by a slow recovery in export markets. Price pressures remained elevated, with annual inflation reaching 4.8 per cent, largely reflecting higher food

<sup>1</sup> Figures based on IMF (2026). World Economic Outlook, January 2026: Global Economy: Steady amid Divergent Forces. Available: <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>

<sup>2</sup> Ibid.

<sup>3</sup> Figures based on: European Central Bank (ECB). Eurosystem staff macroeconomic projections for the euro area. December 2025. Available: [https://www.ecb.europa.eu/press/projections/html/ecb.projections202512\\_eurosystemstaff-12ead61977.en.html](https://www.ecb.europa.eu/press/projections/html/ecb.projections202512_eurosystemstaff-12ead61977.en.html)

<sup>4</sup> Figures based on Office for National Statistics (ONS).

<sup>5</sup> Figures based on: European Central Bank (ECB). Eurosystem staff macroeconomic projections for the euro area. December 2025. Available: [https://www.ecb.europa.eu/press/projections/html/ecb.projections202512\\_eurosystemstaff-12ead61977.en.html](https://www.ecb.europa.eu/press/projections/html/ecb.projections202512_eurosystemstaff-12ead61977.en.html)

and services prices as well as the impact of several tax changes, including the introduction of a motor vehicle tax and increases in the VAT rate and excise duties. These factors were particularly evident in food prices, which rose by 6.9 per cent in 2025.

Household consumption decreased by 0.6 per cent in the third quarter compared with the same period of the previous year. Gross fixed capital formation also declined on an aggregate basis; however, investment continued to grow in key sectors such as real estate and construction, while remaining broadly stable in manufacturing.

Value added across most economic sectors continued to decline during the year, although some of the largest sectors showed signs of improvement. Manufacturing recorded an average increase of around 3 per cent in real value added over the first three quarters of the year. The construction sector experienced an average decline of 2.4 per cent from the first to the third quarter, although signs of recovery emerged in the latter part of the period. Several sectors remained under pressure, including transportation and storage and retail trade, where real value added declined by more than 8 per cent and 4 per cent, respectively, between the first and third quarters.

The loan market remained active throughout 2025, with lending growth accelerating particularly in the second half of the year. The household loan portfolio expanded by approximately 10 per cent year on year by the end of December. Lending to corporates also increased at a robust pace, with the corporate loan portfolio in Estonia growing by around 12 per cent year on year by year-end, corresponding to an average annual growth rate of approximately 12.3 per cent during 2025.

Lending conditions remained broadly stable. The average interest margin on loans to non-financial companies fluctuated within a narrow range of 2.6 to 2.9 per cent over

the year, while margins on housing loans remained steady at around 1.5 per cent.

On the funding side, household deposits continued to grow at a strong pace, although the rate of growth moderated over the year, slowing from over 11 per cent year on year in January to approximately 8 per cent by December. In contrast, corporate deposits declined during 2025, with the contraction accelerating to around 2 per cent year on year by the end of the year.

Credit quality remained solid. Overdue loans stayed at low levels throughout 2025, despite a marginal increase of 0.1 percentage points compared with 2024. By year-end, the average market share of household loans overdue by more than 60 days stood at 0.4 per cent, while the corresponding figure for non-financial companies was 0.6 per cent. Overall, these indicators continued to point to a stable credit market.

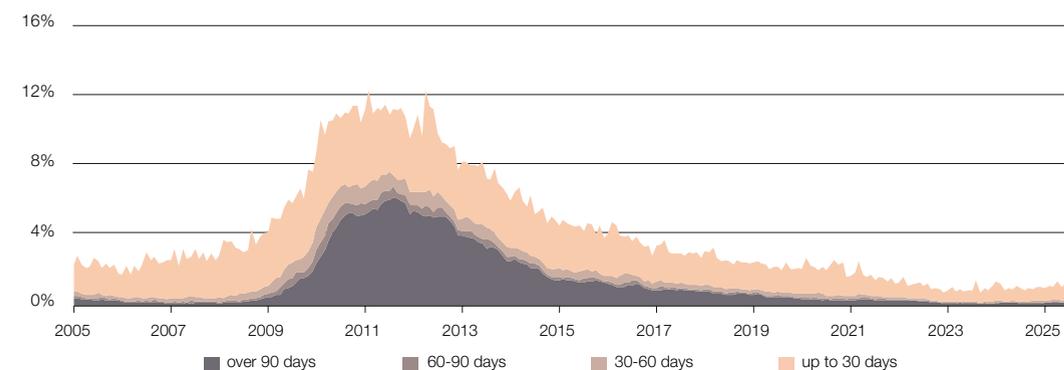
In 2025, the European insurance sector maintained resilient capitalisation despite the fragile economic environment, with median Solvency Capital Requirement (SCR) ratios holding firm above 214% for both life and non-life businesses<sup>6</sup>.

The Estonian non-life insurance market was characterised by intensified competition, which led to a 2% decline in gross written premiums. Price pressure was particularly notable in motor third-party liability and comprehensive motor insurance, reflecting both the entry of new participants and increased consumer price sensitivity. Despite the fall in premiums, the market's claims ratio remained stable at 56%, and most insurers are well-capitalised, supported by strong results from previous periods and backing from international parent companies. As an emerging trend, there is a clear rise in demand for private health insurance, driven by pressures on the public system, while political decisions such as the car tax are also having a noticeable market impact. Due to the combined effect of these factors, overall market growth is projected to stagnate in 2026.

Overall, the Estonian economy has entered a gradual recovery phase but remains vulnerable to developments in the external macroeconomic environment, including geopolitical risks, trade tensions, ongoing competitiveness challenges, and the prolonged Russia–Ukraine war. While exporting companies have experienced a modest increase in demand, domestic demand and investment activity have remained subdued.

According to projections by the Bank of Estonia, economic growth is expected to strengthen, with GDP forecast to increase by approximately 3.6 per cent in 2025, supported primarily by fiscal stimulus measures and a continued recovery in export markets. Economic projections remain subject to change, however, depending on the evolution of the global macroeconomic environment and external risk factors.

**Market average share of overdue loans in loan portfolio, %**



Source: Bank of Estonia

<sup>6</sup> European Insurance and Occupational Pensions Authority (2025). Financial Stability Report December 2025. Available: [https://www.eiopa.europa.eu/publications/financial-stability-report-december-2025\\_en](https://www.eiopa.europa.eu/publications/financial-stability-report-december-2025_en)

Key economic indicators of Estonia*								Bank of Estonia forecast			
	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	
Nominal GDP (EUR billion)	28.4	27.8	31.4	36.4	38.2	39.8	41.7	44.6	47.2	49.9	
GDP volume**	3.60%	2.50%	7.20%	0.00%	-3.10%	-0.10%	0.70%	3.60%	2.80%	2.50%	
Private consumption expenditures***	4.30%	0.80%	7.10%	2.90%	-1.60%	0.20%	-0.20%	3.60%	3.30%	2.20%	
Government consumption expenditures	3.30%	3.90%	3.90%	1.50%	0.60%	1.80%	2.20%	3.10%	0.40%	2.00%	
Fixed capital formation	6.20%	17.80%	0.30%	-8.30%	8.70%	-6.10%	2.10%	8.00%	3.60%	2.10%	
Exports	5.00%	4.10%	22.10%	5.00%	-9.00%	-1.50%	4.40%	2.80%	2.80%	3.20%	
Imports	3.70%	0.80%	22.70%	5.00%	-6.60%	0.20%	4.20%	4.60%	2.70%	2.70%	
CPI	2.30%	-0.40%	4.70%	19.40%	9.20%	3.50%	4.90%	2.90%	2.40%	2.80%	
Unemployment rate (% of the labour force)	4.50%	6.80%	6.20%	5.60%	6.40%	7.60%	7.60%	6.60%	6.20%	6.00%	
Current account (% of GDP)	2.00%	2.50%	-3.60%	-3.90%	-1.70%	-1.20%	0.10%	-1.70%	-1.50%	-1.10%	
Budget balance (% of GDP) ****	-0.10%	5.40%	-2.60%	-1.10%	-2.80%	-1.70%	-1.30%	-4.50%	-4.40%	-3.90%	

\*The figures reported are annual changes in percentage terms unless otherwise indicated;

\*\*GDP and its components are chain-linked;

\*\*\*Including NPISH;

\*\*\*\*The budget balance forecast considers only those measures on which sufficient information was available at the date of the forecast.

Sources: Bank of Estonia, Statistics Estonia



PART II: THEMATIC REVIEWS: GOVERNANCE, RISKS AND SUSTAINABILITY

# 3 Management<sup>7</sup> and compensation policy

LHV Pank's governing bodies are the General Meeting of shareholders, the Supervisory Board and the Management Board.

## 3.1 General Meeting

The General Meeting of shareholders is the highest governing body of LHV Pank, where shareholders invoke their rights. Since LHV Group is the sole shareholder of LHV Pank, the resolutions of the General Meeting are adopted solely by LHV Group.

The primary duties of the General Meeting of shareholders are amendment of the articles of association, increase and decrease of share capital, decisions on issuance of convertible bonds, election and extension of terms of Supervisory Board members, premature removal of Supervisory Board members, approval of the annual report and profit allocation, determining the number of auditors, appointment and recall of auditors, deciding on the conclusion of transactions beyond the scope of everyday economic activities with members of the Supervisory Board, and other decisions that are within the powers of the General Meeting of shareholders pursuant to law.

The Management Board calls General Meetings of shareholders. The annual General Meeting of shareholders for approval of the annual report is held at least once per annum. Since LHV Group is the sole shareholder, physical meetings are not required. Resolutions are adopted by the sole shareholder in writing, unless otherwise required by law.

The shareholders with significant influence in LHV Group are Rain Lõhmus and persons related to him, who held 20.94% of share capital in aggregate and Andres Viisemann and persons related to him, who held 10.94% of share capital in aggregate, as of 31 December 2025.

## 3.2 Supervisory Board

The Supervisory Board is the governing body of LHV Pank that plans the activities, organises the management and supervises the activities of the Management Board. The Supervisory Board approves and regularly reviews the strategy, general plan of action, risk management policies and the annual budget of LHV Pank. The Supervisory Board consists of five to seven members. Supervisory Board members have terms of up to five years. Members of the Supervisory Board elect the Chairman of the Supervisory Board from among themselves who organises the Supervisory Board's activities.

The authority to elect and recall members of the Supervisory Board, as well as extend their terms, is vested in LHV Group as the sole shareholder of LHV Pank. Only individuals with sufficient knowledge and experience to fulfil the duties of a Supervisory Board member and who meet the requirements set out in applicable laws, internal regulations, and the Rules of Suitability Assessment of Management Body Members, Management Bodies, and Key Function Holders may be appointed. Suitability is assessed in accordance with the ESMA and EBA Guidelines and the European Central Bank's (ECB) suitability assessment framework, taking into account the specific nature of LHV Pank's operations.

Supervisory Board members possess a range of skills and expertise in banking, investments, financial oversight, and risk management. To maintain effective oversight, members regularly participate in professional development activities, ensuring their knowledge remains current. Their expertise is evaluated periodically through a suitability assessment, confirming compliance with legal and governance standards.

The Supervisory Board ensures adherence to prudential regulations, supervises the Management Board's execution of the bank's strategy, and aligns LHV Pank's activities with the long-term objectives of LHV Group.

Supervisory Board members of LHV Pank do not receive separate remuneration for performing their duties as members of the Supervisory Board of LHV Pank. Due to the significant overlap between their duties and membership at the LHV Group level, remuneration is determined and paid at the LHV Group level. This structure ensures alignment across governance levels and avoids duplication in compensation. At the LHV Group level, Supervisory Board members receive fixed remuneration, which is not tied to financial results, and they are not eligible for variable remuneration, share options, or other performance-based compensation. An exception is the Chairman of the Supervisory Board, Mihkel Torim (since 22 July 2025; Madis Toomsalu until 21 July 2025), who receives performance-based compensation in his capacity as the Chairman of the Management Board of LHV Group.

The members of the Supervisory Board are required to declare their economic interests and any potential conflicts of interest annually. There were no conflicts of interest reported in 2025, and no corrective measures were required. Transactions between LHV Pank and members of the Supervisory Board, their close family members, or related parties that fall outside the ordinary course of LHV Pank's economic activities must be approved in advance by the sole shareholder, LHV Group. In 2025, there were no such transactions, and no valid contracts of this nature exist from earlier periods. None of the Supervisory Board members hold shares exceeding 5% in companies that are business partners, suppliers, or clients of LHV Pank. These measures ensure that the Supervisory Board operates in an impartial and transparent manner, aligned with LHV Group's policies and best governance practices.

### 3.2.1 Composition and Expertise

The Supervisory Board of LHV Pank has six members: Mihkel Torim (Chairman, since 21 July 2025 until 22 July 2030), Madis Toomsalu (former Chairman, until 21 July 2025), Rain Lõhmus (until 20 March 2029), Andres Viisemann (until 31 March 2027), Tiina Mõis (until 20 March 2029), Raivo Hein (until 31 March 2027), Liisi Znatokov (from 20 March 2024 until 20 March 2029).

Mihkel Torim is the Chairman of the Management Board of LHV Group and the Chairman of the Supervisory Boards of LHV Pank, AS LHV Kindlustus, AS LHV Varahaldus and AS LHV Paytech, a member of the Supervisory Board of AS LHV Finance, and the Chairman of the Board of Directors of LHV Bank Limited. He is also a member of the management board of Fortima OÜ. Mihkel Torim graduated in 2004 with a degree in Financial Management from Audentes University and has completed various further training programmes. Mihkel Torim does not own shares of LHV Group. Under the options issued in 2024 and 2025, Mihkel Torim has the right to subscribe for a total of 199,575 shares of LHV Group.

Rain Lõhmus is one of the founders of LHV and the Chairman of the Supervisory Board of LHV Group. He is a member of the Supervisory Board of LHV Pank and belongs to the Supervisory Board of Kodumaja AS. He is the owner and a member of the Management Boards of AS Lõhmus Holdings and Lohmus Capital OÜ. Additionally, he is the owner of OÜ Merona Systems, Kõrberebane OÜ and one of the owners of Zerospotnrg OÜ, OÜ KODRESTE and Umblu Records OÜ. Rain Lõhmus graduated from Tallinn University of Technology (TalTech) and the management programme of Harvard Business School. Rain Lõhmus and persons related to him (Lõhmus Holdings OÜ, OÜ Merona Systems) own altogether 68,649,130 shares, representing 20.94% of all shares of LHV Group.

Andres Viisemann is one of the founders of LHV and the manager of LHV pension funds. He is a member of the Supervisory Boards of LHV Group, LHV Pank and AS LHV Varahaldus. He also belongs to the Supervisory Boards of AS Fertilitas and AS Viimsi Haigla. He is the owner and a member of the Management Board of Viisemann Holdings OÜ and the owner of Viisemann Investments AG and OÜ Miura Investeeringud. Andres Viisemann graduated from the University of Tartu and obtained a master's degree from INSEAD in International Business Management. Andres Viisemann and the persons related to him (incl. Viisemann Investments AG) own altogether 35,860,325 shares, representing 10.94% of all shares of LHV Group. Due to his position as the head of LHV pension funds, Andres Viisemann is entitled to subscribe a total of 57,049 shares of LHV Group for options issued in 2023. No options were issued to him in 2024 and 2025.

Raivo Hein is a member of the Supervisory Boards of LHV Group and LHV Pank. He also belongs to the Supervisory Board of AS Puumarket and to the Management Board of MTÜ Pärtli. He is the owner and the member of Management Board of OÜ Kakssada Kakskümmend Volti and a Management Board member of Põhjala Kellad OÜ and several other companies established for the management of personal investments. Raivo Hein graduated from Tallinn University of Technology (TalTech). Raivo Hein does not own shares of LHV Group. Persons related to him (incl. OÜ Kakssada Kakskümmend Volti, Lame Maakera OÜ, Astrum OÜ) own altogether 5,513,694 shares, representing 1.68% of all shares of LHV Group.

Tiina Mõis is a member of the Supervisory Boards of LHV Group and LHV Pank. She is the owner and a Management Board member of AS Genteel and one of the owners and a Management Board member of Nine Lives OÜ. Tiina Mõis graduated from Tallinn University of Technology (TalTech). Tiina Mõis and a person related to her (AS Genteel) own altogether 11,359,880 shares, representing 3.46% of all shares of LHV Group.

Liisi Znatokov is a member of the Supervisory Board of LHV Group and LHV Pank. She is also a member of the Supervisory Board of Apollo Group OÜ the founder, CEO, and member of the Management Board of Cobalt Financial Technologies Inc. Liisi Znatokov graduated from Tallinn University of Technology (TalTech). Liisi Znatokov and persons related to her do not own any shares in LHV Group.

Heldur Meerits (passed away in October 2025) was a member of the Supervisory Boards of LHV Group and LHV Pank. He was also a member of the Supervisory Boards of Kodumaja AS and the foundations SA Põltsamaa Ühisgümnaasiumi Toetusfond and Audentese Koolide SA. Heldur Meerits was also the owner and a member of the Management Boards of the companies established for the management of personal economic interests, AS Amalfi and SIA Valdemara Group, the owner of Kuldrannake Amalfi OÜ, and the protector and beneficiary of Castra Hiberna Foundation. Heldur Meerits graduated from the Faculty of Economics and Business Administration of the University of Tartu. Heldur Meerits did not own shares of LHV Group. At the time of his death, the persons related to him (AS Amalfi and SIA Valdemara Group) owned altogether 5,537,640 shares, representing 1.69% of all shares of LHV Group.

### 3.3 Management Board

The Management Board is the governing body of LHV Pank that represents and manages LHV Pank. The Management Board has three to seven members. Management Board members have term of up to five years. The Chairman of the Management Board organises the work of the Management Board. In accordance with the Articles of Association, the company may be represented by two Management Board members jointly.

The members of the Management Board are elected and removed by the Supervisory Board. To appoint a Management Board member, the candidate must provide written consent, and their suitability is assessed in accordance with the Rules of Suitability Assessment of Management Body Members, Management Bodies, and Key Function Holders. This process adheres to the joint ESMA and EBA Guidelines and the ECB's suitability assessment guidelines, taking into account the specific nature of LHV Pank's operations.

The Management Board members bring a diverse set of skills and experience in banking, investments, financial oversight, and operational management. To ensure effective governance and leadership, the members regularly participate in training programmes designed to address evolving challenges in the financial and banking sectors. Suitability assessments are conducted periodically, confirming that the Management Board possesses the expertise required to meet the governance standards applicable to credit institutions.

The Management Board ensures that LHV Pank has effective risk management and internal control systems appropriate to its operations and business areas. These systems cover all business, support, and control units to ensure operational efficiency, accurate reporting, and compliance with applicable laws and regulations. The Management Board is also responsible for implementing the strategy set by the Supervisory Board and making everyday management

decisions in the best interest of LHV Pank, putting aside personal interests.

The Management Board members are employed under management board member contracts concluded with LHV Pank. They receive monthly remuneration based on these contracts, and their salaries are determined individually, reflecting their role and responsibilities.

The Management Board members are not entitled to additional performance-based remuneration, bonuses, or benefits, except for participation in the long-term incentive plan (LTI plan) approved by LHV Group's General Meeting of Shareholders. Under the LTI plan, performance pay is granted in the form of share options, tied to the achievement of LHV's financial and operational objectives. These options align management's interests with those of LHV Group's shareholders and are issued on a long-term basis, subject to vesting and risk-adjusted performance evaluation.

### 3.3.1 Composition and Expertise

The Management Board of LHV Pank has seven members: Kadri Kiisel (Chairman), Indrek Nuume, Jüri Heero, Meelis Paakspuu (all until 31 March 2027), Annika Goroško (until 1 March 2029), Kadri Haldre (until 18 November 2029) and Mihkel Kasepuu (from 22 July 2025 until 22 July 2030).

Kadri Kiisel is the Chairman of the Management Board of the LHV Pank and the Chairman of the Supervisory Board of LHV Finance, she is also a member of the management board of AS LHV Paytech and AS LHV Varahaldus. She is also the Chairman of the Council of the Estonian Banking Association. Kadri Kiisel graduated from the University of Tartu in 2011 with MBA degree in finance. Kadri Kiisel and a person related to her own altogether 558,730 shares, representing 0.17% of all shares of LHV Group. Under the options issued in 2023, 2024 and 2025, Kadri Kiisel has the right to subscribe for a total of 612,454 shares of LHV Group.

Meelis Paakspuu has been a member of the Management Board and CFO of LHV Pank since 2015 and a member of the Management Board and CFO of LHV Group since 2022. He is not a member of the governing bodies of any other company. Meelis Paakspuu graduated from the University of Tartu in 1996 with a degree in economics. Meelis Paakspuu and a person related to him own altogether 889,030 shares, representing 0.27% of all shares of LHV Group. Under the options issued in 2023, 2024 and 2025, Meelis Paakspuu has the right to subscribe for a total of 544,130 shares of LHV Group.

Jüri Heero has been member of the Management Board and CIO of LHV Pank since 2007 and a member of the Management Board and CIO of LHV Group since 2022. He is also the owner and Management Board member of Heero Invest OÜ. Jüri Heero graduated from the University of Tartu in 1999 with a degree in economics. Jüri Heero and a person related to him (Heero Invest OÜ) own altogether 1,352,100 shares, representing 0.41% of all shares of LHV Group. Under the options issued in 2023, 2024 and 2025, Jüri Heero has the right to subscribe for a total of 382,291 shares of LHV Group.

Indrek Nuume has been a member of the Management Board since 2008 and he is the Head of Corporate Banking of the LHV Pank. Indrek Nuume has obtained a master's degree from the Faculty of Economics and Business Administration of the University of Tartu in 2002. He is also a member of the Supervisory Board of the non-profit organisation SA Tilsil LK Fond. Indrek Nuume and persons related to him own altogether 500,000 shares, representing 0.15% of all shares of LHV Group. Under the options issued in 2023, 2024 and 2025, Indrek Nuume has the right to subscribe a total of 632,104 shares of LHV Group.

Annika Goroško has been a member of the Management Board since 2024 and she is the Head of Retail Banking. Annika Goroško has obtained a Bachelor's Degree from the Social Sciences of the Tallinn University of Technology

in 2010. Annika Goroško and persons related to her own altogether 110 shares of LHV Group. Under the options issued in 2023, 2024 and 2025, Annika Goroško has the right to subscribe for a total of 108,229 shares of LHV Group.

Kadri Haldre has been a member of the Management Board and CRO of LHV Group and LHV Pank since November 2024. She is a member of the Management Board in OÜ KMA Invest, a company she solely owns. Kadri Haldre obtained a Bachelor's Degree in Law from University of Tartu and an MSc in Economics and Business Administration from Copenhagen Business School and a BSc in Economics and Business from Stockholm School of Economics in Riga. Kadri Haldre owns 30,610 shares, representing 0.01% of all shares of LHV Group. Under the options issued in 2023 and 2024, Kadri Haldre has the right to subscribe a total of 71,568 shares of LHV Group. No options were issued to her in 2025.

Mihkel Kasepuu has been a member of the Management Board since 22 July 2025 and he is the Chief Technology and Product Officer. Mihkel Kasepuu is the sole shareholder of Panda Solutions OÜ and a shareholder of SM Capital OÜ and through Panda Solutions OÜ the shareholder of Futuleap OÜ. Mihkel Kasepuu has obtained a Master's degree in Information Technology from Tallinn University of Technology in 2017. Mihkel Kasepuu owns 10 shares of LHV Group. Under the options issued in 2025 Mihkel Kasepuu has the right to subscribe for a total of 79,733 shares of LHV Group.

## 3.4 Committees

The Supervisory Board of LHV Pank has formed one committee on the LHV Pank level, the aim of which is to advise the Supervisory Board of LHV Pank in matters described below. The Supervisory Board of LHV Group, the sole shareholder of LHV Pank, has formed additional four committees on the LHV Group level, the aim of which is to advise the Supervisory Board of LHV Group and/or group companies in matters described below concerning all the group companies. The responsibilities, rights, and terms of references the committees, as well as the members, are decided by the Supervisory Boards of LHV Group and LHV Pank (if applicable).

### 3.4.1 Risk and Capital Committee

Both LHV Group and LHV Pank have established Risk and Capital Committees (jointly referred to as the Risk and Capital Committee) whose task is to supervise and ensure compliance with the risk management policy and the capital management policy on the LHV Group consolidated level and LHV Pank consolidated level, respectively. The Risk and Capital Committee reviews and evaluates regular risk reports, ensures the effectiveness of the processes supporting capital adequacy and liquidity, assesses capital plans, and oversees the largest clients with significant credit risk exposures. The Risk and Capital Committee has at least three members who are elected from among the members of the Supervisory Board of LHV Group and LHV Pank, respectively. The elected members must have the necessary expertise, skills, and experience to understand and monitor risk management principles, risk tolerance, and capital requirements on an ongoing basis. The responsibilities of the Risk and Capital Committee also include reviewing and approving or proposing for approval by the Supervisory Board the company's internal liquidity adequacy assessment process (ILAAP), internal capital adequacy assessment process (ICAAP), recovery

plans (RCP), resolution planning (RRP), and other significant risk-related policies and frameworks. Additionally, the committee oversees the supervision of LHV Pank's investment activities, overall risk profile, and capital management.

### **3.4.2 Audit Committee**

The Audit Committee is, above all, an advisory body to the Supervisory Board of LHV Group and its subsidiaries in the fields of accounting and reporting, audit, risk and capital management, internal control system and internal audit as well as legal and regulatory compliance. The Audit Committee has at least three members, who are appointed for a term of three years. The duties of the Audit Committee are to monitor and analyse the processing of financial information, ensuring the accuracy and integrity of quarterly and annual financial statements, effectiveness of the risk management and internal control systems, the financial statement audit process, including consolidated financial statements and the independence of the statutory auditor and the auditor firm, as required by law, and the compliance of their activities with provisions of the Auditors Activities Act. The Audit Committee is responsible for making proposals to the Supervisory Board and provide recommendations for the appointment or removal of the external auditor, appointment or removal of the internal auditor, prevention or resolution of inefficiencies and problems within in the organisation and ensuring compliance with laws, regulations, and professional standards.

The Audit Committee is supported in its oversight activities by the internal audit unit, led by the Head of Internal Audit, who provides regular reports to the Audit Committee, with reports submitted on a quarterly basis. The responsibilities of the Head of Internal Audit include ensuring that the analysis and assessment of compliance of activities with the objectives, rules of procedure, applicable laws, other legal acts, the rules of the regulated market, precepts of authorities, and agreements are carried out.

### **3.4.3 Nomination Committee**

The purpose of the Nomination Committee is to support the Supervisory Board of LHV Group and LHV Pank, LHV Finance in matters related to the selection process and fit-and-proper requirements for the members of the Management Boards, Supervisory Boards, and key function holders (if applicable) of these companies. The responsibilities of the Nomination Committee include the individual suitability assessments of candidates for governing bodies and key function holders, the collective suitability assessments of governing bodies, the assessment of the composition, structure, and activities of the governing bodies, the continuous monitoring of the decision-making processes by governing bodies, the periodic review of the content, format, and frequency of risk information received and ensuring the involvement of Risk Management, Compliance, Internal Audit, and other department heads, where appropriate. The Nomination Committee is comprised of at least three members, who are elected from among the matching members of LHV Group and LHV Pank Supervisory Boards. The elected members must have sufficient and relevant knowledge, expertise, and experience, individually and collectively, in matters of the selection process and fit-and-proper requirements.

### **3.4.4 Remuneration Committee**

The Remuneration Committee is a body established on the level of Supervisory Boards of LHV Group, LHV Pank, LHV Finance and LHV Kindlustus to oversee the development, implementation, and supervision of a remuneration strategy for employees and members of the Management Boards of these companies. The Remuneration Committee is charged with the tasks of evaluating the impact of remuneration-related decisions on compliance with regulatory requirements, particularly those related to the management of risks, own funds, and liquidity, exercising oversight over the remuneration of the Management Board members and employees of LHV Group, LHV Pank, LHV Finance, and LHV Kindlustus and annually evaluating the implementation of the remuneration policy and, where necessary, proposing updates to remuneration principles. The Remuneration Committee is set up of at least three members, who are elected from among the matching members of the Supervisory Boards of LHV Group and LHV Pank. Persons appointed to the Remuneration Committee must have sufficient and relevant knowledge, expertise, and experience in remuneration policy and practices, risk management, and control.

### 3.5 Remuneration policy

The remuneration policy for the members of the Management Board and employees of LHV Pank and LHV Finance is established and its implementation is evaluated by the Remuneration Committee. A monthly base salary is paid to both members of the Management Board and employees of LHV Pank and LHV Finance. The Supervisory Board determines the base salaries of members of the Management Board, the Management Board determines the base salaries of employees. Management board member agreements have been concluded with the Management Board members, whereas all other employees are employed under employment contracts. LHV Pank has made no major severance payments nor significant non-cash compensations.

The remuneration policy aims to attract and retain employees with the skills, experience, and capabilities necessary to execute the company's strategy while aligning employee and stakeholder interests. Remuneration typically includes a base salary and a performance bonus, determined based on fairness, objectivity, and the management of risks related to capital adequacy, liquidity, and financial sustainability. Performance criteria are designed to support sound risk management and include a balance of quantitative and qualitative metrics, adjusted for risks and aligned with both short- and long-term objectives. Qualitative criteria emphasize adherence to risk management policies, achievement of strategic goals, customer satisfaction, and leadership skills. LHV does not offer third-pillar pension contributions or personal-use benefits and prohibits employees from transferring downside risks through hedging or insurance. Annual self-assessments identify employees impacting the risk profile, with results reviewed by the Remuneration Committee and audited by Internal Audit. The strategy ensures competitive and motivating pay linked to financial results, considering factors such as dedication, results, initiative, and strategic alignment. The Remuneration

Committee oversees and annually reviews the policy, making proposals to the Supervisory Board as needed.

#### 3.5.1 Share options

In 2020 LHV Group shareholders approved the result-based share option programme for the Management Boards and equivalent staff as well as key employees of LHV Group and the group companies, to be implemented from 2020 until 2024. On 26 March 2025, the General Meeting of Shareholders approved amendments to the 2020–2024 programme and established a new share option programme for the years 2025–2029. Based on the amended terms, the recipients and amounts of share options for the 2024 results were determined in 2025, and the new programme will govern future grants.

Share options are a form of result-based remuneration compensation, and their granting is based on long-term interests and the achievement of agreed-upon results. The objectives must take into account capital requirements, liquidity, and risk management, including sustainability criteria. Remuneration is paid only when objectives are met, and no compensation is paid for below-expectation results.

The objectives of the programme are:

- ensure competitive remuneration to be attractive in the labour market;
- retain and motivate key personnel by creating a sense of ownership;
- align the interests of shareholders and employees;
- increase company value through performance management;
- promote sound and effective risk management, including the consideration of sustainability risks.

The instruments of performance pay under the option programme are 100% equity options. The term of share options is at least 3 years from the moment the options were granted. An additional criterion applies to options issued to Management Board members as well as other identified staff whose professional activities have a material impact on the company's risk profile – they are not allowed to sell these shares acquired via the option programme for another year after executing the rights under option. The at least three-year vesting period before issuance of shares gives the opportunity to evaluate the results in the long run. It is not possible to receive the specified amount in cash in lieu of share options. Share options are issued annually as a percentage of the total number of LHV Group shares, as specified in the share option programme approved by the General Meeting of LHV Group shareholders. LHV has the right to refuse to exercise and issue equity options to the entitled person, in whole or in part, if:

- LHV General Meeting or the Supervisory Board under instructions from the General Meeting does not adopt the decision on the increase of LHV share capital and issuance of shares;
- the Management Board member agreement or the employment relationship of the person entitled to receive options has ceased at the initiative of the person entitled to receive options or pursuant to § 88 of the Employment Contracts Act or, if the Employment Contracts Act is amended, on an analogous basis. However, based on the decision of the Supervisory Board it is possible to make exceptions to the applicability of this paragraph;
- the financial results of LHV Group or its relevant subsidiary have substantially deteriorated compared to the previous period;
- the person entitled to receive options no longer meets the performance criteria or does not meet the requirements imposed by law on the management or employees of a

credit institution or a fund management company;

- LHV Group or its relevant subsidiary no longer meets the prudential regulations or the company's business risks are not adequately covered by own funds;
- the issuance of options has been determined based on information which has proven to be materially misstated or incorrect;
- the Financial Supervision Authority or another competent authority has issued a precept prohibiting the issuance of shares to the entitled person.

The share options have been issued annually from 2015 to 2025. In 2025, the options granted in 2022 were exercised. Future grants will be based on the new 2025–2029 option programme approved by the General Meeting of Shareholders on 26 March 2025, which continues the practice of granting options with a three-year term.

The issuance and amount of share options were dependent upon the successful achievement of operational targets of the overall company and the targets of individual Management Board members and employees. In 2025, share options were granted to 7 Management Board members (6 from LHV Pank and 1 from LHV Finance) and 184 employees in the amount of EUR 5,887 thousand, noting that one of these members was appointed to the Management Board later in the year. In 2024, share options were granted to 7 Management Board members (6 from LHV Pank and 1 from LHV Finance) and 160 employees in the amount of EUR 4,598 thousand. In 2023, share options were granted to 7 Management Board members (6 from LHV Pank AS and 1 from LHV Finance AS) and 141 employees in the amount of EUR 4,426 thousand.

The share options issued in 2023 can be exercised between the period from 1 April 2026 to 30 April 2026 and shares with the nominal value of EUR 0.1 can be acquired for EUR 1.70 per share. The share options issued in 2024 can be exercised between the period from 1 April 2027 to 30 April 2027 and

shares with the nominal value of EUR 0.1 can be acquired for EUR 1.74 per share. The share options issued in 2025 can be exercised between the period from 1 April 2028 to 30 April 2028 and shares with the nominal value of EUR 0.1 can be acquired for EUR 1.63 per share.

Expenses related to share option program amounted to EUR 5,295 thousand (2024: EUR 4,821 thousand). The data above reflects only the perspective of LHV Pank and LHV Finance.

# 4 Risk and Capital Management

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## 4.1 Risk Management Framework

Risk-taking at LHV must be transparent, well-reasoned, and aligned with long-term value creation. Risk is managed where it occurs, with clear ownership, accountability, and oversight. LHV takes on risk to achieve its strategic objectives, but this must not exceed its risk capacity in terms of financial or organisational resources, ensuring the bank's ability to sustain operations and deliver on its objectives over time. The Group's material risk types include solvency, credit, market, funding and liquidity, operational, model, compliance, and financial crime risk. The Group has also defined ESG risk, geopolitical risk and reputational risk as material cross taxonomy risk drivers.

The Group's risk management framework ensures that risks are identified, assessed, managed, and reported in line with the Group's strategy and risk-bearing capacity. The framework follows the three lines of defence model.

The Supervisory Board sets the overall risk appetite, approves risk management policies, and oversees adherence to them. The Management Board has implemented the framework, ensures the alignment with the risk appetite, and maintains the structures and resources needed to manage risks effectively.

In the first line of defence, business units and support functions own the risks arising from their activities and are responsible for operating effective controls. The second line comprises the risk management and compliance functions. The Chief Risk Officer leads the Group risk function, which maintains the risk framework, oversees ICAAP, models, methodologies, and consolidated reporting, and provides independent challenge and support to the first line. The compliance function monitors adherence to laws, regulations, and internal requirements. The third line of defence is internal audit, which independently evaluates the effectiveness of governance, risk management, and internal controls.

Risk management is integrated and forward-looking. Risk identification is based on a Group-wide taxonomy and an annual material risk assessment, with ad hoc updates for emerging risks. Risk assessment combines quantitative and qualitative methods, including stress testing and reverse stress testing. The Group applies a materiality-based approach, focusing resources on the risks with the highest potential impact. Material risks are governed by dedicated policies, monitored regularly, and guided by thresholds set in the Risk Appetite Statement. Mitigation tools include limits, diversification, collateral practices, hedging, operational resilience measures, and change management controls. Escalation procedures ensure that breaches of risk appetite or key indicators are addressed at the appropriate governance level.

Risk owners monitor risks continuously, while the risk management function provides independent oversight. Monitoring covers quantitative limits, qualitative indicators, early warning signals, and stress test results. A consolidated monthly the Group risk report is presented to the Management and Supervisory Boards, covering developments across material risk types. The Compliance Officer provides a quarterly report to the Management and Supervisory Boards.

## 4.2 Capital Management and Adequacy

LHV's capital management policy is based on LHV Group's capital management policy, including LHV Group's capital goals and risk appetite.

The goals of the Group's capital management are:

- **Maintaining Capital Adequacy:** The Group must maintain sufficient capital to meet regulatory minimums, even under adverse conditions. Management buffers are maintained to ensure resilience under stress and enable timely corrective action before capital breaches become supervisory concerns.
- **Risk Appetite as a Driver of Capital Targets:** Internal capital targets and management buffers are informed by the Group's risk appetite. A higher risk appetite or greater business model complexity requires stronger capital reserves to maintain solvency through stress.
- **Forward-Looking and Risk-Based Capital Planning:** Capital planning is multi-year, integrated with strategic and financial plans, and grounded in risk-based analysis. It incorporates financial forecasts, internal stress testing, and ICAAP scenario outcomes.
- **Management Actions:** A predefined set of management actions is available to respond to early warning indicators or internal capital threshold breaches. These are aligned with the Group's Recovery Plan.
- **CET1 Capital as the Foundation:** CET1 is the primary focus of capital management, as it is the only capital type that absorbs losses in a going-concern scenario.
- **Capital Buffers Held at LHV Group Level:** Buffers are primarily maintained at the parent company level to ensure Group-wide flexibility and support for subsidiaries when needed.

- **Ongoing Reduction of Regulatory Capital Requirements:** LHV Group seeks to optimise capital efficiency over time through risk mitigation, portfolio diversification, and transparent communication to support favourable supervisory treatment.
- **Transparency for Stakeholders:** LHV Group is committed to transparency in its capital objectives and principles to reinforce market confidence and reduce systemic risk.

### Capital base

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Paid-in share capital	204,500	141,500
Legal reserves transferred from net profit	14,150	14,150
Retained earnings	305,296	287,288
Intangible assets (subtracted)	-2,037	-2,596
Net profit for the reporting period (COREP)	7,152	139,604
Deductions	-206	-126,774
<b>Core Equity Tier 1 capital</b>	<b>528,855</b>	<b>453,172</b>
Additional Tier 1 capital	68,637	53,380
<b>Total Tier 1 capital</b>	<b>597,492</b>	<b>506,552</b>
Subordinated debt	151,485	81,275
<b>Total Tier 2 capital</b>	<b>151,485</b>	<b>81,275</b>
<b>Net own funds for capital adequacy</b>	<b>748,977</b>	<b>587,827</b>

### Risk weighted assets

Central governments and central bank under standard method	0	0
Credit institutions and investment companies under standard method	6,706	9,688
Companies under standard method	666,335	1,635,363
Retail claims under standard method	197,284	264,548
Public sector under standard method	0	0
Housing real estate under standard method	1,927,925	704,792
Overdue claims under standard method	56,894	21,513
Particularly high risk assets	0	249,067
Other assets under standard method	26,150	31,167
<b>Total capital requirements for covering the credit risk and counterparty credit risk</b>	<b>2,881,294</b>	<b>2,916,137</b>
Foreign currency risk	904	2,778
Interest position risk	0	0
Equity portfolio risk	291	1,176
Credit valuation adjustment risk	17,347	3,522
Operational risk under base method	315,970	342,354
<b>Total risk weighted assets</b>	<b>3,215,806</b>	<b>3,265,967</b>
<b>Capital adequacy (%)</b>	<b>23.29</b>	<b>18.00</b>
<b>Tier 1 Capital Ratio (%)</b>	<b>18.58</b>	<b>15.51</b>

### 4.3 Credit risk

Credit risk is the risk of financial loss to the Group arising from a borrower, counterparty, or issuer failing to meet contractual obligations in full or on time, or from a deterioration in their credit quality. It encompasses both direct lending activities and exposures from trading, investment, and settlement transactions. Credit risk may materialise through borrower default, credit migration, excessive concentrations, counterparty default on derivatives and securities financing, settlement failures, or the ineffective use of credit risk mitigants such as collateral or guarantees.

#### 4.3.1 Credit risk management

The Group's credit risk management is based on LHV Group's Credit Risk Policy through supporting internal regulations.

Credit risk is one of the largest risks for the Group's business. Therefore, management carefully manages its exposure to credit risk. A central principle for the Group is that each credit business unit is fully accountable for the risks it assumes and must ensure that credit decisions align with Group-wide policies and strategic objectives. Business units are also responsible for embedding appropriate internal controls throughout the credit process to ensure sound and consistent risk management practices.

The credit process is proportionate to the size and risk profile of each exposure, ensuring that more complex or higher-risk cases are subject to enhanced analysis and oversight. Larger exposures exceeding EUR 1,000,000 are reviewed by the Credit Committee, while smaller or standardised exposures are handled by the Retail Banking Credit Committee or at lower approval levels, including credit officers or fully automated systems for consumer financing.

All credit decisions are supported by either rating or scoring models to assess the borrower's credit risk. Creditworthiness

assessments focus on the borrower's ability and willingness to meet obligations, with particular attention to the clarity and sustainability of cash flows dedicated to loan repayment. Responsible lending principles are fully integrated, and environmental, social, and ethical considerations are embedded in credit decisions in line with the LHV Group's ESG standards.

All credit exposures are monitored to enable early identification of significant increases in credit risk. The Group Risk function is responsible for independent oversight and control of credit risk management, including monitoring the credit process and enforcing risk limits. It regularly reviews the overall risk level and development of the credit portfolio and conducts stress testing as part of the annual Internal Capital Adequacy Assessment Process (ICAAP). Close attention is paid to identifying and monitoring of risk concentrations and significant exposures, both across portfolio segments and at the level of individual counterparties.

To support effective oversight, the Group's management bodies receive regular risk reporting, providing transparency on portfolio composition, credit risk developments, and any emerging risks, enabling timely and informed decision-making.

##### 4.3.1.1 Credit risk measurement

The Group classifies the financial assets exposed to credit risk in the following key categories:

##### a) Cash and cash equivalents, due from central banks and investment companies

Management considers the credit risk exposure from cash and cash equivalents, held at the central bank, correspondent banks and investment institutions to be inherently low. Loans and advances to these counterparties are generally unsecured, but the credit risk is mitigated through careful assessment of their credit quality.

The Group evaluates counterparties based on external credit ratings assigned by Standard & Poor's or equivalent agencies (central banks typically do not have ratings). Where multiple ratings are available, either the average or the most conservative rating is applied. For Estonian credit institutions that lack external ratings but are subsidiaries of larger EU banking groups, the parent company's rating is used as a proxy. Based on this assessment, management has concluded that the expected credit loss (ECL) from exposures to credit institutions and investment companies is immaterial, given the strong credit profiles of the counterparties and the Group's policy of maintaining only highly liquid positions with them.

##### b) Debt securities and derivatives

The Credit Committee sets limits on taking credit risk associated with debt securities considering the issuer's rating. For debt securities in the Treasury portfolio, the credit position of the security is determined based on the ratings of external rating agencies. These ratings are continuously monitored and updated. The probability of default (PD) associated with each rating are mapped to LHV's rating scale. The bonds have no collateral. No principal and accrued interest receivables arising from debt securities are overdue as of 31 December 2025.

##### c) Lending

The Group manages credit risk through comprehensive customer analysis prior to credit approval and ongoing monitoring throughout the loan lifecycle. Credit risk is measured using internal models that estimate key risk parameters: Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

Rating and scoring models, which estimate PD and risk grade, are used to estimate default risk of the counterparty. The assessment is made by using the customer segment specific models for homogeneous groups of customers. For legal entities with exposure more than EUR 1,000,000 rating

models are used, for legal entities with exposure less than EUR 1,000,000 and private customers scoring models are applied.

##### Rating customers

Credits to legal entities (except apartment association loans) with total exposure to LHV of more than EUR 1,000,000 i.e., corporate portfolio, are evaluated using expert-based rating models. Following loan origination, customer financial positions are monitored at least quarterly. In addition, all customer credit ratings are reviewed at least annually to ensure they remain current and reflective of creditworthiness. Customers exhibiting a significant increase in credit risk are placed on a watchlist, where their financial position, liquidity, and collateral coverage are subject to more frequent and detailed monitoring.

A credit rating is assigned to a customer based on a combination of their financial position and business risk profile. The specific financial ratios and business risk factors considered depend on the applicable rating model: corporate, commercial real estate, residential development, or local governments.

The Group's internal rating methodology for estimating PD is based on a 13-grade scale, where 1 indicates the lowest credit risk and 13 represents the highest credit risk (default). Ratings 1 and 2 are assigned only to international enterprises, organisations, local governments, and sovereigns whose creditworthiness is supported by investment-grade ratings from external credit rating agencies. Rating classes 3 to 13 incorporate both external rating inputs and internal assessments. These categories primarily cover Estonian companies, most of which do not have external credit ratings, and are therefore evaluated based on financial indicators and qualitative risk factors defined within the Group's internal models.

Corporate ratings are categorised into three groups: investment grade, non-investment grade, and default.

A counterparty is considered investment grade if it is not overdue as of the reporting date. Special monitoring status is assigned to exposures rated between 10 and 13, indicating increased credit risk. Rating 13 corresponds to default status, determined in accordance with the Group's internal definition of default.

#### Internal corporate rating models' PD scale

LHV rating	LHV description	12 month PD%
1		0.03
2		0.05
3		0.10
4		0.20
5	Investment grade	0.30
6		0.40
7		0.50
8		1.00
9		2.50
10		5.00
11	Non-investment grade	10.00
12		30.00
13	Default	100.00

#### Scoring customers

Credits below EUR 1,000,000 to legal entities i.e., SME segment, loans to apartment associations irrespective of the loan amount, private mortgage and private non-mortgage customers are analysed with a more time-efficient scoring process. The scoring process is carried out at the time of submission of the loan application, and it is one of the criteria for issuing the loan. The probability of default (PD) is calculated by reference to the customer's financial data and payment behaviour.

Credits to previously mentioned segments are re-assessed upon each renewal of the credit commitment. After the initial recognition, the transactional and payment behaviour of the borrower is monitored and incorporated into monthly automated update of risk estimates, the underlying risk parameters are reviewed quarterly.

The scoring model PD grades for these segments follow the same logic as in the internal corporate rating model PD scale where grade 1 stands for the lowest and 13 for the highest credit risk (default).

The rating and scoring models are subject to annual validation and recalibration to ensure they remain accurate and reflect the latest projections in the light of all observed defaults.

#### Internal retail scoring models' PD scale

PD grade	Description	12-month PD%
1		0.03
2		0.05
3	Low risk	0.09
4		0.19
5		0.38
6		0.75
7		1.50
8	Medium risk	3.00
9		6.00
10		12.00
11	High risk	24.00
12		48.00
13	Default	100.00

#### 4.3.1.2 Credit risk mitigation

Credit risk mitigation is achieved through a combination of tools, including risk-based pricing, collaterals, financial covenants, guarantees, and early warning systems. Among these, collateral is the primary risk mitigant. However, all credit decisions must be based first and foremost on the borrower's ability to repay the loan, with collateral acting as a complementary risk mitigant. The Group maintains internal policies that define the eligibility and acceptability of various types of collateral and credit risk mitigation techniques.

Long-term financing and lending to legal customers is generally secured. Consumer financing to individual customers is usually unsecured. The quality and structure of collateral must be appropriate to the overall risk of the transaction, i.e. higher-risk exposures require stronger, more liquid, and better-positioned collateral.

As part of the loan origination process, Group conducts a valuation of the collateral securing the exposure. Collateral valuations are based on the principle of conservatism, considering the type and location of the asset and the likelihood of realisation and liquidity. When estimating the quick realization value of collateral, Group applies a haircut to account for potential shortfalls. The size of the discount depends on several factors, including the type of collateral and the estimated time to realisation.

Collateral values are monitored and reassessed periodically. Expert assessments are used to evaluate immovables. To ensure that market values are up to date, the individual valuations of commercial real estate are updated at least once a year. Residential real estate is revalued quarterly using statistical indexation models.

Unsecured loans may be issued to private customers up to a specified limit. Consumer loans and credit cards are issued without collateral, and risk is mitigated by regular monitoring of customers' payment behaviour. Leasing and mortgage loans are all over-collateralised. For legal entities, unsecured

lending is only allowed when cash flow forecasts show stable and sufficiently strong financial performance and/or the customer's credit risk is assessed as acceptable. In relation to under-collateralised corporate loans, it should be taken into consideration that the Group has assessed the market value of certain collaterals conservatively (personal sureties, commercial pledges).

The Group's policies on obtaining collateral remained unchanged during the reporting period, and there has been no material change in the overall quality of collateral held since the previous period.

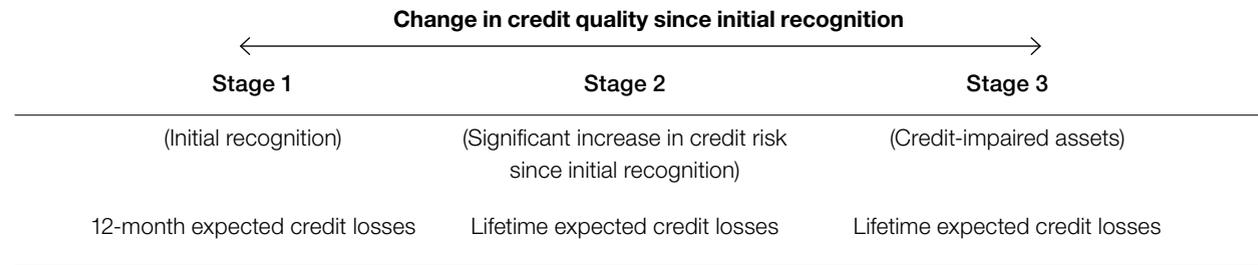
#### 4.3.1.3 Concentration risk

The Group manages concentration risk by setting exposure limits to specific sectors and counterparties, reflecting the maximum risk it is willing to accept.

#### 4.3.2 Credit impairment framework

Credit impairment provisions are measured using a forward-looking expected credit loss (ECL) model in accordance with IFRS 9. At each reporting date, the Group evaluates whether the credit risk of a financial instrument has increased significantly since initial recognition. This assessment is based on changes in the risk of default occurring over the expected life of the instrument. Based on this assessment, financial instruments are classified into three stages. A financial instrument that is not credit-impaired on initial recognition is classified to 'Stage 1' and its credit risk is continuously monitored by the Group. If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit impaired. If the financial instrument is credit-impaired, the financial instrument is moved to Stage 3.

Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (treated similarly as Stage 3).



ECL calculations are based on four components:

- Probability of Default (PD): an estimate of the likelihood that a borrower will default over a specified time horizon.
- Exposure at Default (EAD): an estimate of the expected exposure at the time of default, considering future changes in exposure after the reporting date, including scheduled repayments and potential drawdowns on undrawn commitments.
- Loss Given Default (LGD): an estimate of the loss that would arise in the event of default, calculated as the difference between the contractual cash flows due and the amounts expected to be recovered, including from collateral. LGD is expressed as a percentage of the EAD.
- Discount Factor: a rate used to discount the expected credit losses to their present value as of the reporting date.

Individual allowances are applied to corporate exposures classified as non-performing (default, rating 13), where loan payments are overdue and/or there is significant uncertainty that the expected cash flows from collateral realisation will be sufficient to cover the outstanding principal and interest using a discounted cash flow approach. The loss allowance is measured as the difference between the carrying amount of the exposure and the present value of estimated future cash flows, discounted at the effective interest rate.

The calculated allowances are approved by Credit Committee.

The Group aims to restructure loans rather than take possession of collateral if possible. Restructuring typically involves aligning the borrower's repayment schedule with their financial capacity such as temporarily reducing principal repayments, extending payment terms, or renegotiating loan conditions. Once revised terms are agreed and the borrower complies with them, the loan is no longer considered non-performing. These restructured loans are subject to regular monitoring to ensure that all conditions remain fulfilled and that future payments are likely to be made.

In 2025, the Group updated several credit risk models to improve the accuracy of risk estimates. The key changes include:

- Behavioural Life Models: Introduced for all credit products, these new models predict the actual expected life of a loan by considering customer behaviours like prepayments and extensions. Consequently, the Expected Credit Loss (ECL) is now calculated over the behavioural life of a facility, which may differ from its contractual term.
- Loss Given Default (LGD) Models: The models were

updated to make greater use of historical data. The methodology was enhanced to reduce expert judgement regarding collateral realizations and to explicitly account for the possibility of a defaulted loan returning to performing status (a "cure event"). Additionally, the methodology for the calculation of realized losses of open defaults was refined. These changes were applied to most credit segments, excluding loans to corporate clients with exposures over EUR 1 million.

- Credit Conversion Factor (CCF) Models: The models used to estimate potential draws on undrawn credit lines were refined. The updates provide more accurate estimates mainly for facilities with high credit limit usage and improve model segmentation.
- Real Estate Indexation Model: The model for valuing real estate collateral was improved by using statistical analysis to define regional price segments, replacing a previous expert-based approach for model development. This model is used to automatically update market value estimates of dwellings, apartments, residential land, and profit-yielding land.

These model enhancements, together with an increase in the classification threshold for rated customers from EUR 500,000 to EUR 1,000,000, resulted in a total decrease of the Group's ECL by EUR 6.4 million. This amount relates solely to the implementation of new models and methodological changes and does not include other changes during the year.

#### Post-model expert credit adjustment

Model overlay may be applied to the modelled outcome to reflect the estimated impact of factors not fully captured by the model. As of 31 December 2025, no management overlay was applied.

#### 4.3.2.1 Significant increase in credit risk

The Group uses both quantitative and qualitative indicators for assessing a significant increase in credit risk (SICR). The Group considers a financial instrument to have experienced a significant increase in credit risk (SICR) when one or more of the following criteria have been met:

- significant increase of lifetime PD since initial recognition (2.5 times and 100 bps jointly)
- more than 30 days past due on any material overdue amount to the Group (backstop)
- forbore performing (restructured) status (forbearance not triggering non-performing status)
- watch list status

The probability of default over the lifetime of a financial asset (cumulative lifetime PD) conditional on macroeconomic scenarios is calculated as weighted sum of point-in-time (PIT) forward-looking PDs generated for every future year until maturity of the financial instrument. For the indicator of more than 30 days past due, the same principles for counting days past due considering materiality thresholds are applied as for default identification. In case of payment holidays, the counting of days past due is based on the modified payment schedule.

The Group has used a low credit risk exemption for cash and nostro accounts fulfilling the liquidity portfolio criteria.

#### 4.3.2.2 Definition of default and credit-impaired assets

The Group classifies a financial instrument as in default when either a customer is more than 90 days past due on any material obligation to the Group, the customer is assessed as unlikely to fulfil their credit obligations, or both conditions are met.

Days past due are counted at the customer level, starting when the overdue amount exceeds the materiality threshold. For private customers and SME portfolio, the threshold is more than EUR 100 and 1% of their total credit obligations to the Group. For corporate customers, the threshold is more than EUR 500 and 1% of total obligations. Default is recognised and managed at the customer level, meaning all exposures to that customer are considered in default once the criteria are met.

The Group has defined the indication of unlikeliness to pay criteria:

- the borrower is experiencing significant financial difficulties
- distressed restructuring of credit obligation (forbearance triggering a non-performing status)
- recognition of specific credit risk adjustments resulting from a significant decline in the credit quality of the exposure
- sale of credit obligations at a material credit-related economic loss
- bankruptcy of the customer or similar protection
- non-accrued status
- credit fraud

A return to non-defaulted status is only permitted after a minimum probation period of 3 months, during which none of the default criteria are met, and the customer must make

all payments on time. In case of distressed restructuring, an obligation may be reclassified as non-defaulted only after at least 12 months have passed since the restructuring measures were granted and the customer has demonstrated the ability to comply with the new terms.

#### 4.3.2.3 Expected Credit Loss

The ECL is calculated as a probability-weighted average of marginal losses expected under different macroeconomic scenarios. For each scenario, the expected loss is calculated as the multiple of PD, LGD, and EAD, and is discounted to present value using the effective interest rate. PD and EAD curves are estimated for every future year until the maturity date of the facility. The length of the ECL horizon depends on the Stage classification of the exposure.

Macroeconomic scenarios are developed by the Group's macro analyst, based on external forecasts and observed developments, with a forward-looking horizon of three years. These scenarios are used to estimate PD curves. From the fourth year onward, it is assumed that PDs gradually converge toward their long-term historical averages.

Macroeconomic developments are monitored quarterly, and forecasts are updated as needed to ensure that new forward-looking information is incorporated into the ECL estimates in a timely manner. For the corporate portfolio, PD and LGD calibrations are performed at least annually by the Financial Risk Department in consultation with experts from credit management, business, and finance functions. For private customers and the SME portfolio, PD calibration is carried out quarterly to reflect changes in borrower behaviour and macroeconomic conditions.

The provisioning scenarios and significant updates to the scenarios are discussed in Risk Committee and approved by Chief Risk Officer on quarterly basis.

At the end of 31 December 2025, the probability weights for scenarios remained unchanged as compared to the end of 2024. The probability weights for the three scenarios are 15% for the upside scenario, 60% for the base scenario, and 25% for the downside scenario.

The parameters presented in the following tables are used for macroeconomic modelling framework applied to scoring customers segments and for forecasting the defaults within the corporate portfolio PD calibration. For private scoring customers the macroeconomic variables considered include unemployment rate, household consumption growth, average 6-month Euribor, lending margin and GDP growth. For SMEs, the model incorporates gross value-added growth rate by sector to better capture sector-specific sensitivities. The methodology and selection of parameters remain unchanged from the previous year.

## Assumptions in ECL estimate, valid at 31 Dec 2025

General macro-financial indicators	Base scenario			Downside scenario		Upside scenario	
	2025E	2026E	2027E	2026E	2027E	2026E	2027E
Real GDP growth, %	0.6%	2.2%	2.5%	1.5%	2.0%	3.2%	3.5%
Household consumption, %	-0.1%	2.4%	2.5%	1.5%	1.4%	3.2%	3.3%
Unemployment rate, %	7.7%	7.1%	6.9%	7.6%	7.1%	7.0%	6.4%
Euribor 6m	2.2%	2.1%	2.3%	2.4%	2.6%	2.0%	2.2%
Bank lending margins on new loans (NFC)	2.6%	2.5%	2.5%	2.4%	2.4%	2.6%	2.6%

## Nominal growth

Gross value added by sectors, YoY growth rates	Base scenario			Downside scenario		Upside scenario	
	2025E	2026E	2027E	2026E	2027E	2026E	2027E
<b>Total - all NACE activities</b>	<b>4.7%</b>	<b>5.3%</b>	<b>5.5%</b>	<b>4.4%</b>	<b>4.5%</b>	<b>5.8%</b>	<b>6.0%</b>
Agriculture, forestry, and fishing	3.4%	3.6%	3.3%	2.5%	2.3%	4.1%	3.8%
Industrial sector, except construction	5.5%	8.3%	9.6%	7.6%	7.3%	9.3%	10.6%
Industrial sector, except construction and manufacturing (mostly energy related)	1.8%	3.7%	4.9%	4.0%	3.3%	4.2%	5.4%
Manufacturing	3.6%	4.6%	4.7%	3.6%	4.0%	5.1%	5.2%
Construction	4.4%	3.5%	4.2%	2.1%	2.6%	4.0%	4.7%
Wholesale and retail trade, transport, accommodation, and food service activities	-0.9%	3.8%	4.3%	3.6%	4.1%	4.3%	4.8%
Information and communication	11.9%	14.3%	11.0%	12.9%	10.9%	14.8%	11.5%
Financial and insurance activities	-0.6%	1.8%	3.6%	-0.3%	0.4%	2.3%	4.1%
Real estate activities	9.5%	5.5%	5.5%	4.2%	4.6%	6.0%	6.0%
Professional, scientific, and technical activities; administrative and support service activities	7.5%	3.9%	4.2%	3.5%	3.8%	4.4%	4.7%
Public administration, defence, education, human health and social work activities	5.7%	5.6%	5.8%	4.2%	4.2%	6.1%	6.3%
Arts, entertainment, and recreation; other service activities; activities of household and extra-territorial organisations and bodies	5.1%	4.9%	5.8%	4.1%	4.9%	5.4%	6.3%

## Assumptions in ECL estimate, valid at 31 Dec 2024

General macro-financial indicators	Base scenario		Downside scenario		Upside scenario	
	2025E	2026E	2025E	2026E	2025E	2026E
Real GDP growth, %	1.6%	2.9%	0.8%	2.3%	1.9%	3.0%
Household consumption, %	1.6%	2.6%	0.8%	2.1%	2.8%	2.7%
Unemployment rate, %	7.3%	6.9%	7.8%	7.7%	6.7%	5.9%
Euribor 6m	2.0%	1.9%	2.5%	2.2%	2.0%	1.7%
Bank lending margins on new loans (NFC)	2.1%	2.2%	2.0%	2.1%	2.2%	2.2%

## Nominal growth

Gross value added by sectors, YoY growth rates	Base scenario		Downside scenario		Upside scenario	
	2025E	2026E	2025E	2026E	2025E	2026E
<b>Total - all NACE activities</b>	<b>5.1%</b>	<b>5.6%</b>	<b>3.4%</b>	<b>4.2%</b>	<b>5.3%</b>	<b>6.0%</b>
Agriculture, forestry, and fishing	5.7%	3.2%	2.1%	2.7%	5.1%	2.9%
Industrial sector, except construction	4.1%	4.5%	1.3%	2.4%	4.1%	4.5%
Industrial sector, except construction and manufacturing (mostly energy related)	3.5%	4.6%	1.2%	2.9%	3.2%	4.8%
Manufacturing	4.3%	4.5%	1.3%	2.3%	4.4%	4.5%
Construction	1.7%	3.5%	1.6%	2.3%	2.5%	4.7%
Wholesale and retail trade, transport, accommodation, and food service activities	4.7%	4.3%	1.8%	3.5%	4.9%	5.6%
Information and communication	9.4%	9.7%	9.1%	8.6%	10.2%	9.3%
Financial and insurance activities	10.3%	9.4%	7.8%	8.3%	10.6%	10.0%
Real estate activities	2.4%	4.1%	1.8%	2.9%	2.9%	5.1%
Professional, scientific, and technical activities; administrative and support service activities	3.3%	5.6%	2.5%	2.8%	3.5%	4.6%
Public administration, defence, education, human health and social work activities	5.8%	6.6%	5.1%	5.6%	6.1%	7.2%
Arts, entertainment, and recreation; other service activities; activities of household and extra-territorial organisations and bodies	4.2%	5.1%	3.9%	3.1%	4.9%	4.9%

#### 4.3.2.4 Expected credit loss sensitivity analysis

The purpose of the sensitivity analysis is to demonstrate the potential impact of applying more severe assumptions to key macroeconomic model parameters. Several parameters with significant impact on the expected credit loss outcome have been tested to assess the model's responsiveness.

The impact of the change in probability weights assigned to the positive and negative macroeconomic scenarios on ECL allowance were tested. The baseline scenario weight is held constant, while two tests are conducted, where the weights of the positive and negative scenarios have been changed by +/- 5pp, respectively. The table below presents the effect of these scenario weight shifts on the credit portfolio as of 31 December 2025 and 31 December 2024, respectively.

##### Impact on credit loss allowances

<i>EUR thousand</i>	2025	2024
60-10-30 (base/up/down)	1,081	1,106
60-20-20 (base/up/down)	-1,073	-1,111

The following table illustrate the impact of changing the PD thresholds for SICR on the ECL allowance as of 31 December 2025 and 31 December 2024. Increases in ECL (positive amounts) represent higher impairment allowances that would be recognised. As evidenced by the tables, changing SICR by +/- 10% has limited impact on the overall ECL of the Group.

##### Impact on credit loss allowances

<i>EUR thousand</i>	2025	2024
+10% change in SICR	-70	-47
-10% change in SICR	116	77

The Group has also performed scenarios for PD and LGD estimates with the most significant impact on the loss allowances. The impact of these tests on impairment is aggregated in the table below. The table includes loans, which are assessed

for impairment collectively and which have material balances and potential impact.

##### Impact on credit loss allowances

<i>EUR thousand</i>	2025	2024
LGD negative -0.5pp	363	771
LGD negative +0.5pp	-399	-745
Average PIT PD -0.5pp	-3,378	-3,366
Average PIT PD +0.5pp	3,328	3,227

#### 4.3.2.5 Write-off policy

The Group writes off financial assets, in whole or in part, when all reasonable recovery efforts have been performed and there is no longer a realistic expectation of repayment. This conclusion is typically reached when enforcement actions have ceased or when recoveries are limited to collateral whose value is insufficient to cover the outstanding exposure.

If it is not feasible or economically reasonable for the Group to take measures to recover the claims that are being discounted, the claim is assessed as non-performing and is removed from the statement of financial position. If an irrecoverable claim is received subsequently, receipts are recognised as income.

#### 4.3.2.6 Modifications of financial assets

The Group may renegotiate and modify the contractual terms of loans. If the modified terms are substantially different from the original terms, the original financial asset is derecognised and a new asset is recognised. In such cases, the Group also assesses whether the new asset is credit-impaired at initial recognition. If the changes are not substantial, the asset is not derecognised. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

When a financial instrument is modified due to the obligor's financial difficulties, a new credit assessment is performed. This includes obtaining an updated rating or score, assigning a new probability of default (PD), and marking the exposure as forborne (restructured) if it meets the regulatory definition. As a result, the asset is generally moved to Stage 2 if it is classified as forborne performing, or to Stage 3 if deemed forborne non-performing. A significant increase in PD may also lead to Stage 2 classification. In cases of substantial modification that result in derecognition, the newly recognised asset is classified as Stage 1 if not credit-impaired, or as a POCI asset (purchased or originated credit-impaired) if credit-impaired at initial recognition.

The Group monitors the subsequent performance of modified assets. The Group may determine that credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (lifetime ECL) to Stage 1 (12-month ECL). In case of distressed restructuring, an obligation may be reclassified as non-defaulted only after at least 12 months have passed since the restructuring measures were granted and the customer has demonstrated the ability to comply with the new terms.

### 4.3.3 Credit risk exposure

The following tables contain an analysis of the credit risk exposure of financial instruments. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets. Information on how the ECL is measured and how the three stages are determined is included in subsection 4.3.2. 'Credit impairment Framework'.

#### 4.3.3.1 Risk concentration

##### Maximum exposure to credit risk

<i>EUR thousand</i>	Note	31 Dec 2025	31 Dec 2024
Cash and balances with central bank, due from banks and investment companies	6	<b>3,689,712</b>	<b>3 418 757</b>
Financial assets at fair value through profit and loss	7	<b>1,324</b>	<b>7,474</b>
Investments in debt securities at amortised cost	8	<b>378,064</b>	<b>283,533</b>
Loans and advances to customers	9	<b>4,683,047</b>	<b>4,203,799</b>
<i>Corporate lending</i>		<i>2,569,035</i>	<i>2,404,574</i>
<i>Consumer lending</i>		<i>109,180</i>	<i>100,002</i>
<i>Investment financing</i>		<i>10,628</i>	<i>9,915</i>
<i>Leasing</i>		<i>173,672</i>	<i>178,527</i>
<i>Private lending</i>		<i>1,820,532</i>	<i>1,510,781</i>
Receivables from customers	10	<b>8,385</b>	<b>2,689</b>
Other financial assets	11	<b>100</b>	<b>100</b>
<b>Total financial assets</b>		<b>8,760,632</b>	<b>7,916,352</b>
Non-cancellable agreements	18	888,047	723,954
<b>Total</b>		<b>9,648,679</b>	<b>8,640,306</b>

#### 4.3.3.2 Distribution of loans granted by industry

##### Loans by economic sectors and stages (net)

<i>EUR thousand</i>	Stage 1	Stage 2	Stage 3	Allowance for credit losses	Total	as at 31 Dec 2025 %	Stage 1	Stage 2	Stage 3	Allowance for credit losses	Total	as at 31 Dec 2024 %
Individuals	1,839,717	127,018	9,168	-5,634	1,970,269	42.1%	1,459,694	190,727	7,146	-7,235	1,650,332	39.3%
Agriculture	152,088	9,250	0	-473	160,865	3.4%	42,577	14,996	31	-185	57,419	1.4%
Mining and quarrying	112	0	0	0	112	0.0%	105	1,022	36	-28	1,135	0.0%
Manufacturing	179,098	12,832	47,825	-17,005	222,750	4.8%	131,634	49,937	18,336	-13,277	186,630	4.4%
Energy	199,689	3,483	0	-894	202,278	4.3%	215,498	2,391	0	-1,249	216,640	5.2%
Water and utilities	45,624	328	0	-484	45,468	1.0%	27,882	314	0	-307	27,889	0.7%
Construction	73,499	4,483	260	-280	77,962	1.7%	95,190	4,191	47	-684	98,744	2.3%
Wholesale and retail	95,435	54,271	1,661	-1,297	150,070	3.2%	155,804	12,691	616	-1,411	167,700	4.0%
Transport and logistics	107,260	4,375	59	-1,079	110,615	2.4%	66,802	1,890	8	-623	68,077	1.6%
Hotels and restaurants	48,689	3,026	11	-205	51,521	1.1%	21,498	1,157	150	-70	22,735	0.5%
Information and communication	24,121	2,000	92	-115	26,098	0.6%	22,183	3,773	102	-176	25,882	0.6%
Financial services	142,435	801	0	-696	142,540	3.0%	154,092	1,525	0	-782	154,835	3.7%
Real estate	1,059,046	142,793	21,319	-8,190	1,214,968	25.9%	982,112	128,858	8,197	-8,636	1,110,531	26.4%
Professional, scientific, and technical activities	51,652	8,255	514	-341	60,080	1.3%	133,581	9,309	331	-329	142,892	3.4%
Administrative activities	82,445	4,642	169	-393	86,863	1.9%	96,100	18,651	73	-647	114,177	2.7%
Public management	33,203	3,610	0	-65	36,748	0.8%	46,572	4,086	0	-98	50,560	1.2%
Education	2,730	3,134	40	-607	5,297	0.1%	2,625	3,356	0	-1,022	4,959	0.1%
Health	27,885	1,001	95	-149	28,832	0.6%	26,117	819	0	-102	26,834	0.6%
Art and entertainment	53,803	31,171	2	-1,593	83,383	1.8%	40,160	31,525	0	-2,182	69,503	1.7%
Other servicing activities	4,604	1,686	70	-32	6,328	0.1%	5,726	611	14	-26	6,325	0.2%
<b>Total</b>	<b>4,223,135</b>	<b>418,159</b>	<b>81,285</b>	<b>-39,532</b>			<b>3,725,952</b>	<b>481,829</b>	<b>35,087</b>	<b>-39,069</b>		
Allowance for credit losses	-10,486	-6,923	-22,123				-10,640	-14,303	-14,126			
<b>Total loan portfolio (Note 9)</b>	<b>4,212,649</b>	<b>411,236</b>	<b>59,162</b>		<b>4,683,047</b>	<b>100%</b>	<b>3,715,312</b>	<b>467,526</b>	<b>20,961</b>		<b>4,203,799</b>	<b>100%</b>

4.3.3.3 Loan portfolio by internal ratings and stages

Credit quality of loan portfolio by internal ratings and stages

<i>EUR thousand</i>	Stage 1	Stage 2	Stage 3	Total 31 Dec 2025	Stage 1	Stage 2	Stage 3	Total 31 Dec 2024
<b>Rating customers</b>								
1 low credit risk	0	0	0	0	0	0	0	0
2 low credit risk	0	0	0	0	0	0	0	0
3 low credit risk	0	0	0	0	0	0	0	0
4 low credit risk	2,115	998	0	3,114	3,958	0	0	3,958
5 low credit risk	98,297	0	0	98,297	152,455	670	0	153,126
6 low credit risk	402,034	5,175	0	407,209	443,523	14,624	0	458,147
7 medium credit risk	576,603	1,350	0	577,953	475,913	21,832	0	497,745
8 medium credit risk	751,533	59,068	0	810,601	653,952	59,039	0	712,991
9 heightened credit risk	274,252	30,578	0	304,830	328,732	42,801	0	371,533
10 high credit risk	34,249	62,374	0	96,624	1,959	33,489	0	35,448
11 high credit risk	10,470	3,585	0	14,054	17,935	25,854	0	43,788
12 payments are delayed	0	24,060	0	24,060	0	50,198	0	50,198
13 insolvent	0	0	51,733	51,733	0	0	16,695	16,695
<b>Scoring customers</b>								
1 low credit risk	160,068	3,941	0	164,009	0	0	0	0
2 low credit risk	452,997	5,511	0	458,509	185,780	3,951	0	189,731
3 low credit risk	428,293	3,990	0	432,283	339,093	6,140	0	345,233
4 low credit risk	410,528	13,649	0	424,176	359,508	13,362	0	372,870
5 low credit risk	319,303	40,471	0	359,774	373,928	33,408	0	407,337
6 low credit risk	155,290	44,714	0	200,004	215,744	44,185	0	259,929
7 medium credit risk	80,339	37,075	0	117,414	101,579	36,045	0	137,624
8 medium credit risk	38,251	28,690	0	66,941	40,991	29,153	0	70,144
9 heightened credit risk	15,464	22,601	0	38,064	16,807	21,914	0	38,722
10 high credit risk	2,557	12,260	0	14,817	3,243	16,778	0	20,021
11 high credit risk	2	7,737	0	7,739	173	11,001	0	11,174
12 payments are delayed	0	3,409	0	3,409	39	3,081	0	3,120
13 insolvent	0	0	7,433	7,433	0	0	4,266	4,266
<b>Total</b>	<b>4,212,646</b>	<b>411,235</b>	<b>59,166</b>	<b>4,683,047</b>	<b>3,715,312</b>	<b>467,525</b>	<b>20,961</b>	<b>4,203,799</b>

Unused portions of loan portfolio and financial guarantee limits are presented in the following tables.

**Credit quality of commitments accounted for off the statement of financial position**  
(unused loan commitments)

<i>EUR thousand</i>	Stage 1	Stage 2	Stage 3	31 Dec 2025	Stage 1	Stage 2	Stage 3	31 Dec 2024
<b>Rating customers</b>								
1 low credit risk	0	0	0	0	0	0	0	0
2 low credit risk	0	0	0	0	0	0	0	0
3 low credit risk	0	0	0	0	0	0	0	0
4 low credit risk	0	0	0	0	0	0	0	0
5 low credit risk	6,674	0	0	6,674	8,298	0	0	8,298
6 low credit risk	40,199	0	0	40,199	63,268	1,234	0	64,502
7 medium credit risk	59,387	0	0	59,387	54,313	291	0	54,604
8 medium credit risk	167,031	2,006	0	169,037	201,994	2,247	0	204,241
9 heightened credit risk	147,294	923	0	148,216	66,297	874	0	67,171
10 high credit risk	4	6,221	0	6,225	15,003	699	0	15,702
11 high credit risk	0	0	0	0	1	0	0	1
12 payments are delayed	0	598	0	598	0	9,850	0	9,850
13 insolvent	0	0	592	592	0	0	878	878
<b>Scoring customers</b>								
1 low credit risk	13,876	834	0	14,710	0	0	0	0
2 low credit risk	19,757	1,200	0	20,957	12,466	860	0	13,326
3 low credit risk	15,534	1,735	0	17,269	13,268	916	0	14,183
4 low credit risk	48,543	1,443	0	49,986	17,760	1,553	0	19,313
5 low credit risk	37,315	2,686	0	40,001	8,926	1,042	0	9,968
6 low credit risk	7,999	1,702	0	9,700	11,613	1,377	0	12,991
7 medium credit risk	6,650	254	0	6,904	7,258	630	0	7,888
8 medium credit risk	1,350	455	0	1,805	1,999	637	0	2,635
9 heightened credit risk	711	182	0	893	1,151	204	0	1,355
10 high credit risk	91	179	0	270	10	38	0	48
11 high credit risk	0	15	0	15	4	22	0	26
12 payments are delayed	0	239	0	239	1	9	0	10
13 insolvent	0	0	14	14	0	0	14	14
<b>Total</b>	<b>572,413</b>	<b>20,672</b>	<b>606</b>	<b>593,691</b>	<b>483,629</b>	<b>22,483</b>	<b>892</b>	<b>507,003</b>

**Credit quality of commitments accounted for off the statement of financial position**  
(financial guarantees)

<i>EUR thousand</i>	Stage 1	Stage 2	Stage 3	31 Dec 2025	Stage 1	Stage 2	Stage 3	31 Dec 2024
<b>Rating customers</b>								
1 low credit risk	0	0	0	0	0	0	0	0
2 low credit risk	0	0	0	0	0	0	0	0
3 low credit risk	0	0	0	0	0	0	0	0
4 low credit risk	323	0	0	323	323	0	0	323
5 low credit risk	7,221	0	0	7,221	8,835	0	0	8,835
6 low credit risk	41,309	0	0	41,309	8,023	0	0	8,023
7 medium credit risk	18,704	0	0	18,704	30,367	0	0	30,367
8 medium credit risk	74,675	0	0	74,675	9,923	301	0	10,225
9 heightened credit risk	8,355	262	0	8,617	44,351	3,424	0	47,775
10 high credit risk	0	2,862	0	2,862	267	0	0	267
11 high credit risk	0	604	0	604	0	364	0	364
12 payments are delayed	0	0	0	0	0	112	0	112
13 insolvent	0	0	736	736	0	0	1,068	1,068
<b>Scoring customers</b>								
1 low credit risk	0	0	0	0	0	0	0	0
2 low credit risk	0	0	0	0	0	0	0	0
3 low credit risk	604	0	0	604	243	0	0	243
4 low credit risk	2,996	0	0	2,996	1,495	174	0	1,670
5 low credit risk	1,430	257	0	1,687	1,155	0	0	1,155
6 low credit risk	709	392	0	1,101	497	33	0	529
7 medium credit risk	398	128	0	526	337	0	0	337
8 medium credit risk	2	70	0	72	1	263	0	264
9 heightened credit risk	6	0	0	6	0	18	0	18
10 high credit risk	0	0	0	0	0	1	0	1
11 high credit risk	0	0	0	0	0	0	0	0
12 payments are delayed	0	9	0	9	0	0	0	0
13 insolvent	0	0	0	0	0	0	0	0
<b>Total</b>	<b>156,731</b>	<b>4,583</b>	<b>736</b>	<b>162,050</b>	<b>105,818</b>	<b>4,689</b>	<b>1,068</b>	<b>111,574</b>

#### 4.3.4 Quality of credit portfolio

##### 4.3.4.1 Distribution of loans by loan types and stages

The following table explains the changes in the credit loss allowances as well as changes in stages by loan types between the beginning and the end of the reporting period due to factors described in subsection 4.3.2. of this section.

##### Loans by loan types and stages

<i>EUR thousand</i>	Gross carrying amount			Allowance for credit losses			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Corporate lending	2,261,612	270,528	69,590	-9,634	-4,847	-18,214	2,569,035
Consumer financing	88,557	20,643	3,507	-345	-1,134	-2,048	109,180
Investment financing	10,028	687	0	-25	-62	0	10,628
Leasing	150,791	21,435	2,580	-295	-236	-603	173,672
Private lending	1,712,145	104,866	5,608	-187	-644	-1,256	1,820,532
<b>Total as at 31 Dec 2025</b>	<b>4,223,133</b>	<b>418,159</b>	<b>81,285</b>	<b>-10,486</b>	<b>-6,923</b>	<b>-22,121</b>	<b>4,683,047</b>
Corporate lending	2,138,860	270,673	25,302	-9,451	-10,838	-9,971	2,404,575
Consumer financing	66,906	34,193	3,814	-426	-1,976	-2,509	100,001
Investment financing	9,856	58	6	-4	0	-1	9,915
Leasing	155,903	21,540	2,673	-463	-440	-687	178,526
Private lending	1,354,428	155,365	3,292	-297	-1,048	-958	1,510,781
<b>Total as at 31 Dec 2024</b>	<b>3,725,952</b>	<b>481,829</b>	<b>35,087</b>	<b>-10,640</b>	<b>-14,303</b>	<b>-14,126</b>	<b>4,203,799</b>

#### 4.3.4.2 Transfers between stages

The following table explains the changes in the loan stages between the beginning and the end of the reporting period due to factors described in subsection 4.3.2. of this section.

#### Movements in credits to customers and credit loss allowances

EUR thousand

Stage	2025				2024			
	1	2	3	Total	1	2	3	Total
<b>Gross carrying amount</b>								
<b>Opening balance</b>	<b>3,725,953</b>	<b>481,827</b>	<b>35,088</b>	<b>4,242,868</b>	<b>3,263,702</b>	<b>291,335</b>	<b>23,531</b>	<b>3,578,569</b>
Transfers to Stage 1	148,690	-148,690	0	0	64,335	-64,335	0	0
Transfers to Stage 2	-159,638	160,896	-1,258	0	-288,103	289,320	-1,217	0
Transfers to Stage 3	-18,590	-46,001	64,592	0	-1,448	-17,910	19,358	0
Originated	1,106,455	0	0	1,106,455	1,204,868	0	0	1,204,868
Derecognised and repaid	-579,736	-29,873	-12,748	-622,357	-517,402	-16,582	-3,599	-537,583
<b>Movement</b>	<b>497,180</b>	<b>-63,668</b>	<b>50,586</b>	<b>484,098</b>	<b>462,251</b>	<b>190,492</b>	<b>14,542</b>	<b>667,285</b>
Write-offs	0	0	-4,387	-4,387	0	0	-2,986	-2,986
<b>Closing balance</b>	<b>4,223,133</b>	<b>418,160</b>	<b>81,287</b>	<b>4,722,579</b>	<b>3,725,953</b>	<b>481,827</b>	<b>35,088</b>	<b>4,242,868</b>
<b>Credit loss allowances</b>								
<b>Opening balance</b>	<b>-10,640</b>	<b>-14,303</b>	<b>-14,126</b>	<b>-39,069</b>	<b>-12,237</b>	<b>-9,766</b>	<b>-8,053</b>	<b>-30,056</b>
Transfers to Stage 1	-211	1,875	0	1,663	-207	1,372	0	1,165
Transfers to Stage 2	515	-1,752	481	-756	1,695	-8,021	377	-5,949
Transfers to Stage 3	117	4,585	-15,414	-10,711	22	1,153	-5,582	-4,407
Originated	-4,873	0	0	-4,873	-4,971	0	0	-4,971
Derecognised and repaid	3,909	545	2,730	7,183	3,482	184	-56	3,610
Changes to ECL assumption	697	2,126	1,242	4,065	1,576	775	-2,844	-493
<b>Movement</b>	<b>153</b>	<b>7,378</b>	<b>-10,961</b>	<b>-3,429</b>	<b>1,597</b>	<b>-4,536</b>	<b>-8,105</b>	<b>-11,045</b>
Write-offs	0	0	2,966	2,966	0	0	2,032	2,032
<b>Closing balance</b>	<b>-10,487</b>	<b>-6,924</b>	<b>-22,121</b>	<b>-39,532</b>	<b>-10,640</b>	<b>-14,303</b>	<b>-14,126</b>	<b>-39,069</b>

#### 4.3.4.3 Loans against collateral

In the tables below, collateral information of loans and advances is disclosed based on the collateral type and carrying amount or fair value (if lower) of the collateral held. The under-collateralised amount of secured loans is presented as unsecured loans.

#### Loans against collateral as at 31 Dec 2025 (net)

<i>EUR thousand</i>	Corporate lending	Consumer financing	Investment financing	Leasing	Private lending	Total
Listed securities	0	0	10,244	0	0	<b>10,244</b>
Unlisted equity securities	19,995	0	0	0	0	<b>19,995</b>
Mortgages, real estate	1,595,999	0	0	0	1,760,260	<b>3,356,259</b>
Guarantee of Estonian Business and Innovation Agency and Rural Development Foundation	87,960	0	0	0	11,165	<b>99,125</b>
Pledges of rights of claim	125,235	0	0	0	0	<b>125,235</b>
Deposits	1,526	0	380	0	1,100	<b>3,006</b>
Leased assets	0	0	0	132,909	0	<b>132,909</b>
Others	5,111	0	0	0	0	<b>5,111</b>
Unsecured loans or unsecured part of secured loans	733,207	109,180	5	40,763	48,008	<b>931,163</b>
<b>Total</b>	<b>2,569,033</b>	<b>109,180</b>	<b>10,629</b>	<b>173,672</b>	<b>1,820,533</b>	<b>4,683,047</b>

#### Loans against collateral as at 31 Dec 2024 (net)

<i>EUR thousand</i>	Corporate lending	Consumer financing	Investment financing	Leasing	Private lending	Total
Listed securities	0	0	8,787	0	0	<b>8,787</b>
Unlisted equity securities	20,619	0	0	0	4,928	<b>25,547</b>
Mortgages, real estate	1,451,284	0	0	0	1,452,519	<b>2,903,803</b>
Guarantee of Estonian Business and Innovation Agency and Rural Development Foundation	50,132	0	0	0	6,708	<b>56,840</b>
Pledges of rights of claim	136,742	0	0	0	0	<b>136,742</b>
Deposits	1,491	0	553	0	1,340	<b>3,384</b>
Leased assets	0	0	0	137,087	0	<b>137,087</b>
Others	32,655	0	0	0	10,494	<b>43,149</b>
Unsecured loans or unsecured part of secured loans	711,651	100,002	575	41,440	34,792	<b>888,460</b>
<b>Total</b>	<b>2,404,574</b>	<b>100,002</b>	<b>9,915</b>	<b>178,527</b>	<b>1,510,781</b>	<b>4,203,799</b>

**Over and under-collateralised loans by stages (net), 31 Dec 2025**

<i>EUR thousand</i>	Over-collateralised loans		Under-collateralised loans		Total	
	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral
<b>Stage 1</b>	<b>1,767,957</b>	<b>2,710,845</b>	<b>2,444,688</b>	<b>1,622,172</b>	<b>4,212,645</b>	<b>4,333,017</b>
Corporate Lending	501,431	700,403	1,750,546	1,092,317	2,251,977	1,792,720
Consumer Financing	0	0	88,211	0	88,211	0
Investment Financing	8,053	31,584	1,950	1,947	10,003	33,531
Leasing	19,603	31,083	130,893	94,590	150,496	125,673
Private Lending	1,238,870	1,947,775	473,088	433,318	1,711,958	2,381,093
<b>Stage 2</b>	<b>161,936</b>	<b>305,564</b>	<b>249,301</b>	<b>148,348</b>	<b>411,237</b>	<b>453,912</b>
Corporate Lending	74,258	106,959	191,422	121,894	265,680	228,853
Consumer Financing	0	0	19,509	0	19,509	0
Investment Financing	229	319	397	395	626	714
Leasing	3,584	5,287	17,615	13,392	21,199	18,679
Private Lending	83,865	192,999	20,358	12,667	104,223	205,666
<b>Stage 3</b>	<b>9,245</b>	<b>18,915</b>	<b>49,921</b>	<b>42,783</b>	<b>59,166</b>	<b>61,698</b>
Corporate Lending	5,388	7,212	45,990	40,538	51,378	47,750
Consumer Financing	0	0	1,460	0	1,460	0
Investment Financing	0	0	0	0	0	0
Leasing	100	170	1,877	1,673	1,977	1,843
Private Lending	3,757	11,533	594	572	4,351	12,105
<b>Total</b>	<b>1,939,138</b>	<b>3,035,324</b>	<b>2,743,910</b>	<b>1,813,303</b>	<b>4,683,048</b>	<b>4,848,627</b>
Corporate lending	581,077	814,574	1,987,958	1,254,749	2,569,035	2,069,323
Consumer financing	0	0	109,180	0	109,180	0
Investment financing	8,282	31,903	2,347	2,342	10,629	34,245
Leasing	23,287	36,540	150,385	109,655	173,672	146,195
Private lending	1,326,492	2,152,307	494,040	446,557	1,820,532	2,598,864

**Over and under-collateralised loans by stages (net), 31 Dec 2024**

<i>EUR thousand</i>	Over-collateralised loans		Under-collateralised loans		Total	
	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral
<b>Stage 1</b>	<b>1,699,915</b>	<b>2,575,503</b>	<b>2,015,397</b>	<b>1,208,945</b>	<b>3,715,312</b>	<b>3,784,448</b>
Corporate Lending	684,575	963,334	1,444,834	772,697	2,129,409	1,736,031
Consumer Financing	0	0	66,480	0	66,480	0
Investment Financing	6,622	29,383	3,230	2,668	9,852	32,051
Leasing	20,261	29,787	135,180	97,755	155,441	127,542
Private Lending	988,457	1,552,999	365,673	335,825	1,354,130	1,888,824
<b>Stage 2</b>	<b>249,332</b>	<b>457,386</b>	<b>218,194</b>	<b>138,160</b>	<b>467,526</b>	<b>595,546</b>
Corporate Lending	108,949	137,211	150,885	111,696	259,834	248,907
Consumer Financing	0	0	32,217	0	32,217	0
Investment Financing	0	2	58	46	58	48
Leasing	3,948	6,028	17,152	13,297	21,100	19,325
Private Lending	136,435	314,145	17,882	13,121	154,317	327,266
<b>Stage 3</b>	<b>18,044</b>	<b>29,063</b>	<b>2,917</b>	<b>1,111</b>	<b>20,961</b>	<b>30,174</b>
Corporate Lending	14,892	20,296	439	112	15,331	20,408
Consumer Financing	0	0	1,305	0	1,305	0
Investment Financing	5	6	0	0	5	6
Leasing	826	1,105	1,160	999	1,986	2,104
Private Lending	2,321	7,656	13	0	2,334	7,656
<b>Total</b>	<b>1,967,291</b>	<b>3,061,952</b>	<b>2,236,508</b>	<b>1,348,216</b>	<b>4,203,799</b>	<b>4,410,168</b>
Corporate lending	808,416	1,120,841	1,596,158	884,505	2,404,574	2,005,346
Consumer financing	0	0	100,002	0	100,002	0
Investment financing	6,627	29,391	3,288	2,714	9,915	32,105
Leasing	25,035	36,920	153,492	112,051	178,527	148,971
Private lending	1,127,213	1,874,800	383,568	348,946	1,510,781	2,223,746

## 4.4 Liquidity and Funding Risk

### 4.4.1 Liquidity Risk Management

Liquidity and funding risk is the risk that the Group is unable to meet its financial obligations as they fall due, or to fund its activities on a sustainable basis, without incurring unacceptable losses. The risk arises primarily from mismatches between the maturities of assets and liabilities, unexpected deposit outflows, or reduced access to funding markets.

The Group manages liquidity and funding risk conservatively, with customer deposits as the primary source of funding, supplemented by covered bonds and through the Group other secured market-based funding where appropriate. Balance sheet growth is aligned with the availability of stable funding, and the Group maintains a liquidity buffer to ensure resilience under both normal and stressed conditions.

The following tables present the distribution of financial assets and liabilities, excl. derivatives, by due dates and by future contractual undiscounted cash flows. The carrying amounts are disclosed in a separate column. In the maturity analysis, the cash flows are split into the maturity buckets in which the cash flows occur (including interest cash flows). The maturity gap between assets and liabilities within a one-year horizon reflects LHV's core business model of funding long-term loan assets with predominantly short-term customer deposits. This structural mismatch is inherent to the banking model and is therefore accepted as part of normal operations. The associated liquidity risk is continuously monitored and managed through survival period analysis and the Group's ILAAP framework.

### Financial assets and liabilities by maturities 31 Dec 2025

<i>EUR thousand</i>	Note	On demand	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
<b>Liabilities by contractual maturity dates</b>								
Deposits from customers	13	5,280,908	820,955	862,775	10,640	63	<b>6,975,341</b>	<b>6,963,534</b>
Loans received and debt securities in issue	15	0	2,808	194,167	768,101	0	<b>965,076</b>	<b>893,543</b>
Subordinated debt	15	0	42,179	9,829	218,020	0	<b>270,028</b>	<b>220,122</b>
Lease liabilities	14	0	639	1,878	2,277	0	<b>4,794</b>	<b>4,794</b>
Accounts payable and other financial liabilities	14	0	35,685	0	0	0	<b>35,685</b>	<b>35,685</b>
Unused loan commitments	18	593,691	0	0	0	0	<b>593,691</b>	<b>0</b>
Financial guarantees by contractual amounts	18	162,050	0	0	0	0	<b>162,050</b>	<b>0</b>
Financial liabilities at fair value	7	0	1,310	0	0	0	<b>1,310</b>	<b>1,310</b>
Foreign exchange derivatives (gross settled)		0	257,137	0	0	0	<b>257,137</b>	<b>0</b>
Foreign exchange derivatives (gross settled)		0	-257,137	0	0	0	<b>-257,137</b>	<b>0</b>
<b>Total liabilities</b>		<b>6,036,648</b>	<b>903,576</b>	<b>1,068,649</b>	<b>999,038</b>	<b>63</b>	<b>9,007,974</b>	<b>8,118,988</b>
<b>Assets held for managing liquidity risk by contractual maturity dates</b>								
Cash and cash equivalents, due from central banks and investment companies	6	3,689,712	0	0	0	0	<b>3,689,712</b>	<b>3,689,712</b>
Investments in debt and equity securities	7, 8	0	0	181,699	77,858	118,601	<b>378,158</b>	<b>379,388</b>
Loans and advances to customers	9	0	248,867	709,655	2,913,781	2,254,051	<b>6,126,354</b>	<b>4,683,047</b>
Receivables from customers	10	0	8,385	0	0	0	<b>8,385</b>	<b>8,385</b>
Other financial assets	11	100	0	0	0	0	<b>100</b>	<b>100</b>
<b>Total assets held for managing liquidity risk</b>		<b>3,689,812</b>	<b>257,252</b>	<b>891,354</b>	<b>2,991,639</b>	<b>2,372,652</b>	<b>10,202,709</b>	<b>8,760,632</b>
<b>Maturity gap from assets and liabilities</b>		<b>-2,346,836</b>	<b>-646,324</b>	<b>-177,295</b>	<b>1,992,601</b>	<b>2,372,589</b>	<b>1,194,735</b>	

## Financial assets and liabilities by maturities 31 Dec 2024

<i>EUR thousand</i>	Note	On demand	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
<b>Liabilities by contractual maturity dates</b>								
Deposits from customers	13	4,338,090	948,616	1,021,326	8,211	419	<b>6,316,662</b>	<b>6,293,525</b>
Loans received and debt securities in issue	15	0	3,281	341,737	565,697	0	<b>910,715</b>	<b>840,300</b>
Subordinated debt	15	0	25,779	31,285	106,575	0	<b>163,639</b>	<b>134,656</b>
Lease liabilities	14	0	615	1,873	4,776	0	<b>7,264</b>	<b>7,264</b>
Accounts payable and other financial liabilities	14	0	50,190	0	0	0	<b>50,190</b>	<b>50,190</b>
Unused loan commitments	18	507,003	0	0	0	0	<b>507,003</b>	<b>0</b>
Financial guarantees by contractual amounts	18	111,574	0	0	0	0	<b>111,574</b>	<b>0</b>
Financial liabilities at fair value	7	0	24	0	0	0	<b>24</b>	<b>24</b>
Foreign exchange derivatives (gross settled)		0	157,710	0	0	0	<b>157,710</b>	<b>0</b>
Foreign exchange derivatives (gross settled)		0	-157,710	0	0	0	<b>-157,710</b>	<b>0</b>
<b>Total liabilities</b>		<b>4,956,667</b>	<b>1,028,505</b>	<b>1,396,221</b>	<b>685,259</b>	<b>419</b>	<b>8,067,071</b>	<b>7,325,959</b>
<b>Assets held for managing liquidity risk by contractual maturity dates</b>								
Cash and cash equivalents, due from central banks and investment companies	6	3,418,757	0	0	0	0	<b>3,418,757</b>	<b>3 418 757</b>
Investments in debt and equity securities	7,8	0	5,368	161,268	80,257	40,182	<b>287,075</b>	<b>291,007</b>
Loans and advances to customers	9	0	242,451	704,914	2,781,476	2,036,792	<b>5,765,633</b>	<b>4,203,799</b>
Receivables from customers	10	0	2,689	0	0	0	<b>2,689</b>	<b>2,689</b>
Other financial assets	11	100	0	0	0	0	<b>100</b>	<b>100</b>
<b>Total assets held for managing liquidity risk</b>		<b>3,418,857</b>	<b>250,508</b>	<b>866,182</b>	<b>2,861,733</b>	<b>2,076,974</b>	<b>9,474,254</b>	<b>7,916,352</b>
<b>Maturity gap from assets and liabilities</b>		<b>-1,537,810</b>	<b>-777,997</b>	<b>-530,039</b>	<b>2,176,474</b>	<b>2,076,555</b>	<b>1,407,183</b>	

#### 4.4.2 Liquidity risk appetite metrics

Liquidity and funding risk is governed through the Risk Appetite Framework and managed at Group level. The key liquidity and funding risk metrics approved within the Group's Risk Appetite Framework are:

- Liquidity Coverage Ratio (LCR);
- Net Stable Funding Ratio (NSFR);
- Asset Encumbrance Ratio;
- Survival period.

These metrics are used to monitor the Group's short- and long-term liquidity position and to ensure that the funding structure remains aligned with the Group's risk appetite and business model.

Liquidity risk management includes regular cash flow forecasting, monitoring of funding concentration and maturity profiles, and management of a high-quality liquid asset buffer that can be monetised in stress scenarios. Liquidity risk is assessed separately for material currencies.

The Group applies liquidity stress testing covering both idiosyncratic and market-wide scenarios. Stress test results are incorporated into the internal liquidity adequacy assessment process and inform liquidity buffer calibration and contingency planning. A liquidity contingency plan defines escalation procedures and management actions in the event of emerging liquidity stress.

The following table presents the values of the LCR, NSFR (regulatory threshold is 100%) and the survival period measured by contractual maturity ladder. LCR and NSFR exceeded regulatory requirements with a healthy buffer characterising the Group's conservative approach to managing liquidity risk.

Ratio	2025	2024
LCR	162.8%	178.4%
NSFR	149.5%	150.2%

The level of the LCR ratio declined over the reporting year.

The ratio was adversely impacted by the increase in loan portfolio and rising volume of demand deposits from financial intermediaries. In contrast, the growth in retail deposits provided a positive contribution to the LCR.

The NSFR ratio declined marginally over the year because the loan origination exceeded the stable retail deposit acquisition.

The ratio was strongly supported by market-based funding issuance. The level of the ratio exceeds the regulatory and internal requirements with a wide headroom.

Throughout 2025, the Group's liquidity profile remains resilient under both combined-crisis and entity-specific stress scenarios. Across the year, key liquidity buffers (bank-specific, systemic, and combined) stay well above internal targets, with survival periods consistently exceeding critical thresholds. Moderate fluctuations in survival periods and liquidity buffers throughout the year were influenced mostly by cyclical deposit acquisition aligned to declining interest rates.

## 4.5 Market risk

Market risk is the risk of losses arising from adverse movements in market variables, including interest rates, foreign exchange rates and asset prices. Market risk can affect the Group's profitability, capital position and, where relevant, liquidity.

The Group's material market risks comprise interest rate risk in the banking book (IRRBB), credit spread risk in the banking book (CSRBB), and price and foreign exchange risk. IRRBB arises primarily from mismatches in the repricing profiles of assets and liabilities. Credit spread risk reflects changes in market credit spreads affecting the value of debt instruments, while price and foreign exchange risk arise mainly from securities portfolios held for liquidity management or investment purposes and customers' transactions in foreign currencies.

Market risk is governed through the Risk Appetite Framework and managed at Group level. The key market risk metrics approved within the Group's Risk Appetite Framework are:

- change in economic value of equity ( $\Delta$ EVE) under interest rate stress;
- change in net interest income ( $\Delta$ NI) under interest rate stress; and
- price and foreign exchange risk measured as stressed loss relative to CET1 capital.

These metrics are used to monitor the Group's sensitivity to adverse market movements and to ensure that market risk remains aligned with the Group's risk appetite and capital position.

Market risk management focuses on balance sheet structuring, product design and pricing, and the application of exposure limits. Structural interest rate risk arising from the Group's core banking activities is accepted within appetite. Foreign exchange risk and price risks are tightly managed.

Market risk exposures are monitored regularly, including through stress testing.

### 4.5.1 Foreign currency risk

Foreign currency risk arises from the mismatch of the Group's foreign currency assets and liabilities. Most items in the Group's statement of financial position are denominated in euros but a mismatch could result from the foreign currency transactions of LHV Pank's customers.

The Group's appetite for foreign currency risk is low, open positions exceeding set monitoring limits must be closed or reduced.

Foreign currency risk is measured by estimating the potential loss to the Group from its net open foreign currency position in a stress scenario. The loss from foreign currency risk should not exceed a prescribed level of the Group's CET1 capital.

In addition to the risk appetite levels approved at the Group level, LHV Pank's ALCO has implemented additional risk limits for various types of market risks in LHV Pank. Foreign currency risk limits in LHV Pank are fixed as maximum nominal net open position limits in euro equivalent for each currency. If the open currency position exceeds the limits set by the ALCO, measures must be implemented to close or reduce such positions.

A sensitivity analysis has been performed to show the effect of movements in foreign exchange rates on the statement of profit or loss, with the assumption of other conditions remaining constant. The sensitivity has been measured against a potential exchange rate movement of +/- 6% which is in line with the stress scenario used by the Group for measuring foreign currency risk of its net open positions. The Group's foreign currency risk exposure is very low.

#### Impact on statement of profit or loss

<i>EUR thousand</i>	2025	2024
USD exchange rate	+/-33	+/-30
SEK exchange rate	+/-17	+/-7
GBP exchange rate	+/-110	+/-136

#### Open currency exposures

The following tables present the risks arising from open currency exposures. Assets and liabilities denominated in foreign currencies have been presented in euro equivalent in respective columns, according to the exchange rate prevailing at the end of the reporting period. Derivatives reported at fair value in the statement of financial position have been included at contractual amounts under assets and liabilities accounted for off the statement of financial position. Open currency exposure and the volume of financial assets and liabilities of the Group at the end of the reporting period do not significantly differ from the average exposure during the year. Foreign exchange forwards are shown in the table at their full contractual cash flow amounts as assets and liabilities accounted for off the statement of financial position. The table does not include the assets (property, plant and equipment and intangible assets) and liabilities (provisions) not bearing currency risk, or equity.

It can be seen based on the table that as mentioned above, the majority of the Group's business is conducted in euro currency.

### Currency risk exposures as at 31 Dec 2025

<i>EUR thousand</i>	Note	EUR	CHF	GBP	SEK	USD	Other	Total
<b>Financial assets bearing currency risk</b>								
Cash and cash equivalents, due from central banks and investment companies	6	3,654,568	6,212	11,535	3,645	6,394	7,358	<b>3,689,712</b>
Investments in debt and equity securities	7, 8	379,349	1	1	0	36	1	<b>379,388</b>
Loans and advances to customers	9	4,673,835	4	170	248	8,457	333	<b>4,683,047</b>
Receivables from customers	10	3,127	108	2,802	472	1,355	521	<b>8,385</b>
Other financial assets	11	100	0	0	0	0	0	<b>100</b>
<b>Total financial assets bearing currency risk</b>		<b>8,710,979</b>	<b>6,325</b>	<b>14,508</b>	<b>4,365</b>	<b>16,242</b>	<b>8,213</b>	<b>8,760,632</b>
<b>Financial liabilities bearing currency risk</b>								
Deposits from customers	13	6,756,847	6,264	25,520	8,328	153,591	12,984	<b>6,963,534</b>
Loans received and debt securities in issue	15	893,543	0	0	0	0	0	<b>893,543</b>
Financial liabilities at fair value	7	1,275	0	35	0	0	0	<b>1,310</b>
Accounts payable and other financial liabilities	14	27,196	32	907	5,110	5,230	2,004	<b>40,479</b>
Subordinated debt	15	220,122	0	0	0	0	0	<b>220,122</b>
<b>Total financial liabilities bearing currency risk</b>		<b>7,898,983</b>	<b>6,296</b>	<b>26,462</b>	<b>13,438</b>	<b>158,821</b>	<b>14,988</b>	<b>8,118,988</b>
Open gross position derivative assets at contractual value		43,900	0	10,851	9,241	186,395	6,750	<b>257,137</b>
Open gross position derivative liabilities at contractual value		212,988	0	0	0	44,149	0	<b>257,137</b>
<b>Open foreign currency position</b>		<b>642,908</b>	<b>29</b>	<b>-1,103</b>	<b>168</b>	<b>-333</b>	<b>-25</b>	<b>641,644</b>

**Currency risk exposures as at 31 Dec 2024**

<i>EUR thousand</i>	Note	EUR	CHF	GBP	SEK	USD	Other	Total
<b>Financial assets bearing currency risk</b>								
Cash and cash equivalents, due from central banks and investment companies	6	3,368,906	2,657	32,759	1,586	6,040	6,809	<b>3,418,757</b>
Investments in debt and equity securities	7, 8	287,502	1	1	3,472	30	2	<b>291,007</b>
Loans and advances to customers	9	4,194,563	18	220	198	8,572	228	<b>4,203,799</b>
Receivables from customers	10	4,634	-181	-1,328	421	-490	-367	<b>2,689</b>
Other financial assets	11	100	0	0	0	0	0	<b>100</b>
<b>Total financial assets bearing currency risk</b>		<b>7,855,705</b>	<b>2,495</b>	<b>31,652</b>	<b>5,676</b>	<b>14,152</b>	<b>6,672</b>	<b>7,916,352</b>
<b>Financial liabilities bearing currency risk</b>								
Deposits from customers	13	6,087,303	7,458	31,083	7,208	148,864	11,610	<b>6,293,525</b>
Loans received and debt securities in issue	15	840,300	0	0	0	0	0	<b>840,300</b>
Financial liabilities at fair value	7	24	0	0	0	0	0	<b>24</b>
Accounts payable and other financial liabilities	14	43,732	39	1,929	1,448	9,972	334	<b>57,454</b>
Subordinated debt	15	134,656	0	0	0	0	0	<b>134,656</b>
<b>Total financial liabilities bearing currency risk</b>		<b>7,106,014</b>	<b>7,497</b>	<b>33,012</b>	<b>8,656</b>	<b>158,836</b>	<b>11,944</b>	<b>7,325,959</b>
Open gross position derivative assets at contractual value		0	4,983	0	3,054	144,384	5,289	<b>157,710</b>
Open gross position derivative liabilities at contractual value		157,710	0	0	0	0	0	<b>157,710</b>
<b>Open foreign currency position</b>		<b>591,981</b>	<b>-19</b>	<b>-1,360</b>	<b>74</b>	<b>-300</b>	<b>17</b>	<b>590,393</b>

## 4.5.2 Price risk

Price risk arises from securities held by the Group in the liquidity portfolio, trading portfolio and investment portfolios (Note 7, 8).

Price risk is measured by estimating the potential loss that can be incurred by the Group in a stress scenario. The loss from price risk in the stress scenario should not exceed a prescribed percentage of the Group's CET1 capital. The ALCO has set additional limits on the size of the liquidity, trading and investment portfolios. There are criteria in place for acceptable credit ratings as well as other parameters of the debt securities that can be held by the Group.

A sensitivity analysis has been conducted to assess the potential impact of changes in securities prices on the Group's net result. The price movements applied in the sensitivity analysis are in line with the stress scenarios used by the Group for measuring price risk and are based on historical volatility of the instruments included in the relevant portfolios. Only the debt securities classified as measured at fair value through profit and loss are subject to price risk.

### Impact on statement of profit or loss

<i>EUR thousand</i>	2025	2024
Equity securities and fund units +/-26%	+/-154	+/-153
Debt securities +/-2.0%	+/-0	+/-69

As of end of 2025, all of Group's debt securities are accounted for at amortised cost, so the price fluctuations do not directly affect the statement of profit and loss. The Group does not hold significant amounts of equity securities (see Note 7), accordingly the sensitivity to change in the market price of these positions is marginal.

## 4.5.3 Interest rate risk

Interest rate risk arises from the mismatch of the term structure of interest rate sensitive assets and liabilities (gap risk), imperfect correlation of base rates (basis risk), the optionality inherent in the interest rate sensitive instruments (option risk) and the change in credit spreads (credit spread risk). Interest rate risk can arise both from items accounted for on and off the statement of financial position.

The Group manages IRRBB exposures on its balance sheet to ensure that the Group's financial stability remains intact even under adverse scenarios. Structural exposures arising from Group's core business — namely, funding floating-rate loans with demand and short-term deposits — are however accepted.

Interest rate risk in the banking book is measured by estimating the change of net interest income (NII) and the economic value of equity (EVE) in a number of regulatory and internal stress scenarios compared to the base scenario. In 2025, the Group introduced a new risk appetite limit based on internal assumptions for financial institution deposits, where the negative impact on NII and EVE in a 100 basis points parallel shift in interest rates must not exceed a certain level of entity's CET1 capital.

The economic value of equity ( $\Delta$ EVE) analysis assesses the change in the present value of assets, liabilities, and equity under different interest rate scenarios. The analysis is based on the net present value of the cash flows, discounted using the scenario-specific interest rate curves. Cash flows are calculated on a run-off balance sheet basis, applying the assumptions detailed below.

The net interest income ( $\Delta$ NII) analysis assesses the impact of interest rate changes on the Group's net interest income over the next 12-month period. Interest-bearing assets, liabilities and relevant off-balance sheet items are allocated into time buckets by their repricing date and are assumed to reprice at new scenario-specific interest rates. The NII analysis is performed on a constant balance sheet assumption.

The main assumptions for the calculation of the change in EVE and change in NII are as follows:

- The repricing terms of demand deposits of households and non-financial corporations vary between 1 day and 10 years, depending on their interest rate sensitivity.
- For deposits of financial institutions, immediate repricing is assumed for regulatory scenarios while internal methodology follows behavioural repricing assumptions.
- A 0% interest rate floor is applied to deposits of retail customers.
- For term deposits, contractual maturities are used.
- For loans, contract-specific interest rate floors are used.
- Conditional prepayment rate is used in the assessment of the early repayment of loans.
- Term deposit redemption rate is used in the assessment of the early redemption of the term deposits.
- In the case of items accounted for off the statement of financial position (e.g., loan commitments and credit limits), the credit conversion factor is included in the model, and it is assumed that the use of the limit will increase on a straight-line basis until the expiry date.

A sensitivity analysis has been performed to assess the impact of +/-100 basis points parallel interest rate shift in interest rates on the change in net interest income (NII). The following table presents the estimated changes compared to the base scenario. There is a notable change in the +100 bp scenario, where the NII is impacted by the methodological change in the repricing of financial institution deposit, from an immediate repricing assumption to behavioural.

### Change in net interest income

<i>EUR thousand</i>	2025	2024
+100 bp parallel shift	16,218	7,796
-100 bp parallel shift	-27,803	-29,799

The table below shows the structure of the interest-bearing assets and interest-bearing liabilities of the Group grouped by the recalculation dates of interest rates at the principal amounts of receivables and liabilities.

#### Interest rate sensitivity gap as at 31 Dec 2025

<i>EUR thousand</i>	Note	Up to 3 months	3-12 months	1-5 years	Over 5 years	Subtotal	Accrued interest	Impairments	Total
<b>Financial assets</b>									
Cash and cash equivalents, due from central banks and investment companies	6	3,689,712	0	0	0	3,689,712	0	0	3,689,712
Financial assets at fair value (debt securities)	7	0	0	0	0	0	0	0	0
Financial assets measured at amortised cost (debt securities)	8	0	181,194	77,187	117,631	376,012	2,147	-95	378,064
Loans and advances to customers	9	2,184,478	2,364,022	84,837	72,174	4,705,511	17,068	-39,532	4,683,047
<b>Total</b>		<b>5,874,190</b>	<b>2,545,216</b>	<b>162,024</b>	<b>189,805</b>	<b>8,711,235</b>	<b>19,215</b>	<b>-39,627</b>	<b>8,750,823</b>
<b>Financial liabilities</b>									
Deposits from customers	13	4,029,744	1,586,223	1,105,915	227,332	6,949,214	14,320	0	6,963,534
Loans received and debt securities in issue	15	0	165,000	716,835	0	881,835	11,708	0	893,543
Subordinated debt	15	38,000	0	181,000	0	219,000	1,122	0	220,122
<b>Total</b>		<b>4,067,744</b>	<b>1,751,223</b>	<b>2,003,750</b>	<b>227,332</b>	<b>8,050,049</b>	<b>27,150</b>	<b>0</b>	<b>8,077,199</b>
<b>Net interest sensitivity gap</b>		<b>1,806,446</b>	<b>793,993</b>	<b>-1,841,726</b>	<b>-37,527</b>	<b>721,186</b>			

#### Interest rate sensitivity gap as at 31 Dec 2024

<i>EUR thousand</i>	Note	Up to 3 months	3-12 months	1-5 years	Over 5 years	Subtotal	Accrued interest	Impairments	Total
<b>Financial assets</b>									
Cash and cash equivalents, due from central banks and investment companies	6	3,418,757	0	0	0	3,418,757	0	0	3,418,757
Financial assets at fair value (debt securities)	7	3,471	0	0	0	3,471	0	0	3,471
Financial assets measured at amortised cost (debt securities)	8	1,897	161,094	79,230	39,857	282,078	1,526	-71	283,533
Loans and advances to customers	9	2,018,053	2,046,962	94,217	66,893	4,226,125	16,743	-39,069	4,203,799
<b>Total</b>		<b>5,442,178</b>	<b>2,208,056</b>	<b>173,447</b>	<b>106,750</b>	<b>7,930,431</b>	<b>18,269</b>	<b>-39,140</b>	<b>7,909,560</b>
<b>Financial liabilities</b>									
Deposits from customers	13	4,260,072	1,445,253	396,406	165,401	6,267,132	26,393	0	6,293,525
Loans received and debt securities in issue	15	69,000	414,872	348,586	0	832,458	7,842	0	840,300
Subordinated debt	15	23,000	25,000	86,000	0	134,000	656	0	134,656
<b>Total</b>		<b>4,352,072</b>	<b>1,885,125</b>	<b>830,992</b>	<b>165,401</b>	<b>7,233,590</b>	<b>34,891</b>	<b>0</b>	<b>7,268,481</b>
<b>Net interest sensitivity gap</b>		<b>1,090,106</b>	<b>322,931</b>	<b>-657,545</b>	<b>-58,651</b>	<b>696,841</b>			

#### 4.5.4 Credit valuation adjustment risk

Credit valuation adjustment (CVA) risk is defined as the risk of losses arising from changing CVA values in response to movements in counterparty credit spreads and market risk factors that drive prices of derivative transactions. The Group applies the standardised approach to calculate the capital charge for CVA risk. The Group's capital requirement for CVA risk as of 31 December 2025 amounted to EUR 1,388 thousand (2024: EUR 282 thousand).

## 4.6 Operational risk

Operational risk is the risk of losses resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk includes legal risk, ICT risk and reputational risk, but excludes strategic risk. Operational risk is inherent in all products, activities, processes, and systems.

Each manager in LHV is responsible for managing operational risk within their responsibility area. Risk Division is acting as the second line of defence and providing both proper trainings and guidance to implement the operational risk framework, as well as oversight to ensure that the risk profile is within the desired level as described in risk appetite statements.

The operational risk framework is described in the operational risk policy and in other relevant operational risk management procedures. The main processes and tools to manage, i.e., to identify, assess, mitigate, and monitor operational risks are as follows.

### Risk and control self-assessment

There is a unified process and method across LHV to assess operational risks of all products and processes. The regularity of self-assessment depends on the criticality level of the product and the process and must ensure that all managers are aware of the risks they are responsible for and apply relevant mitigating and monitoring measures to keep the risk profile within the desired risk level.

Change management and approval process in case of new or significantly changed products, IT systems, processes, organisation, partners (incl. outsourcing), or in case of exceptional transactions

Change management and approval process is designed to ensure all significant changes in products, IT systems, processes, organisation, partners (incl. outsourcing) or significant exceptional transactions are managed with due care and no change is approved before all risk considerations have been taken into account. To achieve this, pre-described risk management rules are implemented, accompanied by independent opinions from the Risk and Compliance Divisions.

Operational risk event and business continuity management

The objective of the operational risk event management is to ensure all events are managed in a proper manner, as well as to learn from the events and use the lessons to prevent similar cases from happening in the future.

Event management activities depend on the event type and severity level. For critical processes business continuity plans are in place and will be activated in case there is a disruption in a critical process. Critical IT systems have recovery plans in place for the same reasons. If needed, crisis management will be applied, steered by the Crisis Committee.

Business continuity plans are regularly reviewed and tested to ensure they are up-to-date and applicable in the event of critical process disruptions.

All events must be reported centrally and registered in a central database for further analysis conducted by the Risk Division. The event data is also used for capital calculation purposes within the ICAAP.

### ICT and information security risk management

One of our main goals is to be a trustworthy banking partner to our customers with the focus on providing customer-friendly, secure and resilient digital banking services. Secure and resilient IT systems are key for this objective.

In addition to the general operational risk management framework, dedicated ICT and information security risk management tools and methods are applied to protect the information and customers' assets and ensure the IT systems are available. For example:

- reasonable conservatism is being applied when implementing new configurations to products and services
- regular security monitoring
- vulnerability management process
- security controls in the software development lifecycle
- training of our personnel to increase awareness and prevent actions that may cause security incidents on IT systems and services
- up-to-date information about developments in the security scene to understand potential weaknesses.

We take seriously and react to all malicious attacks targeted at our own infrastructure, the customer data in our possession, and our customers.

## 4.7 Other risks

### 4.7.1 Strategic risk

Strategic risk is the risk of losses, including in the form of foregone revenues or additional costs, due to poor strategical planning and/or decisions or due to poor reputation not supporting strategic goals. Strategic risk includes both business, as well as sustainability strategy risk.

Main triggers for strategic risk are changes in different external factors to which LHV does not timely and appropriately adapt to, for example competitive landscape, technological shifts, customer preferences, ESG, especially climate changes, changes in regulation, and industry and product profitability.

Strategic risk is mitigated through the well understanding of the business environment and home markets, as well as risks threatening strategic goals, and considering them in the strategy planning process.

In addition, members of management in Group and subsidiaries (both the Management Board and the Supervisory Board) have long-term experience in the banking sector and/or entrepreneurship. Prior to entering new markets and sectors, professionals in the field will always be involved and a thorough analysis will be carried out.

### 4.7.2 ESG risks

ESG risk is a risk of loss resulting from current or prospective impacts of ESG factors, i.e. from environmental, social and/or governance factors, as applied directly to LHV or towards its counterparties or invested assets.

ESG risk materialises through other risk categories, such as credit risk, market risk, operational risk, liquidity and funding risk, strategic risk, i.e. acts as a cross-taxonomy risk driver. If ESG risk impact towards main risk is material, it shall be reflected, as a sub-risk under this main risk.

For the identification of material ESG risks a dedicated materiality assessment is conducted, which is the main input for setting risk appetite and relevant risk limits, as well as relevant qualitative risk management tools, for example client engagement.

### 4.7.3 Reputational risk

Reputational risk, i.e. loss of reputation is one of negative consequences resulting from several LHV main risks. Loss of reputation occurs due to failure to meet stakeholders' (investors, employees, regulators, clients etc) expectations as a result of any event, behaviour, action or inaction, either by LHV itself, its employees or those with whom LHV is associated, that may cause stakeholders to form a negative view of LHV, either justified or not.

Good reputation and trust from existing and possible new clients, investors and employees is one of the enablers to achieve strategic business goals. Reputational risk is treated as a cross-taxonomy risk consequence, and its management is integrated into existing risk management processes covering LHV's main risk types.

### 4.7.4. Compliance risk

The number of regulatory requirements and their constant changes make compliance risk a significant operational risk, the realisation of which can lead to both financial and reputational damage.

The task of compliance function is to manage the compliance risk through various activities. The compliance covers the entire activity of LHV and is not limited to specific areas. However, LHV has separated the AFC compliance function from the general compliance function.

In addition to the tasks set out in the regulatory requirements, compliance function is involved in maintaining and developing the culture of the organisation to promote a culture that supports compliance.

To perform its tasks efficiently, the compliance function, among other things, constantly assesses the need for resources and makes proposals for enhancing and developing the function, where appropriate. Going forward continuous adaptation to supervisory expectations of the ECB and the SRB will influence compliance risk management and thus the compliance function.

## 4.8 Anti-financial crime (AFC)

### 4.8.1 Financial crime risk governance

A strong anti-financial crime (AFC) culture is built on a foundation of high awareness and commitment to risk management. This culture is reinforced through ongoing awareness raising, information sharing cooperation and exchanging best practices, state-of-the-art training program, and reporting. In 2025, we further strengthened our Group-wide approach to identifying and managing financial crime risks through an enterprise-wide risk assessment and coordinated implementation of aligned AFC practises across all obliged entities within the LHV Group. These efforts ensure a consistent and effective framework for the prevention of money laundering, terrorist financing, sanctions breaches, and other forms of financial crime.

### 4.8.2 Anti-financial Crime framework

AFC framework at LHV is based on 10 core principles that reflect the Group's commitment to ethical conduct, robust compliance and sound risk management:

- 1) Risk-based approach – allocation to resources proportionate to identified risks;
- 2) Assessment of risks and establishment of risk appetite – regular identification and assessment of financial crime risks, with a clear appetite defined by the Supervisory Board;
- 3) KYC – know-your-customer – comprehensive understanding of customers and beneficial owners;
- 4) Due diligence measures – application of risk-based controls throughout the customer lifecycle;
- 5) Monitoring and screening – use of advanced technological solutions to detect unusual or suspicious activity;
- 6) Reporting of suspicious activities – timely and appropriate escalation and reporting to competent authorities;
- 7) Prohibited relationships – clear definition of unacceptable customers, sectors, or jurisdiction;
- 8) Information sharing and escalation – effective communication across LHV entities and with external partners in accordance with the law;
- 9) Training and awareness – ensuring that employees are equipped with the necessary knowledge to identify and prevent financial crime;
- 10) Data retention - maintaining data in line with legal requirements to support auditability and investigations.

### 4.8.3 Banking Services for financial intermediaries

Through its banking services business line, LHV continued to provide services to other financial institutions (including fintech companies) that in turn can provide financial services to their own customers. Provision of correspondent services to other financial institutions presents a different portfolio of financial crime risks due to indirect exposure with end customers.

LHV applies enhanced, risk-based measures to mitigate these risks, including:

- dedicated relationship management and specialist AFC oversight teams for this sector;
- Enhanced Due Diligence on fintech clients, covering business model, ownership structure, governance, AFC measures, technical capabilities for screening and monitoring, and customer and jurisdiction risk segmentation;
- A programme of periodic (incl. on-site) assessments of clients' AFC frameworks;
- Continuous transaction monitoring designed to detect potential indicators of financial crime, including fraud.

Where risks exceed LHV's risk appetite, remediation measures are promptly taken, which may include the restriction of flows or termination of relationships.

# 5 Consolidated sustainability statements

## 5.1 General information

### 5.1.1 Sustainability statement

Sustainability for us reflects a continuous process of learning, collaboration, and improvement. We work together with stakeholders and experts to understand the impacts of our activities and to ensure that our decisions create long-term value. Our priorities include strengthening our internal expertise, developing sustainable financial products, improving operational efficiency, and collaborating within the sector to promote sound and transparent practices. Recognising our role in society and the environment, we continue to monitor, measure, and manage our direct and indirect impacts. In addition, we pay particular attention to rising climate-related risks.

Our approach is based on integrating environmental, social, and governance (ESG) factors into everyday operations and decision-making. This means assessing sustainability risks and opportunities across our business, addressing issues such as climate impact, employee well-being, diversity and inclusion, and ensuring ethical conduct and transparency. Through these actions, we aim to contribute to the stability and resilience of the financial system while supporting our customers and communities in the transition to a more sustainable economy.

This sustainability report provides an insight on how LHV integrates sustainability matters into its business activities to increase its positive and mitigate the negative impact on the environment, society and business conduct. Also, we recognize that sustainability is an evolving field, and we are committed to continuously enhancing our approach. This includes not only addressing current challenges but also anticipating future impacts, risks and opportunities. While we are confident in our strategic direction, we acknowledge that forward-looking information is inherently uncertain and subject to change based on new developments, regulatory shifts, and market conditions. Nevertheless, we remain committed to transparency and resilience as we navigate these uncertainties and continue to advance our sustainability goals.

#### 5.1.1.1 Principles of reporting

LHV Pank's consolidated sustainability statements have been prepared in accordance with the Estonian Accounting Act which implemented Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), which provide a structured framework for sustainability reporting. In addition, this report includes the disclosures subject to EU Taxonomy Regulation.

The sustainability statements are part of LHV Pank annual report, which relates to the period 1 January through 31 December 2025. The report is developed on a consolidation basis and relates to AS LHV Pank and its subsidiary. The scope of consolidation for sustainability statement is the same as for the consolidated financial statement.

To account for the sustainability aspects related to the whole value chain of LHV, the disclosed information considers our upstream and downstream value chain where relevant, as well as our own operations. The specific value chain description is provided in section 5.1.2.1 The sustainability report follows the general principles outlined in ESRS 1

standard, ensuring comprehensive and structured reporting. It also includes disclosures in relation to mandatory data requirements in ESRS 2, as well as disclosure in relation to material topical standards E1 Climate change, S1 Own workforce, S4 Consumers and end-users and G1 Business conduct.

Some disclosures are included in parts of the annual report located outside of the sustainability statements and

references to these specific sections are disclosed under relevant topics and in the form of a tables in the content index overview and in the data requirements incorporated by reference into sustainability statement below. Comparative information for disclosed metrics is also provided for financial year 2024. Following the phase-in possibility provided in ESRS 1 and its appendix C, LHV has applied it to the disclosure requirements for this reporting period as follows:

#### List of phased-in disclosure requirements

ESRS	Disclosure Requirement	Full name of the Disclosure Requirement	Phase-in or effective date (including the first year)
ESRS 2	SBM-1	Strategy, business model and value chain	Breakdown of total revenue by significant ESRS sector and list of additional significant ESRS sectors
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Anticipated financial effects
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	Collective bargaining coverage and social dialogue regarding its own employees in non-EEA countries
ESRS S1	S1-11	Social protection	Social protection, i.e. the disclosure whether its employees are covered by social protection against loss of income due to major life events
ESRS S1	S1-12	Percentage of employees with disabilities	Persons with disabilities of its own workforce
ESRS S1	S1-13	Training and skills development	Training and skills development metrics
ESRS S1	S1-14	Health and safety	The data points on cases of work-related ill-health and on number of days lost to injuries, accidents, fatalities and work-related ill health
ESRS S1	S1-14	Health and safety	Health and safety metrics on non-employees
ESRS S1	S1-15	Work-life balance	Work-life balance metrics

LHV has incorporated disclosures stemming also from other sustainability reporting frameworks or legislation, where applicable, described in the table List of datapoints in cross-cutting and topical standards that derive from other EU legislation at the end of the consolidated sustainability statements in Annex 1. LHV's commitment to enhancing transparency and accountability in our sustainability reporting. We are technologically developing and refining structured processes and observe the progress of regulatory requirements in order to align information on material impacts, risks, and opportunities related to our operations to regulatory expectations.

LHV has not exercised the option to withhold any specific information related to intellectual property, know-how, or innovation outcomes in this sustainability report. Furthermore, we have not utilized the exemption to withhold any information related to future developments or matters under negotiation. All relevant and required information has been fully disclosed, ensuring transparency in our sustainability reporting.

We recognize that the disclosure of greenhouse gas emissions in Scope 2 and Scope 3 category 15, are subject to uncertainty. The same applies to data on energy consumption as there are in some cases limitations in obtaining that exact data of our premises. However, we have based our calculations on the best available actual data currently accessible to us. These uncertainties primarily arise from the reliance on external data sources, such as sectoral average emission factors and estimations of consumption.

Forward-looking estimates depend on future regulatory developments, customer behaviours, and market conditions, which introduce inherent uncertainty. LHV emphasizes that all forward-looking disclosures should be considered subject to these uncertainties.

## 5.1.2 Sustainability strategy

Our objective is to make an actual impact through the sustainability efforts we make. We devote our resources to addressing sustainability matters most affected by our business decisions. The core of our sustainability strategy is specified in our ESG policy which sets goals, ambitions, and approaches for our sustainability efforts in all the subsidiaries of LHV.

Our business strategy, including our sustainability strategy, is overseen by LHV's governance bodies, which include the Supervisory Board, Risk and Capital Committee, Remuneration Committee, and Audit Committee. These governance bodies play a critical role in ensuring that sustainability impacts, risks and opportunities are effectively integrated into our strategic decision-making processes within their respective areas of responsibility.

Through a double materiality assessment, we have concluded the most important sustainability issues that impact our operations and stakeholders, as well as the areas where our business has the greatest impact. This approach allows us to focus our efforts on the sustainability challenges that matter the most. Additionally, our strategy is regularly verified and assessed through established internal control mechanisms, ensuring alignment with regulatory standards and stakeholder expectations.

Our uniform risk management framework ensures that ESG risk drivers are regularly evaluated and managed across the group. We tailor risk assessments for each subsidiary, considering local market dynamics and regulatory requirements.

LHV acts by the values of being simple, supportive, and effective. Our long-term objectives are focused on building strong, lasting relationships with our partners by being the top financial service provider in terms of customer service excellence, the most engaged and understanding financial service provider for international financial intermediaries,

an attractive employer that offers high job satisfaction and growth opportunities for employees; transparent for investors, delivering an annual return on equity (ROE) exceeding 20% and a company with the best management practices, positive social impacts, and climate goals.

Our products and services are designed to be simple, transparent, and relevant. By utilizing modern electronic communication methods, we can cut costs and offer affordable pricing for LHV's everyday services.

At LHV, partnership is central to growing our business. We believe that new initiatives are more successful when all parties share the same interests and offer long-term support to each other. As a publicly traded company, we encourage as many clients and partners as possible to become shareholders and investors, fostering a collaborative effort in building a shared business.

### 5.1.2.1 Business model and value chain

AS LHV Pank remains the largest domestically owned bank in Estonia consistently delivering strong financial performance and maintaining its position as a leader in customer satisfaction. The bank is dedicated to serving active and independent customers, fostering an entrepreneurial mindset among its clientele. LHV Pank has offices in Tallinn, Tartu and Pärnu. LHV Pank's consolidated financial statements comprise the accounts of LHV Pank and its 65% ownership subsidiary AS LHV Finance, which specialises in consumer financing. Parent company of LHV Pank is AS LHV Group.

A more detailed overview of the Bank's business activities can be found under Business overview in Management report. Incorporating sustainability considerations throughout the value chain requires LHV to tailor its products and services to meet the expectations of both individual and corporate clients. The main activities of LHV Pank are structured into the following segments: retail banking, corporate banking, hire-purchase and consumer finance,

financial intermediaries, see more under Note 22 Operating Segments in consolidated annual report. Our clients, who utilize these products and services, play a critical role in our value chain and are central to our business operations.

LHV is committed to maintaining transparency and risk management throughout the value chain, ensuring that our business practices effectively mitigate financial and non-financial risks, including ESG risk.

LHV integrates sustainability into its operations and value chain, addressing impacts both upstream and downstream. The assessment and disclosure of value chain impacts are based on materiality and aligned with double materiality principles. LHV discloses data for both upstream and downstream value chains when material impacts are identified.

For upstream activities, the focus is on direct partners, including suppliers and service providers, while downstream efforts extend to financed activities within the immediate customer base. While LHV evaluates impacts and risks throughout the entire value chain as part of its materiality assessment, the disclosed data primarily pertains to its own operations and direct counterparties. In the downstream scope, LHV includes direct customer activities influenced by its financial products and services, such as financed emissions from loan portfolios. Activities within the value chain are described in the table below.

## Value chain

Upstream	Own operations	Downstream
<p><b>Procurement</b> - procurement of resources necessary for carrying out business activities, which includes finding a supplier, evaluation according to the criteria described in our Purchase policy and price negotiations. LHV suppliers fall into the following categories: consulting services, IT equipment and services, facility management, furniture and catering, marketing and communication</p>	<p><b>Sales and marketing</b> of banking, insurance and fund management products and services with product usage and conditions</p> <p><b>Personnel management</b> - maintaining and promoting relations between the company and employees</p> <p><b>Financial management</b> - the use of the company's assets and ensuring correct and appropriate reporting</p> <p><b>Risk management</b> - continuous risk assessment and management aimed at planning risk elimination or reduction measures</p> <p><b>Development of technology</b> - development of a technological solution related to the management and use of information, as well as the provision of products and services</p>	<p><b>Use of financial products and services</b></p>

LHV's primary input is financial capital, sourced from deposits, investments, and other funding streams, which are efficiently allocated to various financial products and services. Our approach to securing inputs includes a robust governance framework that ensures transparent decision-making and effective risk management.

The outputs of LHV's business model include a wide range of financial products and services aimed at creating value for our customers, investors, and other stakeholders. We prioritize responsible banking practices by fostering positive relationships with our clients, respecting their unique backgrounds and needs, and aligning our operations with principles of sustainability and ethical conduct, by offering sustainable financial products and supporting economic growth without growing CO<sub>2</sub> emissions.

Our business model centres on sustainable value creation by integrating ESG factors into our operations. Our key business area—banking—contribute to both financial performance and positive societal impact. We actively engage in community support by promoting financial literacy and ensuring equitable access to our services to have an impact on society. We are also committed to reducing our operation CO<sub>2</sub> footprint and supporting the transition to a climate-neutral economy by 2050.

### 5.1.2.2 Sustainability policies

At LHV, we have defined and described our approach to dealing with various sustainability related issues in different policies and principles. The following policies incorporate our main principles on how we manage and mitigate impacts and risks in relation to environmental, social and governance topics.

- ESG Policy is the core of our sustainability strategy which sets the goals, ambitions, and approaches for our sustainability efforts in all the subsidiaries of the group. The ESG policy sets a high-level structure and responsibilities for group wide ESG governance.
- ESG Risk Management Policy defines the risk management framework, i.e. main principles, governance and risk appetite for the ESG risk LHV is facing.
- Code of Ethics rules specify the principles to be followed in our business with the purpose of providing guidance on conforming to legal requirements, as well as the expectations of supervisory authorities and society.
- Diversity Policy recognizes that people have different values, abilities, and skills, which affects the way they think and see things. LHV believes in meritocracy, where people are considered based on their skills, experience, and the value of their ideas.
- Remuneration Policy sets the guidelines for determining fair remuneration for all employees.
- Credit Policy defines sustainable and responsible business conduct in relation to financing, including activities that the bank does not engage with.
- Green Office Principles define the rules and criteria for the sustainable operation of LHV Estonian offices.

Our credit policy implies that LHV will refrain from knowingly offering credit products to customers whose activities bear clear evidence of human rights violations and serious environmental harm.

In our most significant process, i.e. corporate banking, ESG risk is taken into consideration in loan reviews. A detailed ESG risk analysis is done for corporate loan applications of over EUR 1 million, in line with our credit rating process. To identify borrowers that are exposed, directly or indirectly, to increased risk associated with ESG drivers, a comprehensive heat map of ESG risk drivers for individual economic (sub) sectors has been developed.

For exposures related to higher environmental and climate risks (high or medium sectoral risk level according to the heatmap) more intensive analysis using ESG risk assessment model is conducted regarding the client's exposure and management of these risks.

#### 5.1.2.3 Sustainable financing products and services

As LHV's influence in the Estonian financial sector is expanding, we understand the role that we play in the society and how we affect our surroundings. Consequently, we have chosen to strategically direct cash flows from our core activities towards initiatives that promote the transition to a climate resilient and sustainable economy.

We continue to offer sustainable financing products under the EIF's Sustainable Loan sub-programme designed to encourage our customers to make environmentally responsible choices. Through these efforts, we aim to support economic growth while simultaneously mitigate climate change.

Home loan for A and B energy class homes - We seek to promote the construction and buying of energy efficient homes by offering better loan terms for energy class A and B homes. We support decisions that lead to lower climate impacts and increased savings on power bills.

Car leasing for electric and plug-in hybrid vehicles - We aim to promote the purchase of zero and low emission vehicles. The offer applies to purchases of fully electric vehicles by either individuals or companies, and to purchases of plug-in hybrid vehicles with CO2 emissions of a maximum 50 g/CO2/km by companies purchased for general use. In line with a longer-term strategy and the desire to contribute to Estonia's climate objectives, LHV Pank has decided to no longer finance the purchasing of new diesel passenger cars from 2030 onwards.

Investment loan for sustainable development - We provide financing for companies for raising energy performance, establishing renewable energy generation and storage capacities and reducing primary energy expenditures.

Apartment association loan- We offer financing for the renovation of residential buildings to enhance energy efficiency and to extend the lifespan of Estonian housing stock.

#### 5.1.2.4 Stakeholder engagement

At LHV, we actively engage with stakeholders and external experts to maximise the impact of our sustainability efforts, refine and validate the outcomes of the materiality assessment, align our strategy and products with stakeholder expectations and needs, and support the green transition. Our stakeholders are the groups and individuals that LHV affects through its activities, and who, in turn, may affect LHV's operations in the short, medium or long run. We hold a regular dialogue with the stakeholders with whom we have the most direct relations and with whom LHV could collaborate for better impact on the society. At the same time, we also keep in touch with the stakeholder groups that are part of shaping the trends and setting requirements for the financial market. The table below outlines our key stakeholder groups, ways of their engagement and their major interests and expectations to LHV.

Stakeholder groups	How we engage	Main expectations and key issues raised
<b>Customers</b>	Active communication and discussions, ESG questionnaire in credit application, sustainable products, and services	Engagement, knowledge building, ESG integration into business and decision making
<b>Employees</b>	Annual survey, individual development and performance reviews, informative sustainability seminars	Feedback, engagement, internal capacity building, training and development, health, gender equality and equal pay for work of equal value
<b>Shareholders</b>	Annual shareholder meeting, active communication, ESG reporting	Profitability, engagement, feedback
<b>Policy makers, regulators</b>	Memberships in state level sustainability focused working groups, direct communication with government officials	Policy making input and information about EU legislation on the issues of sustainability and reporting
<b>Business networks, financial sector</b>	Active membership in Estonian Banking Association, Finance Estonia and Green Tiger	Engaging in ESG promotion
<b>Suppliers, cooperation partners</b>	Direct communication	Payment practices, sustainability integration into value chain
<b>Sustainability organisations</b>	Active membership in local sustainability focused initiatives and organisations, Green Tiger and Sustainable Business Estonia (KELL)	Financing sustainable development, enabling green transition
<b>Wider public and society</b>	Active communication, public events and conferences, universities, press and media	Transparency, fair and ethical business conduct, knowledge building

Stakeholder engagement is carried out through various channels, such as surveys, meetings, and direct communication, ensuring that their expectations shape our ESG initiatives. The responsible units report directly to the Management Board as per business as usual and in some cases the members of the management board and chief officers are in direct contact with the stakeholders through

business relationships. During this financial year, based on stakeholder engagement, there has been no need for LHV to adjust its strategy or business model. However, we review and incorporate stakeholder input into our strategic discussions. While no immediate changes were made, maintaining transparency and engagement helps strengthen relationships and build trust with stakeholders.

#### 5.1.2.5 Material impacts, risks and opportunities

In 2025 the material impacts, risks, and opportunities (IROs) were reviewed and reassessed. IROs identified in LHV's double materiality assessment are presented and described in the table below, including the type, location in the value chain and expected time horizon of each IRO. Material IROs were identified across the topics of climate change (ESRS E1), own workforce (ESRS S1), consumers and end-users (ESRS S4), and business conduct (ESRS G1). LHV's updated double materiality assessment indicates that the most significant impacts, risks, and opportunities stem from its core banking activities. Climate and environmental impacts are primarily linked to downstream banking portfolio activities, while social and governance topics relate to LHV's own operations, affecting its workforce, customers, and business conduct practices.

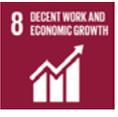
The identified material IROs influence LHV's credit, market, and operational performance over the short, medium, and long term. In response, LHV has integrated ESG considerations into its strategy, governance, and credit processes and continues to develop sustainable financial products in line with market demand to capture opportunities and mitigate risks while maintaining its service-based business model. Risk analyses show limited portfolio and governance vulnerabilities, confirming the resilience of LHV's strategy and business model.

The results of the 2025 materiality assessment are largely consistent with the sustainability matters identified as material in the previous year, except for the topic of Resource use and circular economy (ESRS E5), which was reassessed in greater detail with regard to UNEP FI Impact Analysis Tool inoperability with ESRS standards and the topic was reassessed as not material as no IROs above the materiality threshold (3.5 on a 5 point scale) were identified that would trigger the topic to be material.

## Material impacts, risks and opportunities

Sub/sub-topic	IRO type	Description	Value chain location			Time horizon		
			Upstream	Own operations	Downstream	Short	Medium	Long
<b>Climate Change E1</b>								
Climate change mitigation	Negative actual impact	Financed emissions.			X	X	X	X
Climate change mitigation	Negative actual impact	Emissions from own operations.		X		X	X	X
Energy	Negative actual impact	Energy use from own operations and financing and investing in energy-intensive industries.		X	X	X	X	X
Climate change mitigation	Positive potential impact	Sustainable financing supports LHV's clients in transitioning to more environmentally responsible and sustainable business models that minimize their impact on the climate.			X	X	X	X
Climate change mitigation	Financial opportunity	Sustainable financing. LHV can seize growth opportunities by providing sustainable loan products that help clients transition to more sustainable business models.			X	X	X	X
Climate change adaptation	Financial risk	Physical risks: LHV is exposed to sectors and counterparties that face potentially high climate-related physical risks, such as flooding, which may in return affect credit risk.			X			X
Climate change adaptation	Financial risk	Transition risks: LHV is exposed to transition-related credit risks arising from sectoral energy transition costs and the introduction of new energy efficiency requirements that may affect the financial stability of certain counterparties.			X	X	X	X
<b>Own workforce S1</b>								
Working conditions/ Health and safety	Positive actual impact	LHV prioritizes employee health by offering a comprehensive sports and wellness package that supports both physical and mental well-being.		X		X	X	X
Equal treatment and opportunities for all/ Diversity	Positive potential impact	LHV fosters non-discriminatory business and HR practices.		X		X	X	X
Equal treatment and opportunities for all/ Gender equality and equal pay for work of equal value	Negative potential impact	Potential pay inequality in the banking sector.		X		X	X	X
Equal treatment and opportunities for all/ Training and skills development	Positive potential impact	LHV supports the professional development of all employees.		X		X	X	X
<b>Consumers and end users S4</b>								
Social inclusion of consumers and or end users	Positive actual impact	LHV supports customers and communities by sponsoring education, arts, and sports initiatives.		X		X	X	X
Social inclusion of consumers and or end users/ Access to products and services	Positive potential impact	By promoting equal access to financial services, LHV helps foster an inclusive economy.		X		X	X	X
Information related impacts for consumers and or end users/ Financial literacy	Positive potential impact	Enhancing financial literacy.		X		X	X	X
Social inclusion of consumers and or end users/ Economic sense of security	Positive actual impact	LHV contributes to clients' economic sense of security by facilitating access to professionally managed investment solutions.		X		X	X	X
<b>Business conduct G1</b>								
Corporate culture	Financial risk	Potential risk of poor internal governance, which may lead to ethical and management integrity issues.		X		X	X	X

Our material sustainability topics are also connected to and contribute to the following United Nations Sustainable Development Goals and their specific sub-targets:

	Sustainable Development Goal (SDG)	Specific SDG target to which LHV contributes	How LHV contributes?
	<b>SDG 1.</b> <b>End poverty in all its forms everywhere</b>	1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions  1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	<ul style="list-style-type: none"> <li>Integrating social and environmental considerations into the core of our business</li> <li>Investing in spreading financial literacy</li> </ul>
	<b>SDG 7.</b> <b>Ensure access to affordable, reliable, sustainable, and modern energy for all</b>	7.1. By 2030, ensure universal access to affordable, reliable, and modern energy services  7.2. By 2030, increase substantially the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> <li>Offering customers a choice of green financial products</li> <li>Improving processes of ESG-related due-diligence for corporate customers and partners</li> </ul>
	<b>SDG 8.</b> <b>Promote sustained, inclusive, and sustainable economic growth, full and productive employment</b>	8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services  8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all	<ul style="list-style-type: none"> <li>Driving sustainable growth, creating jobs, encouraging entrepreneurship, and fuelling innovation</li> </ul>
	<b>SDG 12.</b> <b>Ensure sustainable consumption and production patterns</b>	12.2. By 2030, achieve the sustainable management and efficient use of natural resources  12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	<ul style="list-style-type: none"> <li>Considering environmental factors in business decisions</li> <li>Advocating for responsible lending and consumption</li> </ul>
	<b>SDG 13.</b> <b>Take urgent action to combat climate change and its impacts</b>	13.2. Integrate climate change measures into national policies, strategies, and planning  13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> <li>Encouraging environmentally sustainable business practices within the sector and the country level through supporting sustainable financial sector development</li> </ul>

### 5.1.3 Sustainability governance

LHV is governed by a Supervisory and a Management Board. The Supervisory Board is responsible for overseeing the general strategic direction and management of the company, including sustainability agenda. The Supervisory Board's roles include setting the strategic business plan, monitoring risk management principles, and approving the annual budget. The Supervisory Board regularly reviews the strategy, including sustainability aspects, to ensure alignment with LHV's long-term objectives. It also approves the ESG Policy, endorses it and oversees its implementation. Our Supervisory Board consists of 6 members, one of whom (17%) is classified as independent to ensure objective decision-making. For more detailed information, refer to the sections 3.2 Supervisory board and 3.3 Management board under management report.

The Management Board, led by the CEO Kadri Kiisel, comprises 7 executive members, each responsible for different functions, including finance, risk, and IT operations. There are no non-executive members and neither employees nor other workers' representatives in our Management Board as per market practice.

The Management Board members have relevant knowledge in ESG matters, ensuring that sustainability risks and opportunities are effectively managed. Furthermore, our management bodies have access to external advisors as needed, as well as to training and consultancy. Information about member's experience relevant to sectors, products and our geographic locations can be found under the sections Supervisory board and Management board in management report.

The administrative body function regarding sustainability matters in LHV is assigned to Management Board members responsible for specific environmental, social and governance topics (see also LHV Pank ESG Governance structure below).

At LHV, the Supervisory and Management Board integrate sustainability-related impacts, risks and opportunities into strategic planning, major transactions, and risk management

processes. While no material financial losses have been identified under not stressed scenarios for the next few years regarding sustainability, we continue assessing possible trade-offs to ensure decisions align with our ESG commitments and strategic objectives, balancing financial performance with sustainability goals.

To ensure transparency in terms of gender diversity, the following table summarizes the gender composition across LHV Pank management and supervisory bodies:

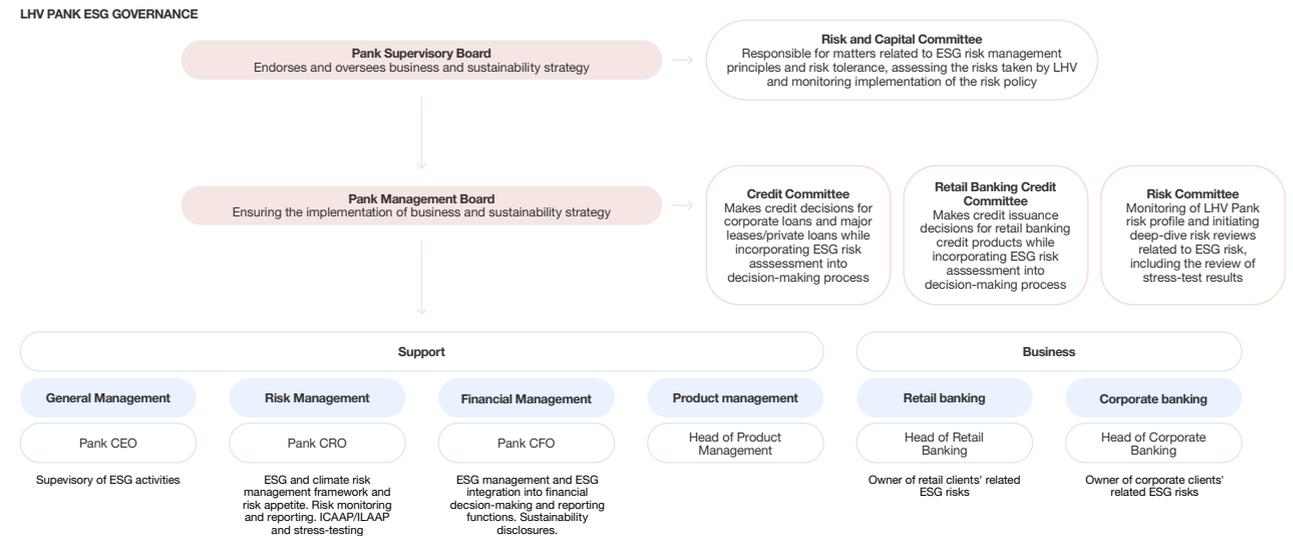
#### Gender diversity in management and supervisory bodies

	Male		Female		Total		Male %		Female %	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Group Supervisory Board	4	5	2	2	6	7	67%	71%	33%	29%
Group Management Board	4	3	3	3	7	6	57%	50%	43%	50%
Total	8	8	5	5	13	13	62%	62%	38%	38%

The ESG governance structure (see structure below) ensures continuous risk assessment related to ESG factors. The CEO is ultimately responsible for the supervision of sustainability topics across the group. Our Management Board is actively involved in overseeing the company ESG strategy implementation, embedding ESG factors into strategic decision-making and ensuring alignment with our ESG goals, business processes, and risk management frameworks.

Each subsidiary head of Management Board is responsible for overseeing ESG-related matters and activities within their respective entities. Specific responsibility owners, who are well positioned to understand sustainability risks, opportunities, and performance metrics, report regularly and as needed to the board on key ESG topics. These responsibility owners ensure that ESG considerations are integrated into LHV strategic decision-making processes.

#### LHV Group ESG governance structure:



The development of in-house ESG competencies in the past few years has resulted in focused positions across several departments like Financial Management, Compliance, Credit, HR, Risk departments. In addition, sustainability-related training is a part of our over-all training plan which is approved by our Management Board. Over the years this process has ensured that various departments including management accounting, risk management, internal audit and supervisory board have received needed knowledge in the field.

LHV's strategy and business model have demonstrated resilience in addressing both material sustainability impacts and financial risks. LHV approaches resilience assessments for both physical and transition risk in the form of stress tests. In 2025 in the process of ESG Materiality Assessment the material ESG risk drivers under stressed scenarios resulted in knowledge that the risk to LHV's portfolio can currently be considered over materiality level, but do not pose significant challenges to LHV's strategy or business model within the assessed time horizons.

In 2025, climate risk management has been a primary focus for LHV, driven by both supervisory and internal expectations. Regular updates on climate risk management progress have been provided to the Risk and Capital Committee leading to the development of practical solutions tailored for LHV, which were approved by the Management Board.

LHV's ambition to contribute to the fulfilment of the aims of the Paris Agreement and support of the aim of the Estonian state to make the economy climate-neutral by 2050 informs its long-term sustainable strategy. The Management Board regularly reviews both short-, medium and long-term risks associated with regulatory changes, and market shifts. Opportunities are actively pursued by offering sustainable financial products to mitigate risks and create positive impact. The Supervisory Board oversees these efforts to ensure alignment with strategic sustainability targets.

Sustainability goals are embedded into LHV's governance and remuneration frameworks. LHV Group implements a long-term performance-based compensation program, also known as an option program, which is approved by the shareholders' general meeting. In addition to the base salary, a Management Board member is entitled to an annual performance bonus, the amount or issuance of which depends on the fulfilment or non-fulfilment of individual and LHV Group objectives. The lower limit of the performance bonus is 0 euros. The maximum ratio between the variable and fixed components is 200%, as approved by the shareholders' general meeting. For Management Board members, individually also considered as an administrative body, sustainability objectives, carry equal weight (16-20%) compared to other 4-5 performance considerations. Details on the remuneration principles are included under the section Corporate governance report and Remuneration report under the management report.

### 5.1.3.1 Statement on due diligence

The reporting of LHV's approach to due diligence is integrated into the Sustainability Report and presented in the table below. The table refers to the disclosure requirements that indicate which due diligence processes are integrated in LHV processes.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in governance, strategy and business model	5.1.2 Sustainability strategy; 5.1.2.1 Business model and value chain, 5.1.3 Sustainability governance, 5.2.2 Climate change; 5.3 Social information; 5.3.2 Consumers and end-users
Engaging with affected stakeholders in all key steps of the due diligence	5.1.2.4 Stakeholder engagement; 5.2.2 Climate change; 5.3 Social information; 5.3.2 Consumers and end-users
Identifying and assessing adverse impacts	5.1.4.1 Double materiality assessment process; 5.1.4 Impact, risk and opportunity management
Taking actions to address those adverse impacts	5.2.2 Climate change; 5.3.1 Own workforce; 5.3.1.3 Remuneration and equal pay; 5.3.2 Consumers and end-users; 5.3.2.2 Social impact through e-channels; 5.3.2.3 Financial literacy and economic sense of security
Tracking the effectiveness of these efforts and communicating	5.2.2.1 Climate change mitigation targets; 5.2.2.2 Our climate impact; 5.2.2.2.1 Financed emissions; Key performance indicators contributing to climate change mitigation; 5.3.1.3 Remuneration and equal pay; 5.3.2.3 Financial literacy and economic sense of security; KPIs related to inclusive, cohesive economy and financial literacy

### 5.1.3.2 Risk management and internal controls over sustainability reporting

At LHV, sustainability reporting follows the same process as financial and operational reporting, addressing mainly compliance risk. We have established internal controls to ensure the accuracy, completeness, and reliability of all sustainability-related disclosures. Our data governance structure ensures that sustainability data is captured, validated, and reported with the same precision as financial data, in line with our internal processes and regulations. By aligning our sustainability reporting with the same internal control procedures as financial reporting, we ensure consistency, transparency, and accountability, reinforcing our commitment to responsible banking and regulatory compliance.

We leverage the three lines of defence to oversee the sustainability reporting process (including double materiality assessment and impacts, risks and opportunities (IROs) identification processes). Business and supporting units are responsible for collecting and managing sustainability-related data. The risk management and compliance teams ensure the robustness of data collection processes and address any risks impacting the quality of reporting. Internal audit conducts independent reviews to confirm that ESG risk management and reporting processes are effective, and compliant with regulatory requirements.

### 5.1.4 Impact, risk and opportunity management

LHV's sustainability approach is rooted in the principle of double materiality, assessing the impacts of our operations on society and the environment (inside-out) and how external sustainability risk factors and opportunities affect our business (outside-in). For that, a sustainability issue is considered material if it holds significance either in terms of its impact or its financial materiality, or both. This approach ensures we are equipped to manage the risks and opportunities arising from our core business activities.

LHV Pank in 2025 accounts for 85.8% of total assets and 75.0% of net income of LHV Group (In 2024 90.9% and 80.2%). LHV Pank shares the same strategic values, goals, stakeholders, and value chain as LHV Group as all LHV subsidiaries operate under a unified framework. This integrated approach ensures alignment across customers, employees, shareholders, and regulators.

Prior to conducting the double materiality assessment required for sustainability reporting, LHV as a group had already established core strategic long-term objectives. These objectives prioritize being the top financial service provider in terms of customer service excellence and being an attractive employer that fosters high satisfaction and growth opportunities for our employees. We recognize the significant impact we have on our clients and people and the opportunities we must drive meaningful advancement in these areas.

In addition, LHV remains committed to maintaining best management practices, creating positive social impacts, and advancing climate objectives. These priorities remain integral to our strategy and values.

From our double materiality assessment, we have identified that LHV's most significant impacts, risks, and opportunities come from our core banking activities. LHV Pank is divided into seven functional areas, each with its own departments.

Business areas include retail banking, corporate banking, and financial intermediation. Support areas comprise IT, financial management and support services, risk management, and product management. Pank's lending activities, especially through corporate loans, have a substantial indirect environmental impact. Financed emissions, which are the emissions generated by projects and activities financed by the bank, contribute heavily to the climate footprint of LHV as it is directly related to the amount of assets. This includes funding for energy-intensive industries, real estate development, and other sectors with large carbon footprints.

The most material impacts for LHV are concentrated in areas where its business activities significantly influence environmental and social outcomes. These include climate, employment and customer relationships as well as good governance practices. These topics reflect LHV's role in supporting sustainable economic activities, addressing environmental challenges, fostering social well-being and good governance practices.

Given its substantial influence, the analysis of our sustainability risks and opportunities also focuses primarily on banking business activities. The material risks identified through our assessments, including climate-related physical and transition risks influence LHV strategic decisions. We have anticipated that the financial effects of climate-related transition and physical risks, such as regulatory shifts and extreme weather events, could emerge already in short term, however, will become more pronounced in the medium to long term (3-10 years and beyond). In response, we are integrating climate risk into our risk assessment, including the management of credit risk, while enhancing the resilience of our own operations.

From the opportunities side, we are directly involved in financing the transition to a climate-neutral economy through sustainable loans and financing. From LHV's point of view, the banking business offers the most significant opportunities due to the amount of financial assets involved.

We can already gather the financial gain on more sustainable solutions but have not calculated the exact financial impact. No negative outcomes have been identified.

Within each material topic, we delve deeper into the respective impacts, risks, and opportunities to provide a detailed overview on how we approach and manage respective areas in LHV.

Impact management is led by the Head of ESG, who oversees the processes to evaluate and foster material positive environmental, social, and governance impacts connected to LHV's operations, products, and services. The Head of ESG coordinates cross-departmental efforts to ensure that identified impacts are addressed and aligned with LHV's strategic sustainability objectives. This approach is important to avoid adverse impacts and enhancing positive contributions across our value chain.

ESG risk management process, coordinated by the ESG Risk Manager, combines internal data and external sources to identify and assess material risks factors. These include physical risks, such as floods, and transition risks, like regulatory changes. Significant risks are prioritized through workshops with internal stakeholders and scored based on financial impact to ensure focus on critical hazards. The results are reviewed by management and supervisory boards, aligning risk management with LHV's risk appetite framework. At LHV, the identification, assessment, and management of opportunities are integrated into our overall management processes. When a business line identifies a potential opportunity, they initiate the development of relevant products or services. This involves the creation of a structured project, overseen by our dedicated product development department.

The product development function operates independently within LHV, ensuring a streamlined and organized approach to transforming identified opportunities into actionable initiatives. This integration enables us to align new opportunities with our strategic goals while fostering

continuous improvement across our offerings.

Regarding our double materiality assessment, as there are currently no financial sector specific guidelines for how to carry out the analysis, we have developed our own methodology based on the widely recognized practices applied within the financial sector, as well as the requirements and expectations of the supervisory authorities for carrying out this type of analyses.

The following sections provide an insight to the methodology applied for the impact and financial materiality. These findings of the assessment are combined and finally concluded to determine the most material sustainability topics for LHV based on its strategy and vision, business environment and activities. The outcome of the double materiality assessments (overview of IROs) can be found in the chapter 5.1.2.5 Material impacts, risks and opportunities.

The material impacts, risks, and opportunities identified through the DMA determined the information disclosed in current sustainability statement. In defining material information and refining the selection of data points, LHV applied the EFRAG Implementation Guidance IG3 to ensure alignment with ESRS reporting requirements. In addition, the table List of datapoints in cross-cutting and topical standards that derive from other EU legislation in Annex 1 at the end of the Sustainability Statement has been updated accordingly.

#### 5.1.4.1 Double materiality assessment process

The double materiality assessment (DMA) encompassed LHV's own operations and core business lines - banking in Estonia and the UK, asset management, and insurance - along with the Group's entire value chain. The assessment of LHV's own operations was carried out at the Group level, while also considering the specific activities, circumstances and geographic locations of individual subsidiaries. The upstream assessment focused on suppliers, while the

downstream assessment placed particular emphasis on the lending portfolio and activities, which represent LHV's most material business area from the perspectives of impacts, risks and opportunities. This conclusion is based on current and previous analyses using available data and financial sector-specific approaches. The design of the double materiality assessment process reflects LHV's interpretation of the CSRD and ESRS requirements and is guided by the expectations of other relevant regulatory authorities.

The DMA process followed three main steps:

1. Understanding the context: Mapping LHV's business model, activities, value chain, and stakeholders to identify potential sources of sustainability-related impacts, risks, and opportunities.
2. Identification of IROs: Developing a comprehensive list of relevant environmental, social, and governance impacts, risks, and opportunities across LHV's own operations and its upstream and downstream value chain.
3. Assessment and determination of material IROs: Evaluating the materiality of each IRO based on predefined criteria.

The assessment also covered:

- Screening the site locations and business activities in order to identify actual and potential pollution -related impacts, risks and opportunities.
- Screening of assets and activities in order to identify actual and potential water and marine resources -related impacts, risks and opportunities.
- Identification and assessment of actual and potential impacts on and physical and transition risks related to biodiversity and ecosystems at LHV's site locations, including whether the sites are located in or near biodiversity-sensitive areas. Also the dependencies on biodiversity and ecosystems and their services.

- Assessment of impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste.

LHV applied short- (less than 3 years), medium- (3-10 years), and long-term (10-30 years; additionally, very long-term > 30 years for risks) time horizons for assessing impacts, risks and opportunities consistent with the ESRS requirements, and suggested by the EBA Guidelines on the management of ESG risks and the ECB Guide on climate-related and environmental risks. The latter frameworks support proactive monitoring and resilience planning as new risks emerge, or existing risks evolve.

#### 5.1.4.2 Impact materiality

LHV conducted an initial screening of ESRS sub-topics drawing on previous impact and materiality assessments, complemented by authoritative external sources such as latest financial sector reports and peer reviews of banks operating in similar socio-economic context. In addition, relevant internal policies, documentation, and surveys - including employee satisfaction and brand perception surveys - were analysed to determine key sustainability matters.

Impacts related to the upstream value chain and own operations were identified using prior assessments and refreshed through updated internal and external surveys. As part of the 2025 DMA update, LHV also carried out interviews with representatives of key stakeholder groups, including employees, suppliers, customers etc. Insights gathered from these engagements directly informed the identification and prioritisation of potentially material sustainability impacts, as well as related opportunities.

The UNEP FI Portfolio Impact Analysis Tool was applied to identify the actual and potential positive and negative impacts arising from the Group's lending activities within the downstream value chain. The tool supported the identification

of key country needs and priority impact areas in LHV's main markets - Estonia and the UK - as well as the impacts associated with retail banking products and business and corporate lending portfolios across different customer segments and economic activities. The results of the UNEP FI portfolio analysis served as key inputs for developing LHV's comprehensive list of downstream impacts and related opportunities for further materiality assessment. In addition to the UNEP FI tool, impacts related to climate change were assessed using the results of LHV's direct and indirect greenhouse gas emissions calculated in accordance with the GHG Protocol.

Impact scoring: Subject-matter experts from LHV, supported by external ESG consultants from KPMG, assessed each

impact using a five-point scale across two parameters of Likelihood and Severity for the short-, medium-, and long-term time horizons. The assessment of severity considered three factors of Scale, Scope, and Irremediable character (the latter for negative impacts only). For potential negative human rights impacts, severity was given greater weight than likelihood by assigning an elevated score to the scale and scope. Impacts characterised by high severity, wide scope, limited reversibility, or strategic importance to LHV were prioritised.

### 5.1.4.3 Financial materiality

The 2025 update of the risk and financial materiality assessment covered LHV's own operations and downstream value chain, with a primary focus on lending and investment activities where the likelihood of financial risk is highest. The approach of the risk drivers identification and assessment was conducted through three steps as follows:

1. Business Environment Scan (BES): BES considered macroeconomic variables, the competitive landscape, policy and regulatory developments, technological change, societal and demographic trends, and geopolitical dynamics. Risk drivers were collected from various authoritative sources e.g., TCFD, TNFD, SASB, ECB, ISSB and ESRS, industry knowledge, previous materiality assessments and consultation with financial sector risk experts. This analysis resulted in a long list of potential ESG risk drivers relevant to LHV's business environment.
2. Qualitative analysis: ESG risk drivers identified in the BES were further assessed and short-listed to determine the channels through which risk may materialise (credit, market, liquidity, operational, strategic, business and reputational risks). Each risk driver was evaluated in relation to LHV's business activities, sectoral exposures, and collateral sensitivities over short-, medium-, long- and very long-term. The likelihood and severity of each risk driver was evaluated, using a combination of: (a) country risk (as a proxy for severity), based on environmental data, hazard maps, and social/governance indicators relevant to Estonia; (b) portfolio-weighted sector risk (as a proxy for likelihood), reflecting the vulnerability of key economic sectors in LHV's portfolio to ESG risk. Risk drivers with a total qualitative risk score above the predefined materiality threshold were shortlisted for further quantitative analysis.

3. Quantitative analysis: The potential financial impacts of material ESG risk drivers were further assessed through portfolio, sector-, and exposure-based analyses. LHV utilised a third-party consultancy's Physical Hazard Risk prototype for additional assessment and validation of real estate (commercial, industrial and residential) exposure to certain physical risks at location-specific level. Forward-looking ESG scenarios - such as NGFS climate pathways, IPCC SSP-RCP climate scenarios (SSP1-1,9; SSP1-2,6; SSP2-4,5; SSP3-7,0 and SSP5-8,5), and IEA energy outlooks - were applied alongside internal and external data sources, including sectoral emissions, borrower-level exposures, and macroeconomic indicators to determine climate related physical and transition risks.

Risk scoring: Risk drivers were scored based on a five-point scale of likelihood and severity. The scores were weighted to prioritize less common but more severe events, and the results were further adjusted according to the relative size of LHV's exposures in Estonia. Materiality was assessed based on potential effects on capital adequacy (CET1 ratio), profitability, liquidity, and risk-weighted assets.

Opportunities scoring: Financial opportunities, that were determined relative to impacts, were assessed qualitatively, applying a five-point scale of likelihood and the potential magnitude of the financial effects.

The materiality assessment process actively involved key internal stakeholders across LHV to ensure a comprehensive and robust evaluation of ESG risk.

The combined qualitative and quantitative assessments indicated that LHV's portfolios are currently relatively resilient to ESG risk. The main vulnerabilities identified relate to physical flood risk and its effect on collateral values, as well as transition risk linked to energy prices, energy intensity, and evolving energy performance regulations posing credit risk. This outcome is supported by previous resilience assessments of real estate collateral vulnerabilities and

related stress tests, which confirm the strength of LHV's core business operations and indicate that the identified risk factors do not pose material threats to LHV's financial stability.

The results of the double materiality assessment have been approved by the management board and summarized for presentation to the Management and Supervisory Boards. This structured approach ensures alignment with LHV's strategic objectives and fosters informed decision-making on sustainability-related impacts risks, and opportunities.

### 5.1.5 Disclosure requirements covered by the Sustainability Statement

ESRS standard	Disclosure requirement	Disclosure	Section in report
<b>General disclosures</b>	BP-1	General basis for preparation of the sustainability statement	5.1.1.1 Principles of reporting
<b>ESRS 2</b>	BP-2	Disclosures in relation to specific circumstances	5.1.1.1 Principles of reporting
	GOV-1	The role of the administrative, management and supervisory bodies	5.1.3 Sustainability governance
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	5.1.3 Sustainability governance
	GOV-3	Integration of sustainability-related performance in incentive schemes	5.1.3 Sustainability governance
	GOV-4	Statement on due diligence	5.1.3.1 Statement on due diligence
	GOV-5	Risk management and internal controls over sustainability reporting	5.1.1.1 Principles of reporting; 5.1.3.2 Risk management and internal controls over sustainability reporting
	SBM-1	Strategy, business model and value chain	5.1.2 Sustainability strategy; 5.1.2.1 Business model and value chain
	SBM-2	Interests and views of stakeholders	5.1.2.4 Stakeholder engagement
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	5.1.2.5 Material impacts, risks and opportunities
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	5.1.4 Impact, risk and opportunity management
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	5.1.5 Disclosure requirements covered by the Sustainability Statement
<b>Climate change</b>	ESRS 2 GOV-2	Integration of sustainability-related performance in incentive schemes	5.1.3 Sustainability governance
<b>E1</b>	E1-1	Transition plan for climate change mitigation	5.2.2 Climate change
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	5.2.2 Climate change
	ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	5.1.4.1 Double materiality assessment process
	E1-2	Policies related to climate change mitigation and adaptation	5.2.2 Climate change
	E1-3	Actions and resources in relation to climate change policies	5.2.2 Climate change
	E1-4	Targets related to climate change mitigation and adaptation	5.2.2.1 Climate change mitigation targets
	E1-5	Energy consumption and mix	5.2.2.2 Our climate impact
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	5.2.2.2 Our climate impact
<b>Own workforce</b>	ESRS 2 SBM-2	Interests and views of stakeholders	5.3 Social information
<b>S1</b>	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	5.3 Social information
	S1-1	Policies related to own workforce	5.3.1 Own workforce; 5.3.1.1 Policies, measures and targets
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	5.3.1.5 Employee engagement and development
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	5.3.1.5 Employee engagement and development; 5.3.1.5.1 Employee Engagement Surveys and Feedback Channels
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	5.3.1 Own workforce; 5.3.1.1 Policies, measures and targets
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.3.1.3 Remuneration and equal pay
	S1-6	Characteristics of the undertaking's employees	5.3.1 Own workforce
	S1-9	Diversity indicators	5.3.1.2 Equality and non-discrimination

	S1-10	Adequate wages	5.3.1.3 Remuneration and equal pay
	S1-16	Compensation indicators (pay gap and total compensation)	5.3.1.3 Remuneration and equal pay
<b>Consumers and end-users</b>	ESRS 2 SBM-2	Interests and views of stakeholders	5.1.2.4 Stakeholder engagement
<b>S4</b>	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	5.3.2 Consumers and end-users
	S4-1	Policies related to consumers and end-users	5.3.2.1 Customer experience; 5.3.2.1.1 Principles and policies
	S4-2	Processes for engaging with consumers and end-users about impacts	5.3.2.1 Customer experience
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	5.3.2.1 Customer experience
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	5.3.2.2 Social impact through e-channels; 5.3.2.3 Financial literacy and economic sense of security
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.3.2.3 Financial literacy and economic sense of security
<b>Business conduct G1</b>	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	5.4 Governance information; 5.4.2 Corporate Culture and Ethical Governance
	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	5.4 Governance information; 5.1.4.1 Double materiality assessment process
	G1-1	Corporate culture and business conduct policies	5.4.2 Corporate Culture and Ethical Governance
	G1-2	Management of relationships with suppliers	5.4.1 Value chain management
	G1-3	Prevention and detection of corruption or bribery	5.4.4 Prevention and Detection of Corruption and Bribery

## Incorporation by reference

### Data requirements incorporated by reference into sustainability statement

ESRS standard	Disclosure requirement	Report/statements where disclosed	Section in report
<b>Business conduct G1</b>	ESRS 2 GOV-1 paragraphs 5a and 5b	Management and compensation policy	Supervisory board; Management Board

## 5.2 Environmental information

LHV is aware of the impact we have on the environment through its own operations and business activities. Through our impact analysis we concluded that our most significant impact stems from our credit portfolio as financing a large proportion of Estonian economy we are bound to finance high climate impact sectors and activities. We take responsibility for assessing the scale of the impact and mitigating it through developing products and offering services to tackle climate change and environmental degradation through resource use. Our focus areas include the climate impact from our operations and customers' activities, climate change mitigation via sustainable financing products and services, and promoting the building of energy-efficient buildings as well as renovating existing ones, and the purchase of low-emission vehicles.

In addition to focusing on the impact stemming from our customers' activities as well as from our own, we analyse and mitigate the risk associated with the environment from financial materiality perspective. Climate-related risk is addressed during loan reviews based on the size of the loan and customer activities, while ESG risk are integrated into credit processes by an exclusion list and ESG rating model. Moreover, risk associated with resilience under various climate scenarios are evaluated to ensure the long-term stability of our operations.

The chapter Climate change below provides an overview of how LHV addresses the main challenges in relation to the most material aspects of the environment that we through our value chain have an impact on and from where risks may arise – climate change. Our efforts are not only focused on managing risks but also seizing opportunities, such as supporting the transition to a climate-neutral economy through targeted financing, raising awareness among our employees, customers, and the public on sustainable

practices, and allocating resources for the development and deployment of sustainable financing products.

The remuneration principles for members of our management board are linked to the KPIs across various strategic areas and business lines. Sustainability considerations, including climate change mitigation targets, are integrated into this framework as part of our broader commitment to aligning incentives with sustainable business practices. For management board members engaged in climate-related areas, specific climate-related objectives and targets are incorporated into their remuneration with equal weight (i.e., 16-20%) compared with other considerations (5-6 in total).

LHV implements its ESG Policy, ESG Risk Management Policy and Green Office Principles in line with our climate related activities and efforts. Strategic use of financial, human, and technological resources ensures the effective execution of sustainability initiatives, while enhancements to internal systems improve data collection and reporting capabilities, enabling more accurate and comprehensive disclosures on climate-related impacts, risks and opportunities.

### 5.2.1 EU Taxonomy

The EU Taxonomy (i.e., Taxonomy regulation (Regulation (EU) 2020/852) and its delegated acts (Regulation (EU) 2021/2139 (Climate Delegated Act), Regulation (EU) 2021/2178 (Disclosure Delegated Act), Regulation (EU) 2023/2486 (Environmental Delegated Act) and the Regulation (EU) 2026/73 (Omnibus Delegated Act)) serves as a framework for classifying sustainable economic activities, aiming to guide us and our stakeholders toward more environmentally sustainable operations. It defines a set of criteria to determine whether economic activities are taxonomy-eligible and taxonomy-aligned, focusing on six environmental objectives, i.e., climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution

prevention and control and protection and restoration of biodiversity and ecosystems.

Our disclosures reflect LHV's compliance with the EU Taxonomy. We base our disclosure on the most recent available data and key performance indicators (KPIs) of LHV customers to calculate our own KPIs.

In line with the Disclosure Delegated Act (DDA) and its amendments, these KPIs reflect the most recent published annual or sustainability reports of its counterparties.

For this reporting year, LHV utilizes data published for the financial year 2024, as it represents the most recent annual sustainability and financial data available. By relying on the most recent published annual reports of our counterparties, which, for the financial year 2025 pertain to data from 2024 and reflecting adjusted figures for comparison while adhering to regulatory standards, LHV ensures transparency and consistency in its sustainability reporting.

Regarding assets under management, we also use the most recent data published by counterparties. Where counterparties do not provide complete KPIs, the exposure is considered as non-eligible or not aligned as applicable.

From the compliance perspective with the CSRD, LHV ensures that our disclosures account for the application of the CSRD and its relevance to taxonomy reporting. This approach reflects our commitment to adhering to evolving sustainability reporting framework and integrating regulatory requirements into our disclosures. In accordance with the requirements to provide comparative data for the previous financial year, LHV ensures compliance by publishing both current year and prior year data in our taxonomy disclosures and in dedicated templates, where needed. However, it must be noted, that comparison of the KPI indicators does not provide a reliable basis for direct analyses. The methodology for calculating these indicators for the current financial year has been substantially revised following the mandatory adoption of Commission Delegated Regulation (EU) 2026/73.

Consequently, the figures reported for the prior financial year, while compliant with the regulations applicable at that time, are presented on a different basis and are not directly comparable with the figures for the current period.

In taxonomy reporting, LHV uses the same currency as in our consolidated financial statements.

#### 5.2.1.1 Scope of the disclosure

The report covers the period from 1 January to 31 December 2025 and is developed on a consolidated basis.

Since the green asset ratio (GAR) is required to be disclosed based on the prudential scope of consolidation specified in the Capital Requirements Regulation (EU regulation 575/2013, CRR), the consolidated situation under the prudential scope is different from the scope of consolidation applied to consolidated financial statements under the IFRS. In our case, the consolidated situation based on the CRR prudential consolidation scope includes the taxonomy statements of AS LHV Pank and AS LHV Finance. AS LHV Pank holds a 65% interest in LHV Finance as per previous financial year.

LHV comprises both financial and non-financial undertakings in the context of the EU Taxonomy. While LHV Finance, our non-financial undertakings are integral part of our operations, this report primarily focuses on the financial undertaking (LHV Pank).

First, the overall volume of non-financial activities is marginal from a taxonomy reporting perspective, accounting for 1.09% (1.09% in 2024) of the group's overall operations. Secondly, considering the non-financial economic activities that could be taxonomy-eligible or aligned within this proportion would be insignificant. Upon a brief assessment, we found that LHV Finance, do not engage in taxonomy-eligible activities. This entity does not own real estate, vehicles, or other tangible assets linked to taxonomy-defined activities such as building acquisition, transport, or direct data processing operations.

Any IT services used by LHV Finance are provided via agreements with LHV Pank and are not directly operated by LHV Finance, thereby failing to meet taxonomy-eligibility criteria. Due to the limited materiality and exposure towards taxonomy related economic activities of our non-financial undertakings, we have not included CapEx, OpEx, and revenue KPIs for LHV Finance nor conducted separate in-depth analyses as required by the Disclosure Delegated Act (DDA). Furthermore, preparing a separate disclosure for the non-financial undertakings would impose a disproportionate administrative and operational burden without providing significant investor insights. This approach aligns with the nature of our sustainability reporting. The focus of this report is to provide meaningful, clear, and actionable information that aligns with the expectations of our investors and stakeholders. If the scale or materiality of our non-financial activity increases in the future, we will reevaluate their inclusion in our reporting framework to maintain alignment with regulatory requirements and the needs of our stakeholders.

Our taxonomy reporting follows the requirements specified in the Omnibus Delegated Act, including annexed templates for the quantitative data (i.e., GAR and complimentary KPIs) and instructions for the qualitative information. The taxonomy statements are disclosed in a table form consistent with the annexes. GAR-related information follows the Annexes V and VI (see Templates 1 for the KPIs of credit institutions in Annex 2 at the end of the consolidated sustainability statements).

#### 5.2.1.2. Taxonomy alignment and eligibility

LHV conducts an analysis of its activities to identify taxonomy-eligible economic activities in accordance with article 8 of the Taxonomy Regulation and its delegated acts. This assessment focuses on key asset categories, including mortgages, motor vehicle loans, non-financial and financial

undertakings, local governments, and certain off-balance sheet assets, such as assets under management. Where possible, the analysis also assesses alignment with the Taxonomy's technical screening criteria, including substantial contribution, do-no-significant-harm criteria, and minimum safeguards.

Additionally, the analysis identifies activities classified as transitional or enabling, where applicable. Eligible activities contribute to environmental objectives, such as climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems and are categorized under taxonomy-eligible economic activities.

The technical screening criteria to determine alignment for each activity are reviewed to determine their contribution to the EU's environmental objectives. For instance, a proportion of LHV's mortgage portfolio meets the criteria for substantial contribution to climate change mitigation, as the buildings financed comply with the required energy efficiency levels based on Energy Performance Certificates (EPCs). In 2025, for buildings built before 31 December 2020, we analysed whether it has an EPC rating A or belong to the top 15% of the national or regional building stock. For buildings built after the date mentioned, the buildings must have the primary energy demand (PED) at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements. To our knowledge construction of such buildings is not currently common market practice.

Similarly, our motor vehicle loans are taxonomy eligible. Loans for low emission vehicles (up to 50 grams of CO per kilometre (gCO<sub>2</sub>/km)) registered until 2025 contribute to climate objectives. For vehicles registered after 2025, only loans for zero-emission vehicles contribute to climate objectives, as they meet the technical screening criteria for taxonomy alignment. In conducting the alignment analysis, we concluded that we are able to confirm the substantial

contribution criteria of the motor vehicle loans, but we are not able to confirm the DNSH criteria in these cases.

The analysis in regard to minimum safeguards is not required for retail exposures. For 2025, LHV reports its mortgage portfolio as taxonomy-eligible and 4.95% taxonomy-aligned and motor vehicle loan portfolio as taxonomy-eligible but not taxonomy-aligned.

For taxonomy-alignment within assets under management, see Templates 1 and 2 for KPIs of credit institutions in Annex 2 at the end of the consolidated sustainability statements. For assets under management, LHV uses data from Morningstar Sustainalytics to obtain taxonomy information from counterparties.

The primary challenge in implementing the EU Taxonomy, including confirming full alignment of banking related exposures and activities, lies in obtaining sufficient exposure-specific data to meet the technical screening criteria, including the Do No Significant Harm (DNSH) criteria and Minimum Safeguards requirements, particularly for household exposures.

Another challenge lies in the dependency on taxonomy reporting disclosed by companies subject to the CSRD. The proportion of our clients in scope on CSRD is very low. Where taxonomy-alignment KPIs are not disclosed, these exposures are classified as not aligned.

In 2025 we improved our data collection and analytical capabilities to better identify information gaps and refine our methodologies also taking into account the new changes that the Omnibus Delegated Act introduces. If companies, including our counterparties, provide more detailed data under regulatory requirements in the coming years, or it becomes possible to consider the market averages, we expect to gain improved insights for more accurate assessments and disclosures.

#### Key Performance Indicators (KPIs)

The Green Asset Ratio (GAR) is the main KPI used for disclosing information on the extent of taxonomy alignment of credit institutions' activities. It shows the proportion of assets financing and invested in taxonomy-aligned economic activities (numerator), and it is computed as a proportion of total covered on-balance sheet assets (denominator). Assets and activities covered by the GAR and other KPIs are exposures to households (mortgages, and motor vehicle loans), non-financial and financial undertakings and local governments as well as certain off-balance sheet assets (assets under management and financial guarantees). Detailed information on covered assets is provided in the table form (see Templates 1 for the KPIs of credit institutions, template 1 in Annex 2 at the end of the consolidated sustainability statement). In accordance with Commission Delegated Regulation (EU) 2026/73, the GAR is computed as a proportion of a redefined denominator. In comparison to the DDA that was applicable in 2024, the denominator now excludes exposures to undertakings that are not subject to the reporting obligations of the Corporate Sustainability Reporting Directive (CSRD), derivatives, on demand interbank loans, cash and cash-related assets and other categories of assets (e.g. Goodwill, commodities etc.). This methodological change ensures a more meaningful ratio, providing a clearer picture of our financing activities directed towards sustainable undertakings and activities.

For the reporting year 2025, the GAR shows the proportion of LHV's assets financing and invested in those taxonomy-aligned economic activities which contribute to the climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems objectives. In accordance with EU Taxonomy, LHV discloses the proportion of covered assets exposed to taxonomy aligned economic activities across all environmental objectives specified in

the Climate Delegated Act and Environmental Delegated Act. Nevertheless, based on the data published by our customers for the financial year 2024, LHV has not identified any activities or exposures related to other environmental objectives, such as the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, or the protection and restoration of biodiversity and ecosystems. Additionally, LHV currently does not offer financial products specifically designed to support these objectives. Our sustainable financing products primarily focus on climate change mitigation, including home loans for A and B energy class housing and motor vehicle loans for low-emission vehicles.

GAR, as the main KPI, reflecting the proportion of our on-balance sheet assets which are taxonomy aligned, is 4.86% (both turnover and CapEx based). Our banking and investment services 89.88% (both turnover and CapEx based) of our loans and advances fall under taxonomy-eligible activities, (while 2024 it showed 0% both turnover and CapEx based taxonomy aligned, 34.66% taxonomy eligible turnover based and 34.61% taxonomy eligible CapEx based), see Templates 1 for the KPIs of credit institutions in Annex 2 at the end of the consolidated sustainability statement).

The methodology for calculation of KPIs of assets under management involves determining the proportion of investments aligned with taxonomy objectives based on relevant metrics such as turnover and capital expenditure (CapEx). The numerator reflects the value of investments in activities meeting taxonomy criteria, while the denominator comprises the total market value of Assets under Management (AuM) invested in undertakings that are obliged to publish sustainability information pursuant to the CSRD. In line with the Omnibus Delegated Act, all exposures to non-CSRD undertakings, central governments, central banks, and supranational issuers are excluded from the denominator.

In 2025 disclosing of activities in the nuclear energy and fossil gas sectors has changed due to the Omnibus Delegated Act and is covered where relevant in the Templates in Annex 2 at the end of the consolidated sustainability statements.

In compliance with the Omnibus Delegated Act, we have presented KPIs in standardized tables. This ensures clarity and comparability in reporting the proportion of taxonomy-eligible and taxonomy-aligned activities based on turnover and CapEx.

### **Future Commitments and Reporting Timeline**

LHV recognizes the EU sustainable finance taxonomy as a guiding framework for developing sustainable finance products. LHV is actively monitoring the ongoing regulatory developments related to the Taxonomy Regulation and exploring opportunities to further align product offerings with the technical screening criteria when and where feasible. This adaptive approach enables us to adapt to the evolving requirements of sustainable finance while improving operational processes and compliance to the regulations.

### **5.2.2 Climate change**

As a financial institution we acknowledge the fact that we have an enabling and supporting role in the transition to a more climate neutral economy. This is the reason why our current ESG Policy, approved by our Supervisory Board, sets a strategic focus on climate change mitigation (see more under general disclosures in sustainability strategy in point 5.1.2). We continue to track our progress with a set of KPIs approved on management level (see the table KPIs contributing to climate change mitigation in LHV at end of this section) and have set several climate related targets (see further below). As mentioned earlier our sustainable financing products also focus on mitigating the effects of climate change. Moreover, as a part of our own transition LHV will move its headquarters to a new building with energy class

A by 2028 spring. The building is also planned to have a BREEAM Excellence standard.

LHV is committed to facilitating a transition to a more sustainable future, with the principles of this transition embedded within our strategy and business planning processes. LHV itself is not active in a high climate impact sector. The key elements, such as setting climate change mitigation targets, of our transition strategy are already integrated into our broader corporate governance, risk and decision-making framework.

In 2025 we started work on preparing the prudential transition plan as is expected from credit institutions and this is planned to be finalized in 2026. The prudential transition plan focuses on how a financial institution will address the financial risks arising from the transition to a sustainable economy, ensuring its own long-term stability and soundness. It should be stated that LHV does not own any assets that would cause locked-in emissions currently nor is it expected for the foreseeable future.

The ESG policy, which outlines high-level principles for achieving sustainability objectives, including our support for the transition to a low-carbon economy, is reviewed and approved annually by the Supervisory Board. Based on that, the Management Board plays an active role in the development and implementation of these principles through their engagement in long term strategic planning, yearly action planning and overseeing of operational execution.

This integrated approach ensures that our transition objectives and targets are not only aspirational but are actively incorporated into decision-making, operational activities, and risk management processes, with governance structures in place to ensure accountability and regular progress review.

In the context of Estonia, the impacts of climate change are assessed as not currently significant enough to warrant prioritizing climate change adaptation measures.

Furthermore, adaptation-related activities are more challenging to finance transparently, making mitigation the primary objective of our climate strategy. This approach ensures that our efforts align with measurable and actionable strategy and goals.

Our ESG Risk Management Policy defines risk management framework, i.e. main principles, governance and risk appetite for the ESG risk LHV is facing to mitigate the potential financial risks resulting from climate change. Our Green Office Principles guide our efforts to manage office operations sustainably, i.e. mitigate climate change on operational level. These include areas such as employee engagement, resource efficiency, use of renewable energy, waste management, and sustainable transport. By setting focus in areas such as energy efficiency, waste reduction, sustainable transport, and employee engagement, LHV ensures that its office operations contribute to reducing environmental impacts. We are committed to not only that, but also to foster a shift in employees' behaviours and mindset, encouraging them to adopt sustainable practices both within the organization and in their personal lives.

Implementation of our sustainability strategy is related to our products and services, governance, and operations. We are incorporating climate and sustainability considerations into strategic planning, business development, customer selection processes, risk management and credit assessments. To mitigate our impact on climate change, we develop and offer sustainable financing solutions in addition to enhancing our customer engagement processes regarding sustainable business practices according to our Credit Policy.

As part of an industry that is vital for society, we, directly and indirectly, affect our surroundings and make our most significant contribution through investing and financing. That is why we have decided to channel cash flows from our core activities more concertedly to activities that support the transition to a climate-neutral and sustainable economy. We have developed sustainable products to motivate our

customers to make everyday consumer and investment decisions that are as environmentally responsible as reasonable. In this way, we do our part to support economic growth, while at the same time limiting the further contribution of greenhouse gas emissions growth. These loan products are home loan for A and B energy class homes, car leasing for zero or low carbon emission vehicles, and investment loan for supporting companies' sustainable development as mentioned above under the section 5.1.2.3 Sustainable finance products and services.

In LHV credit granting process we take ESG considerations into account by implementing LHV exclusion list which identifies industries and activities that are generally not eligible for financing due to their high environmental, social, or governance impacts and risks, applied to all our business customers.

Climate-related risks are also considered during loan reviews based on the size of the loan and the customer's field of activity. The ESG risk assessment process at LHV is applied to business customers with a credit exposure exceeding EUR 1M, in line with our credit rating process. The objective of the ESG risk assessment is to ensure a comprehensive evaluation of customer's sustainability, considering both the potential environmental and social risks that may impact the customers' business operations, as well as the customers' impact on the environment and society. Based on their exposure to ESG risk factors, mitigation measures, loan conditions, and pricing may be applied accordingly.

The types of climate related risks are described under the section general disclosures in financial materiality. Based on our assessment, while we have identified certain climate-related risks factors, such as flooding, these risks are not material in terms of potential credit loss to our overall operations. Our field of activity and the integration of ESG risks into our comprehensive risk management framework provide resilience under a range of possible climate scenarios.

To support our climate-related targets and initiatives, LHV has allocated financial, human, and technological resources across various levels of our organization as part of our regular business which includes the development and deployment of sustainable financial products. These resources are strategically allocated to ensure that both our customers and LHV itself are contributing to the transition towards a climate-neutral economy.

LHV has dedicated personnel responsible for managing and implementing our sustainability strategy. This includes ESG specific positions all over LHV as described under sustainability governance structure in general disclosures under sustainability governance.

These resources are critical in implementing our ESG strategy and ensuring that LHV is actively mitigating climate change both within our operations and across our customer base. By continuously allocating and refining these resources, we ensure that we remain resilient in the face of climate challenges. LHV continues to invest in raising awareness among its employees, clients, and society at large by supporting environmental organizations such as Green Tiger and the Sustainable Business Estonia (KELL). These organizations share knowledge through seminars and conferences, provide tools to implement sustainable changes, and offer platforms for exchanging experiences, successes, and lessons learned. Additionally, we actively participate in educational initiatives by delivering lectures at Tallinn University of Technology, the University of Tartu, and the Estonian Business School, fostering sustainability awareness among future professionals.

In 2025, we continued our collaboration with the Estonian Business School's ESG Management Program, where we have been a partner since its inception. As part of this enhanced partnership, we offer our business customers preferential terms to participate in the program, promoting broader adoption of sustainability practices within the business community.

### 5.2.2.1 Climate change mitigation targets

LHV has set climate change mitigation targets focusing on reducing the climate impact of our loan portfolio, since this is our main source of climate impact in scope 3. By the year 2030, to increase the share of renewable energy projects under the energy sector within our loan portfolio to 90% and to have at least 50% of our annually signed mortgage contracts for A and B energy class housing.

We have also two targets focused on our operational level - to maintain zero emissions in scope 1 operations and reaching 100% use of electricity generated from renewable sources by 2030 to minimize our scope 2 emissions. As of the end of 2025, the use of renewable electricity in LHV offices was 100%.

To achieve these goals, LHV has implemented specific measures across associated business areas. These include financing for renewable energy projects to align with the target of 90% renewable energy within the energy sector loan portfolio by 2030, developing tailored mortgage products with favourable terms to support the goal of 50% of annually signed mortgage contracts being for A and B energy class homes by 2030, and progressively increasing the use of renewable electricity in our operations. This integrated, measurable and time bound approach ensures alignment with our ESG strategy.

### 5.2.2.2 Our climate impact

To set climate change mitigation targets and identify where our negative climate impacts are most significant, we measure our greenhouse gas (GHG) emissions using standardized methodologies to ensure a clear understanding of our emission sources. This approach allows us to prioritize effective reduction measures and align our business with sustainability goals.

We calculate our carbon footprint based on the methodology provided by the GHG Protocol Corporate Accounting and Reporting Standard and associated Corporate Value Chain (Scope 3) Standard, which are internationally recognized and widely used greenhouse gas accounting standards. Calculations of our operational greenhouse gas emissions were done by external consultancy provider Sustinere. Emission factors were sourced directly from electricity and heating providers where such data were available. Electricity emission factors were counted for as being zero as per Academic paper or report by Bastos, Monforti-Ferrario, and Melica (2024), while heating emission factors were sourced from Gren (Soojuse tootmise näitajad, 2024) and Utilitas (Soojuse tootmise näitajad, 2024). The results are expressed in CO<sub>2</sub> equivalents (CO<sub>2</sub>e), the universal greenhouse gas unit of measurement, indicating the potential for causing global warming. Based on GHG Protocol, emissions are categorized into three scopes. Scope 1 relates to direct emissions that occur from sources that are controlled or owned by an organization. Scope 2 emissions refer to indirect emissions associated with purchase of electricity, heating, and cooling. Scope 3 emissions include all other indirect emissions accounting for emissions coming from our own operations and emissions stemming from our upstream and downstream value chain. We have assessed the materiality of Scope 3 emission categories in line with the nature of our business activities. Based on our analysis, Category 15 – Investments is identified as the most material source of Scope 3 emissions, given its significant impact compared to other categories and we no longer disclose these in the Sustainability report in regard to information materiality principle.

In 2025, our scope 2 emissions, especially market-based, have significantly decreased (see table Greenhouse gas emissions below). This related to getting direct emission data from the suppliers and increased proportion of certified renewable energy (as also seen in the energy consumption table below in chapter 5.2.2.2.2 Energy consumption)

We have calculated our scope 2 and 3 on best available actual data, although uncertainty remains as scope 2 calculation use estimation in regard to consumption and in scope 3 category 15 sectoral average emission factors are used. The same applies to data on energy consumption as there are in some cases limitations in obtaining that exact data of our premises.

## Greenhouse gas emissions

	2025	2024
<b>Scope 1 GHG emissions</b>		
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	0	0
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0
<b>Scope 2 GHG emissions</b>		
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	660	1,044
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	102	490
<b>Significant scope 3 GHG emissions</b>		
Total Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)	561,623	541,592
1 Purchased goods and services	-	53
2 Capital goods	-	163
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	-	269
4 Upstream transportation and distribution	-	-
5 Waste generated in operations	-	33
6 Business travelling	-	421
7 Employee commuting & home office	-	371
8 Upstream leased assets	-	-
9 Downstream transportation	-	-
10 Processing of sold products	-	-
11 Use of sold products	-	-
12 End-of-life treatment of sold products	-	-
13 Downstream leased assets	-	-
14 Franchises	-	-
15 Investments (see chapter Financed emissions)	561,623	540,282
<b>Total GHG emissions</b>		
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	<b>562,283</b>	<b>542,635</b>
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	<b>561,725</b>	<b>542,082</b>

GHG intensity for 2025 (excl. scope 3) is 0 tons per net revenue. Net revenue used to calculate GHG intensity for 2025 is 107,608 EUR thousand which reconciles to Net income from the Consolidated financial statement of profit or loss and other comprehensive income. The impact of cooling has been included in the calculation of electricity consumption. Scope 3 calculated using primary data 19%.

The results for LHV Pank were calculated on the bases of LHV Group data, considering the number of square meters occupied by the Bank in the premises.

LHV has not established a base year for its GHG emissions. This is due to the ongoing technical improvements which are focused on enhancing our data collection and data quality. As a result, strictly comparative analyses cannot yet be conducted with full accuracy. Details regarding milestones and target years are provided in the section titled Climate change mitigation targets, where we outline our commitments and objectives for climate action. Therefore, the presentation of our GHG emissions differ from the regulatory expectation.

### 5.2.2.2.1 Financed emissions

Since 2022, LHV assesses financed emissions under scope 3 category 15 investments (as defined by the GHG Protocol Corporate Value Chain standard) using the PCAF methodology. The assessment of financed emissions remains material, since the largest share of our emissions is related to our financing activities.

In 2025 LHV continued work on enhancing the accuracy of calculations and improving data quality, the reallocation of asset class scopes for more accurate contract assessments within each asset class. Total emissions were calculated for financed emissions 561,623 (540,282 for 2024) tCO<sub>2</sub>e. The rise in absolute numbers is directly linked to the growth of business volumes.

Under the PCAF methodology for financed emissions, LHV Pank's loan portfolio is assessed across six asset classes: business loans, commercial real estate, mortgages, motor vehicle loans, sovereign debt, and listed equity & corporate bonds. In the listed equity, business loans, mortgages, commercial real estate, and sovereign debt asset classes, according to the PCAF methodology for financed emissions and asset class scopes, all loans in the portfolio that align with the scope definitions have been 100% assessed. Specific smaller products in the credit portfolio, where PCAF lacks a defined methodology, have not been assessed. In the motor vehicle loans asset class 69,9% (70.4% for 2024) of the portfolio has been assessed, as no methodology was available for evaluating leasing of other machinery, such as agricultural equipment, at the time of assessment.

The sector with the largest absolute emissions and highest CO<sub>2</sub> intensity is D (Electricity, Gas, Steam, and Air Conditioning Supply). The results of the emission estimations can vary to some extent depending on the quality of the input data used in the calculation models.

In 2025, LHV continued its efforts to improve data quality, recognizing that substantial improvements require obtaining information directly from the customers. To address this, we actively engaged with customers to collect the necessary data. For business loans, commercial real estate, residential mortgages, and motor vehicle loans, emissions are estimated using indirect sources, such as sector averages or data from external databases like PCAF and Estonian Building Register. These estimations reflect upstream and downstream value chain emissions where direct data is unavailable, and the preparation of these metrics relies on proxies when information—like energy consumption or emissions data—is not provided by customers. Consequently, the level of accuracy varies: lower PCAF scores (1, 2 and 3) are achieved when more accurate, customer-specific data is available, while higher scores (4 and 5) indicate reliance on generalized estimates. Data quality scores, which range from 1 (most

accurate) to 5 (least accurate), are provided in the table below. We acknowledge that currently this data is subject to uncertainty. However, we have based our calculations on the best available actual data currently accessible. To enhance accuracy, LHV has an ESG questionnaire to gather the necessary information from customers and continues to work towards integrating more precise customer data into future assessments.

### Financed emissions

Asset Class	Outstanding Amount (EUR million)		Scope 1+2 (tCO <sub>2</sub> e)		Scope 3 tCO <sub>2</sub> e		Emission Intensity* (tCO <sub>2</sub> / EUR million)		PCAF Data Quality Scores	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Listed equity & corporate bonds	-	-	-	-	-	-	-	-	-	-
Business loans	1,563	1,452	160,141	154,766	178,764	213,758	217	253.8	4	4.0
Mortgages	1,753	1,432	47,876	57,323	-	-	27	40.0	3.5	3.6
Commercial real estate	1,042	978	170,053	109,231	-	-	163	111.7	4	3.6
Motor vehicle loans***	123	127	4,787	5,231	-	-	39	41.1	3	3.0
Sovereign debt	377	284	1.7	0.9	1	0.6	0.0	0.0	1	1
<b>Total</b>	<b>4,858</b>	<b>4,273</b>	<b>382,859</b>	<b>326,551</b>	<b>178,765</b>	<b>213,758</b>	<b>116 (Mean)</b>	<b>126 (Mean)</b>		

\*Scope 1+2

\*\*Emissions from passenger cars, buses, and trucks; other vehicles are not covered in PCAF Financed Emissions Standard

## Financed emissions

### Business loans

EMTAK	Outstanding amount EUR million		% of total tCO <sub>2</sub> e		CO <sub>2</sub> intensity tCO <sub>2</sub> e/ EUR		Outstanding amount EUR million		% of total tCO <sub>2</sub> e		CO <sub>2</sub> intensity tCO <sub>2</sub> e/ EUR	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
A: Agriculture, forestry and fishing	155	50.7	63,208	12,595	18.7	3.4	407	248.6				
B: Mining and quarrying	0	0.3	1	568	0	0.2	628	1,679.0				
C: Manufacturing	191	156.7	66,676	66,609	19.7	18.1	349	425.0				
D: Electricity, gas, steam and air conditioning supply	202	213.1	134,840	212,194	39.8	57.6	667	995.7				
E: Water supply; sewerage, waste management and remediation activities	43	27.0	7,784	4,188	2.3	1.1	180	155.3				
F: Construction	19	44.9	5,050	7,850	1.5	2.1	266	174.8				
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	107	110.3	23,096	22,350	6.8	6.1	216	202.6				
H: Transportation and storage	100	57.6	5,719	5,209	1.7	1.4	57	90.4				
I: Accommodation and food service activities	35	10.6	1,480	1,323	0.4	0.4	43	124.9				
J: Information and communication	10	13.5	1,052	1,539	0.3	0.4	107	114.0				
K: Financial and insurance activities	213	217.9	7,095	7,326	2.1	2.0	33	33.6				
L: Real estate activities	230	182.0	8,356	2,105	2.5	0.6	36	11.6				
M: Professional, scientific and technical activities	40	125.0	2,800	3,247	0.8	0.9	70	26.0				
N: Administrative and support service activities	64	89.6	2,702	3,901	0.8	1.1	42	43.5				
O: Public administration and defence; compulsory social security	37	50.5	2,155	10,196	0.6	2.8	59	201.7				
P: Education	5	4.4	421	320	0.1	0.1	92	72.7				
Q: Human health and social work activities	27	25.6	1,258	1,687	0.4	0.5	46	66.0				
R: Arts, entertainment and recreation	81	67.4	4,603	4,904	1.4	1.3	57	72.8				
S: Other service activities	6	4.7	609	409	0.2	0.2	111	87.0				
<b>Total</b>	<b>1,563</b>	<b>1,451.8</b>	<b>338,905</b>	<b>368,520</b>	<b>100</b>	<b>100</b>	<b>217</b>	<b>253.8</b>				

### 5.2.2.2.2 Energy consumption

In our commitment to accurate and transparent reporting, we have refined our methodology for calculating energy consumption for the current period. By leveraging detailed energy production mix data directly from our suppliers, we have achieved a more granular breakdown of our energy sources. Consequently, we have introduced a new 'Other' category to classify energy inputs, such as peat and landfill gas, that do not fall under the conventional definitions of renewable or fossil fuels.

Energy consumption	2025	2024
Total fossil energy consumption (MWh)	519	2,116
Share of fossil sources in total energy consumption (%)	18	68
Other (Non-fossil non-renewable energy consumption) (MWh)**	297	-
Share of non-fossil non-renewable energy consumption (%)**	10	-
Total renewable energy consumption (MWh)	2,020	1,007
Of which fuel consumption for renewable sources including biomass biofuels, biogas, hydrogen from renewable sources	0	0
Of which consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	2,020	1,007
Of which consumption of self-generated non-fuel renewable energy	0	0
Share of renewable sources in total energy consumption (%)	71	32
<b>Total energy consumption (MWh)</b>	<b>2,836</b>	<b>3,123</b>

\*\*energy inputs, such as peat and landfill gas

The results for LHV Pank were calculated on the bases of LHV Group data, taking into account the number of square meters occupied by the Bank in the premises.

LHV is disclosing the following KPIs as part of its sustainability statement, as those reflect important LHV specific considerations which are deemed relevant by us and our stakeholders. By including these KPIs, we aim to provide a comprehensive understanding of our impacts, risks, and opportunities, consistent with the qualitative characteristics of information, ensuring relevance, reliability, and comparability over time. This decision supports our commitment to transparent reporting and our focus on driving sustainable practices in alignment with broader ESG goals.

Key performance indicators contributing to climate change mitigation	2025	2024
Contract value for new renewable (solar, wind, battery storage system and biomass) energy projects added to the corporate loan portfolio (EUR million)	25.4	16.7
Number of new energy class A apartments financed annually through housing developments	814	827
Share of annually signed mortgage contracts for A and B energy class housing in the mortgage portfolio	29.3%	24.3%

## 5.3 Social information

LHV is dedicated to fostering a socially responsible and inclusive environment, promoting diversity, protecting the interests of our people, and advancing societal well-being. Employees are central to our success, with opportunities created through professional development, work-life balance, and diversity initiatives that enhance productivity and innovation.

We impact customers by providing equitable financial access, improving financial literacy, as well as protecting their interests and offering tailored support for vulnerable groups. In 2025, The Banker, a Financial Times publication, awarded us the title of “Bank of the Year” the seventh time. Additionally, the leading international business magazine Euromoney named LHV Pank the best bank in Estonia.

LHV supports local communities by sponsoring education, arts, and sports initiatives and encouraging financial literacy. With integrity, transparency, and ethics at our core, we continue to drive positive societal and economic change while delivering value to employees and customers alike.

Our vision is to promote a socially responsible and inclusive environment. We are committed to protecting human rights, adhering to labour laws, promoting diversity and inclusion, and actively participating in activities related to societal well-being. LHV follows national laws and requirements but has not specifically aligned its policies with UN Guiding Principles on Business and Human Rights.

While banks and financial institutions play an integral part in driving economic growth, they also have the power to impact individual lives and communities’ overall wellbeing. Our business is conducted with integrity, transparency, and ethics in mind, with the emphasis on fair dealing and respect towards our partners, customers, and employees.

By acknowledging our role and societal influence at the local level, we do the following:

- aim to offer high job satisfaction through providing development opportunities and self-fulfilment for current and prospective employees;
- stand for equal opportunities for people and companies;
- maintain a budget to support music or arts, education, sports, and community events;
- support external movements and partners to promote the cultural and economic development of local communities;
- build the trust of our customers in LHV as a non-discriminatory financial service provider;
- encourage financial literacy and the share of economic knowledge;
- continuously improve our competencies in the field of ESG to further advance social cohesion.

### 5.3.1 Own workforce

LHV, as a large employer, has an impact on our people, including their productivity, innovation, and employee satisfaction, which directly contribute to our business success. The material positive impacts arising from health benefits, equal treatment and non-discriminatory practices, as well as professional development opportunities, extend to all own employees rather than to specific groups within the organisation. The potential negative impact on the own workforce related to pay inequality is neither widespread nor systemic at LHV, nor linked to individual incidents. Instead, it reflects the proactive commitment to upholding the principles of fair and equitable treatment of employees across the organisation. Our strength stems from prioritizing professional development, promoting work-life balance, and fostering diversity and equal remuneration, enabling LHV to build

a resilient and engaged workforce. These efforts mitigate challenges such as talent retention challenges or diminished labour market competitiveness, ensuring the company remains an attractive and forward-thinking employer while delivering high level customer service.

We are committed to recruiting and retaining competent and trustworthy employees as part of our strategy. Guided by our Human Resources Policy, we attract educated, professional, and results-oriented individuals to meet our operational needs. Our selection process includes comprehensive CV analysis, structured interviews, and competency assessments, with psychological evaluations and practical assignments used only when necessary and depending on the position. Direct supervisors collaborate with the HR Department and the Management Board members to make informed hiring decisions. Candidates consent to personal data processing for background checks, which may involve contacting former employers and referees. These procedures help us maintain a skilled and dedicated workforce that aligns with our strategic objectives and upholds our commitment to excellence.

The well-being and prosperity of our employees are core to our business operations. Recognizing that our strategic goals depend on our workforce, we are committed to regularly identifying, assessing, and effectively managing risks related to employee qualifications.

We understand that achieving strong business results and sustainable growth requires people that create value, feel valued, and is engaged in their personal and collective missions. At LHV, our employees display high levels of engagement and contribution to LHV’s mission. This commitment is reflected in our latest annual employee survey, where 83% (82% in 2024) of respondents indicated that they are highly engaged and committed to our goals.

LHV has no employees with particular characteristics working in specific contexts in our workforce. No relevant risks have been identified, and no additional measures have been developed.

As a large employer in the Estonian market, we are committed to maintaining a sustainable work culture that fosters well-being and creates a positive workplace environment. By providing an atmosphere that fosters personal growth, we aim to enhance skills, optimize performance, and cultivate enduring relationships, both internally and externally. LHV aims to be the employer of choice for its people, fostering a positive culture and productive work environment that support long-term engagement and satisfaction. As an employer, we hold the potential to positively impact our employees while mitigating negative effects by addressing issues such as discrimination and stress, which can adversely affect employees’ mental health.

LHV has workplace accident prevention policy named Occupational safety and working environment guidelines (for Estonian offices) and Health and Safety Policy (for UK offices) which provide an overview of the important provisions of occupational health and safety and the measures for avoiding working environment risks at the office.

### 5.3.1.1 Policies, measures and targets

Incorporating inclusion, diversity, and upholding human and labour rights are integral components of LHV's responsible business ethos. LHV has developed and implemented a group-wide Human Resources Policy, Diversity Policy, Conflict of Interest Policy as well as Remuneration policy which aim to provide fair, motivating and transparent remuneration in compliance with the laws and regulations for all our employees.

- Human Resources Policy defines the people management framework, including key principles, governance and core processes for recruitment, development and employee motivation.
- Diversity Policy defines the diversity and inclusion framework, setting principles, governance and practices to ensure fair and unbiased hiring and promotion and to strengthen decision-making through diverse perspectives.
- Conflict of Interest Policy sets principles and procedures for preventing self-interest from influencing professional duties, requiring timely disclosure, recusal and compliance monitoring, and providing channels to report misconduct and non-compliance.
- Remuneration Policy sets the guidelines for determining fair remuneration for all employees.

The individuals responsible for these internal documents are the Head of Human Resources or the Head of Compliance, while the process is approved by the LHV Group Management Board or the Supervisor Board, respectively.

Our long-term strategy is to build strong relationships by being an attractive employer that offers high job satisfaction, development opportunities, and self-fulfilment for current and prospective employees. For that we:

- support the professional development of all our employees, including key personnel, through targeted development programs, mentorship opportunities, and clear career progression pathways. By investing in our employees, we aim to enhance their skills, boost engagement, and retain top talent;
- prioritize increasing the share of women at the management board and supervisory board levels, as it reflects our commitment to fostering diversity, balance, and inclusivity in leadership. LHV seeks to achieve, by 30 June 2026, that either 40% of the supervisory board members or 33% of the management and supervisory board members combined are of the underrepresented gender.
- have set group-wide employee-related target of achieving pay equality of 95:105 by 2029.

In 2025, we developed the first version of job families, which was piloted during 2025 to ensure that the pay ratio between different employee groups, as defined in a local country wide comparable annual salary survey conducted by Fontes/ Figure, moves towards a balanced level where no group is paid more than 5% above or below another group's pay level by 2029. We will continue this work in 2026 to further refine and align the job family structure and pay levels. Job families, defined internally as groups that include roles of a similar nature, and which should be compensated similarly, consolidated positions with comparable responsibilities. This commitment underscores our dedication to fair and equitable compensation practices across the organization.

By fostering and strengthening its corporate culture, LHV strives to be recognized as a leading employer, deliver valued customer service, promote its values and goals among employees, and focus on profitability and efficiency.

In 2025, workforce developments also reflected both internal efficiency measures and external labour market dynamics. Redundancies implemented in Q1 2025 resulted in a one-off increase in employer-initiated terminations as part of a cost-saving and efficiency programme (automation, streamlined management layers and consolidated responsibilities), while improving labour market conditions increased employee mobility and job switching.

By maintaining a strong organizational culture, we align our team with our mission and values, contributing to sustained success and employee satisfaction. LHV is committed to complying with all EU and national regulations, ensuring that the company operates ethically and avoids practices such as human trafficking, child labour, or forced labour.

#### Staff turnover\* and job types\*\*

	2025	2024
<b>Total employees</b>	<b>893***</b>	<b>927, from which 2 in UK office</b>
Working part time (%)	2.4%	3.4%
Working full time (%)	97.6%	96.6%
Working contractual basis (of which % in IT Departments)	13 (62%)	15 (93%)
Working with permanent contract	808	857
Working with temporary contract	24	17
New hires (of which interns)	201 (42)	235 (17)
Left employees (terminations)	223	144
Voluntary turnover rate (%)	12.1%	8.6%
Overall turnover rate (%)	21.9%	13.4%

\*12-month rolling sum of the turnover is the total amount from the past 12 months. As the 12-month period "rolls" forward each month, the amount from the latest month is added and the one-year-old amount is subtracted. The result is a 12-month sum that has rolled forward to the new month

\*\*in head count at the end of the reporting period

\*\*\* see also Note 5 Operating expenses in Financial Statements

### 5.3.1.2 Equality and non-discrimination

LHV fosters non-discriminatory business and HR practices. In the recruitment process, we are guided by ethical standards, human rights, and equal opportunities not considering non-related factors, such as race, disabilities, political views, sexual orientation, etc. In line with our Personnel Policy, we take a gender-neutral, non-discriminatory approach in all recruitment and promotion decisions, and base the decisions on equal, measurable qualities, such as experience, education, skills and, if necessary, requirements set by applicable regulations. It is important for LHV not to discriminate against any minorities.

Currently, our office isn't fully adapted to meet all the needs of people with physical disabilities—some accessibility features are still missing. We offer and support remote work as an alternative. LHV has established and implemented a Diversity Policy. LHV believes that the quality of decision-making strategies, risk taking, and oversight can be improved, and biases averted where open-minded people with a range of backgrounds, experience, opinions, and views are combined. LHV considers gender balance as one of the important dimensions of diversity. LHV fosters a culture where everyone is treated with respect and dignity. LHV promotes equality of opportunity and does not attribute to any dimensions of diversity a predetermined value, either positive or negative. To the extent applicable, LHV incorporates diversity and inclusion into its policies and practices related to recruitment, remuneration, career development, and the composition of management and supervisory bodies. Emphasizing diversity, especially in the selection of management or supervisory body members, helps ensure a broader range of perspectives and reduces the likelihood of selecting individuals with overly similar profiles.

### Breakdown of LHV Pank employees by age and gender 2025\*

Contract type	Women				Men				Total	Total number by head count
	Under 30 (%)	30-50 (%)	Over 50 (%)	Total (% from all)	Under 30 (%)	30-50 (%)	Over 50 (%)	Total (% from all)		
Permanent contract	24.1%	70.8%	5.1%	62.3%	26.4%	68.7%	4.9%	37.7%	808	
Temporary contract	44.4%	55.6%	0%	72.7%	50.0%	50.0%	0%	27.3%	24	
Non-guaranteed work time	0%	0%	0%	0%	0%	0%	0%	0%	0	
<b>Total</b>	<b>62.6%</b>	<b>24.8%</b>	<b>70.3%</b>	<b>5.0%</b>	<b>37.4%</b>	<b>26.8%</b>	<b>68.4%</b>	<b>4.8%</b>	<b>100.0%</b>	<b>832</b>

### Breakdown of LHV Pank employees by age and gender 2024\*

Contract type	Women				Men				Total	Total number by head count		
	Under 30 (%)	30-38 (%)	39-50 (%)	Over 50 (%)	Total (% from all)	Under 30 (%)	30-38 (%)	39-50 (%)			Over 50 (%)	Total (% from all)
Permanent contract	28.2%	33.7%	34.1%	4.0%	61.2%	30.3%	40.4%	26.7%	2.7%	38.8%	868	
Temporary contract	75.0%	16.7%	0.0%	8.3%	70.6%	60.0%	40.0%	0.0%	0.0%	29.4%	17	
Non-guaranteed work time	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	
<b>Total</b>	<b>61.4%</b>	<b>29.3%</b>	<b>33.3%</b>	<b>33.3%</b>	<b>4.1%</b>	<b>38.6%</b>	<b>30.7%</b>	<b>40.4%</b>	<b>26.3%</b>	<b>2.6%</b>	<b>100.0%</b>	<b>885</b>

\*in head count at the end of the reporting period

Information regarding gender distribution at top management level is disclosed in chapter 5.1.3 Sustainability Governance.

### 5.3.1.3 Remuneration and equal pay

Our Remuneration Policy sets the guidelines for determining fair and equitable compensation. Decisions regarding remuneration must be objective and unbiased, ensuring compliance with all relevant legislation.

We use the analytical job evaluation method created and developed by Fontes/Figure, based on the method recommended by the International Labour Organization (ILO). This method, utilized across all three Baltic States for market benchmarking, evaluates jobs based on education and professional experience, work characteristics, and accountability. Since 2013, LHV has employed Fontes/Figure's benchmarking method for annual evaluations, ensuring that we compare jobs of similar value within our organization.

In 2025, we completed the rollout of the new LHV job mapping and pay system, equipping our managers with a practical tool to support a more modern and transparent remuneration framework. This initiative aims to strengthen a contemporary pay structure that:

- harmonizes internal approaches to remuneration across the organization;
- brings clarity to the distribution of job positions, ensuring consistency and fairness;
- simplifies the work of managers in setting and managing compensation;
- more clearly outlines career opportunities, providing employees with a transparent path for advancement;
- allows for greater transparency in our pay practices, fostering trust and openness.

There will remain a connection and reliance on Fontes/Figure's salary survey to ensure our remuneration levels are competitive within the market.

The remuneration system has two main parts – job evaluation and salary ranges. Job evaluation uses job levels and families to measure and compare role complexity across the organization. This helps accurately calculate the gender pay gap by classifying roles into 13 grades based on expertise, complexity, scope, and impact. The classification considers job content, organizational structure, titles, team size, and area, and is validated by division heads. Job family's group similar roles to ensure consistent compensation.

The unadjusted gender pay gap in 2025 was 28.68% (same in 2024). The total annual remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees was 12.79 (12.87 in 2024).

### Unadjusted gender pay\*

	2025	2024
The unadjusted gender pay gap for 2025	28.68%	28.68%
The total annual remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees	12.79	12.87

\*at the end of the reporting period

LHV's salary system is based on job families and levels, ensuring fair and structured pay. Roles are classified according to organizational structure, job content, and benchmarking, with salary ranges set using market median data. HR oversees adjustments to maintain accuracy.

The gender pay gap shows the overall earnings difference between genders. The adjusted gender pay gap accounts for job roles, levels, and experience, comparing salaries within similar positions. The adjusted gap provides a more precise view of pay fairness.

For reflecting our opportunity to continue to fulfil our ambition to be the best employer and the most desirable employer we actively monitor our gender pay gap. As at the end of 2025, adjusted gender pay gap was 4.16% (3.08% in 2024). This number is calculated by comparing the average salaries of men and women at each job level. We reached this figure by ensuring that we compare similar positions, which allows for a fair assessment of pay equity across comparable roles. LHV employees are not covered by a collective agreement, as this is not particularly common in the financial sector in Estonia. By adhering to the Employment Contracts Act and the Government's Minimum Wage Regulations in Estonia, LHV aims to ensure that all employees receive compensation that meets or exceeds the legal requirements. This commitment reflects our dedication to upholding labour laws and promoting fair pay practices in all the regions where we operate.

### 5.3.1.4 Inclusive workplace

At LHV, we believe that success comes from working together and harnessing our collective intelligence. It is essential to us that our employees' ideas, thoughts, and opinions are heard and considered. We foster an environment where employees feel comfortable sharing their thoughts and ideas, ensuring their voices are heard at all levels of the organization, including top management.

LHV prioritizes open communication between managers and employees to enhance tasks, improve workflows, and set clear goals. Our managers hold regular 1:1 meeting with team members to foster trust, align on objectives, and discuss progress. These meetings provide a valuable opportunity for employees to share their thoughts and ideas, ensuring a collaborative work environment.

To gather actionable, data-driven insights into employee perspectives, we conduct the Q12 anonymous engagement survey twice a year. One key metric from the survey is the statement: "At work, my opinions seem to count." In 2025, employees rated this statement 4.46 in May and 4.46 in October on a 5-point scale, reflecting a strong sense of being heard and valued. Survey results guide meaningful conversations between managers and their teams, facilitating in-depth discussions and actionable feedback that often led to adjustments in goals, workflows, or team priorities. Our HR department oversees employee engagement processes and communicates their importance to team leaders to ensure alignment with organizational objectives. HR works closely with managers to review survey results

and integrate employee feedback into decision-making. For example, insights from 1:1 meetings and survey results help refine policies and practices related to employee well-being, workload distribution, and performance targets. To ensure transparency, managers are provided with the tools and training to engage effectively with their teams. Employees are also informed about how their feedback has influenced specific changes, demonstrating LHV's commitment to fostering a supportive and inclusive workplace. Engagement takes place at multiple levels, including organizational and team-specific levels. At the organizational level, feedback from surveys and employee discussions informs company-wide initiatives, such as policy updates or strategic workforce planning. At the team level, engagement focuses on addressing team-specific challenges and opportunities, ensuring that employee perspectives are incorporated into project-level decisions.

Where applicable, LHV seeks to include the perspectives of employees who may be in vulnerable situations or at risk of marginalization. Specific efforts are made to address potential barriers, such as ensuring accessible communication channels, addressing language or cultural differences, and fostering an inclusive environment where everyone feels empowered to share their views.

We value diversity and inclusion through initiatives that strengthen collaboration and shared learning across the organisation. In 2025, we established the Data Leadership Chapter, bringing together analytics leaders from across the company to enhance cross-company collaboration around data and analytics, improve the efficiency and impact of data-driven initiatives, foster a unified data culture, and empower better decision-making through shared knowledge and tools.

As part of this effort, we also organised the Analytics Day, a company-wide event designed to inspire and connect our data community. The day featured interactive AI workshops exploring smarter ways to automate daily work, presentations

from different business areas showcasing how teams use data in their operations, as well as guest speakers and a "hot seat" session that encouraged open discussion and idea-sharing. All presentations were recorded for wider access, while workshops were held on-site to promote hands-on collaboration. Together, these initiatives help us strengthen the community and the impact we create through data.

Additionally, the TulemusLend initiative, launched in 2024, was successfully continued in 2025. The project offers LHV employees in Estonia a unique opportunity to immerse themselves in efficiency, innovation, and results by bringing smart solutions into daily work. The project's goals are to increase efficiency by automating tedious processes, innovate products and services for clients and employees, rapidly implement ideas within a one-week timeframe, and empower teams by allowing employees to choose their focus, assemble cohesive groups, and collaboratively achieve outstanding results.

Such events not only foster creativity but also provide a platform for showcasing diverse perspectives. They reflect our dedication to adopting innovative technologies and keeping pace with industry advancements. LHV is focused on fostering diversity, inclusion, and open communication through various initiatives. We are working toward integrating advanced technologies, such as AI, into our operations to develop more effective solutions. Projects like TulemusLend illustrate our efforts to empower our employees and enhance services through innovation and collaboration. An example of LHV's focus to inclusivity is the collaborative development of our benefits package. Using the service design method, employees from diverse backgrounds contributed to creating a program that addresses varying needs and preferences.

In 2025 our leadership development focus has been on the Combat Ready training programme, designed to strengthen the core leadership principles across all team managers. The programme is based on the leadership philosophy described

in Jocko Willink and Leif Babin's book *Extreme Ownership*, which emphasises that leaders must take full responsibility for both their own and their team's results, and that success or failure should not be attributed to external factors or subordinates.

Combat Ready translates these ideas into a practical training format, teaching managers to prioritise effectively, remain calm under pressure, and lead their teams through complex and uncertain situations. Following the principle that discipline creates freedom, the programme helps leaders build a framework in which teams can act independently and confidently while the leader maintains accountability.

Beyond personal and professional development, we regularly organize discussion evenings where LHV's own employees share insights and experiences. LHV also hosts quarterly townhall meetings, led by the members of the board. These sessions serve as a platform to share important updates, celebrate achievements, and provide employees with the opportunity to ask questions and share their ideas. To ensure accessibility, we record these meetings and make them available for employees to revisit. Through open dialogue, we aim to strengthen transparency, collaboration, and engagement across the company.

The engagement process occurs directly with employees. Engagement activities primarily take place at the organizational level and involve participation and consultation, ensuring that employees can actively contribute. Insights from these engagements are considered during strategic and operational discussions, particularly when evaluating the effectiveness of ongoing initiatives or determining future workforce-related priorities. Engagement is conducted quarterly through townhall meetings, supplemented by regular one-on-one meetings and anonymous surveys conducted twice a year (Q12 engagement survey). To enhance the integration of workforce perspectives into decision-making, LHV plans to advance and enforce workforce engagement on an ongoing basis.

LHV is a member of The Estonian Employer's Confederation, Estonian Chamber of Commerce and Industry, Sustainable Business Estonia (KELL) in Estonia and Estonian Human Resource Management Association PARE.

#### 5.3.1.5 Employee engagement and development

Professional and personal development are integral parts of LHV's culture, reflecting our commitment to innovation and continuous improvement in delivering smarter solutions to our customers. We believe that the best ideas come from our employees; therefore, developing one's skills is part of the daily job. Our training approach combines structure and flexibility to meet the diverse development needs of our employees. While LHV's training programs provide a consistent framework, team leaders, in collaboration with employees, can tailor opportunities to individual goals and growth areas. This ensures that employees receive training that is both relevant and supportive of their personal and professional development. LHV's training policy, as outlined in the Human Resources Policy, emphasizes the importance of enhancing employee competencies through a planned yet adaptable training process. Training is accessible to all employees, with its scope and frequency guided by annual training plans that align departmental objectives with individual development goals. Available formats, including in-house programs, outsourced training, and e-learning options, provide the flexibility needed to address the varied needs and career aspirations of our workforce.

To facilitate continuous learning we are implementing the Learnster platform, a learning management system that centralizes all training materials. We are using this system to keep track of employee training and development.

A particular emphasis lies in mapping employees' strengths using Gallup's Clifton StrengthsFinder assessment. Our teams and employees have an opportunity at any time to take the test, providing them with a comprehensive

overview of their greatest strengths, which informs their personal development plans. It also gives an insight into strengths-based leadership which enables managers to lead the teams more effectively.

#### 5.3.1.5.1 Employee Engagement Surveys and Feedback Channels

The employee engagement survey is essential for measuring how engaged employees feel and their satisfaction with development opportunities. The question “Have you had opportunities to learn and grow in the past year?” received a 93% positive response rate. These results highlight our ongoing commitment to enhancing employee satisfaction and engagement.

LHV is committed to upholding legal and ethical conduct. All personnel are required to comply with applicable laws, regulations, and internal policies. To maintain integrity and transparency, procedures are established for reporting any observed or suspected misconduct.

Personnel are required to report all accidents, incidents, and complaints in the working environment through the following channels: using the Incidents and Complaints form in Outlook Notifications (anonymous reporting is allowed), using the Report a Violation form on the Intranet (anonymous reporting is allowed) and/or directly contacting Human Resources; or reaching out to a member of the Working Environment Council as per Occupational Safety and Working Environment Guidelines and Conflict of Interest Policy. These channels provide transparency and include explanatory information to support reporting. The internal regulations also provide comprehensive guidance for all employees and managers.

The Compliance department will acknowledge receipt and may request additional information. Anonymity and confidentiality are guaranteed for those reporting in good faith, and all information is handled discreetly. LHV ensures

that no adverse actions or unfair treatment occur against personnel who raise concerns.

No employees have reported any violations or misconduct this year. Employees also have the right to report issues directly to supervisory authorities without prior notification to LHV. In Estonia, reports can be made to the Estonian Financial Supervision Authority via phone, email, web form, or by arranging a meeting. In the United Kingdom, reports can be made to the Financial Conduct Authority or the Prudential Regulation Authority via phone, email, or mail.

Through our onboarding process, we mandate that new employees familiarize themselves with our mandatory guidelines and policies, including Occupational Safety and Working Environment Guidelines, Health and Safety Policy, and Conflict of Interest Policy via our internal document management system. After doing so, an employee needs to confirm that they have reviewed the document.

LHV ensures protection against discrimination or unfair treatment for individuals reporting in good faith. Investigations are conducted thoroughly and confidentially, with information disclosed only when legally required. Currently, LHV does not have a dedicated process for providing or contributing to remedies in cases where it may have caused or contributed to a material negative impact. Each case is handled delicately and individually through a thorough investigation. As no cases requiring remedies have occurred, there has been no need to establish an internal regulation for this purpose. However, LHV does not rule out the possibility of providing remedies when deemed reasonable.

Knowingly submitting a false report is considered a serious breach and may result in disciplinary action.

#### 5.3.1.5.2 Recognition and Employer Awards

While securing employer awards has never been LHV’s primary goal, such recognition serves as a valuable acknowledgment of our efforts to create a supportive and engaging workplace. In recent years, LHV has established a strong reputation as a desirable employer by providing employees with opportunities for professional growth and fostering an inspiring company culture.

Throughout the year, LHV has actively shared its experiences and leadership culture through various podcasts, conferences, schools, and universities. These initiatives have garnered significant recognition, including being named the 1st choice in the financial sector and the 2nd as the Top-of-Mind employer in Estonia by CV-Online’s 2024/2025 TOP Employer Survey. In 2025, CV Keskus ranked LHV as the most desirable employer, and in Instar’s survey, LHV was recognized as the most attractive employer by experienced professionals.

In addition to our competitive job offerings, LHV has sustained its internship program, actively promoted job-shadowing, and facilitated rotation opportunities. In 2025, we welcomed 42 interns to contribute to our workplace, providing them with valuable hands-on experience and fostering the next generation of talent within our organization.

These accolades and initiatives reflect LHV’s dedication to maintaining a positive and growth-oriented environment, making us a top choice for current and prospective employees in the competitive labour market.

#### 5.3.1.6 Employee health and safe working environment

To prioritize the health of our employees, LHV provides a value package, which contains sport and health benefits to maintain physical and mental well-being. We understand the importance of maintaining a healthy balance between work and private life, as well as fostering a supportive mental and physical working environment. Supporting mental health, health audits, supporting sports activities, offering joint training sessions within the company, and summer hiking projects are integral to promoting the overall health of LHV employees.

In 2025, we expanded our health offering by introducing employer-funded health insurance for our employees in Estonia. The insurance, provided in cooperation with Confido, gives access to specialist medical consultations, diagnostics and preventive care, supporting employees in addressing health concerns early and maintaining long-term well-being. This addition strengthens both the physical and mental health support already available at LHV and reflects our commitment to creating a work environment where people are able to stay healthy, receive timely care and feel supported.

At LHV, we recruit and retain qualified employees through a rigorous selection process and continuous development programs in 2025, including our Learnster platform. We manage workforce-related impacts, risks, and opportunities for example employee turnover and mental or physical health concerns by fostering engagement, measuring mental health indicators, providing multiple feedback channels, and promoting an inclusive culture. Our dedicated HR team and training resources ensure a high-performance workforce that aligns with our strategic objectives.

## Coverage with health and safety management system

	Total	Share (%)
<b>Coverage with health and safety management system</b>	<b>893</b>	<b>100%</b>
Work-related injuries	0	0%
Work-related fatalities	0	0%
Incidents of discrimination	0	0%
Number of complaints from own workforce	0	0%

\*No incidents or complaints have occurred; therefore, no fines, penalties, or compensation have been paid.

\*No severe human rights incidents connected to the undertaking workforce have occurred: therefore, no fines, penalties, or compensations have been paid.

### 5.3.2 Consumers and end-users

LHV has an impact on its customers through financial products and services we offer, keeping this our strategic priority. In line with our ESG policy, we ensure equitable access to resources and enhance economic well-being by improving financial literacy. Our commitment is further demonstrated through our sponsorship programs, which are designed to create a positive and lasting social impact. This includes protection of personal data and fight against fraud. The positive impacts extend to all, retail and corporate customers. These activities present are key to enhance customer relationships, boost satisfaction, and expand market presence. By leveraging digital solutions, easy access and equal opportunities, LHV fosters sustainable consumption and investment behaviours, reinforcing its role as a customer-focused and forward-thinking financial services provider.

LHV has a long-term objective of being the best financial services provider when it comes to customer service. All our customers are equally important to us. We take pride in having one the highest customers satisfaction in the Estonian banking sector.

At LHV, we ensure that all consumers and end-users are treated equally, while providing tailored support to those who may require additional assistance.

Our statements under general disclosure consider the potential significant impacts of our operations, products, and services on our direct customers and end-users. These impacts are assessed based on the relationships we maintain with our customers and end-users, without extending to the clients or customers of our partners. This includes impacts arising directly from our products and services, as well as our direct business relationships.

We have a positive impact on society through the possibility to enhance financial literacy. For specific consumer groups, such as young people or those with lower financial literacy, we actively strive to create a positive impact and improve their experience. Our initiatives include offering tailored financial literacy programs, providing accessible digital solutions, and ensuring personalized support through our customer service channels. The entirety of our consumer and end-user base is comprised of our retail and corporate customers.

### 5.3.2.1 Customer experience

We are always guided by the best interests of our customers and do our utmost to provide the best service possible. In our professional performance, problem solving, new service development and activity planning, according to our Customer Service guidelines we always consider the best possible solution for the customer and weigh which services would be the most suitable, considering the customer's needs. We understand our customers to provide them with the most suitable services. LHV monitors the customer's activities to prevent misuse of the financial system for criminal purposes (more can be read under section 4.8 Anti Financial Crime chapter under risk management). LHV's objective is to keep its promises to the customers and to remain honest and open in customer communication.

Our engagement policies emphasize ongoing dialogue with consumers to better understand their needs and concerns, ensuring that our products and services remain inclusive, transparent, and beneficial.

Excellent customer experience is critical to the sustainable growth of any business. For that we engage directly and indirectly with consumers and end-users through regular surveys, client meetings, and feedback process. Keeping the high level of customer experience promotes loyalty, helps us retain customers, and encourages brand advocacy. Our high net promoter score proves best service standard. In the latest (2024) Kantar Emor's survey, LHV's service recommendation index was 74. A new survey will be carried out in 2026.

Customer feedback is gathered through an automated survey system triggered after interactions via email, phone, chat or in-person meetings. Within 24 hours of the engagement, customers receive a feedback request allowing them to rate their experience and provide open-ended comments. This process applies equally to both private and business clients. In addition to automated surveys, we encourage ongoing feedback through dedicated email addresses, customer support lines, and direct conversations at client meetings.

At LHV, the handling of client complaints is governed by the Handling of Client Complaints guideline. Clients have the right to submit complaints in their preferred format and through their chosen communication channel, including direct communication (via phone, client meetings, chat platforms, etc); written submissions through postal mail, email, or via the LHV website, and indirect channels such as through regulatory bodies like the Financial Supervisory Authority or the Consumer Protection and Technical Regulatory Authority, as well as third-party forums or social media platforms.

Our website provides detailed instructions for clients on how to submit complaints or suggestions, including information on appeal options against LHV decisions.

For complaints received in writing, an acknowledgment is provided within 1 business day of receipt. Complaint resolution timelines are 15 days for private individuals and payment transactions and 30 days for legal entities.

At LHV, client complaints are handled through a structured process to ensure effective resolution and continuous improvement. The Non-Financial Risk Department identifies complaints requiring further analysis and coordinates with relevant business units or product managers. The Compliance Department conducts monthly analyses of complaints against LHV Pank, focusing on compliance risks, root causes, and the resolution process.

Justified complaints in all areas and their analyses are regularly reported to product and service managers to improve offerings, assess risks, and ensure regulatory compliance. Complaint statistics are included in risk reports presented to the Asset-Liability Management Committee (ALCO). As of the end of 2025 LHV has had no identified sustainability complaints.

The responsibility for ensuring effective consumer engagement lies with the Customer Service Department and its head, supported by other teams, such as Compliance and Non-Financial Risk Department. This team ensures

that consumer feedback is systematically incorporated into operational strategies and product improvements, and so are complaints effectively resolved while providing insights to improve internal processes, reduce recurring issues, and enhance client satisfaction.

#### 5.3.2.1.1 Principles and policies

Our activities include comprehensive measures for identifying, assessing, managing, and remediating impacts that may arise from our actions, as well as leveraging opportunities to enhance positive outcomes for all our consumers.

In our business conduct regarding the customer experience, we are mainly guided by our Code of Ethics, Customers Complaints Handling guideline, Procedure for external communication, Personal Data Protection Guideline and other relevant internal regulations.

According to our guiding principles, LHV is committed to respecting the human rights of all consumers, ensuring our activities comply with applicable laws and regulations, as well as our internal policies. While we draw on to widely recognized frameworks, our focus remains on adhering to legal requirements, engaging meaningfully with consumers, and addressing any adverse human rights impacts in line with regulatory standards. We also take every customer feedback seriously and tackle it with care. LHV prioritizes the protection of personal data through stringent compliance with data security and privacy regulations. By ensuring transparency in data processing and implementing robust security measures, we safeguard client and employee information against unauthorized access or misuse.

#### 5.3.2.2 Social impact through e-channels

LHV's services are accessible to everyone through digital channels, thereby fostering inclusivity and convenience in managing personal finances. By promoting equal access to financial services, LHV contributes to a cohesive economy where individuals, regardless of age or gender, can thrive and achieve financial empowerment.

We use our e-channels to promote financial literacy and help make smarter financial everyday decisions.

LHV acts responsibly when planning external communication and marketing messages, both online and offline. We are improving on solutions to ensure that our marketing activities are based on customer segments and the unique needs of those segments. Our goal is to offer most of our products and services online and plan our sales activities increasingly by segments and customer lifecycle.

Ongoingly high phishing attempts and financial crime rates have forced us to proactively warn and educate our customers about possible threats online and take proactive measures to detect unusual usage patterns. We also co-operate with other members of the banking sector to implement an annual market wide prevention campaign to promote secure use of financial services.

Customer satisfaction and high quality of e-channels has always been a top priority for us. While for the past few years, we have been more focusing on making banking services available online, especially to private customers and simple business structures, we are now working on wider segments and product portfolio, but also more effective communication and customer service tools online. For LHV, it is continually essential to develop our internet bank and mobile app in a way, that will support the growing product offering and cross-sell targets, high customer activity, and make our e-channels available for wider audience. Furthermore, when redesigning and improving our electronic channels, we also consider the needs of visually impaired people and have been

working on testing and implementing visual and navigational changes.

To ensure our digital platforms are truly inclusive and to better understand their adoption across different demographics, we monitor specific Key Performance Indicators (KPIs- see at the end of this chapter). These include the 'Use of digital channels among private customers with a native language other than Estonian' and the 'Use of digital channels among private customers older than 65'. While formal targets for these KPIs have not been established at this stage, tracking these metrics provides us with crucial insights to guide the ongoing development of our services and ensure we are effectively serving a diverse society.

#### 5.3.2.3 Financial literacy and economic sense of security

For enhancing financial literacy, we actively educate our clients regarding investing through organizing free seminars as part of our Investment School. We supported the Investor Toomas conference organised by Äripäev and the Investment Festival carried out by the Investment Club. In collaboration with Äripäeva Kirjastus, we have supported the availability of investment-related books in Estonian. On yearly bases, LHV measures the share of our clients covered with an investment services contract, which in 2025 was 41.7% (2024 41.6%). In addition, we look at the coverage rate of investment services contracts among young (up to 26 years old) clients, which in 2025 was 47.2% (2024 47.7%). We have set a target to increase the coverage rate of investment services contracts among young clients to reach 60% by 2030.

LHV is actively committed in diverse ways to advancing education in Estonia. We support education workers and offer them a comprehensive package of banking services. And for students we offer a student loan to cover study-related expenses, from living costs to tuition fees, both in Estonia and abroad.

Through our pension fund services, we contribute to our clients' economic sense of security by facilitating access to professionally managed investment solutions. By focusing on sustainable and long-term returns, LHV helps individuals prepare for a financially stable future, empowering them to achieve their retirement goals while maintaining financial independence.

### 5.3.2.4 Sponsorships

As part of our commitment to fostering strong relationships with our clients and customers, we actively engage in sponsorship activities that resonate with their interests and values. In the case of our sponsorship projects, we prefer long-term and substantial cooperation. We are willing to contribute to the realisation of innovative ideas helping to make life in Estonia better and promote Estonia on the international stage. Our sponsorship contributions are described below. Although we believe that our efforts contribute a positive effect, we are currently unable to measure this with a dedicated KPI, for that reason we have not set any targets or currently plan to do so.

#### Estonian culture and society

- Estonian Music Days –we support the Au-tasu prize for new Estonian music, which was awarded to Rasmus Puur in 2025.
- #TRESKIFEST music festival;– we continued supporting the Estonian music scene.
- Through the charity function for LHV Pank ('Micro donation') we facilitated donations to several charity organisations.
- 'Charge yourself' programme – we are one of the initiators of the programme giving priority to teaching physics.
- Rakett69 – support to the TV show that popularises science among pupils. In 2025 we also recognised the teacher of the student who won the show.
- Haridustreff – Estonia's largest annual education event, bringing together hundreds of educators to exchange ideas, participate in workshops, and recognize innovation in the field.
- kood / Jõhvi > innovative and international programming school for adults located in Jõhvi, Estonia.

#### Sport & healthy lifestyle

- Estonian Football Association – LHV Pank has been the main sponsor of the Estonian Football Association and the Estonian national team since 2010. In addition, we supported football clubs through the LHV football card support system.
- Estonian Biathlon Federation – we are the main sponsor of Estonian biathletes.
- Majjooks 2025 – LHV continued to be the name sponsor of the biggest women's health sports event in Estonia.
- Estonian Optimist Class Union – we support the development of Estonian sailing.
- Simple Session – we were one of the main sponsors of the top extreme sports event for the fourth year.

#### Estonian economy and business

- EY Estonian Entrepreneur of the Year competition – we have been one of the main sponsors since 2012.
- Young Entrepreneur Award – in cooperation with the Estonian Chamber of Commerce and Industry, we awarded the prize to Rait Rebane.
- Conferences Business Plan, Investment Festival, Investor Toomas – in cooperation with Äripäev, we supported Estonia's leading business and investment conferences.
- TalTech Business Forum – we supported a two-day business festival organised for students.
- Youth Investment Camp – we supported a four-day investment camp organised for students.
- Conference of the Estonian Association of Real Estate Companies – an annual real estate conference in Estonia that brings together industry professionals, including developers, brokers, and investors.

At LHV, we recognize the impact we have on our customers and end-users and are committed to supporting and assisting them in meaningful ways. We actively contribute to local initiatives by sharing knowledge, providing advice, and engaging directly through the efforts of our people. As a member of the Estonian Information Technology and Telecommunications Association, the Estonian Chamber of Commerce and Industry, and the Estonian Employers' Confederation, we collaborate to drive progress and innovation.

LHV is disclosing the following KPIs as part of its sustainability statement, as those reflect important LHV specific considerations which are deemed relevant by us. By including these KPIs, we aim to provide a comprehensive understanding of our impacts, and opportunities, consistent with the qualitative characteristics of information, ensuring relevance, reliability, and comparability over time. This decision supports our commitment to transparent reporting and our focus on driving sustainable practices in alignment with broader ESG goals.

#### KPIs related to inclusive, cohesive economy and financial literacy

	2025	2024
Use of digital channels among private customers with native language other than Estonian*	63.2%	64.5%
Use of digital channels among private customers older than 65*	46.1%	46.1%
Share of young people (up to 26 years old) with an investment services contract	47.2%	47.7%

\*logging in at least once a month

## 5.4 Governance information

LHV's governance practices build trust and credibility with stakeholders, including shareholders and regulators. The identification and assessment of material business conduct-related risks are part of LHV's structured risk management framework. This process considers factors such as the geographic context of operations, the nature of financial services, regulatory and ethical requirements within the financial sector, and the structure of financial transactions. By ensuring alignment with ethical standards and societal expectations, LHV promotes transparency and reliable engagement. Key risks include reputational damage, regulatory penalties, non-compliance with anti-corruption laws, and conflicts of interest. In contrast, key opportunities arise from maintaining a strong ethical reputation, fostering stakeholder trust, enhancing LHV's position as a responsible financial institution, and support sustainable long-term growth.

LHV's corporate governance framework, including its Supervisory Board and dedicated Risk and Capital Committee, oversees the management of business conduct risks. The Group's internal control mechanisms, such as compliance, internal audit, and whistleblowing channels, support proactive risk identification and mitigation.

Ethical leadership and governance practices are integral to LHV's operations. Business conduct policies and a culture of integrity and transparency guide the management of conflicts of interest, ensure compliance with internal and external rules, and align with the company's mission and values. Transparency and accountability reduce risks, including regulatory non-compliance and reputational harm, while supporting long-term stakeholder value.

For more details on LHV Bank's corporate governance roles and competencies, refer to the section 3 Management and compensation policy.

### 5.4.1 Value chain management

LHV highly values its relationships with suppliers and strives to foster fairness, responsibility, and strong partnerships. While this area may not have been identified as material in terms of our impacts and risks, we recognize the opportunity to positively contribute as a large cooperative partner. Through our practices, we aim to strengthen supplier relationships and remain a reliable and trusted partner, ensuring mutual respect and collaboration.

Our supplier evaluation process considers not only conventional criteria like cost and quality but also ESG aspects. These assessments are guided by our Rules for conclusion and management of service contracts that ensures that sustainability is integrated in the procurement process.

Our Green Office Principles guide our approach to minimize environmental impacts throughout the lifecycle of purchased goods and services, including their production, usage, and disposal. We prioritize locally produced goods whenever feasible to further support sustainability and local economies.

### 5.4.2 Corporate Culture and Ethical Governance

LHV's corporate culture embodies its mission to improve access to financial services and capital, and its vision to inspire individuals and businesses to think ambitiously, explore innovative ideas, and take bold actions to achieve their goals. Anchored in its core values—simple, supportive, and effective—LHV establishes and nurtures its corporate culture through clear value-driven strategies and policies. The Human Resources Policy and value package for LHV employees play a central role in fostering employee growth, satisfaction, and alignment with organizational goals. These initiatives emphasize professional development, recognition, and a supportive work environment.

The governing bodies are responsible for establishing policies, including the Code of Ethics, which are mandatory for all employees. These policies are reviewed yearly, and if necessary, discussions are held in this regard to ensure they remain relevant and effective in promoting a strong corporate culture. Through this process, the Management and Supervisory Boards provide clear guidance to foster and uphold the organization's values and ethical standards.

All managers (and employees) of LHV must behave ethically and responsibly and following the Code of Ethics is mandatory. LHV's Code of Ethics is the foundation of LHV's various internal regulations, including the Governance Policy and other procedures governing the specifics of adherence to the Code of Ethics. LHV also has an ESG Policy which clearly states and explains LHV's responsibility and commitment to social and environmental issues.

The organizational and operational setup of LHV is designed to be transparent, well-structured, and aligned with current standards, enabling the efficient management of the bank's operations. This is ensured through clearly defined responsibilities, regular internal and external audits, periodic reviews of policies to maintain relevance, and continuous investment in training and development to ensure awareness of best practices and regulatory requirements. This approach ensures that internal control is separate from business operations, with appropriate segregation of responsibilities and sufficient resources for effective performance.

To strengthen its organizational culture, LHV ensures that its values are integrated into daily operations, customer interactions, and communications with stakeholders. The organization consistently fosters its commitment to transparency, responsibility, and sustainability, emphasizing ethical conduct across all levels of the company and its operations.

LHV evaluates its corporate culture through regular employee feedback (including satisfaction surveys), performance metrics, and alignment with strategic objectives. Satisfaction

surveys gather insights into employees' views on the organization, management, their work, and personal motivation. This approach ensures that its culture evolves in response to internal and external changes, fostering long-term success for employees, clients, and shareholders while maintaining strong governance and adherence to ethical standards.

LHV's training policy, as outlined in the Human Resources Policy, emphasizes developing employees' competencies through planned training processes. Training targets all employees, with its scope and frequency determined by annual training plans that align with departmental needs and employee development goals. Training formats include in-house, outsourced, and e-learning options, ensuring flexibility and relevance.

Throughout the year, members of the Management Board of LHV group companies, including LHV, deliver on-site presentations as part of the quarterly overview on financial topics, covering the LHV group companies' strategic goals, objectives and performance. Additionally, LHV group companies also arranges quarterly informational briefings, strategic discussions, and activity overviews led by area managers across LHV group companies, to ensure comprehensive coverage of key developments. These sessions aim to provide employees with a comprehensive understanding of the LHV group companies culture, strategy, and performance, fostering alignment and collaboration across entities. To promote accessibility and engagement, all such events can be attended in person, remotely, or accessed later via recordings. By offering diverse participation options, LHV group companies, including LHV, reinforce their commitment to transparency, effective communication, and the sharing of knowledge across all levels of the organization.

All potential cases of conflicts of interest, bribery, financial crimes, unlawful activities, and corruption are carefully and responsibly managed. To encourage the sustainability mindset across all management levels and the organization, LHV:

- maintains a flat, non-hierarchical organizational structure to emphasize the importance of employees taking individual responsibility;
- continuously enhances the integration of ESG factors into everyday work, management style, recruitment processes, and strategy building;
- focuses on engagement and cooperation;
- recognizes the integration of ESG factors into business processes as a change management effort and understand the importance of collaboration to achieve our goals;
- works toward better analysing and reporting the ESG activities and progress and appropriately disclosing our metrics and achievements to regulators, partners, and the public;
- in order to ensure a transparent management culture, follows the 'Corporate Governance Recommendations' developed by the EFSA and the Nasdaq Tallinn Stock Exchange;
- has integrated sustainability goals as part of the annual targets into the result-based share option programme for the Management Board and equivalent staff as well as key employees.

LHV does not engage in lobbying activities and does not directly or indirectly support any political organization.

LHV Pank is registered in the EU Transparency Register under the identification number 449511822591-64. None of the members of LHV's administrative, management, or supervisory bodies appointed during the reporting period

held comparable positions in public administration (including regulators) in the 2 years preceding their appointment. Any such connections, if they arise, will be disclosed in future reports.

#### 5.4.2.1 The Management Board

The Management Board members of LHV Pank possess a diverse set of skills and experience, ensuring effective governance and leadership in business conduct matters. To maintain high standard, set for management bodies of credit institutions, regular training sessions are organized, equipping members with the knowledge necessary to address the challenges of a constantly evolving business environment. These initiatives ensure that the Management Board remains well-prepared to fulfil its responsibilities and adapt to emerging trends. The expertise of the Management Board is assessed as both sufficient and up to date, reflecting its commitment to continuous professional development, as evaluated through a suitability assessment conducted by LHV Pank in compliance with applicable legal requirements. The Management Board combines strong expertise in banking and investments with extensive management experience and a deep understanding of credit institutions. They bring perspective and expertise in IT, financial performance, governance and risk management, including financial crime prevention and anti-money laundering, cybersecurity, ESG, compliance, and operational continuity. Their proven ability to maintain capital adequacy and comply with regulatory capital requirements and transparent communication builds trust among clients. This reinforces reliable leadership, supports sustainable growth, and aligns with LHV's strategic goals and mission to offer innovative financial solutions while maintaining strong governance.

The responsibilities of the Management Board members of LHV Pank are clearly defined to ensure effective governance and operational success:

- Chief Executive Officer (CEO): Responsible for overseeing Banking Services, Product Development, Human Resources Management, Marketing and Communication, and Compliance Oversight.
- Chief Financial Officer (CFO): Manages the Financial Management and Support Services division, which includes Treasury, Management Accounting, External Reporting, Data Warehouse, Accounting, Bank Operations, and Legal Services.
- Chief Risk Officer (CRO): Oversees the Risk Management function, which includes Credit Risk Management, Risk Analytics, Non-Financial Risks, AFC/AML Compliance, Market and Liquidity Risks, and Stress Testing.
- Chief Information Officer (CIO): Leads the Information Technology area, focusing on IT Infrastructure, IT Internal Services, IT Support, and Information Security.
- Head of Retail Banking: Manages the Retail Banking division, encompassing departments such as Client Services, Financing Services, Investment Services, Financial Crime Prevention, Segment and Sales Management, Payment Cards, Merchant Payment Solutions, and Business Analytics.
- Head of Corporate Banking: Leads the Corporate Banking division, which includes Corporate Banking, Commercial Banking, Southern Estonian Commercial Banking, Western Estonian Commercial Banking, Trade Finance, Corporate Settlements, Real Estate Financing, and Private Banking and Investment Banking departments.

These clearly defined roles enable the Management Board to operate effectively, supporting the company's mission, vision, and strategic objectives while maintaining high standards of governance and operational excellence.

#### 5.4.2.2 The Supervisory Board

The Supervisory Board members of LHV Pank bring a range of knowledge and expertise, enabling effective oversight and robust governance of business conduct matters. To ensure their effectiveness and maintain the high standards set for management bodies of credit institutions, members participate in training sessions tailored to address emerging challenges and evolving governance standards. The Supervisory Board also supports operational sustainability and promotes awareness of ESG principles, fostering an environment that values innovation and long-term growth. The expertise of the Supervisory Board has been assessed by LHV Pank through a suitability assessment, confirming that it meets the required standards of sufficiency and relevance in compliance with applicable legal requirements. The Supervisory Board brings extensive expertise in banking, investment, and financial performance, along with a strong awareness of business risks. Members contribute individual vision, a commitment to transparency, entrepreneurial experience, IT knowledge, capital-raising success, and international perspectives. A focus on efficiency and innovation strengthens their strategic contributions. Regular meetings further strengthen their oversight.

### 5.4.3 Whistleblowing Channel

LHV group companies have established an internal whistleblowing channel accessible through the intranet, enabling employees to confidentially report legal violations, unethical conduct, or behaviour that conflicts with internal rules, such as the Code of Ethics or other. The channel supports anonymous submissions, and all reports are directed to the Compliance department for impartial review and appropriate action.

The whistleblowing mechanism ensures the protection of employees who report in good faith, including anonymity if requested by the employee, and protection against discrimination and unfair treatment. Violations are handled comprehensively and objectively, with law enforcement and supervisory authorities being informed if necessary, and employees have been informed of their right to report outside the organization. Although specific training on whistleblowing has not been offered, LHV group companies highlight the availability of the whistleblowing channel during introductory compliance training sessions. Information on the whistleblowing mechanism, including relevant documentation, is easily accessible to all employees via the intranet, supported by clear banners and links. In accordance with the content of the reported violation, investigations are also conducted in compliance with the Internal Fraud Prevention Procedure where discovery and handling processes are clearly defined. Investigations are managed independently by the internal control function, a second-line compliance function that operates separately from the management chain.

The outcomes of investigations, where applicable, are reported to the relevant governing bodies, ensuring transparency and accountability in the handling of such matters. This comprehensive framework supports LHV's commitment to ethical business practices.

### 5.4.4 Prevention and Detection of Corruption and Bribery

LHV has established processes to prevent, detect, investigate, and address potential incidents of corruption or bribery, governed by mandatory internal rules accessible on the intranet. Employees are contractually obligated to review and adhere to these rules, with updates promptly communicated and confirmed through a dedicated system. New employees must also review and confirm their understanding of these rules upon joining.

While LHV does not have a specific anti-corruption or anti-bribery training program, the relevant topics are addressed within internal policies, which are mandatory for all employees.

LHV ensures transparency and integrity through detailed gift acceptance rules and established policies that uphold ethical behaviour, prevent conflicts of interest, and ensure the responsible use of LHV's resources. These policies have not been formally assessed against the United Nations Convention against Corruption, as there is no practical necessity for such an evaluation within the finance sector's rigorous regulatory framework, nor is there currently any plan to conduct such an assessment.

The whistleblowing mechanism, in accordance with the process described in the previous section, enables the reporting of any suspected incidents (including corruption and bribery), ensuring a structured process for identifying such cases.

LHV has not identified areas or functions within the organization that present a risk of corruption or bribery. The Conflict-of-Interest Policy, along with other internal policies, ensures robust oversight and governance, minimizing the potential for unethical practices across all functions. Additionally, a procedure has been established to prevent, detect, and resolve internal fraud, further strengthening LHV's commitment to ethical operations.

LHV has no confirmed incidents related to corruption or bribery.

## Annex 1

### List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Y	5.1.3 Sustainability governance
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Y	5.1.3 Sustainability governance
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Y	5.1.3.1 Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Y	5.2.2 Climate change
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		N	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Y	5.2.2.1 Climate change mitigation targets
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Y	5.2.2.2 Our climate impact

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Y	5.2.2.2 Our climate impact
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				N	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Y	5.2.2.2 Our climate impact
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Y	5.2.2.2 Our climate impact
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	N	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			N	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			N	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				N	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				N	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				N	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				N	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				N	
ESRS E3-4 Total water consumption in m <sup>3</sup> per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				N	
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				N	
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				N	
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				N	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				N	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				N	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				N	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				N	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				N	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				N	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Y	5.3 Social information
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				N	
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Y	5.3.1 Own workforce
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Y	5.3.1 Own workforce
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				N	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Y	5.3.1.3 Remuneration and equal pay
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Y	5.3.1.3 Remuneration and equal pay
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Y	5.3.1.6 Employee health and safe working environment
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		N	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				N	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				N	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				N	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		N	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Subject to materiality (Y/N)	Sustainability statements reference
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		N	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				N	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				N	
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		N	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				N	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Y	5.3.2.1 Customer experience
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Y	5.3 Social Information
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Y	5.3.2.1 Customer experience
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Y	5.4.4 Prevention and Detection of Corruption and Bribery
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Y	5.4.3 Whistleblowing Channel
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		N	
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				N	

Annex 2

1. Templates for the KPIs of credit institutions

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Disclosure reference date/ period t		Total exposure to Taxonomy-aligned activities (currency)		KPI (2)		KPI*****		% coverage (over total assets)(***)		% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)		% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)	
		Turnover-based	CapEx-based	Turnover-based	CapEx-based					Turnover-based	CapEx-based		
<b>Main KPI</b>	<b>Green asset ratio (GAR) stock</b>	<b>96.81</b>	<b>96.81</b>	4.86%	4.86%			<b>22.69%</b>		0.00%		0.00%	
		Total exposure to Taxonomy-aligned activities (currency)		KPI (2)		KPI (3)		% coverage (over total assets) (4)		not assessed exposures (% of covered assets) (5) (%)		not assessed exposures (% of covered assets) (5) (%)	
		Turnover-based	CapEx-based	Turnover-based	CapEx-based					Turnover-based	CapEx-based		
Additional KPIs	<i>GAR (flow)</i>	39.64	39.64	5.76%	5.76%			<b>0.03%</b>		0.00%		0.00%	
	<i>Trading book</i>	N/A	N/A	N/A	N/A			N/A		N/A		N/A	
	<i>Financial guarantees</i>	0.00	0.00	0.39%	0.81%			<b>0.11%</b>		0.00%		0.00%	
	<i>Assets under management</i>	13.34	23.19	9.91%	17.23%			<b>36.48%</b>		0.00%		0.00%	
	<i>Fees and commissions income</i>	N/A	N/A	N/A	N/A			N/A		N/A		N/A	

## 1. Assets for the calculation of GAR

Disclosure reference date/period t		31.12.2025															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Stock (Turnover based) Million EUR		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures	Of which financing non-material activities of counterparties	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR - Covered assets in both numerator and denominator	1,993.97	1,792.11	96.81	96.81	0.00	0.00	0.00	0.00	0.00	96.81	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,993.97	1,792.11	96.81	96.81	0.00	0.00	0.00	0.00	0.00	96.81	0.00	0.00	0.00	0.00	0.00	0.00
3	Financial undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
7	Non-financial undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
8	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
10	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
11	Households	1,956.53	1,791.51	96.81	96.81	0.00		0.00			96.81	0.00	0.00	0.00	0.00		0.00
12	of which loans collateralised by residential immovable property	1,804.91	1,756.08	96.81	96.81	0.00		0.00			96.81	0.00	0.00	0.00	0.00		0.00
13	of which building renovation loans	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
14	of which motor vehicle loans	35.79	35.21	0.00	0.00						0.00	0.00	0.00	0.00	0.00		0.00
15	Local governments financing	37.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
16	Housing financing	0.00	0.00	0.00	0.00	0.00					0.00	0.00	0.00	0.00	0.00		0.00
17	Other local government financing	37.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
19	Exposures included on a voluntary basis	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		
20	<b>Total GAR assets</b>	<b>1,993.97</b>												<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
21	Assets not covered for GAR calculation	6,792.87															
22	Central governments and Supranational issuers	378.06															
23	Central banks exposure	3,644.56															
24	Trading book	0.82															

25	<b>Undertakings and entities not subject to CSRD</b>	2,705.26															
26	<b>SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations</b>	2,705.16															
27	Loans and advances	2,704.66															
28	of which loans collateralised by commercial immovable property	2,036.98															
29	of which building renovation loans	0.00															
30	Debt securities	0.00															
31	Equity instruments	0.50															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	0.10															
33	Loans and advances	0.10															
34	Debt securities	0.00															
35	Equity instruments	0.00															
36	<b>Derivatives</b>	0.00															
37	<b>On demand interbank loans</b>	35.14															
38	<b>Cash and cash-related assets</b>	2.54															
39	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>	26.48															
40	<b>Total assets</b>	8,786.8															
<b>Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments</b>																	
41	Financial guarantees	0.32	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Assets under management	134.61	34.12	13.34	11.96	0.00	0.00	0.30	0.59	0.00	4.50	2.81	0.63	0.00	0.00	0.00	0.00
43	Of which debt securities	12.41	6.48	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.01	0.00	0.00	0.00	0.00
44	Of which equity instruments	122.20	27.64	12.84	11.96	0.00	0.00	0.30	0.59	0.00	4.48	2.81	0.62	0.00	0.00	0.00	0.00

Disclosure reference date/period t		31.12.2025															
Stock (Capex based) Million EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures	Of which financing non-material activities of counterparties	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR - Covered assets in both numerator and denominator	1,993.97	1,792.11	96.81	96.81	0.00	0.00	0.00	0.00	0.00	96.81	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,993.97	1,792.11	96.81	96.81	0.00	0.00	0.00	0.00	0.00	96.81	0.00	0.00	0.00	0.00	0.00	0.00
3	<b>Financial undertakings</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
7	<b>Non-financial undertakings</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
8	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
10	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
11	<b>Households</b>	1,956.53	1,791.51	96.81	96.81	0.00		0.00			96.81	0.00	0.00	0.00	0.00		0.00
12	of which loans collateralised by residential immovable property	1,804.91	1,756.08	96.81	96.81	0.00		0.00			96.81	0.00	0.00	0.00	0.00		0.00
13	of which building renovation loans	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
14	of which motor vehicle loans	35.79	35.21	0.00	0.00						0.00	0.00	0.00	0.00	0.00		0.00
15	<b>Local governments financing</b>	37.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
16	Housing financing	0.00	0.00	0.00	0.00	0.00					0.00	0.00	0.00	0.00	0.00		0.00
17	Other local government financing	37.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
19	Exposures included on a voluntary basis	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		
20	<b>Total GAR assets</b>	<b>1,993.97</b>												<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
21	Assets not covered for GAR calculation	6,792.87															
22	Central governments and Supranational issuers	378.06															
23	Central banks exposure	3,644.56															

24	Trading book	0.82															
25	Undertakings and entities not subject to CSRD	2,705.26															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	2,705.16															
27	Loans and advances	2,704.66															
28	of which loans collateralised by commercial immovable property	2,036.98															
29	of which building renovation loans	0.00															
30	Debt securities	0.00															
31	Equity instruments	0.50															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	0.10															
33	Loans and advances	0.10															
34	Debt securities	0.00															
35	Equity instruments	0.00															
36	Derivatives	0.00															
37	On demand interbank loans	35.14															
38	Cash and cash-related assets	2.54															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	26.48															
40	Total assets	8,786.85															
<b>Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments</b>																	
41	Financial guarantees	0.32	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Assets under management	134.61	50.37	23.19	21.75	0.00	0.00	0.30	1.04	0.00	15.07	1.54	3.89	0.00	0.00	0.00	0.00
43	Of which debt securities	12.41	6.91	0.57	0.45	0.00	0.00	0.00	0.00	0.00	0.21	0.06	0.26	0.00	0.00	0.00	0.00
44	Of which equity instruments	122.20	43.46	22.62	21.29	0.00	0.00	0.30	1.04	0.00	14.87	1.48	3.63	0.00	0.00	0.00	0.00

Disclosure reference date/period t		01.01.2025-31.12.2025															
Flow (turnover based) Million EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures	Of which financing non-material activities of counterparties	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR - Covered assets in both numerator and denominator	688.32	500.04	39.64	39.64	0.00	0.00	0.00	0.00	0.00	39.64	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	688.32	500.04	39.64	39.64	0.00	0.00	0.00	0.00	0.00	39.64	0.00	0.00	0.00	0.00	0.00	0.00
3	<b>Financial undertakings</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
7	<b>Non-financial undertakings</b>	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
8	Loans and advances	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
10	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
11	<b>Households</b>	688.24	487.50	39.64	39.64	0.00		0.00			39.64	0.00	0.00	0.00	0.00		0.00
12	of which loans collateralised by residential immovable property	505.31	487.50	39.64	39.64	0.00		0.00			39.64	0.00	0.00	0.00	0.00		0.00
13	of which building renovation loans	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
14	of which motor vehicle loans	12.54	12.54	0.00	0.00						0.00	0.00	0.00	0.00	0.00		0.00
15	<b>Local governments financing</b>	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
16	Housing financing	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
17	Other local government financing	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
18	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
19	<b>Exposures included on a voluntary basis</b>	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
20	<b>Total GAR assets</b>	<b>688.32</b>												<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
21	<b>Assets not covered for GAR calculation</b>	2,250,736.12															
22	<b>Central governments and Supranational issuers</b>	2,294.47															
23	<b>Central banks exposure</b>	2,228,265.05															

24	Trading book	351.70															
25	Undertakings and entities not subject to CSRD	3,375.72															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	3,375.72															
27	Loans and advances	2,494.58															
28	of which loans collateralised by commercial immovable property	1,418.38															
29	of which building renovation loans	0.00															
30	Debt securities	880.13															
31	Equity instruments	1.00															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	0.01															
33	Loans and advances	0.01															
34	Debt securities	0.00															
35	Equity instruments	0.00															
36	Derivatives	0.00															
37	On demand interbank loans	13,197.33															
38	Cash and cash-related assets	142.91															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	3,108.92															
40	Total assets	2,251,424.43															
<b>Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments</b>																	
41	Financial guarantees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Assets under management	85.80	30.49	11.81	10.67	0.00	0.00	0.25	0.49	0.00	3.71	2.34	0.35	0.00	0.00	0.00	0.00
43	Of which debt securities	9.43	5.77	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00
44	Of which equity instruments	76.37	24.72	11.41	10.67	0.00	0.00	0.25	0.49	0.00	3.71	2.34	0.35	0.00	0.00	0.00	0.00

Disclosure reference date/period t		01.01.2025-31.12.2025															
Flow (Capex based) Million EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures	Of which financing non-material activities of counterparties	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR - Covered assets in both numerator and denominator	688.32	500.04	39.64	39.64	0.00	0.00	0.00	0.00	0.00	39.64	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	688.32	500.04	39.64	39.64	0.00	0.00	0.00	0.00	0.00	39.64	0.00	0.00	0.00	0.00	0.00	0.00
3	<b>Financial undertakings</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
7	<b>Non-financial undertakings</b>	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
8	Loans and advances	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
10	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
11	<b>Households</b>	688.24	487.50	39.64	39.64	0.00		0.00			39.64	0.00	0.00	0.00	0.00		0.00
12	of which loans collateralised by residential immovable property	505.31	487.50	39.64	39.64	0.00		0.00			39.64	0.00	0.00	0.00	0.00		0.00
13	of which building renovation loans	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
14	of which motor vehicle loans	12.54	12.54	0.00	0.00						0.00	0.00	0.00	0.00	0.00		0.00
15	<b>Local governments financing</b>	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
16	Housing financing	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
17	Other local government financing	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
18	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
19	<b>Exposures included on a voluntary basis</b>	0.00	0.00	0.00	0.00	0.00		0.00			0.00	0.00	0.00	0.00	0.00		0.00
20	<b>Total GAR assets</b>	<b>688.32</b>												<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
21	<b>Assets not covered for GAR calculation</b>	2,250,736.12															
22	<b>Central governments and Supranational issuers</b>	2,294.47															
23	<b>Central banks exposure</b>	2,228,265.05															

24	Trading book	351.70															
25	Undertakings and entities not subject to CSRD	3,375.72															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	3,375.72															
27	Loans and advances	2,494.58															
28	of which loans collateralised by commercial immovable property	1,418.38															
29	of which building renovation loans	0.00															
30	Debt securities	880.13															
31	Equity instruments	1.00															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	0.01															
33	Loans and advances	0.01															
34	Debt securities	0.00															
35	Equity instruments	0.00															
36	Derivatives	0.00															
37	On demand interbank loans	13,197.33															
38	Cash and cash-related assets	142.91															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	3,108.92															
40	Total assets	2,251,424.43															
<b>Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments</b>																	
41	Financial guarantees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Assets under management	85.80	38.38	17.82	16.66	0.00	0.00	0.25	0.86	0.00	12.63	1.29	3.90	0.00	0.00	0.00	0.00
43	Of which debt securities	9.43	6.17	0.47	0.43	0.00	0.00	0.00	0.00	0.00	0.18	0.06	0.24	0.00	0.00	0.00	0.00
44	Of which equity instruments	76.37	32.21	17.34	16.23	0.00	0.00	0.25	0.86	0.00	12.45	1.23	3.66	0.00	0.00	0.00	0.00

### 3. GAR KPI stock

Disclosure reference date/period t		31.12.2025													
% (compared to corresponding total covered assets in the denominator) <b>Turnover based</b>		a	b	c	d	e	f	g	h	i	j	k	l	m	
		Taxonomy-eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Not-assessed exposures	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	<b>GAR - Covered assets in both numerator and denominator</b>	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%
2	<b>Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation</b>	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%
3	<b>Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%
7	<b>Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%
11	<b>Households</b>	91.57%	4.95%	4.95%	0.00%		0.00%			4.95%	0.00%	0.00%	5.40%	0.00%	
12	of which loans collateralised by residential immovable property	97.29%	5.36%	5.36%	0.00%		0.00%			5.36%	0.00%	0.00%	5.51%	0.00%	
13	of which building renovation loans	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
14	of which motor vehicle loans	98.39%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	
15	<b>Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
17	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
18	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
19	<b>Exposures included on a voluntary basis</b>	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%		
20	<b>Total GAR assets</b>	<b>89.88%</b>	<b>4.86%</b>	<b>4.86%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>4.86%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>5.40%</b>	<b>0.00%</b>	

Disclosure reference date/period t		31.12.2025													
% (compared to corresponding total covered assets in the denominator) <b>Capex based</b>		a	b	c	d	e	f	g	h	i	j	k	l	m	
		Taxonomy-eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Not-assessed exposures	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	<b>GAR - Covered assets in both numerator and denominator</b>	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%
2	<b>Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation</b>	89.88%	4.86%	4.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%	0.00%	0.00%	5.40%	0.00%
3	<b>Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	<b>Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	<b>Households</b>	91.57%	4.95%	4.95%	0.00%		0.00%			4.95%	0.00%	0.00%	5.40%	0.00%	
12	of which loans collateralised by residential immovable property	97.29%	5.36%	5.36%	0.00%		0.00%			5.36%	0.00%	0.00%	5.51%	0.00%	
13	of which building renovation loans	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
14	of which motor vehicle loans	98.39%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	
15	<b>Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
17	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
18	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
19	<b>Exposures included on a voluntary basis</b>	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%		
20	<b>Total GAR assets</b>	<b>89.88%</b>	<b>4.86%</b>	<b>4.86%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>4.86%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>5.40%</b>	<b>0.00%</b>	

#### 4. GAR KPI flow

Disclosure reference date/period t		01.01.2025-31.12.2025													
% (compared to corresponding total covered assets in the denominator) <b>Turnover based</b>		a	b	c	d	e	f	g	h	i	j	k	l	m	
		Taxonomy-eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Not-assessed exposures	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	<b>GAR - Covered assets in both numerator and denominator</b>	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%
2	<b>Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation</b>	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%
3	<b>Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	<b>Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	<b>Households</b>	70.83%	5.76%	5.76%	0.00%		0.00%			5.76%	0.00%	0.00%	8.13%	0.00%	
12	of which loans collateralised by residential immovable property	96.48%	7.84%	7.84%	0.00%		0.00%			7.84%	0.00%	0.00%	8.13%	0.00%	
13	of which building renovation loans	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
14	of which motor vehicle loans	100.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	
15	<b>Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
17	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
18	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	
19	<b>Exposures included on a voluntary basis</b>	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%		
20	<b>Total GAR assets</b>	<b>72.65%</b>	<b>5.76%</b>	<b>5.76%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>5.76%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>7.93%</b>	<b>0.00%</b>	

Disclosure reference date/period t		01.01.2025-31.12.2025												
% (compared to corresponding total covered assets in the denominator) <b>Capex based</b>		a	b	c	d	e	f	g	h	i	j	k	l	m
		Taxonomy-eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Not-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1	<b>GAR - Covered assets in both numerator and denominator</b>	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%
2	<b>Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation</b>	72.65%	5.76%	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	0.00%	0.00%	7.93%	0.00%
3	<b>Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
7	<b>Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
11	<b>Households</b>	70.83%	5.76%	5.76%	0.00%		0.00%			5.76%	0.00%	0.00%	8.13%	0.00%
12	of which loans collateralised by residential immovable property	96.48%	7.84%	7.84%	0.00%		0.00%			7.84%	0.00%	0.00%	8.13%	0.00%
13	of which building renovation loans	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
14	of which motor vehicle loans	100.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%
15	<b>Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
17	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
19	<b>Exposures included on a voluntary basis</b>	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	
20	<b>Total GAR assets</b>	<b>72.65%</b>	<b>5.76%</b>	<b>5.76%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>5.76%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>7.93%</b>	<b>0.00%</b>

**5. KPI off-balance sheet exposures**

Disclosure reference date/period t		31.12.2025											
		a	b	c	d	e	f	g	h	i	j	k	l
% (compared to corresponding total off-balance sheet assets) <b>Stock - turnover based</b>		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	21.86%	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	25.35%	9.91%	8.88%	0.00%	0.00%	0.22%	0.44%	0.00%	3.34%	2.09%	0.47%	0.00%

Disclosure reference date/period t		31.12.2025											
		a	b	c	d	e	f	g	h	i	j	k	l
% (compared to corresponding total off-balance sheet assets) <b>Stock - Capex based</b>		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	22.18%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	37.42%	17.23%	16.15%	0.00%	0.00%	0.22%	0.77%	0.00%	11.20%	1.15%	2.89%	0.00%

Disclosure reference date/period t		01.01.2025-31.12.2025											
		a	b	c	d	e	f	g	h	i	j	k	l
% (compared to corresponding total off-balance sheet assets) <b>Flow - turnover based</b>		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	35.54%	13.77%	12.44%	0.00%	0.00%	0.29%	0.57%	0.00%	4.33%	2.73%	0.41%	0.00%

Disclosure reference date/period t		01.01.2025-31.12.2025											
		a	b	c	d	e	f	g	h	i	j	k	l
% (compared to corresponding total off-balance sheet assets) <b>Flow - Capex based</b>		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Not-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	44.73%	20.76%	19.42%	0.00%	0.00%	0.29%	1.00%	0.00%	14.72%	1.50%	4.54%	0.00%



PART III: FINANCIAL STATEMENTS AND NOTES

# 6 Consolidated Financial Statements

## 6.1 Consolidated statement of profit or loss and other comprehensive income

<i>EUR thousand</i>	Note	2025	2024* restated
Interest income calculated using the effective interest method		342,458	390,644
Other similar income		10,567	16,327
Interest expense		-146,773	-149,857
<b>Net interest income</b>	<b>3</b>	<b>206,252</b>	<b>257,114</b>
Fee and commission income		70,300	65,121
Fee and commission expense		-23,380	-20,033
<b>Net fee and commission income</b>	<b>4</b>	<b>46,920</b>	<b>45,088</b>
Interest related fee sharing		-17,608	-20,065
Commission fee related fee sharing		-8,381	-8,645
<b>Total fee sharing</b>		<b>-25,989</b>	<b>-28,710</b>
Net gain from financial assets measured at fair value	7	1,685	158
Foreign exchange gain/loss		-385	423
<b>Net gain from financial assets</b>		<b>1,300</b>	<b>581</b>
Other income		142	2,039
Staff costs	5	-58,459	-54,108
Administrative and other operating expenses	5	-39,175	-41,265
<b>Profit before credit losses</b>		<b>130,991</b>	<b>180,739</b>
Expected credit losses on financial instruments measured at amortised cost		76	-15,776
<b>Profit before income tax</b>		<b>131,067</b>	<b>164,963</b>
Income tax expense	21	-23,978	-24,443
<b>Net profit for the reporting period</b>		<b>107,089</b>	<b>140,520</b>
<b>Total comprehensive income for the reporting period</b>		<b>107,089</b>	<b>140,520</b>
<b>Total profit and comprehensive income attributable to:</b>			
Owners of the parent		105,232	139,604
Non-controlling interest		1,857	916
<b>Total profit and comprehensive income for the reporting period</b>		<b>107,089</b>	<b>140,520</b>

\*Further information on interest income presentation change and restatement of fee sharing is disclosed in Note 1

Pages 102 to 146 are an integral part of the consolidated financial statements.

## 6.2 Consolidated statement of financial position

<i>EUR thousand</i>	Note	31 Dec 2025	31 Dec 2024
<b>Assets</b>			
Cash and balances with central bank	6	3,644,552	3,360,516
Due from banks and investment companies	6	45,160	58,241
Financial assets at fair value through profit or loss	7	1,324	7,474
Investments in debt securities at amortised cost	8	378,064	283,533
Loans and advances to customers	9	4,683,047	4,203,799
Receivables from customers and other receivables	10	8,385	2,689
Other financial assets	11	100	100
Other assets	11	4,157	3,518
Property, plant and equipment	12	4,581	7,187
Right-of-use assets	12	4,700	6,874
Intangible assets	12	2,037	2,596
<b>Total assets</b>		<b>8,776,107</b>	<b>7,936,527</b>
<b>Liabilities</b>			
Deposits from customers	13	6,963,534	6,293,525
Loans received and debt securities in issue	15	893,543	840,300
Financial liabilities at fair value through profit or loss	7	1,310	24
Accounts payable and other liabilities	14	53,077	69,654
Subordinated debt	15	220,122	134,656
<b>Total liabilities</b>		<b>8,131,586</b>	<b>7,338,159</b>
<b>Equity</b>			
Share capital	16	141,500	141,500
Unregistered share capital	16	63,000	0
Legal reserve	16	14,150	14,150
Retained earnings		419,642	436,316
<b>Total equity attributable to owners of the parent</b>		<b>638,292</b>	<b>591,966</b>
Non-controlling interest		6,229	6,402
<b>Total equity</b>		<b>644,521</b>	<b>598,368</b>
<b>Total liabilities and equity</b>		<b>8,776,107</b>	<b>7,936,527</b>

Pages 102 to 146 are an integral part of the consolidated financial statements.

### 6.3 Consolidated statement of cash flows

<i>EUR thousand</i>	Note	2025	2024*
<b>Cash flows from operating activities</b>			
Interest received		335,141	386,054
Interest paid		-154,562	-142,731
Fees and commissions received	4	61,919	56,476
Fees and commissions paid	4	-23,380	-20,033
Other income received		142	2,039
Staff costs paid		-53,270	-48,603
Administrative and other operating expenses paid		-32,631	-36,055
Income tax paid		-23,616	-23,002
<b>Cash flows from operating activities before change in operating assets and liabilities</b>		<b>109,743</b>	<b>174,145</b>
<b>Net increase/decrease in operating assets:</b>			
Financial assets at fair value through profit or loss		7,835	-370
Loans and advances to customers	9	-484,154	-655,062
Investments in debt securities at amortised cost	8	-94,531	38,355
Other assets		-976	-656
<b>Net increase/decrease in operating liabilities:</b>			
Demand deposits of customers	13	942,152	640,112
Term deposits of customers	13	-260,071	116,403
Covered bonds	13	49,226	248,881
Debt securities	15	0	100,000
Financial liabilities at fair value through profit or loss		1,286	-1,819
Other liabilities		-14,694	-18,280
<b>Net cash from operating activities</b>		<b>255,816</b>	<b>641,709</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and intangible assets	12	-1,205	-3,975
<b>Net cash used in investing activities</b>		<b>-1,205</b>	<b>-3,975</b>
<b>Cash flows from financing activities</b>			
Paid in share capital	16	63,000	0
Proceeds from subordinated debt	15	95,000	56,000
Subordinated loans redeemed		-10,000	-35,500
Dividends paid		-128,800	-77,000
Repayment of principal of lease liabilities		-2,471	-792
<b>Net cash from/used in financing activities</b>		<b>16,729</b>	<b>-57,292</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>-385</b>	<b>423</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>270,955</b>	<b>580,865</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6</b>	<b>3,418,757</b>	<b>2,837,892</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<b>3,689,712</b>	<b>3,418,757</b>

\*Cash flow presentation has been changed, further information in Note 1.

Pages 102 to 146 are an integral part of the consolidated financial statements.

## 6.4 Consolidated statement of changes in equity

<i>EUR thousand</i>	Share capital	Unregistered share capital	Legal reserve capital	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance as at 1 Jan 2024</b>	<b>141,500</b>	<b>0</b>	<b>12,669</b>	<b>369,674</b>	<b>523,843</b>	<b>6,186</b>	<b>530,029</b>
Transfer to legal reserve capital	0	0	1,481	-1,481	0	0	0
Paid in share capital	0	0	0	0	0	0	0
Dividends paid	0	0	0	-76,300	-76,300	-700	-77,000
Share options	0	0	0	4,819	4,819	0	4,819
Profit for the year	0	0	0	139,604	139,604	916	140,520
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>139,604</b>	<b>139,604</b>	<b>916</b>	<b>140,520</b>
<b>Balance as at 31 Dec 2024</b>	<b>141,500</b>	<b>0</b>	<b>14,150</b>	<b>436,316</b>	<b>591,966</b>	<b>6,402</b>	<b>598,368</b>
<b>Balance as at 1 Jan 2025</b>	<b>141,500</b>	<b>0</b>	<b>14,150</b>	<b>436,316</b>	<b>591,966</b>	<b>6,402</b>	<b>598,368</b>
Transfer to legal reserve capital	0	0	0	0	0	0	0
Paid in share capital	0	63,000	0	0	63,000	0	63,000
Dividends paid	0	0	0	-126,770	-126,770	-2,030	-128,800
Share options	0	0	0	4,864	4,864	0	4,864
Profit for the year	0	0	0	105,232	105,232	1,857	107,089
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>105,232</b>	<b>105,232</b>	<b>1,857</b>	<b>107,089</b>
<b>Balance as at 31 Dec 2025</b>	<b>141,500</b>	<b>63,000</b>	<b>14,150</b>	<b>419,642</b>	<b>638,292</b>	<b>6,229</b>	<b>644,521</b>

Additional information on equity is provided in Note 16.

## 6.5 Material accounting policy information

The material accounting policy information applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented and to all the consolidated group entities, unless otherwise stated.

### 6.5.1 Basis of preparation

The Group's consolidated financial statements for 2025 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The financial statements have been prepared under the historical cost convention. As an exception, some financial assets and liabilities, including derivatives, are stated at their fair values as described in the accounting policies below.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

The financial year started at 1 January 2025 and ended at 31 December 2025. The financial figures have been presented in thousands of euros (EUR) unless otherwise indicated. The Group is not offsetting assets and liabilities.

### New currently effective requirements

The following amendments became effective for the Group from 1 January 2025:

#### Amendments to IAS 21 Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

This amendment had no material impact on Group's financial statements.

### New requirements not yet effective

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2026, and which the Group has not early adopted.

#### Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group is currently assessing the impact of the amendments on its financial statements.

#### IFRS 18 Presentation and Disclosure in Financial Statements (effective date to be determined, not yet adopted by the EU).

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Group is currently assessing the impact of the amendments on its financial statements.

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2026, but are not expected to affect significantly the Group's consolidated financial statements:

- Annual Improvements to IFRS Accounting Standards (effective for annual periods beginning on or after 1 January 2026).

- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date to be determined, not yet adopted by the EU).
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date to be determined, not yet adopted by the EU).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective date to be determined by the IASB; not yet adopted by the EU).
- IFRS 14, Regulatory Deferral Accounts (effective date to be determined by the IASB; not yet adopted by the EU).

### 6.5.2 Consolidation

The consolidated financial statements for 2025 comprise the financial statements of AS LHV Pank (parent company) and its subsidiary LHV Finance. AS LHV Pank holds a 65% interest in LHV Finance.

Subsidiaries are entities which are controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Acquisitions of subsidiaries and businesses are accounted for using the acquisition method (except for business combinations of entities under common control). The cost of an acquisition is measured as the acquisition-date fair value of the assets acquired, equity instruments issued, and liabilities incurred or assumed.

Transaction costs incurred on issuing equity instruments

are deducted from equity; transaction costs incurred on issuing debt instruments are deducted from their carrying amounts and all other transaction costs associated with the acquisition are expensed. According to the acquisition method, the identifiable assets, liabilities, and contingent liabilities of the acquired subsidiary are recognised at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures a non-controlling interest that represents a present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction-by-transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of the net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree. Any negative amount (bargain purchase gain) is recognised in profit or loss, after management reassesses whether it has identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

The revenues and expenses of subsidiaries acquired during the financial year are consolidated in the Group's statement of profit or loss and other comprehensive income from the date of acquisition to the end of the financial year. The results of operations of subsidiaries disposed of during the financial year are consolidated in Group's statement of profit or loss and other comprehensive income from the beginning of the financial year to the date of disposal.

Consistent with the Accounting Act of the Republic of Estonia, the primary financial statements of the consolidating

entity (the parent company) have to be disclosed in the notes to the consolidated financial statements. In preparing the primary financial statements of the parent, the same accounting policies have been used as in preparing the consolidated financial statements, except for investments in subsidiaries, which in the parent's separate primary financial statements (see Note 24) are accounted for at cost less any impairment losses.

### **6.5.3 Functional and presentation currency**

The functional and presentation currency of entities in the Group is euro.

### **6.5.4 Cash and cash equivalents**

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

### **6.5.5 Financial assets**

#### **6.5.5.1 Initial recognition and derecognition**

Financial assets are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument and measured at fair value on initial recognition. Transaction costs are included in the initial fair value except for financial assets at fair value through profit or loss whose transaction costs are recognised in profit or loss. Financial assets measured at fair value and financial assets measured at amortised cost are recognised in the statement of financial position on the trade date.

Financial assets are derecognised when (a) the assets are redeemed or the rights to the cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership, but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

#### **6.5.5.2 Subsequent measurement**

The Group classifies its financial assets as subsequently measured at fair value through profit or loss, fair value through other comprehensive income or amortised cost. The classification depends on whether the financial asset is a debt instrument, an equity instrument or a derivative.

#### **6.5.5.3 Debt instruments (Loans and debt securities)**

The classification is based on a combination of assessing the business model for managing the financial assets and whether the contractual cash flows are solely payments of principal and interest (SPPI). The business model assessment is performed for homogenous portfolios/products identified based on how the business is managed in the Group's divisions. The assessment is based on reasonable scenarios taking into consideration how the portfolio is evaluated and reported to management; the risks affecting the performance of the portfolio and how these risks are managed; how managers are compensated; and the frequency, value and timing of sales including the reasons for the sales. In determining if the contractual cash flows are solely payments of principal and interest, principal is defined as the fair value of the debt instrument at initial recognition. The principal

amount can change over the life of the instrument if there are repayments of principal or interest is capitalised. Interest cash flows are consistent with the components of a basic lending arrangement including consideration for the time value of money, credit risk, liquidity risk as well as administrative costs and a profit margin. If there are contractual terms introducing exposure to other risks or volatility, the cash flows are not considered to be solely payments of principal and interest. SPPI tests are performed as a part of new product approval tests.

Debt instruments are presented in the statement of financial position within cash and cash equivalents, due from central banks, due from credit institutions, due from investment companies, loans and advances to customers, financial assets at fair value through profit or loss, financial assets at amortised cost, receivables from customers and other financial assets and they include instruments in the following measurement categories.

Fair value through profit or loss: Debt instruments are classified into this category if they do not meet the criteria for amortised cost or fair value through other comprehensive income. This is the case if the instrument is held for trading. Financial assets are held for trading if they are held for the purpose of selling in the short term and profit-taking. Debt instruments are measured at fair value through profit or loss if they are managed and measured on a fair value basis or held with the intention to sell, or if their cash flows are not solely payments of principal and interest.

Amortised cost: Debt instruments are classified into this category if both of the following criteria are met. (a) the business model objective is to hold the assets to collect contractual cash flows and (b) the contractual cash flows are solely payments of principal and interest. The gross carrying amount of these assets is measured using the effective interest method and adjusted for expected credit losses.

#### 6.5.5.4 Equity instruments

Equity instruments are by default classified as financial assets at fair value through profit or loss. However, an irrevocable election can be made on initial recognition to classify equity instruments (not held for trading) as measured at fair value through other comprehensive income.

#### 6.5.5.5 Derivatives

Derivatives (held for trading) are classified as measured at fair value through profit or loss.

#### 6.5.5.6 Modification

The Group may renegotiate loans and modify contractual terms. If the new terms are substantially different from the original ones, the Group derecognises the original financial asset and recognises a new asset. The Group also assesses whether the new financial asset is credit-impaired at initial recognition. If the terms are not substantially different, resulting in less than 10% change in net present value of the loan, the modification does not result in derecognition and the Group recalculates the gross carrying amount based on the new cash flows using the original effective interest rate of the financial asset and recognises a modification gain or loss.

#### 6.5.5.7 Reclassification

In rare circumstances debt instruments (financial assets) excluding those designated at fair value through profit or loss on initial recognition, can be reclassified if there has been a change in the business model for managing the affected financial assets.

#### 6.5.5.8 Write-off

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Indications of no reasonable expectation of recovery include (i) ceasing of debt collection activities and (ii) where the Group's recovery method is foreclosing on collateral, determining that the value of the collateral is such that there is no reasonable expectation of recovery.

If it is not feasible or economically reasonable for the Group to take measures to recover a receivable, the receivable is classified into non-performing and removed from the statement of financial position. At least one of the conditions has to be filled to classify a receivable into non-performing.

If a receivable which has been written off as uncollectable is subsequently collected, the amount received is recognised as income.

#### 6.5.6 Expected credit loss of financial assets

The impairment requirements are based on an expected credit loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.

All financial assets measured at amortised cost and fair value through other comprehensive income, as well as lease receivables, financial guarantees contracts, contract assets and certain loan commitments are in scope for the recognition of ECLs.

ECLs on financial assets measured at amortised cost and lease receivables are presented as allowances, i.e., as an integral part of the measurement of those assets in the statement of financial position. The allowance reduces the gross carrying amount. ECLs on loan commitments and financial guarantee contracts are presented as provisions, i.e., as liabilities, in the statement of financial position. Adjustment to the loss allowances and provisions due to changes in ECLs is recognised in profit or loss as net expected credit losses.

The detailed description of credit risk measurement, definition of default, ECL modelling and incorporation of forward-looking information into credit risk measurement are described in subsection '4.3 Credit risk' under the 'Risk and Capital management' section.

<b>IFRS 9 measurement category</b>				
<i>EUR thousand</i>		<b>Asset class</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
<b>Financial assets</b>	Amortised cost	Cash and cash equivalents, due from central banks, investment companies and credit institutions	3,689,712	3,418,757
		Loans and advances to customers		
		Corporate lending	2,569,035	2,404,574
		Consumer lending	109,180	100,002
		Investment financing	10,628	9,915
		Leasing	173,672	178,527
		Private lending	1,820,532	1,510,781
		Debt securities	378,064	283,533
		Receivables from customers	8,385	2,689
		Other financial assets	100	100
Fair value through profit or loss	Shares and fund units	594	587	
	Listed bonds	0	3,472	
	Derivatives	730	3,415	
<b>Financial liabilities</b>	Amortised cost	Deposits from customers	6,963,534	6,293,525
		Loans received and debt securities in issue	893,543	840,300
		Accounts payable and other liabilities	35,685	50,190
		Subordinated debt	220,122	134,656
	Fair value through profit or loss	Derivatives	1,310	24

### 6.5.7 Property, plant and equipment

Property, plant and equipment (PPE) are non-current assets used in the Group's operating activities that have a useful life of over one year. PPE is initially recognised at its cost, which consists of the purchase price (incl. customs duties and other non-refundable taxes) and any directly attributable expenditure on bringing the asset to its operating condition and location. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to operating expenses during the reporting period in which they are incurred.

PPE is carried in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis. The annual depreciation rate for computers, furniture and fixtures is 33%. Improvements of rental space are either depreciated at the rate of 20% per year or over the lease term, depending on which is shorter. Depreciation is calculated starting from the month of acquisition until the carrying amount decreases to the residual value of the asset. When the residual value is greater than the carrying amount of the asset, depreciation ceases.

The depreciation methods used, and the residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period. The Group performs an impairment test when there are circumstances which indicate impairment. Where an asset's carrying amount is greater than its estimated recoverable amount (the higher of an asset's fair value less costs of disposal and its value in use), the asset is immediately written down to its recoverable amount by recognising an impairment loss in the statement of profit or loss for the reporting period. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. The gains

and losses are included in other income and operating expenses, respectively, in the statement of profit or loss for the reporting period.

### 6.5.8 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. An intangible asset is initially measured at cost, comprising of its purchase price and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis. The annual amortisation rate for purchased licenses is 33%.

The appropriateness of amortisation rates, methods and residual values is assessed at the end of each reporting period. The Group reviews intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use.

### 6.5.9 Impairment of non-financial assets

Assets with an unlimited useful life and depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In the event of such circumstances, the recoverable amount of the asset is assessed and compared with its carrying amount.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit).

Impairment losses are recognised in profit or loss.

At the end of each following reporting period, assets that have been written down are assessed to determine whether their recoverable amount has increased (except for impairment losses of goodwill that are not reversed). If the impairment test indicates that the recoverable amount of an asset or asset group (cash-generating unit) has increased above its carrying amount, the previous impairment loss is reversed up to the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Reversals of impairment losses are recognised in profit or loss as a reduction of the impairment loss.

### 6.5.10 Loan commitments, financial guarantees and performance guarantees

The Group issues commitments to provide loans. These commitments are irrevocable or revocable only in response to a material adverse change. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Group cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

The Group issues financial guarantees. Financial guarantees represent irrevocable assurances to make payments if a customer fails to make payment to third parties and carry the same credit risk as loans. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the financial guarantee. At the end of each reporting period, the financial guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised

balance of the amount at initial recognition. In addition, an ECL allowance is recognised for fees receivable that are recognised in the statement of financial position as an asset.

Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Such contracts do not transfer credit risk. Performance guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the contract. At the end of each reporting period, the performance guarantee contracts are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the contract at the end of each reporting period, discounted to present value. Where the Group has the contractual right to revert to its customer for recovering amounts paid to settle the performance guarantee contracts, such amounts will be recognised as loans and receivables upon transfer of the loss compensation to the guarantee's beneficiary.

### 6.5.11 Financial liabilities

The Group classifies financial liabilities either:

- a) financial liabilities measured at fair value through profit or loss
- b) financial liabilities measured at amortised cost
- c) financial guarantee contracts and loan commitments

Derivatives are classified as financial liabilities at fair value through profit or loss. All other financial liabilities are subsequently measured at amortised cost using the effective interest method. Transaction costs are included in the calculation of the effective interest rate. The difference between the proceeds (less transaction costs) and redemption value are recognised in profit or loss during the term of the instrument using the effective interest rate. Interest

expense is reported in profit or loss within interest expense.

Deposits from customers are initially recorded on their settlement date at their fair value less transaction costs and are subsequently measured at amortised cost using effective interest method. Accrued interest liabilities are included in the same item.

Loans received, debt securities issued, and similar subordinated debts are initially recognised at fair value less transaction costs (cash received less transaction costs). Subordinated debts are those liabilities which in case of the liquidation of a credit institution or declaration of bankruptcy are settled after the satisfaction of the justifiable claims of other creditors. Other financial liabilities (trade payables, accrued expenses and other borrowings) are initially recognised at fair value less transaction costs and are subsequently carried at amortised cost. Loans received (except subordinated debt) are classified under net cash generated from/used in operating activities as they are issued to support the core business of the LHV.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled, or expires).

### 6.5.12 Share-based payments

AS LHV Group operates a share-based option programme, under which the company receives services from Group's employees as consideration for the equity instruments (options) of LHV Group. The fair value of the employee services received in exchange for the grant of the options is recognised during the shared-based compensation program as the Group's staff costs and as an increase in equity (other reserves). The total amount to be expensed is determined by the fair value at the time of issuing the options. The fair value of the options granted is determined by:

- including any market-based performance conditions (market conditions) that influence the option price (e.g., the LHV Group share price);
- excluding the impact of any service and non-market conditions (vesting conditions other than market conditions) e.g., profitability, sales growth targets and remaining an employee of the Group over a specified period).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the vesting conditions (other than market conditions). It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Starting from 2025, LHV Group repurchases its own shares from the market for the purposes of the share option programme. Previously, LHV Group issued new shares to settle exercised share options. If the repurchase of own shares is not successful to the extent required to settle the exercised options, LHV Group has the right to issue new shares.

According to the law, there are no social security charges when the options are exercised after a 3-year period.

### 6.5.13 Contingent liabilities

Contingent obligations (guarantees, excluding financial guarantees, and other commitments) whose realisation is less probable than non-realisation or amount cannot be estimated reliably but which may transform into liabilities in certain circumstances, are disclosed in the notes to the financial statements as contingent liabilities. Contingent liabilities may develop in a way not initially expected. Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits has become

probable on a portfolio basis. If it becomes probable that an outflow of future economic benefits will be required for an item or a portfolio of items previously classified as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

### 6.5.14 Fee and commission income and expenses

Fee and commission income comprises revenue from contracts with customers. It does not include revenue from lease contracts or financial instruments and other contractual obligations within the scope of IFRS 9 Financial Instruments.

Fees that are included in the calculation of the effective interest rate of a financial instrument measured at amortised cost, such as loan origination fees, are allocated over the expected tenor of the instrument by applying the effective interest method and presented in net interest income.

Fee and commission income is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which LHV expects to be entitled in exchange for the service.

Fee and commission income is recognised over time on a straight-line basis as the services being rendered, when the customer simultaneously receives and consumes the benefits provided by the Group's performance. Variable fees are recognised only to the extent that management determines that it is highly probable that a significant reversal will not occur.

Other fee and commission income is recognised at a point in time when the Group satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received or receivable represents the transaction price for the services identified as distinct performance obligations.

The main types of fees are described below.

Credit card fees comprise interchange income, merchant service charges and card-related service fees earned from card issuing and acquiring activities. Fees for ongoing card services are recognised over time as the related services are provided. Transaction-based fees, including acquiring and interchange fees, are recognised at a point in time when the underlying card transaction is executed.

Settlement fees comprise fees charged for the execution and processing of payment and settlement transactions, including domestic and international transfers. Settlement fees are generally recognised at a point in time when the payment transaction has been executed and the Group has satisfied its performance obligation. Where settlement services are provided continuously over a contractual period, the related fees are recognised over time on a straight-line basis over the period in which the services are rendered.

Fee and commission income for asset custody and asset management provided to customers is recognised as revenue over the period in which the services are provided. Performance-based fees are recognised when it is highly probable that a significant reversal of recognised revenue will not occur, which is most often when the performance criteria are fulfilled.

Brokerage fees, commission, and fees from negotiating a transaction for a third party, such as arrangement of acquisitions or the purchase or sale of a business, are recognised on the completion of the transaction.

Expenses that are directly related to the generation of fee and commission income are recognised as fee and commission expense.

### **6.5.15 Corporate income tax, including dividend income tax in Estonia**

According to the Estonian Income Tax Act, a company's annual profit is not subject to corporate income tax in Estonia. Instead, income tax is levied on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business-related disbursements, and transfer pricing adjustments.

The tax rate on distributed profits is 22% of the net amount paid out (i.e., 22/78). Under certain conditions, received dividends can be redistributed without additional income tax costs. The exemption applies if the company receiving and redistributing the dividends had at least a 10% ownership stake in the distributing company at the time of receipt.

The previously applicable reduced tax rate of 14% (14/86 of the net dividend) for regularly distributed dividends is no longer in effect as of January 1, 2025. However, a transitional provision may apply to dividends received before this date that were taxed at the lower rate when subsequently distributed.

Corporate income tax on dividends is recognized as an expense and a liability to the extent of the planned dividend distribution. Deferred income tax is accounted for on the undistributed profits of subsidiaries and changes in other reserves, except when the group controls the subsidiary's dividend policy and it is unlikely that the temporary difference will be reversed in the near future through dividend payments or other means. Since the group controls the dividend policy of its subsidiaries, it can also determine the timing of the reversal of temporary differences related to investments in subsidiaries. Therefore, the group does not recognize deferred tax liabilities on such temporary differences unless management expects them to reverse in the near future.

The maximum potential corporate income tax liability that would arise if all free equity were distributed as dividends is disclosed in the notes to the consolidated financial

statements. Starting from Q2 2018 to 2024 credit institutions had to make advance payments of income tax at the rate of 14% of their quarterly profits (Note 21). Starting from January 1, 2025 the tax rate for credit institutions is 18%. The tax has to be paid by the 10th day of the third month following the quarter. Advance income tax payments are non-refundable and thus recognised as an expense, but they can be used to reduce the income tax payable on future dividend distributions. LHV is a growing company and cannot utilise the paid advance income tax in the foreseeable future. Therefore, the tax is recognised as an expense.

### **6.5.16 Income sharing under Banking Service**

LHV Pank and its sister entity LHV Bank have entered into an intercompany partnership agreement in respect of the Banking Services business line. Income from contracts with external customers is recognised by the entity that controls the relevant financial asset or has the performance obligation. Following initial recognition of external revenue, income is allocated between the parties in accordance with the intercompany partnership agreement. The allocation reflects each party's functional contribution, including assumption of risks, provision of funding, operational execution and customer relationship management. The amounts allocated between LHV Pank and LHV Bank are presented gross, i.e. amounts received by LHV Pank from banking services customers are presented under interest income and fee and commission income and the amounts allocated to sister entity LHV Bank are presented under interest and commission fee related fee sharing on the income statement.

### **6.5.17 Asset Management Service**

The Group provides asset management services (Note 17). Assets managed by the Group that belong to third parties are accounted for off the statement of financial position. The Group derives service fees from the holding and management of such assets. The services do not involve any credit or market risks for the Group.

### **6.5.18 Presentation of statement of financial position in order of liquidity**

The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period.

	31 Dec 2025			31 Dec 2024		
	Amounts expected to be recovered or settled			Amounts expected to be recovered or settled		
	Within 12 months after reporting period	After 12 months after the reporting period	Total	Within 12 months after reporting period	After 12 months after the reporting period	Total
<b>ASSETS</b>						
Cash and balances with central bank	3,644,552	0	3,644,552	3,360,516	0	3,360,516
Due from banks and investment companies	45,160	0	45,160	58,241	0	58,241
Financial assets at fair value through profit or loss	822	502	1,324	7,474	0	7,474
Investments in debt securities at amortised cost	181,654	196,410	378,064	163,124	120,409	283,533
Loans and advances to customers	714,044	3,969,003	4,683,047	679,399	3,521,400	4,203,799
Receivables from customers and other receivables	8,385	0	8,385	2,689	0	2,689
Other assets	4,157	0	4,157	3,518	0	3,518
Other financial assets	0	100	100	0	100	100
Property, plant and equipment	0	9,281	9,281	0	14,061	14,061
Intangible assets	0	2,037	2,037	0	2,596	2,596
<b>LIABILITES</b>						
Deposits from customers	6,953,304	10,230	6,963,534	6,285,267	8,258	6,293,525
Loans received and debt securities in issue	176,709	716,834	893,543	322,713	517,587	840,300
Financial liabilities at fair value through profit or loss	1,310	0	1,310	24	0	24
Accounts payable and other liabilities	50,800	2,277	53,077	64,878	4,776	69,654
Subordinated debt	39,122	181,000	220,122	59,656	75,000	134,656

## 6.6 Notes to the consolidated financial statements

### NOTE 1 General information

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2025 for AS LHV Pank (hereinafter the Bank or LHV Pank) and its subsidiary AS LHV Finance (together hereinafter: the Group or LHV). AS LHV Pank holds 65% interest in AS LHV Finance.

AS LHV Pank provides banking, financial advisory and securities brokerage services to customers in Estonia and in UK. There are offices for client servicing in Tallinn, Tartu and Pärnu. LHV is a limited liability company incorporated and domiciled in Estonia. The address of its registered office is Tartu mnt. 2, Tallinn. As at 31 Dec 2025, the Group employed 893 people, including 60 non-active employees (31 Dec 2024: 925 people, 40 non-active employees). LHV Finance offers hire-purchase services to merchants and consumer loans.

The consolidated annual report (incl. consolidated financial statements) was approved and authorised for issue by the Management Board on 02 March 2026. The consolidated annual report shall be approved by the Supervisory Board and shareholder. The shareholder has the right not to approve the consolidated annual report while the Supervisory Board does not have that right.

AS LHV Group. Rain Lõhmus, who owns 20.94% of the voting rights and Andres Viisemann, who owns 10.94% of the voting rights (see also Note 16), have significant influence over AS LHV Group.

Certain disclosures required by IFRS Accounting Standards have been included in the Risk and Capital Management section of the Annual Report as follows:

#### Credit Risk

Disclosures relating to the nature and extent of credit risk are provided in section 4.3 'Credit risk' and its subsections. These disclosures address the following IFRS 7 requirements:

Qualitative disclosures (IFRS 7.33): A description of the Group's exposures to credit risk and how they arise, along with the objectives, policies, and processes for managing and measuring credit risk, is provided in section 4.3.1 'Credit risk management'.

Quantitative disclosures (IFRS 7.34, 35A-36):

Information about the credit quality of financial assets (as required by IFRS 7.35M) is presented in the tables within section 4.3.3.3 'Loan portfolio by internal ratings and stages'.

Detailed information about the measurement of expected credit losses (ECL) (as required by IFRS 7.35F-G), including the Group's credit impairment framework, the definition of a significant increase in credit risk (SICR), the definition of default, and the forward-looking assumptions used, is provided in section 4.3.2 'Credit impairment framework'.

Information about the changes in the loss allowance and the reasons for those changes (as required by IFRS 7.35H-J) are presented in the tables within section 4.3.4 'Quality of credit portfolio'.

Disclosures on collateral and other credit enhancements obtained (as required by IFRS 7.35K) are described in section 4.3.1.2 'Credit risk mitigation' and further detailed in 4.3.4.3 'Loans against collateral'.

Disclosure on maximum exposure to credit risk (as required by IFRS 7.36A) is described in section 4.3.3.1 Risk concentration.

Information on concentrations of risk (as required by IFRS 7.34(c)) is provided in section 4.3.1.3 'Concentration risk' and 4.3.3.2 'Distribution of loans granted by industry'.

Disclosures on modified financial assets (as required by IFRS 7.35J) are detailed in section 4.3.2.6 'Modifications of financial assets'.

#### Liquidity Risk

Disclosures relating to the nature and extent of liquidity risk are provided in section 4.4 'Liquidity and Funding Risk'. These disclosures address the following IFRS 7 requirements:

Qualitative disclosures (IFRS 7.33, 39(c)): A description of how the Group manages liquidity risk, including the liquidity risk

inherent in IFRS 7.39(a) is provided in section 4.4.1 'Liquidity risk management'.

Quantitative disclosures (IFRS 7.34, 39(a)):

A maturity analysis for financial liabilities showing remaining contractual maturities (as required by IFRS 7.39(a)) is presented in the tables within section 4.4.1 'Liquidity risk management'.

#### Market Risk

Disclosures relating to the nature and extent of market risk, including foreign currency risk, price risk and interest rate risk are provided across sections 4.5.1-4.5.3 and the introductory part of section 4.5 'Market risk'. These disclosures address the following IFRS 7 requirements:

Qualitative disclosures (IFRS 7.33): A description of the Group's exposures to each type of market risk and how they are managed is provided in the introductory parts of section 4.5 'Market risk' and in the subsections 4.5.1-4.5.3 of section 4.5. 'Market risk'.

Quantitative disclosures (IFRS 7.34, 40-42):

Interest rate risk (as required by IFRS 7.41): A sensitivity analysis showing the effect of interest rate changes on profit or loss is presented in section 4.5.3 'Interest rate risk'.

Foreign currency risk (as required by IFRS 7.40): A sensitivity analysis showing the effect of foreign exchange rate movements on profit or loss is presented under the section 4.5.1 'Foreign currency risk' heading in section 4.5.

Quantitative data on open currency exposures is also provided in the tables within this section.

Other price risk (as required by IFRS 7.42): A sensitivity analysis showing the effect of movements in securities prices on profit or loss is presented in section 4.5.2 'Price risk'.

### Change of presentation

Presentation in consolidated statement of profit or loss and other comprehensive income regarding interest income has changed. Previously all interest was shown in interest income and interest income using effective interest rate was shown as included. In current financial statement, it is shown separately Interest income calculated using the effective interest method and other similar income.

New presentation improves presentation of interest income showing separately interest income based on effective interest and other similar income.

Presentation in consolidated statement of cash flows has changed. Previously mandatory reserve in central bank was not included in the balance cash and cash equivalents in consolidated cash flow statement. The presentation has changed due to accounting policy change, as these balances are available for use, and such presentation better reflects what is the actual cash and cash equivalent.

### Restatement of fee sharing expenses

Previously income and expense related to the Banking Services customers were shown as net in interest income and fee income. Upon revising the accounting policy, net presentation is not appropriate and fees received and fees paid should be shown in gross. Therefore, the interest income and fee income are restated, the related payments to sister entity LHV Bank are shown in separate line 'Total fee sharing'. Details of the accounting policy are disclosed in note 6.5.16 'Income sharing under Banking Service'. Due to this the Group's operating segments fee presentation is changed and aligned with the changed reporting structure for the Group's chief decision makers. Previously fees related to banking services were presented as net in interest and fee lines, now these are presented separately. See Note 22.

### Interest income change in presentation

<i>EUR thousand</i>	2024	Change in presentation	Restatement	2024*
Interest income	386,906	-386,906	0	0
Incl. interest income based on EIR	370,579	-370,579	0	0
Interest income calculated using the effective interest method	0	370,579	20,065	390,644
Other similar income	0	16,327	0	16,327
Interest expense	-149,857	0	0	-149,857
<b>Net interest income</b>	<b>237,049</b>	<b>0</b>	<b>20,065</b>	<b>257,114</b>
Fee and commission income	56,476	0	8,645	65,121
Fee and commission expense	-20,033	0	0	-20,033
<b>Net fee and commission income</b>	<b>36,443</b>	<b>0</b>	<b>8,645</b>	<b>45,088</b>
Interest related fee sharing	0	0	-20,065	-20,065
Commission fee related fee sharing	0	0	-8,645	-8,645
<b>Total fee sharing</b>	<b>0</b>	<b>0</b>	<b>-28,710</b>	<b>-28,710</b>

### Change in cash flow statement

<i>EUR thousand</i>	2024	Change in presentation	2024 as changed
Mandatory reserves at central banks	-7,340	7,340	0
Net cash from in operating activities	634,369	7,340	641,709
Increase in cash and cash equivalents	573,525	7,340	580,865
Cash and cash equivalents at the beginning of the year	2,781,993	55,899	2,837,892
Cash and cash equivalents at the end of the year	3,355,518	63,239	3,418,757

## NOTE 2 Significant management estimates and assumptions

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Consistent with International Financial Reporting Standards as adopted by the European Union, management makes estimates and assumptions which affect the amounts reported in the financial statements. Although the estimates are based on management's best knowledge and judgement, actual outcomes may differ from these estimates. Management's estimates have been applied to valuation of loans, receivables and investments (Risk and Capital Management section 4.4, Notes 7, 8, 9 and 10).

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Changes in management's estimates are recognised prospectively.

The most significant management estimates and assumptions are related with the financial instrument standard IFRS 9, namely the criteria for a significant increase in credit risk (SICR), the calculation of probability of default (PD) and loss given default (LGD), the business model and solely payments of principal and interest (SPPI) assessment for the classification of financial assets. Please see more information in the 'Risk and Capital Management' section, subsection 4.3 'Credit risk' and below. Information regarding SPPI test is available in section 'Material accounting policy information'.

When calculating expected credit loss (ECL) there are a number of key concepts that require a high level of judgement. Estimating expected credit loss is, by its very nature, uncertain and the accuracy of these estimates depends on many factors, e.g. macroeconomic forecasts and involves complex modelling and judgements. The assessment of significant increase in credit risk is a concept under IFRS 9 Financial Instruments and requires significant judgement. At the end of each reporting period The Group performs an assessment of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life

of the financial instrument, using key risk indicators that are used in the Group's existing risk management processes.

Another area requiring significant judgement is the incorporation of forward-looking information and macroeconomic scenarios. IFRS 9 requires an unbiased and probability-weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. LHV uses internally developed macroeconomic forecasts as the basis for the forward-looking information in the ECL measurement. LHV uses both models and judgements based on the input of experts to determine ECLs. The objective of making judgements based on the input of experts is to incorporate the estimated impact of factors not captured in the modelled ECL. The degree of judgement that is required to estimate ECLs depends on the outcome of the calculations, materiality, and the availability of detailed information. The models, assessments and assumptions are regularly reviewed by the risk organisation.

LHV analysed the issued performance guarantee contracts to assess whether they would meet the definition of insurance contracts in the scope of IFRS 17 and concluded that its performance guarantee contracts are out of scope as: the obligation to holder is limited to the guarantee amount and not related to underlying risk in all cases; there are no scenarios with commercial substance where LHV would have to pay significant additional amounts to the holders of such guarantees; sums drawn shall be reimbursed to LHV by the applicant; and, the majority of them are issued under limit or guarantee limit agreements of the applicants, which are debt instruments, and so do not expose LHV to insurance risk. Accordingly, LHV accounts for these contracts as loan commitments in accordance with IFRS 9.

## NOTE 3 Net interest income

<b>Net interest income</b>			
<i>EUR thousand</i>	<i>Note</i>	<b>2025</b>	<b>2024</b>
<b>Interest income using effective interest calculation</b>			
Corporate lending		157,804	169,534
<i>incl. stage 3 interest*</i>		3,570	1,453
Consumer financing		16,909	16,280
Investment financing		1,654	1,682
Private lending		74,952	83,052
Due from central banks		70,890	112,784
From debt securities at amortized cost		19,320	6,182
Due from credit institutions and investment companies		929	1,130
<b>Subtotal</b>		<b>342,458</b>	<b>390,644</b>
<b>Other similar interest income</b>			
Leases		10,484	14,221
From debt securities at fair value through profit or loss		83	2,106
<b>Subtotal</b>		<b>10,567</b>	<b>16,327</b>
<b>Total</b>		<b>353,025</b>	<b>386,906</b>
<b>Interest expense</b>			
Deposits from customers and loans received		-128,487	-139,806
Other interests		-4,930	-506
Subordinated debt	15,19	-13,356	-9,545
<b>Total</b>		<b>-146,773</b>	<b>-149,857</b>
<b>Net interest income</b>		<b>206,252</b>	<b>237,049</b>
<b>Interest income of loans by customer location</b>			
<i>EUR thousand</i>			
Estonia		353,025	386,758
United Kingdom		0	148
<b>Total</b>		<b>353,025</b>	<b>386,906</b>

Interest expense on lease liabilities in 2025 was EUR 171 thousand (2024: 229 thousand) and it is included in Other interest expenses.

\*As most of the stage 3 loans are sold to debt collectors, the stage 3 interests are marginal in all loan portfolios except corporate loans.

**NOTE 4** Net fee and commission income

**Net fee and commission income**

<i>EUR thousand</i>	Note	Over time	Point in time	Total 2025	Over time	Point in time	Total 2024
Security brokerage and commission fees		0	6,570	6,570	965	6,487	7,452
Asset management and related fees		4,812	212	5,024	4,616	217	4,833
Fiduciary services		1,037	0	1,037	1,118	0	1,118
Currency exchange fees		0	9,841	9,841	0	8,586	8,586
Fees from cards and settlements		1,147	31,500	32,647	1,106	31,749	32,855
Other fee and commission income		8,661	6,520	15,181	5,852	4,425	10,277
<b>Total</b>	<b>22</b>	<b>15,657</b>	<b>54,643</b>	<b>70,300</b>	<b>13,657</b>	<b>51,464</b>	<b>65,121</b>

**Fee and commission expense**

Security brokerage and commission fees paid				-3,166			-2,968
Expenses related to cards				-7,524			-5,981
Expenses related to card payments acquiring				-9,075			-7,509
Fees related to consumer loans and hire-purchase paid				-341			-289
Other fee expense				-3,274			-3,286
<b>Total</b>	<b>22</b>			<b>-23,380</b>			<b>-20,033</b>

<b>Net fee and commission income</b>	<b>22</b>			<b>46,920</b>			<b>45,088</b>
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**Fee and commission income by customer location**

<i>EUR thousand</i>	2025	2024
Estonia	55,553	49,457
United Kingdom	14,747	15,664
<b>Total</b>	<b>70,300</b>	<b>65,121</b>

**Fee and commission income**

<i>EUR thousand</i>	Note	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	2025 Total	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	2024 Total
Security brokerage and commission fees		5,157	1,402	0	0	11	6,570	5,405	2,010	0	24	13	7,452
Asset management and related fees		1,518	3,426	0	13	67	5,024	1,741	3,029	0	18	45	4,833
Fiduciary services		1,037	0	0	0	0	1,037	1,118	0	0	0	0	1,118
Currency exchange fees		4,503	1,531	0	917	2,890	9,841	3,815	1,786	0	1,051	1,935	8,587
Fees from cards and settlements		17,303	4,452	0	10,860	32	32,647	16,797	3,867	0	12,158	31	32,855
Other fee and commission income		3,264	9,888	526	15	1,488	15,181	3,231	6,205	471	-27	398	10,278
<b>Total</b>	<b>22</b>	<b>32,782</b>	<b>20,699</b>	<b>526</b>	<b>11,805</b>	<b>4,488</b>	<b>70,300</b>	<b>32,107</b>	<b>16,897</b>	<b>471</b>	<b>13,224</b>	<b>2,422</b>	<b>65,121</b>

## NOTE 5 Operating expenses

<b>Operating expenses</b>			
<i>EUR thousand</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Wages, salaries and bonuses		44,851	41,795
Social security and other taxes*		13,608	12,313
<b>Total staff costs</b>		<b>58,459</b>	<b>54,108</b>
IT expenses		10,211	8,084
Information services and banking services		1,838	1,752
Marketing expenses		3,600	3,854
Office expenses		1,490	1,654
Transportation and communication costs		827	646
Training and travelling expenses of employees		1,132	1,455
Other outsourced services		4,149	6,259
Other administrative expenses		8,262	10,051
Depreciation and amortisation	12	6,544	5,996
Rental expenses for short term lease		-197	-54
Other operating expenses		1,319	1,568
<b>Total other operating expenses</b>		<b>39,175</b>	<b>41,265</b>
<b>Total operating expenses</b>		<b>97,634</b>	<b>95,373</b>

\*Social tax includes contributions to state pension funds. LHV has no legal or factual obligation to make pension or other similar payments in addition to social tax.

Audit services provided by PwC in 2025 amounted to EUR 351 (2024: 410) thousand. Audit services were not provided by other companies in 2025 (2024: 179 thousand). Other services provided by auditors amounted to EUR 150 (2024: 0) thousand and comprised of capital market transactions related services and other additional services required from auditors by applicable legislation.

The average number of employees working for the Bank in 2025 was 880 (2024: 865).

**NOTE 6** Cash and cash equivalents, due from central bank and investment companies

**Cash and cash equivalents, due from central bank and credit institutions**

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Cash and balances with central bank	3,644,552	3,360,516
Due from banks and investment companies	45,160	58,241
<b>Total</b>	<b>3,689,712</b>	<b>3,418,757</b>

**Distribution by internal ratings**

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024	Grading
3 low credit risk	1,690	1,730	Investment grade
4 low credit risk	3,683,540	3,411,060	
5 low credit risk	0	0	
6 low credit risk	779	340	
7 medium credit risk	0	0	
8 medium credit risk	1,766	1,354	
9 heightened credit risk	0	0	
10 high credit risk	1,937	3,287	Non-investment grade
11 high credit risk	0	0	
12 non-satisfactory rating	0	0	
13 insolvent	0	0	Default
<b>Total</b>	<b>3,689,712</b>	<b>3,418,757</b>	

Mandatory banking reserve as at 31 Dec 2025 was 1% (2024: 1%) of all financial resources collected (deposits from customers). The reserve requirement is to be fulfilled as a monthly average in euros or in the foreign securities preapproved by the central bank.

**NOTE 7** Financial assets and liabilities at fair value through profit or loss

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Shares and fund units	594	588
Debt securities	0	3,471
Foreign exchange forwards	730	3,415
<b>Total financial assets</b>	<b>1,324</b>	<b>7,474</b>
Interest rate swaps and foreign exchange forwards	1,310	24
<b>Total financial liabilities</b>	<b>1,310</b>	<b>24</b>

**NOTE 8** Investments in debt securities at amortised cost

<b>Investments in debt securities measured at amortised cost by credit ratings</b>		
<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
4	378,064	281,636
1	0	1,897
<b>Total</b>	<b>378,064</b>	<b>283,533</b>

1 - aligned with credit ratings AAA or equivalent

2-4 - aligned with credit ratings AA+ to A- or equivalent

All the investments in debt securities are government bonds.

**NOTE 9** Loans and advances to customers

**Loans and advances to customers**

<i>EUR thousand</i>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Corporate lending	2,601,730	2,434,834
Consumer financing	112,707	104,913
Investment financing	10,715	9,920
Leasing	174,806	180,116
Private lending	1,822,619	1,513,085
<b>Total</b>	<b>4,722,577</b>	<b>4,242,868</b>
Allowance for credit losses	-39,530	-39,069
<b>Total</b>	<b>4,683,047</b>	<b>4,203,799</b>

Expected credit losses accumulated during the year differ from the amount of credit losses recognised in the statement of profit or loss by the amounts which were written off as uncollectible in earlier periods but collected during the reporting period. These receipts were recorded among expected credit losses in the statement of profit or loss.

For credit risk exposures and quality of credit portfolio, see the 'Risk and Capital Management' section 4.3.3 and 4.3.4.

The distribution of loans granted by currency is disclosed in the 'Risk and Capital Management' section 4.5.1.

The distribution of loans granted by maturity is disclosed in the 'Risk and Capital Management' section 4.4.1.

For interest income on loans granted, see Note 3.

**NOTE 10** Receivables from customers and other receivables

**Receivables from customers**

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Asset management fees from customers	2,984	1,543
Other fees for providing services to customers	1,522	882
Payments in transit	3,879	264
<b>Total</b>	<b>8,385</b>	<b>2,689</b>

All fees, other than receivables related to collection of receivables, are receivable within 12 months of the end of the reporting period and are considered as current asset.

**NOTE 11** Other assets

**Other assets**

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
<b>Financial assets</b>		
VISA and MasterCard guarantee deposits	100	100
<b>Subtotal</b>	<b>100</b>	<b>100</b>
<b>Non-financial assets</b>		
Prepayments to Financial Supervision and Crisis Resolution Authority	936	805
Other prepayments*	3,221	2,713
<b>Subtotal</b>	<b>4,157</b>	<b>3,518</b>
<b>Total</b>	<b>4,257</b>	<b>3,618</b>

\*Prepayments include office rent, insurance, periodicals and training

Prepayments are expected to be received or used within 12 months of the end of the reporting period and are therefore considered current assets. The deposits of VISA are held to guarantee credit card transactions and should therefore be considered non-current assets.

**NOTE 12** Property, plant and equipment, right-of-use assets and intangible assets

**PPE and intangible assets**

EUR thousand

	PPE	Right-of-use assets	Total tangible assets	Intangible assets	Total
<b>Balance as at 31 Dec 2023</b>					
Cost	15,734	14,477	30,211	8,813	39,024
Accumulated depreciation and amortisation	-6,928	-7,551	-14,479	-5,867	-20,346
<b>Carrying amount as at 31 Dec 2023</b>	<b>8,806</b>	<b>6,926</b>	<b>15,732</b>	<b>2,946</b>	<b>18,678</b>
Additions	1,068	1,426	2,494	1,481	3,975
Depreciation/amortisation charge (Note 5)	-2,687	-1,478	-4,165	-1,831	-5,996
<b>Balance as at 31 Dec 2024</b>					
Cost	16,802	15,903	32,705	10,294	42,999
Accumulated depreciation and amortisation	-9,615	-9,029	-18,644	-7,698	-26,342
<b>Carrying amount as at 31 Dec 2024</b>	<b>7,187</b>	<b>6,874</b>	<b>14,061</b>	<b>2,596</b>	<b>16,657</b>
Additions	25	8	33	1,172	1,205
Write-off of non-current assets*	-4,622	,0	-4,622	-3,363	-7,985
Depreciation/amortisation charge (Note 5)	-2,631	-2,182	-4,813	-1,731	-6,544
<b>Balance as at 31 Dec 2025</b>					
Cost	12,205	15,911	28,116	8,103	36,219
Accumulated depreciation and amortisation	-7,624	-11,211	-18,835	-6,066	-24,901
<b>Carrying amount as at 31 Dec 2025</b>	<b>4,581</b>	<b>4,700</b>	<b>9,281</b>	<b>2,037</b>	<b>11,318</b>

\*Writing off fully depreciated tangible and intangible assets.

PPE include computer technology and office equipment, furniture, capitalised costs of office renovation. Intangible assets include licenses and development costs. Leases are recognised as a right-of-use asset from the date when the leased asset becomes available for use by the LHV Pank. All lease agreements are cancellable upon the consent of both parties. In 2025 and 2024, there was no indication of impairment of PPE and intangible assets.

## NOTE 13 Deposits from customers

### Deposits from customers 31 Dec 2025

<i>EUR thousand</i>	Individuals	Financial entities	Non-financial entities	Public sector	Total
Demand deposits	1,315,602	1,777,667	2,133,147	54,492	5,280,908
Term deposits	662,086	146,802	785,080	88,657	1,682,625
<b>Total</b>	<b>1,977,688</b>	<b>1,924,469</b>	<b>2,918,228</b>	<b>143,149</b>	<b>6,963,534</b>

### Deposits from customers 31 Dec 2024

<i>EUR thousand</i>	Individuals	Financial entities	Non-financial entities	Public sector	Total
Demand deposits	1,051,550	1,506,018	1,678,459	102,062	4,338,089
Term deposits	835,370	158,265	918,197	43,604	1,955,436
<b>Total</b>	<b>1,886,920</b>	<b>1,664,283</b>	<b>2,596,656</b>	<b>145,666</b>	<b>6,293,525</b>

The distribution of deposits from customers by currency is presented in the 'Risk and Capital Management' section, subsection 4.5 and by maturity is presented in the 'Risk and Capital Management' section, subsection 4.4.

**NOTE 14** Accounts payable and other liabilities

**Accounts payable and other liabilities**

<i>EUR thousand</i>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
<b>Financial liabilities</b>		
Trade payables	1,867	2,700
Other short-term financial liabilities	5,702	10,091
Lease liabilities	4,794	7,264
Payments in transit	23,421	29,875
Provision of loan commitments and financial guarantees	2,670	6,368
Financial guarantee contracts issued	2,025	1,156
<b>Subtotal</b>	<b>40,479</b>	<b>57,454</b>
<b>Non-financial liabilities</b>		
Prepaid expenses	1,080	988
Performance guarantee contracts issued	2,044	1,943
Tax liabilities	5,012	5,135
Payables to employees	4,462	4,134
<b>Subtotal</b>	<b>12,598</b>	<b>12,200</b>
<b>Total</b>	<b>53,077</b>	<b>69,654</b>

	<b>Lease liabilities</b>	
	<b>31.12.2025</b>	<b>31.12.2024</b>
<b>Opening balance</b>	7,264	8,057
New leases	0	0
Payments	-2,471	-792
Interest	171	229
Other	-170	-230
<b>Closing balance</b>	<b>4,794</b>	<b>7,264</b>

Payables to employees consist of salaries payable and bonus and vacation pay accruals for the reporting period. The increase in payables to employees is attributable to growth in the number of employees during the year. Payments in transit consist of foreign payments and payables to customers related to intermediation of securities transactions, for which the customer's current account has been debited. All liabilities, except for financial guarantees and part of lease liabilities, are payable within 12 months and are therefore classified as current liabilities. Income tax payable on dividends expected to be paid out in the next financial year in the amount of EUR 1,044 thousand (2024: 1,044 thousand) has been included in other short term financial liabilities.

**NOTE 15** Subordinated debt and loans received

The Group has received subordinated debt from parent company LHV Group in order to increase long-term capital. In the case of default of the Group, the subordinated debts are repayable after all other debts have been paid, but before debts to shareholders are paid.

The balances of subordinated debt as at the end of each reporting period is disclosed in the table below. Interest liabilities are accounted in the statement of financial position using the effective interest rate.

**Subordinated debt**

<i>EUR thousand</i>	<b>Amount</b>	<b>Interest rate</b>	<b>Maturity date</b>
<b>Subordinated debt as at 31 Dec 2024</b>	<b>134.000</b>		
Tier 2 subordinated bond*	10.000	7.0%	30.09.2030
Tier 2 subordinated bond	15.000	6.0%	27.02.2032
Tier 2 subordinated bond	20.000	6.5%	20.11.2034
Tier 2 subordinated bond	36.000	8.0%	27.09.2034
Tier 1 subordinated bond	21.000	9.5%	19.03.2049
Tier 1 subordinated bond	2.000	9.5%	29.10.2049
Tier 1 subordinated bond	5.000	9.5%	26.05.2050
Tier 1 subordinated bond	10.000	9.5%	25.11.2050
Tier 1 subordinated bond	15.000	11.50%	02.12.2052
<b>Subordinated debt as at 31 Dec 2025</b>	<b>219.000</b>		
Tier 2 subordinated bond	80.000	6.0%	17.09.2035
Tier 2 subordinated bond	15.000	6.0%	27.02.2032
Tier 2 subordinated bond	20.000	6.5%	20.11.2034
Tier 2 subordinated bond	36.000	8.0%	27.09.2034
Tier 1 subordinated bond	21.000	9.5%	19.03.2049
Tier 1 subordinated bond	2.000	9.5%	29.10.2049
Tier 1 subordinated bond	5.000	9.5%	26.05.2050
Tier 1 subordinated bond	10.000	9.5%	25.11.2050
Tier 1 subordinated bond	15.000	11.50%	02.12.2052
Tier 1 subordinated bond	15.000	10.0%	30.04.2055

\*redeemed in 2025

### Subordinated debt

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Opening balance	134,656	114,054
Issued during the period	95,000	56,000
Redeemed during the period	-10,000	-35,500
Interest expense (Note 6)	13,356	9,545
Interest paid out	-12,890	-9,443
<b>Closing balance</b>	<b>220,122</b>	<b>134,656</b>

### Loans from financial institutions and debt securities in issue

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Debt securities in issue	339,746	340,139
Covered bonds	553,797	500,161
<b>Total</b>	<b>893,543</b>	<b>840,300</b>

June 2025, LHV Pank issued EUR 300M of covered bonds. The bonds carry a coupon rate of 2.625% and the yield for investors was 2.68%. Notes were rated Aaa by Moodys. The bonds were issued with an original maturity of 4 years. The issue was oversubscribed 2.5 times. 42% of the bonds were allocated to asset managers from Scandinavia, 20% to investors from Germany, and the rest of the bonds were allocated to investors mostly from CEE countries.

LHV Pank also issued retained covered bonds in 2025. The amount of outstanding retained covered bonds amounted to EUR 450M as at 31.12.2025. Retained covered bonds are treated as part of LHV Pank's counterbalancing capacity and were unencumbered as of 31.12.2025.

Due date of issued covered bonds is 17.10.2028 and are carrying a rate of interest at 3.0%.

Debt securities in issue (all from parent company LHV Group) have variable interest rate with interest margin 3.0% and due date 24.05.2028. Debt securities in issue (all from parent company LHV Group) issued in 2023 have due date 04.10.2027 and are carrying a rate of interest at 10%.

The nominal interest rates of loans received equal their effective interest rates as no other significant fees have been paid.

The distribution of loans received by currency is presented in the 'Risk and Capital Management' section, subsection 4.5.

The distribution of loans received by maturity is presented in the 'Risk and Capital Management' section, subsection 4.4.

## NOTE 16 Shareholders' equity

The sole shareholder of the Group is a company registered in Estonia, AS LHV Group. Rain Lõhmus who owns 20.94% of the voting rights and Andres Viisemann who owns 10.94% of the voting rights in AS LHV Group have significant influence over the company (31 December 2024: 21.2% and 11.0%, respectively). According to the Company's articles of association, the minimum share capital is EUR 25 million and the maximum share capital is EUR 100 million (at 31 December 2024: EUR 25 million and EUR 100 million, respectively). The share capital is paid in full through cash contributions. The Group's registered share capital was EUR 141.5 million, additional EUR 63 million was paid in at the end of 2025 but was not yet registered with Business register.

As at 31 Dec 2025, the adjusted unconsolidated retained earnings of the Bank amounted to EUR 525,196 thousand (31 December 2024: EUR 436,316 thousand) (Note 24). Thus, as at 31 December 2025 it is possible to pay out dividends in amount EUR 409,653 thousand (2024: EUR 340,326 thousand) and the related income tax charge would be EUR 115,543 thousand (2024: EUR 95,990 thousand).

Under the current capital requirements set by the CRR, banks have to maintain a ratio of regulatory capital to risk weighted assets above a prescribed minimum level (Tier 1 ratio and Total capital ratio). Based on information provided internally to key management Group's regulatory core tier 1 capital was EUR 528,9 thousand as of 31 December 2025 (2024: EUR 453,2 thousand), regulatory Tier 1 capital amounts to EUR 597,5 thousand (2024: EUR 506,6 thousand), total regulatory capital amounts to EUR 749,0 thousand (2024: EUR 587,8 thousand) and the Group has complied with all externally imposed capital requirements throughout 2025 and 2024.

### Transactions with share capital

	31 Dec 2025	31 Dec 2024
<b>Share capital</b>	<b>141,500</b>	<b>141,500</b>
<b>Unregistered share capital</b>	<b>63,000</b>	<b>0</b>
Number of shares	141,500,000	141,500,000
Additional shares	63,000,000	0
Par value of a share	1 EUR	1 EUR

### Legal reserve in equity

*EUR thousand*

<b>Legal reserve as at 1 Jan 2024</b>	<b>12,669</b>
Transferred from 2024 net profit	1,481
<b>Legal reserve as at 31 Dec 2024</b>	<b>14,150</b>
Transferred from 2025 net profit	0
<b>Legal reserve as at 31 Dec 2025</b>	<b>14,150</b>

The parent entity, LHV Group, grants share options to the members of the Management Boards and equivalent staff as well as the department managers and equivalent staff of Group entities.

Total expenses arising from share-based payment transactions amounted to EUR 4,861 thousand in 2025 (2024: EUR 4,821 thousand).

	2025		2024	
	Number of options	Weighted average strike price	Number of options	Weighted average strike price
As at 1 Jan	7,854,648	1.88	8,265,442	1.56
Granted during the year	3,911,734	1.63	2,857,016	1.74
Exercised during the year	-2,451,748	2.182	-3,267,810	0.923
Expired during the year	-10,800	2.182	0	0
<b>As at 31 Dec</b>	<b>9,303,834</b>	<b>1.68</b>	<b>7,854,648</b>	<b>1.88</b>

The weighted average share price at the date of exercise of options exercised during the year ended 31 December 2025 was EUR 3.52 (31 December 2024: EUR 3.49).

There were no options cancelled or forfeited in 2025 and 2024.

#### Share options outstanding at the end of the year have the following expiry dates:

Grant date	Expiry date	Share options 31 Dec 2025	Share options 31 Dec 2024
April 22	April 25	0	2,462,548
April 23	April 26	2,535,084	2,535,084
April 24	April 27	2,857,016	2,857,016
April 25	April 28	3,911,734	0
<b>Total</b>		<b>9,303,834</b>	<b>7,854,648</b>

Weighted average remaining contractual life of options outstanding at end of period.

1.49 1.35

Range of exercise prices of options outstanding at the end of period.

1.63-1.74 1.7-2.182

#### Inputs for share options are as follows:

	Share options issued in 2025	Share options issued in 2024
Grant date	apr.25	apr.24
Expiry date	apr.28	apr.27
Share price at grant date	3.25	3.48
Strike price	1.63	1.74
Risk-free interest rate	2.70%	3.22%
Expected dividend yield	2.64	2.86
Expected annual TSR volatility of the company's shares	0.16	0.09
Number of people to whom the share options were granted	264	227

The vesting period for all share options in the option programme is 3 years. The right to subscribe for shares arises on the first day of the exercise period. The assessed fair value at grant date of options granted during the year ended 31 December 2025 was EUR 1.51 per option (31 December 2024: EUR 1.61). The grant date fair value was calculated using the Black-Scholes model. The model inputs were the LHV Group share price in Q4 2025, price volatility, the interest rates of Estonian government bonds used as proxies for risk-free instruments and the dividend yield.

The price volatility is based on historic daily price changes of the underlying shares, dividends and capital returns for the same period as used for calculating the share price used in the model, adjusted for any expected changes to future volatility due to publicly available information.

## NOTE 17 Assets under custody

AS LHV Pank, operating as an account manager for its customers, has custody of or intermediates the following customer assets

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Cash balance of customers	9,528	16,986
Securities of customers	4,146,987	3,707,623
<b>Total</b>	<b>4,156,515</b>	<b>3,724,609</b>

Asset management fees for the management of the above assets were in the range of 0.01-0.02% per year in 2025 (2024: 0.01-0.02% per year) (for respective income, see Note 4).

The monetary funds of customers who use the platform for an active securities trader, i.e., the trading system LHV Trader offered by LHV Pank are not recognised in the statement of financial position. Due to the nature of the system, LHV Pank deposits the funds in personalised accounts with its partner and as the funds cannot be used for business purposes by LHV Pank (they cannot be lent to other customers or used as collateral), they are accounted for off the statement of financial position. LHV Pank earns commission and interest income on the intermediation of transactions involving these accounts similarly to transactions involving customer accounts recognised in the financial statements.

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. Customers have provided similar guarantees to LHV Pank and, therefore, LHV Pank has in substance transferred the guarantees received. To avoid potential losses, LHV Pank monitors customer accounts on a daily basis to identify potential decreases in collateral or deficiency of funds. To date, no claims have been filed against the guarantees and LHV Pank has not made any payments under the guarantees.

**NOTE 18** Contingent assets and liabilities

**Non-cancellable agreements**

<i>EUR thousand</i>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Consumer financing	28,305	51,817
Corporate lending	767,900	627,412
incl. performance guarantees	134,577	110,674
incl. financial guarantees	162,050	111,574
incl. letters of credit	400	1,071
Private lending	47,856	51,093
Investment financing	46,656	0
Leasing	0	0
<b>Total gross</b>	<b>890,717</b>	<b>730,322</b>
Provision of loan commitments and financial guarantees	-2,670	-6,368
<b>Total carrying amount</b>	<b>888,047</b>	<b>723,954</b>

Income tax from potential future dividends is disclosed in Note 16.

Tax authorities have the right to review the Group's tax records for up to 5 years after submitting the tax declaration and upon finding errors, impose additional taxes, interest and fines. The tax authorities have not performed any tax audits at the Group during 2024-2025. According to the assessment of the Group's management, there are no circumstances which would cause tax authorities to charge a significant amount of additional tax from the Group in 2026. The Group's management estimates that in 2026.

Financial guarantees and unused loan commitments are subject to ECL requirements of IFRS 9, see also note Risk and Capital Management section point 4.3 for more information.

Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation.

Such contracts do not transfer credit risk. The risk under performance guarantee contracts is the possibility that the insured event (i.e., the failure to perform the contractual obligation by another party) occurs. The key risks the Group faces are significant fluctuations in the frequency and severity of payments incurred on such contracts relative to expectations. The Group uses historical data and statistical techniques to predict levels of such payments. Claims must be made before the contract matures and most claims are settled within short term. This allows the Group to achieve a high degree of certainty about the estimated payments and therefore future cash flows. The Group manages such risks by constantly monitoring the level of payments for such products and has the ability to adjust its fees in the future to reflect any change in claim payments experience. The Group has a claim payment requests handling process, which includes the right to review the claim and reject fraudulent or non-compliant requests.

The exposure to and concentration of performance guarantees expressed in the amounts guaranteed is as follows:

#### Performance guarantees breakdown by industry

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
Construction	104,179	74,088
Water and utilities	4,849	5,508
Manufacturing	5,334	5,963
Administrative activities	1,268	871
Professional, scientific and technical activities	16,435	17,535
Other	2,512	6,709
<b>Total</b>	<b>134,577</b>	<b>110,674</b>

#### Performance guarantees breakdown by internal ratings

<i>EUR thousand</i>	31 Dec 2025	31 Dec 2024
1 low credit risk	0	0
2 low credit risk	0	0
3 low credit risk	0	0
4 low credit risk	0	0
5 low credit risk	4,909	5,010
6 low credit risk	69,996	11,630
7 medium credit risk	18,012	32,345
8 medium credit risk	36,729	16,523
9 heightened credit risk	3,308	42,575
10 high credit risk	138	0
11 high credit risk	596	836
12 non-satisfactory rating	0	243
13 insolvent	889	1,512
<b>Total</b>	<b>134,577</b>	<b>110,674</b>

Performance guarantees are over-collateralised as at each reporting date. Therefore, the Group has not incurred any losses from performance guarantee contracts in 2025 or in earlier periods.

## NOTE 19 Transactions with related parties

In preparing the consolidated financial statements of AS LHV Pank, the following entities have been considered related parties:

- Management - members of the Management Board
- Other related parties - members of the Supervisory Board and owners that have significant impact on the Group and the entities related to them and their close relatives; entities controlled by the Management Board members
- Parent company - parent company

### Transactions

<i>EUR thousand</i>	Note	2025	2024
<b>Interest income</b>	<b>3</b>	<b>3,324</b>	<b>1,223</b>
incl. management		75	127
incl. other related parties		3,249	1,096
<b>Interest expenses</b>	<b>3</b>	<b>41,450</b>	<b>36,846</b>
incl. management		13	47
incl. parent company		41,075	36,500
incl. other related parties		193	299
<b>Fee and commission income</b>	<b>4</b>	<b>244</b>	<b>171</b>
incl. management		4	7
incl. other related parties		240	164

### Balances

<i>EUR thousand</i>	Note	31 Dec 2025	31 Dec 2024
<b>Loans and receivables</b>	<b>9</b>	<b>54,449</b>	<b>52,500</b>
incl. management		2,141	2,031
incl. other related parties		52,308	50,469
<b>Deposits and loans received</b>	<b>13</b>	<b>119,228</b>	<b>73,424</b>
incl. management		765	2,071
incl. parent company		84,037	34,866
incl. other related parties		<b>34,426</b>	<b>36,487</b>
<b>Subordinated loans and loans received</b>	<b>15</b>	<b>559,868</b>	<b>474,794</b>
incl. parent company		559,868	474,794

The table provides an overview of the material balances and transactions involving related parties. All transactions involving the close relatives and the entities related to members of the Management Board and Supervisory Board and the minority shareholders of the parent company AS LHV Group have occurred in the course and on the terms of ordinary business.

As at 31 Dec 2025 and as at 31 Dec 2025 the interest rate on demand deposits and term deposits corresponds to the terms applicable to customers.

All subordinated debt raised and loans received is from parent entity. Maturity dates and interest rates are disclosed in note 15.

The interest rate of all subordinated debts is the similar to the levels parent company is paying on its own subordinated loans received from third parties.

As at 31 Dec 2025, the remuneration for December and accrued holiday pay in the amount of EUR 107 thousand (as at 31 Dec 2024: EUR 145 thousand) is reported as a payable to management (Note 14). The Group did not have any long-term payables or commitments to the members of the Management Board and the Supervisory Board as at 31 Dec 2025 and 31 Dec 2024 (pension liabilities, termination benefits, etc.). In 2025 and 2024, no remuneration was paid to the members of the Supervisory Board.

### Key management personnel compensation

<i>EUR thousand</i>	2025	2024
Salaries and other compensations	1,467	1,573
Pension contribution	233	236
Health insurance	152	153
Share based payments	1,282	1,116
<b>Total</b>	<b>3,134</b>	<b>3,078</b>

The Group has signed contracts with the members of the Management Board, which do not provide for severance benefits upon termination of the contract. In any matters not regulated by the contract, the parties adhere to the procedure specified in the legislation of the Republic of Estonia. Information on assets of related parties held as an account manager is presented in Note 17

## NOTE 20 Subsidiaries

As at 31 Dec 2025 and 31 Dec 2024, the Bank has one subsidiary that has been consolidated in these financial statements:

- AS LHV Finance (ownership interest 65%)

AS LHV Pank paid in 2013 EUR 325 thousand of monetary contribution for 65% ownership in LHV Finance and a non-controlling interest paid EUR 175 thousand of monetary contribution for 35% ownership.

The contribution of the non-controlling interest has been reflected in the consolidated statement of financial position on the line „Non-controlling interest“.

Set out below is the summarised financial information for the subsidiary. The information disclosed is the amount before inter-company eliminations.

### Summarised statement of financial position

<i>EUR thousand</i>	AS LHV Finance	
	31 Dec 2025	31 Dec 2024
Loans and advances to customers and other current assets	27,865	24,375
Non-current assets	66,458	62,705
Current liabilities	2,332	1,803
Non-current assets	72,755	65,600
<b>Total net assets</b>	<b>19,236</b>	<b>19,677</b>

### Summarised statement of profit or loss and other comprehensive income

<i>EUR thousand</i>	AS LHV Finance	
	31 Dec 2025	31 Dec 2024
Net interest and fee and commission income	9,876	8,506
Profit before income tax	6,941	3,611
Income tax expense	-1,636	-326
<b>Net profit</b>	<b>5,305</b>	<b>3,285</b>
Total comprehensive income	5,305	3,285
Profit and other comprehensive income allocated to non-controlling interests	1,857	916

### Summarised statement of cash flows

<i>EUR thousand</i>	AS LHV Finance	
	31 Dec 2025	31 Dec 2024
Cash flows from operating activities	5,795	17,236
Interest paid	-5,930	-6,739
Income tax paid	-1,636	-326
Net cash from/(used in) operating activities	-1,771	10,171
Net cash used in investing activities	-122	-81
Net cash from/(used in) financing activities	1,893	-10,090
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the year	0	0
<b>Cash and cash equivalents at the end of the year</b>	<b>0</b>	<b>0</b>
Dividends paid to non-controlling interest	2,030	700

## NOTE 21 Income tax expense

LHV Pank was calculating 18% advance income tax in 2025 and 14% advance income tax in 2024. LHV Pank paid advance corporate income tax in the amount of EUR 22,342 thousand in 2025 (2024: 22,661 thousand), which has been recorded as an expense in the income statement.

### Income tax expense

<i>EUR thousand</i>	2025	2024
Advance corporate income tax	22,342	22,661
Corporate income tax	1,636	1,782
<b>Total income tax expense</b>	<b>23,978</b>	<b>24,443</b>
<b>Effective tax rate</b>	<b>18%</b>	<b>15%</b>

### Reconciliation of tax expense

<i>EUR thousand</i>	2025	2024
Profit before income tax	131,067	164,963
Current income tax (EE)	18%	14%
<b>Income tax per applicable tax rate</b>	<b>23,592</b>	<b>23,095</b>
Additional tax on dividends	1,636	326
Deferred tax	0	669
Difference in overseas tax rates	0	787
Effect of non-taxable profit	-1,250	-434
<b>Total income tax expense in the statement of profit or loss</b>	<b>23,978</b>	<b>24,443</b>

During the reporting period EUR 35,756 (2024: 18,750) thousand was used from the advance corporate income tax to cover the income tax related to the dividend payment. The balance of the paid and not used advance corporate income tax as of 31.12.2025 was EUR 43,121 thousand (2024: 56,534 thousand).

## NOTE 22 Operating Segments

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The Group divides its business activities into four main business segments: retail banking, corporate banking, hire purchase and consumer finance, and financial intermediaries. An operating segment is a part of the Group for which separate financial data is available and which is subject to regular monitoring of operating results by the Group's chief decision makers.

Grouping is done based on the client/product base. The retail banking segment covers services to private individuals and small legal entities with a credit exposure under EUR 1 million. This is a regular universal banking segment.

The corporate banking segment covers all corporate customers and other legal entities with credit exposure over EUR 1 million. The main products used by these customers are credits and payments.

The hire-purchase and consumer finance segment covers the activities of LHV Finance that offers hire purchase and consumer finance services to private individuals in Estonia.

The financial intermediaries segment covers financial intermediaries' customers. This business line is transferred over time to LHV Bank Ltd. In LHV Pank these customers use mainly services like euro payments and safeguarding services. This segment also includes the fee sharing on the basis of the cooperation agreement concluded with LHV Bank Ltd.

Other activities include treasury activities through providing internal bank function to segments and activities related to other LHV Group companies. Assets and liabilities are disclosed in a way how it is reported to the Management Board of LHV Pank, i.e. the treasury function investments and funding are allocated to other segments, but some of the interest income and expense are allocated to treasury. That part is eliminated through intra-group eliminations.

The management board of AS LHV Pank has been designated as the chief decision-maker responsible for allocation of funds and assessment of the profitability of the business activities. The result reported by a segment includes revenue and expenditure directly related to the segment.

The income reported by a segment is based on the revenue recorded in the financial statements and gains from transactions between the segments such as loans granted by AS LHV Pank to other group companies. The breakdown of interest income and fee and commission income by customer location is presented in Notes 3 and 4.

## Statement of profit or loss by operating segments 2025

<i>EUR thousand</i>	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Eliminations	Total
Net interest income external*	44,237	93,431	8,702	-9,481	69,364	0	206,252
Net interest income internal	34,528	-17,010	2	30,545	-48,065	0	0
Fee and commission income external	32,782	20,699	526	11,805	4,488	0	70,300
Fee and commission income internal	0	0	0	0	114	-114	0
Fee and commission expense external	-16,429	-5,304	-363	-1,069	-215	0	-23,380
Fee and commission expense internal	0	0	0	0	0	0	0
<b>Net fee and commission income</b>	<b>16,354</b>	<b>15,394</b>	<b>163</b>	<b>10,736</b>	<b>4,387</b>	<b>-114</b>	<b>46,920</b>
Interest related fee sharing	0	0	0	-17,608	0	0	-17,608
Commission fee related fee sharing	0	0	0	-8,381	0	0	-8,381
<b>Total fee sharing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-25,989</b>	<b>0</b>	<b>0</b>	<b>-25,989</b>
<b>Net gains from financial assets</b>	<b>989</b>	<b>3</b>	<b>0</b>	<b>22</b>	<b>286</b>	<b>0</b>	<b>1,300</b>
<b>Net other income</b>	<b>29</b>	<b>15</b>	<b>0</b>	<b>1</b>	<b>95</b>	<b>3</b>	<b>143</b>
<b>Net income</b>	<b>96,137</b>	<b>91,833</b>	<b>8,867</b>	<b>5,834</b>	<b>26,066</b>	<b>-111</b>	<b>228,627</b>
Administrative and other operating expenses, staff costs	-45,792	-31,794	-3,413	-9,335	-7,412	111	-97,636
<b>Operating profit</b>	<b>50,345</b>	<b>60,039</b>	<b>5,455</b>	<b>-3,501</b>	<b>18,653</b>	<b>0</b>	<b>130,991</b>
Impairment losses on loans and advances	-389	1,202	-312	13	-438	0	76
Income tax	-9,608	-10,157	0	-1,841	-2,372	0	-23,978
<b>Net profit for the reporting period</b>	<b>40,348</b>	<b>51,085</b>	<b>5,142</b>	<b>-5,329</b>	<b>15,843</b>	<b>0</b>	<b>107,089</b>
<b>Total assets as at 31 Dec 2025</b>	<b>3,829,687</b>	<b>4,789,005</b>	<b>94,324</b>	<b>1</b>	<b>136,706</b>	<b>-73,616</b>	<b>8,776,107</b>
<b>Total liabilities as at 31 Dec 2025</b>	<b>4,229,270</b>	<b>2,049,248</b>	<b>75,087</b>	<b>1,727,774</b>	<b>122,455</b>	<b>-72,248</b>	<b>8,131,586</b>

## Statement of profit or loss by operating segments 2024

<i>Net interest income external*</i>	Retail banking	Corporate banking	Hire-purchase and consumer finance	Financial intermediates	Other activities	Eliminations	Total
Net interest income internal	43,743	105,449	7,384	-10,544	111,082	0	257,114
	63,246	-9,471	8	39,691	-93,474	0	0
Fee and commission income external							
Fee and commission income internal	32,106	16,898	471	13,224	2,422	0	65,121
Fee and commission expense external	0	0	0	0	0	0	0
Fee and commission expense internal	-14,440	-4,245	-315	-996	-36	0	-20,032
Net fee and commission income	0	0	0	0	0	0	0
	<b>17,666</b>	<b>12,653</b>	<b>155</b>	<b>12,228</b>	<b>2,386</b>	<b>0</b>	<b>45,088</b>
Interest related fee sharing							
Commission fee related fee sharing	0	0	0	-20,065	0	0	-20,065
Total fee sharing	0	0	0	-8,645	0	0	-8,645
	<b>0</b>	<b>0</b>	<b>0</b>	<b>-28,710</b>	<b>0</b>	<b>0</b>	<b>-28,710</b>
Net gains from financial assets							
	-22	1	0	7	1,895	-1,300	581
Net other income							
	-6	1,874	0	1	170	0	2,039
<b>Net income</b>							
	<b>124,627</b>	<b>110,506</b>	<b>7,547</b>	<b>12,673</b>	<b>22,059</b>	<b>-1,300</b>	<b>276,112</b>
<b>Administrative and other operating expenses, staff costs</b>							
	-46,457	-30,478	-3,808	-9,472	-5,158	0	-95,373
Operating profit							
<b>Impairment losses on loans and advances</b>	<b>78,170</b>	<b>80,028</b>	<b>3,739</b>	<b>3,201</b>	<b>16,901</b>	<b>-1,300</b>	<b>180,739</b>
Income tax	-149	-14,026	-2,247	0	646	0	-15,776
Net profit for the reporting period	-9,954	-9,325	-566	-2,277	-1,652	-669	-24,443
<b>Total assets as at 31 Dec 2024</b>	<b>68,067</b>	<b>56,677</b>	<b>926</b>	<b>924</b>	<b>15,895</b>	<b>-1,969</b>	<b>140,520</b>
<b>Total liabilities as at 31 Dec 2024</b>	<b>3,212,978</b>	<b>4,578,425</b>	<b>87,080</b>	<b>3</b>	<b>124,017</b>	<b>-65,976</b>	<b>7,936,527</b>
<b>Kohustised kokku 31.12.2024</b>	<b>3,781,696</b>	<b>1,905,728</b>	<b>67,402</b>	<b>1,579,464</b>	<b>68,476</b>	<b>-64,607</b>	<b>7,338,159</b>

\*Interest income includes interest from European Central Bank in the amount of EUR 70,889 (2024: 112,784) thousand.

**NOTE 23** Fair value  
of financial instruments

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:

**Fair value of financial instruments as at 31 Dec 2025**

	IFRS 9 measurement	Level 1	Level 2	Level 3	Fair value	Carrying value
Cash and balances with central bank	AC	692,025	2,952,527	0	3,644,552	3,644,552
Due from banks and investment companies	AC	45,160	0	0	45,160	45,160
Shares and fund units	FVTPL	594	0,	0,	594	594
Debt securities	AC	0	374,719	0	374,719	378,064
<b>Loans and advances to customers</b>	<b>AC</b>	<b>0</b>	<b>0</b>	<b>4,733,106</b>	<b>4,733,106</b>	<b>4,683,047</b>
<i>Corporate lending</i>	AC	0	0	2,596,497	2,596,497	2,569,035
<i>Consumer financing</i>	AC	0	0	110,347	110,347	109,180
<i>Investment financing</i>	AC	0	0	10,742	10,742	10,628
<i>Leasing</i>	AC	0	0	175,528	175,528	173,672
<i>Private lending</i>	AC	0	0	1,839,992	1,839,992	1,820,532
Receivables from customers and other receivables	AC	0	8,385	0	8,385	8,385
Foreign exchange forwards	FVTPL	0	730	0	730	730
Other financial assets	AC	0	0	100	100	100
<b>Total assets</b>		<b>737,779</b>	<b>3,336,361</b>	<b>9,466,312</b>	<b>8,807,346</b>	<b>8,760,632</b>
Deposits from customers	AC	0	6,975,384	0	6,975,384	6,963,534
Loans received and debt securities in issue	AC	0	912,622	0	912,622	893,543
Subordinated debt	AC	0	228,333	0	228,333	220,122
Foreign exchange forwards	FVTPL	0	1,310	0	1,310	1,310
Accounts payable and other liabilities	AC	0	35,685	0	35,685	35,685
<b>Total liabilities</b>		<b>0</b>	<b>8,153,334</b>	<b>0</b>	<b>8,153,334</b>	<b>8,114,194</b>

### Fair value of financial instruments as at 31 Dec 2024

	IFRS 9 measurement	Level 1	Level 2	Level 3	Fair value	Carrying value
Cash and balances with central bank	AC	463,278	2,897,238	0	3,360,516	3,360,516
Due from banks and investment companies	AC	58,241	0	0	58,241	58,241
Debt securities	FVTPL	3,471	0	0	3,471	3,471
Shares and fund units	FVTPL	588	0	0	588	588
Debt securities	AC	0	283,902	0	283,902	283,533
<b>Loans and advances to customers</b>	<b>AC</b>	<b>0</b>	<b>0</b>	<b>4,347,569</b>	<b>4,347,569</b>	<b>4,203,799</b>
<i>Corporate lending</i>	AC	0	0	2,486,810	2,486,810	2,404,574
<i>Consumer financing</i>	AC	0	0	103,422	103,422	100,002
<i>Investment financing</i>	AC	0	0	10,254	10,254	9,915
<i>Leasing</i>	AC	0	0	184,633	184,633	178,527
<i>Private lending</i>	AC	0	0	1,562,450	1,562,450	1,510,781
Receivables from customers and other receivables	AC	0	2,689	0	2,689	2,689
Foreign exchange forwards	FVTPL	0	3,415	0	3,415	3,415
Other financial assets	AC	0	0	100	100	100
<b>Total assets</b>		<b>525,578</b>	<b>3,187,244</b>	<b>4,347,669</b>	<b>8,060,491</b>	<b>7,916,352</b>
Deposits from customers	AC	0	6,331,916	0	6,331,916	6,293,525
Loans received and debt securities in issue	AC	0	848,367	0	848,367	840,300
Subordinated debt	AC	0	139,531	0	139,531	134,656
Foreign exchange forwards	FVTPL	0	24	0	24	24
Accounts payable and other liabilities	AC	0	50,190	0	50,190	50,190
<b>Total liabilities</b>		<b>0</b>	<b>7,370,028</b>	<b>0</b>	<b>7,370,028</b>	<b>7,318,695</b>

The Group's Management Board has assessed the fair values of assets and liabilities carried at amortised cost. Fair value is estimated by discounting the future cash flows based on the market interest yield curve.

Levels of the fair value hierarchy (based on inputs used):

1. Level 1 – quoted prices in active markets

2. Level 2 – valuation techniques based on observable inputs (market data such as rates and interest curves from similar transactions)

3. Level 3 – other valuation techniques: (a) quantitative information about the significant unobservable inputs used in fair value measurement (if developed and available for the entity); b) a narrative description of the sensitivity of fair value measurement to changes in unobservable inputs (if the change might result in a significant change in fair value measurement); c) the effect of reasonable possible changes in unobservable inputs

For the term structure of financial assets and financial liabilities, please refer to the 'Risk and Capital Management' section, subsection 4.4.

**Methods used to estimate fair value**

Instrument	Meetodid
Instrument	Method
Cash and balances with central banks	Carrying amount
Due from banks and investment companies	Carrying amount
Loans and advances to customers	Future cash flows discounted using the weighted average interest rates on new business published by the relevant central banks
Debt securities	Quoted market prices or, if unavailable, observable transaction prices
Equity instruments	Quoted market prices or, if unavailable, valuation methods based on market data
Interest-bearing financial instruments	Discounted cash flows using interest rates for items with similar characteristics
Derivatives	Market data
Loans received and debt securities in issue	Carrying amount
Deposits from customers	Demand deposits at carrying amount; term deposit future cashflows discounted using market rates for similar maturities
Subordinated debt	Discounted cash flows using interest rates for items with similar characteristics

## NOTE 24 Parent Company Primary Financial Statements

In accordance with the Estonian Accounting Act, information on the separate primary financial statements of the parent of the consolidation group shall be disclosed in the notes to the consolidated financial statements.

### Statement of profit or loss and other comprehensive income of the parent

<i>EUR thousand</i>	2025	2024* restated
Interest income calculated using the effective interest method	332,767	382,319
Other similar income	10,567	16,327
Interest expense	-146,773	-149,857
<b>Net interest income</b>	<b>196,561</b>	<b>248,789</b>
Fee and commission income	69,936	64,650
Fee and commission expense	-23,039	-19,743
<b>Net fee and commission income</b>	<b>46,897</b>	<b>44,907</b>
Interest related fee sharing	-17,608	-20,065
Commission fee related fee sharing	-8,381	-8,645
<b>Total fee sharing</b>	<b>-25,989</b>	<b>-28,710</b>
Net gains from financial assets measured at fair value	1,685	158
Dividends received	3,770	1,300
Foreign exchange gain/-loss	-385	423
<b>Net gain from financial assets</b>	<b>5,070</b>	<b>1,881</b>
Other income	418	2,399
Staff costs	-57,476	-53,054
Administrative and other operating expenses	-37,973	-40,031
<b>Operating profit</b>	<b>127,508</b>	<b>176,181</b>
Expected credit losses on financial instruments measured at amortised cost	388	-13,529
<b>Profit before income tax</b>	<b>127,896</b>	<b>162,652</b>
Income tax expense	-22,342	-23,448
<b>Profit for the year</b>	<b>105,554</b>	<b>139,204</b>
<b>Total profit and other comprehensive income for the year</b>	<b>105,554</b>	<b>139,204</b>

\*Net interest income presentation has been changed, further information in Note 1.

## Statement of financial position of the parent

<i>EUR thousand</i>	Note	31 Dec 2025	31 Dec 2024
<b>Assets</b>			
Cash and balances with central bank		3,644,552	3,360,516
Due from banks and investment companies		45,160	58,241
Financial assets at fair value through profit or loss		1,324	7,474
Investments in debt securities at amortised cost		378,064	283,533
Loans and advances to customers		4,661,815	4,182,546
Receivables from customers and other financial assets		8,321	2,612
Other assets		4,674	3,655
Subsidiaries	20	325	325
Property, plant and equipment		4,581	7,187
Right-of-use assets		4,700	6,874
Intangible assets		1,882	2,460
<b>Total assets</b>		<b>8,755,398</b>	<b>7,915,423</b>
<b>Liabilities</b>			
Deposits from customers		6,963,534	6,293,525
Loans received and debt securities in issue		893,543	840,300
Financial liabilities at fair value through profit or loss		1,310	24
Accounts payable and other liabilities		50,237	66,858
Subordinated debt		220,122	134,656
<b>Total liabilities</b>		<b>8,128,746</b>	<b>7,335,363</b>
<b>Equity</b>			
Share capital	16	141,500	141,500
Unregistered share capital	16	63,000	0
Legal reserve capital		14,150	14,150
Retained profits		408,002	424,410
<b>Total equity</b>		<b>626,652</b>	<b>580,060</b>
<b>Total liabilities and equity</b>		<b>8,755,398</b>	<b>7,915,423</b>

## Statement of cash flows of the parent

<i>EUR thousand</i>	Note	2025	2024
<b>Cash flows from operating activities</b>			
Interest received		326,343	377,700
Interest paid		-154,512	-142,708
Fees and commissions received		61,555	56,005
Fees and commissions paid		-23,039	-19,743
Other income received		418	2,399
Staff costs paid		-52,311	-47,601
Administrative and other operating expenses paid		-31,532	-34,906
Income tax paid		-21,980	-22,676
<b>Cash flows from operating activities before change in operating assets and liabilities</b>		<b>104,942</b>	<b>168,470</b>
<b>Net increase/(decrease) in operating assets:</b>			
Financial assets at fair value through profit or loss		7,835	-370
Loans and advances to customers		-485,208	-651,158
Investments in debt securities at amortised cost		-94,531	38,355
Other assets		-1,019	-709
<b>Net increase/(decrease) in operating liabilities:</b>			
Demand deposits of customers		942,152	640,112
Term deposits of customers		-260,071	116,403
Covered bonds		49,376	248,881
Debt securities		0	100,000
Financial liabilities held for trading at fair value through profit or loss		1,286	-1,819
Other liabilities		-14,869	-18,534
<b>Net cash from/(used in) operating activities</b>		<b>249,894</b>	<b>639,631</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and intangible assets		-1,083	-3,897
Dividends received		3,770	0
<b>Net cash from/(used in) investing activities</b>		<b>2,687</b>	<b>-3,897</b>
<b>Cash flows from financing activities</b>			
Paid in share capital		63,000	0
Proceeds from subordinated debt		95,000	56,000
Subordinated debt redeemed		-10,000	-35,500
Dividends paid		-126,770	-76,300
Dividends received		0	1,300
Repayment of principal of lease liabilities		-2,471	-792
<b>Net cash from financing activities</b>		<b>18,759</b>	<b>-55,292</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>-385</b>	<b>423</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>270,955</b>	<b>580,865</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>3,418,757</b>	<b>2,837,892</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>3,689,712</b>	<b>3,418,757</b>

### Statement of changes in shareholders' equity

EUR thousand

	Share capital	Unregistered share capital	Legal reserve capital	Retained earnings	Total
<b>Balance as at 1 Jan 2024</b>	<b>141,500</b>	<b>0</b>	<b>12,669</b>	<b>358,214</b>	<b>512,383</b>
Paid in legal reserve capital	0	0	1,481	-1,481	0
Dividends paid	0	0	0	-76,300	-76,300
Share options	0	0	0	4,773	4,773
Net profit for the year	0	0	0	139,204	139,204
Total comprehensive income	0	0	0	139,204	139,204
<b>Balance as at 31 Dec 2024</b>	<b>141,500</b>	<b>0</b>	<b>14,150</b>	<b>424,410</b>	<b>580,060</b>
Carrying amount of holdings under control and significant influence	0	0	0	-325	-325
Value of holdings under control and significant influence under equity method	0	0	0	12,231	12,231
<b>Adjusted unconsolidated equity as at 31 Dec 2024</b>	<b>141,500</b>	<b>0</b>	<b>14,150</b>	<b>436,316</b>	<b>591,966</b>
<b>Balance as at 1 Jan 2025</b>	<b>141,500</b>	<b>0</b>	<b>14,150</b>	<b>424,410</b>	<b>580,060</b>
Paid in share capital	0	63,000	0	0	63,000
Paid in legal reserve capital	0	0	0	0	0
Dividends paid	0	0	0	-126,770	-126,770
Share options	0	0	0	4,808	4,808
Net profit for the year	0	0	0	105,554	105,554
Total comprehensive income	0	0	0	105,554	105,554
<b>Balance as at 31 Dec 2025</b>	<b>141,500</b>	<b>63,000</b>	<b>14,150</b>	<b>513,556</b>	<b>626,652</b>
Carrying amount of holdings under control and significant influence	0	0	0	-325	-325
<b>Value of holdings under control and significant influence under equity method</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,965</b>	<b>11,965</b>
<b>Adjusted unconsolidated equity as at 31 Dec 2025</b>	<b>141,500</b>	<b>63,000</b>	<b>14,150</b>	<b>525,196</b>	<b>638,292</b>

Adjusted unconsolidated equity is the maximum amount that can be distributed to shareholders' according to Estonian legislation.

# 7 Signatures of the Management Board on the Annual Report

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The Management Board has prepared AS LHV Pank consolidated annual report for the financial year ended 31 December 2025. The consolidated financial statements present a true and fair view of LHV Pank's consolidated financial position, the consolidated results of operations and its consolidated cash flows.

02 March 2026

**Kadri Kiisel**

Chairman of the Management Board  
/signed digitally/

**Indrek Nuume**

Member of the Management Board  
/signed digitally/

**Meelis Paakspuu**

Member of the Management Board  
/signed digitally/

**Annika Goroško**

Member of the Management Board  
/signed digitally/

**Jüri Heero**

Member of the Management Board  
/signed digitally/

**Kadri Haldre**

Member of the Management Board  
/signed digitally/

**Mihkel Kasepuu**

Member of the Management Board  
/signed digitally/



# Independent Auditor's Report

To the Shareholder of AS LHV Pank

## Report on the audit of the consolidated financial statements

### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of AS LHV Pank (the "Company") and its subsidiary (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 2 March 2026.

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- material accounting policy information; and
- the notes to the consolidated financial statements, comprising other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the ethical requirements of Regulation (EU) No 537/2014 that are relevant to audits of financial statements of public interest entities, and Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Regulation (EU) No 537/2014 and the Code of Ethics (Estonia).

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#### Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

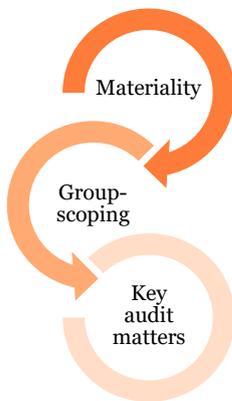
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To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its parent and subsidiary within the European Union are in accordance with the applicable law and regulations in the Republic of Estonia and that we have not provided non-audit services that are prohibited under § 59<sup>1</sup> of the Auditors Activities Act of the Republic of Estonia.

The non-audit services that we have provided to the Company and its parent and subsidiary in the period from 1 January 2025 to 31 December 2025 are disclosed in the note 5 to the consolidated financial statements.

## Our audit approach

### Overview



- Overall Group materiality is EUR 6,550 thousand, which represents approximately 5% of profit before tax.
- We have tailored our audit scope based on the risk and size of the entities within the Group. A full scope audit or audit of one or more financial statement line items was performed by us, covering substantially all of the Group's consolidated assets, liabilities, revenues, expenses and profits. The audit procedures, together with qualitative considerations, helped us to ensure that we have obtained sufficient audit evidence on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.
- The key audit matter is expected credit losses on loans and advances to customers.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Management Board made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

<b>Overall Group materiality</b>	EUR 6,550 thousand
<b>How we determined it</b>	Approximately 5% of profit before tax
<b>Rationale for the materiality benchmark applied</b>	We have applied this benchmark, as in our view, this is against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within the range of acceptable quantitative materiality thresholds in auditing standards.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Expected credit losses on loans and advances to customers (refer to “Material accounting policy information” section 6.5.6 “Expected credit loss of financial assets”, Note 1 “General information”, Note 2 “Significant management estimates and assumptions”, Note 9 “Loans and advances to customers” and Note 14 “Accounts payable and other liabilities” for further details).</b></p> <p>As at 31 December 2025, gross carrying amount of loans and advances to customers amounted to EUR 4,722,577 thousand and related expected credit loss allowance amounted to EUR 39,530 thousand.</p> <p>Additionally, provisions related to off-balance sheet exposures (loan commitments and financial guarantees) as at 31 December 2025 amounted to EUR 2,670 thousand.</p> <p>We focused on this area because application of IFRS 9 “Financial instruments” 3-stage expected credit loss (ECL) model requires management to use complex calculations with subjective inputs to</p>	<p>We assessed whether the Group’s accounting policies in relation to assessing the expected credit losses of loans to the public complied with IFRS 9 by assessing each significant model component: EAD, PD, LGD, definitions of default and significant increase in credit risk, use of macroeconomic scenarios.</p> <p>We assessed the design and operating effectiveness of key controls over ECL input data and respective calculations:</p> <ul style="list-style-type: none"> <li>controls over recording of loans data in the system;</li> <li>controls over the automated indexation of collaterals;</li> <li>the design and operating effectiveness of controls related to monitoring of loans. These controls included the assessment of whether clients have been assigned correct rating classes;</li> <li>review and approval of ECL calculations for individual material exposures (stage 3).</li> </ul> <p>We performed detailed audit procedures in the following areas:</p>

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assess the timing and the amount of expected credit losses.

The key features of the ECL model include:

- classification of loans to 3 stages based on the assessment of significant increase in credit risk;
  - assessment of credit risk parameters such as probability of default (PD), loss given default (LGD) and exposure at default (EAD) based on complex modelling techniques and estimates determined by the management;
  - application of forward-looking and probability-weighted information in the ECL assessment.
- the completeness and accuracy of data used in the ECL calculation;
  - the compliance of key risk parameters used in ECL calculation system with IFRS 9 methodology;
  - the accuracy and compliance of 12-month and lifetime ECL calculations with IFRS 9 methodology;
  - the accuracy of discounting in the ECL calculations;
  - the existence of valid collateral contracts;
  - the accuracy and completeness of data used for staging of loans (including applying the criteria for determining significant increase in credit risk and definition of default);
  - the completeness of loans subject to stage 3 assessment and related ECL calculations.

We have assessed the reasonableness of key assumptions made by management, which serve as critical inputs in the ECL model, such as weights of different scenarios and forecasts of key macroeconomic information.

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## How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the Company and its subsidiary that is further disclosed in Note 20 to consolidated financial statements. We have tailored our audit scope based on the risk and size of the entities within the Group. A full scope audit of the Company was performed by us, covering substantially all of the Group's consolidated assets, revenues and profits.

At the Group level we also audited the consolidation process and performed analytical procedures to confirm our conclusion that no material misstatements exist that may affect the consolidated financial statements.

## Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises information disclosed in Consolidated Annual report under Part I: STRATEGIC AND PERFORMANCE OVERVIEW, Part II: THEMATIC REVIEWS: GOVERNANCE, RISKS AND SUSTAINABILITY and Allocation of income according to EMTAK (including Consolidated Sustainability Statement), but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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With respect to the Consolidated Annual report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared (excluding the Consolidated Sustainability Statement) in accordance with the requirements of the Accounting Act of the Republic of Estonia.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements; and
- the Management report (excluding the Consolidated Sustainability Statement) has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

If, based on the work we have performed on the Management report and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement in the Management report or in this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Management Board and those charged with governance for the consolidated financial statements**

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

### Report on the compliance of the presentation of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged as part of our audit engagement letter by the Management Board to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of AS LHV Pank for the year ended 31 December 2025 (the "Presentation of the Consolidated Financial Statements").

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## Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

## Responsibility of the Management Board and those charged with governance

The Management Board is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

## Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (Estonia) 3000 (revised) “Assurance Engagements other than Audits and Reviews of Historical Financial Information” (ISAE (EE) 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE (EE) 3000 (revised) will always detect the existing material misstatement (significant non-compliance with the requirements).

## Quality management requirements and professional ethics

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics (Estonia).

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## Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

## Appointment and period of our audit engagement

We were first appointed as auditors of AS LHV Pank, as a public interest entity, at the Annual General Meeting of 2022, for the financial year ended 31 December 2024, and accordingly, the length of our total uninterrupted engagement has been 2 years. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of AS LHV Pank can be extended for up to the financial year ending 31 December 2043.

On behalf of AS PricewaterhouseCoopers

*Original report is signed in Estonian language*

Lauri Past  
Certified auditor in charge, auditor's certificate no. 567

2 March 2026  
Tallinn, Estonia

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# Independent practitioner's limited assurance report on AS LHV Pank's Consolidated Sustainability Statement

To the shareholders of AS LHV Pank

## Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of AS LHV Pank (the "Company"), included in chapter 5 Consolidated Sustainability Statement of Part II: THEMATIC REVIEWS: GOVERNANCE, RISKS AND SUSTAINABILITY of the Consolidated annual report 2025 (the "Consolidated Sustainability Statement"), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note 5.1.4 Impact, risk and opportunity management; and
- compliance of the disclosures in note 5.2.1 EU Taxonomy within the Environmental Information section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

## Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (Estonia) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE (EE) 3000 (Revised)") as adopted by Auditing Activities Oversight Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

## Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) (Code of Ethics (Estonia)) as adopted by Auditing Activities Oversight Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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The firm applies International Standard on Quality Management (Estonia) 1 (revised), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Responsibilities for the Consolidated Sustainability Statement**

Management Board of the Company is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note 5.1.4 Impact, risk and opportunity management of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management Board of the Company is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in note 5.2.1 EU Taxonomy within the Environmental Information section of the Consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Management Board determines is necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

### *Inherent limitations in preparing the Consolidated Sustainability Statement*

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In reporting forward-looking information in accordance with the ESRS, the Management Board of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

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## Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE (EE) 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in note 5.1.4 Impact, risk and opportunity management.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Consolidated Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and

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- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in note 5.1.4 Impact, risk and opportunity management.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
  - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
  - obtaining an understanding of the roles and responsibilities in the preparation of the Consolidated Sustainability Statement, including communication within the Group and between the Management Board and those charged with governance.
- evaluated whether the information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the Consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the Consolidated Sustainability Statement;
- where applicable, compared disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and Consolidated annual report 2025;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

On behalf of AS PricewaterhouseCoopers

*Original report is signed in Estonian language*

Janno Hermanson  
Certified auditor in charge, auditor's certificate no.570

2 March 2026  
Tallinn, Estonia

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## Proposal for profit distribution

The Management Board of AS LHV Pank proposes to the General Meeting of shareholders to distribute the profit of the financial year 2025 as follows:

- pay dividends EUR 94,030 thousand
- transfer EUR 6,300 thousand to legal reserve capital
- transfer the profit for reporting period attributable to shareholders of the parent in the amount of EUR 4,902 thousand to retained earnings.

# 10

## Additional Information

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### Allocation of income according to EMTAK

EMTAK	Activity	2025	2024
66121	Security and commodity contracts brokerage	12,631	15,065
64191	Credit institutions (banks) (granting loans)	400,210	415,758
64911	Finance lease	10,484	14,221
	<b>Total income</b>	<b>423,325</b>	<b>445,044</b>

EMTAK – Estonian classification of economic activities