



# LHV Group

Financial plan and  
forecast for 2026-2030

12 February 2026

# Disclaimer

This presentation contains forward-looking statements within the meaning of applicable securities laws, including statements relating to AS LHV Group's financial plan for 2026, its five-year outlook, anticipated financial performance, capital and liquidity position, strategic objectives, business plans and growth initiatives. Forward-looking statements are based on current estimates, assumptions, expectations and projections of the management of AS LHV Group and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of AS LHV Group.

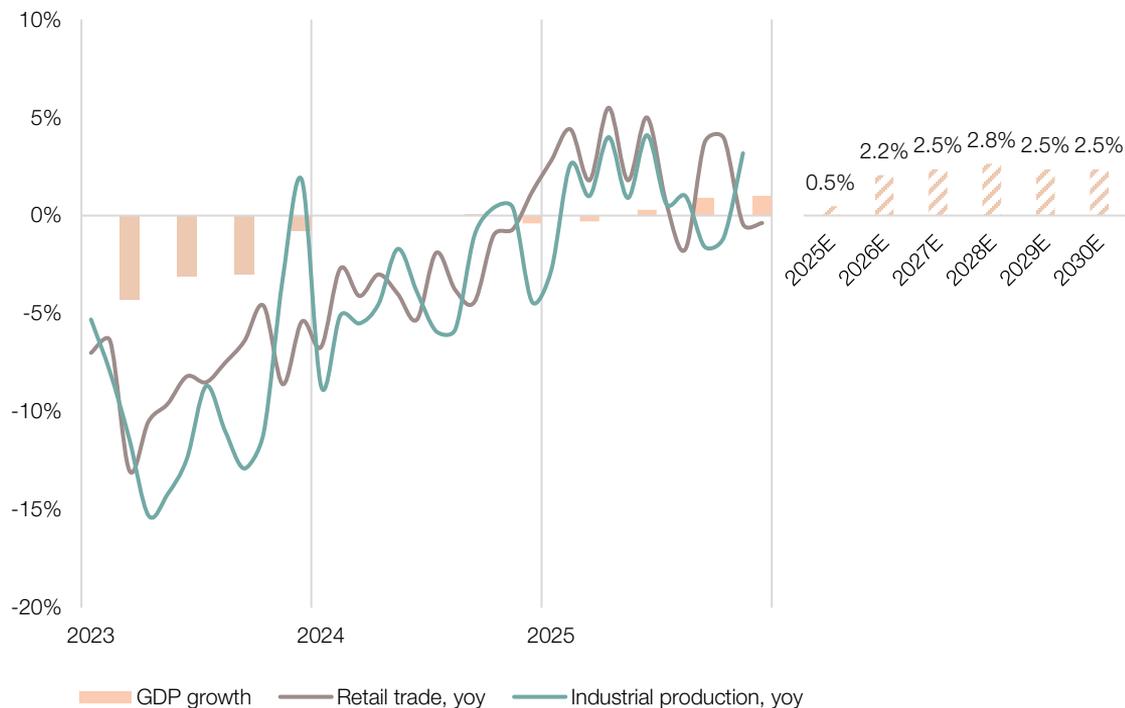
Forward-looking statements do not constitute guarantees of future performance. Actual results, financial position, capital and liquidity ratios or other financial and operating outcomes may differ materially from those expressed or implied by such statements. Differences may arise as a result of various factors, including, but not limited to, changes in macroeconomic or market conditions, fluctuations in interest rates, inflation, funding and liquidity conditions, developments in credit quality, customer behaviour, competitive pressures, technological developments, changes in accounting standards, regulatory or supervisory requirements and interpretations, supervisory actions, geopolitical developments and other risks inherent to financial services and banking activities.

The financial plan for 2026 and the five-year outlook reflect management's current view as of the date of this presentation and are prepared for illustrative and planning purposes only. They should not be regarded as profit forecasts, projections or guarantees of future results. Nothing in this presentation constitutes investment advice, an offer to sell or a solicitation of an offer to purchase any securities. AS LHV Group undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances arising after the date of this presentation, except as required by applicable law or applicable stock exchange rules.

Business environment

**LHV**

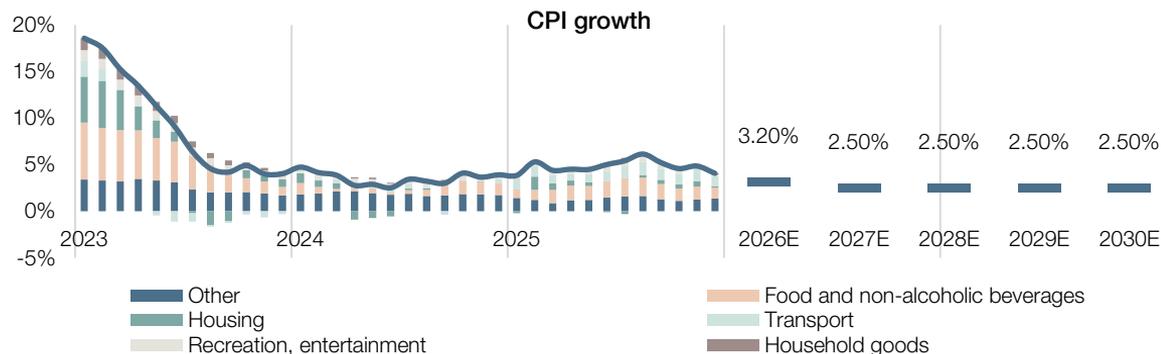
# Navigating a slow phase of economic recovery



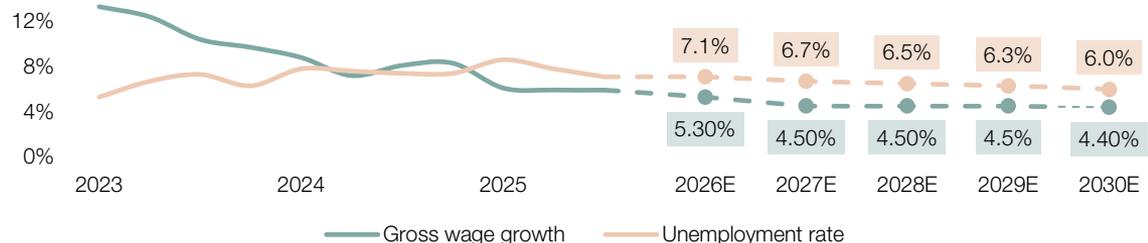
- The economy grew by an estimated 0.5%<sup>1</sup> in 2025
- Consumption is expected to slightly revive in 2026
  - inflationary pressures are set to ease, driven by an expected fall in the price of petroleum products and the stabilisation of food commodity prices
  - tax changes are expected to bring a slight increase in consumption and loan activity
  - still, the cost base for retail businesses remains high
- In 2026, an increase in manufacturing activity is anticipated, supported by a recovery in external demand
- The recovery is heavily reliant on public finances and the external environment
  - the state budget deficit is projected to increase to 4.5%
  - (geo)political uncertainty continues to make the economic growth outlook vulnerable

Source: Statistics of Estonia, LHV  
Note: 1) Initial estimate

# Looking ahead, price growth is expected to slow



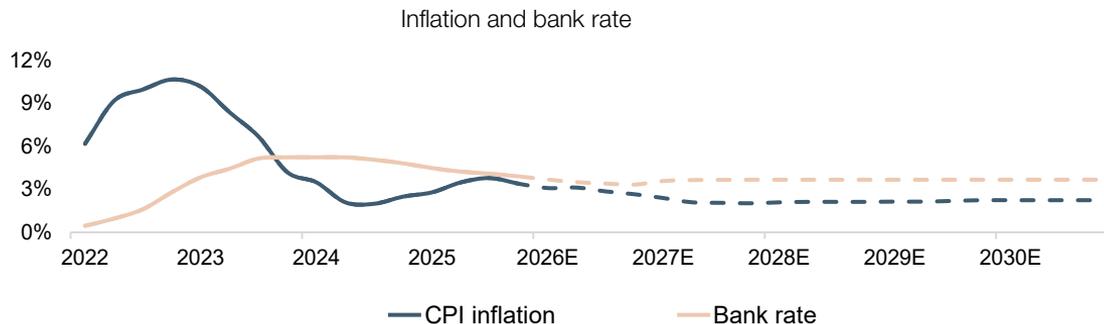
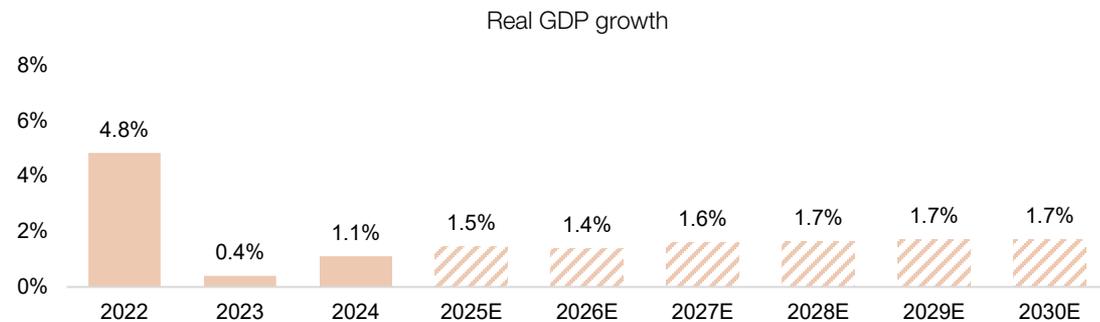
## Unemployment rate and wage growth



- Estonia's inflation rate remains among the highest in the Eurozone, standing at 4.8% in 2025
  - driven by tax increases and rising commodity prices
  - price growth is forecast to slow in 2026
- While the headline Eurozone inflation has returned to 2%, this is mainly due to negative base effects from energy prices
  - core inflation remains persistent at over 2.3%
  - the market expects the 6M Euribor to remain between 2.1% and 2.5%
- The labour market remains in a relatively strong position, though the unemployment rate is expected to decline only slowly
- Wage growth is projected to slow to 5% in 2026
- The average purchasing power of 2020 is expected to be restored by late 2026 to early 2027

Source: Statistics of Estonia, LHV

# UK economic growth is being hampered by uncertainty



- The UK economy grew by an estimated 1.4% in the fourth quarter of 2025
  - growth was positively driven by the services sector, with notable contributions from real estate and retail
  - output in the construction and manufacturing sectors declined
- Economic growth is forecast to accelerate slightly, supported by
  - a rise in private consumption,
  - a fall in interest rates,
  - improving global demand
- Inflation is projected to fall to the 2% target by early 2027
- The Bank of England's base rate is expected to be 3.6% by the end of 2026
- The unemployment rate is forecast to stabilise at its current level of 5% until mid-2027

Source: Office for National Statistics, Bank of England, LHV

Strategy

**LHV**

# LHV Group in 2025

A challenging year with strong **volume growth**  
Net income was **2.5%** and net profit **6.5% below plan**

LHV Pank grew both **loan volumes and deposits by 11%**

In the UK, the retail offering reached **5,000 customers**, while the loan portfolio **more than doubled to EUR 782m**

LHV II and III pillar pension funds delivered the **best performance in the market**

Insurance **net profit doubled** year-on-year, with gross written premiums up **over 13%** versus a **2% market decline**

Net income

EUR 304.8m  
-10% YoY

Net profit

EUR 117.0m  
-22% YoY

Loan portfolio

EUR 5.47bn  
+20% YoY

Deposits

EUR 8.13bn  
+18% YoY

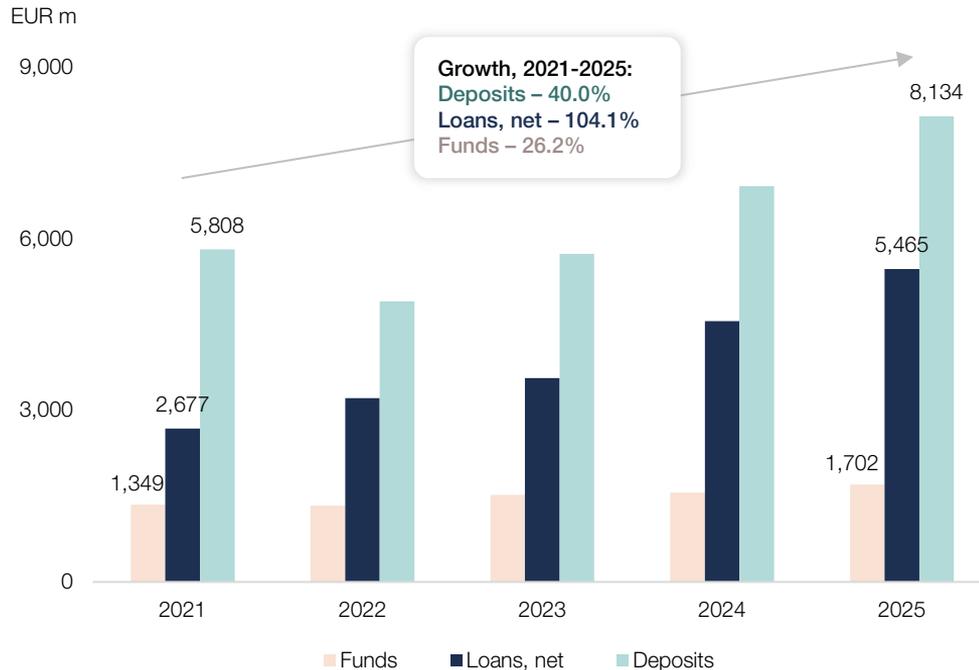
ROE

16.0%  
-8.4pp YoY

C/I

52.3%  
+8.8pp YoY

# Strong growth in business volumes over the last 5 years



- Despite a challenging market environment, business volumes have increased significantly
- The average annual growth rate has been approximately 20% for loans, 9% for deposits, and 6% for assets under management
- Loan growth has been driven primarily by corporate banking and home loans
- LHV Bank's share from Group portfolio has increased to 14% and continues to grow

# Solid base for the near-term growth



## Estonia

- Mature and growing core profit engine for the Group
- Growth primarily driven by disciplined expansion of our market position and efficiency gains

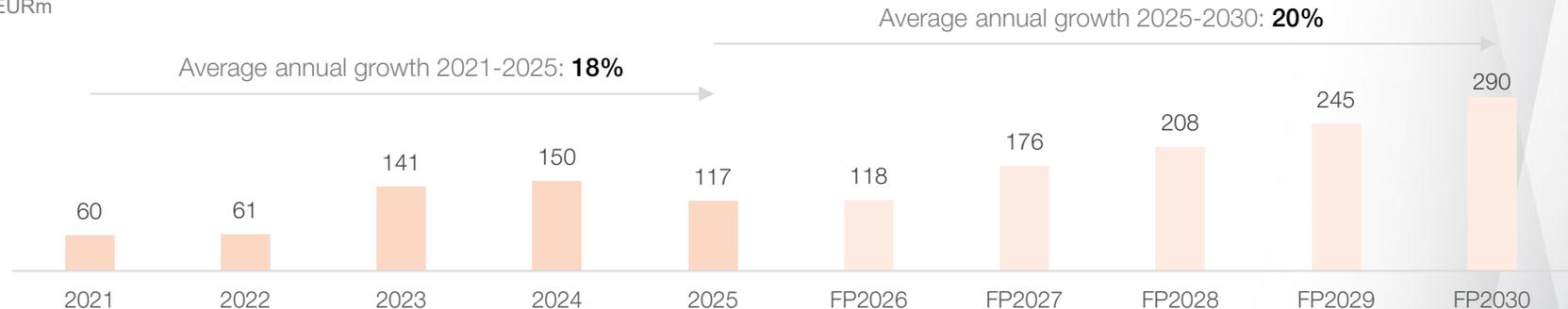


## UK

- Platform set for next phase of growth
- Showing strong momentum with continued focus on increasing market traction

## Net profit development of LHV Group, 2021-2030FP

EURm



# LHV Group strategy framework

Goal

- Execute our financial forecast with confidence
- Ensure sustained growth and long-term relevance

Growth pillars



**Predictable and growing existing business**

Focus on the core business in Estonia and UK with improved operations and customer offering



**Enhanced digital customer experience**

Deliver a faster, simpler and more intuitive digital experience across all channels in existing and new markets



**Selective and disciplined expansion to new markets**

Expand only where we have the vision and capability to succeed

Foundation

**Strong foundation and trust that enable sustainable growth**

Governance

Risk

Technology

Data

# Near-term focus – objectives for 2026-2027



## Strengthen LHV for long-term sustainable growth

- Strengthen the Group's core foundations to provide the capability, transparency and operational resilience needed to execute future growth and respond effectively to a changing environment
- Strengthen Group-wide risk, data and governance capabilities to ensure growth is transparent, well controlled and compliant
- Deliver the Group's financial plan with discipline across business volumes, profitability, capital and costs
- Improve transparency, alignment and operational efficiency across the organisation



## Build scalable digital customer value offering to be the benchmark in banking

- Focus on developing digital channels and offerings that create competitive edge and support long-term growth
- Deliver a seamless, everyday digital banking experience that increases customer engagement and product usage
- Build products and solutions that can be developed once and rolled out across markets
- Enable faster innovation and more personalised services through modern technology architecture and intelligent customer journeys

# Financial and operational plan



# LHV Group – financial plan for 2026

## Growing business volumes and income

Financial results, EURm	2025	FP2026	Δ	Δ %
<b>Total income</b>	<b>304.8</b>	<b>333.6</b>	+28.8	+9.4%
Net interest income	235.1	252.9	+17.8	+7.6%
Net fee and commission income	63.3	77.8	+14.5	+23.0%
<b>Total expenses</b>	<b>159.3</b>	<b>171.3</b>	+12.0	+7.5%
<b>Operating profit</b>	<b>145.5</b>	<b>162.3</b>	+16.8	+11.5%
Loan loss provisions	1.5	15.2	+13.6	+898.8%
<b>Profit before tax</b>	<b>144.0</b>	<b>147.1</b>	+3.1	+2.2%
Income tax	27.0	29.3	+2.3	+8.4%
<b>Net profit</b>	<b>117.0</b>	<b>117.9</b>	+0.9	+0.7%
Attributable net profit	114.3	115.8	+1.5	+1.3%
<b>Business volumes, EURm</b>	<b>2025</b>	<b>FP2026</b>	<b>Δ</b>	<b>Δ %</b>
Deposits	8,134	8,577	+443	+5.4%
Loans (net)	5,465	6,082	+616	+11.3%
Fin. intermediaries' payments, million	86	93	+7	+8.1%
Assets under management	1,702	1,898	+196	+11.5%
<b>Key metrics, %</b>	<b>2025</b>	<b>FP2026</b>	<b>Δ</b>	
Cost-to-income (C/I)	52.3%	51.3%	-0.9 pp	
pre-tax ROE*	19.9%	18.7%	-1.2 pp	
ROE*	16.1%	15.0%	-1.2 pp	
CET1 capital ratio	17.4%	16.1%	-1.3 pp	
Total capital ratio	22.8%	20.9%	-2.0 pp	

- Focus on continued growth in business volumes and customer activity, supported by improved operational efficiency
- Total income expected to grow by around 9%, driven by higher net interest income and strong fee and commission growth
- Cost growth remains below income growth, supporting improving operating profitability, while loan loss provisions normalise
- Loan portfolio expected to grow by over 11% and deposits by more than 5%
- Net profit expected to remain broadly stable in a lower-rate environment, providing a solid base for stronger profitability and returns in subsequent years

# LHV Group – long-term financial plan for 2026-2030

## Financial results doubling

Financial results, EURm	2025	FP2026	FP2027	FP2028	FP2029	FP2030
<b>Total income</b>	<b>304.8</b>	<b>333.6</b>	<b>410.0</b>	<b>466.2</b>	<b>525.1</b>	<b>593.4</b>
Net interest income	235.1	252.9	315.1	362.9	409.4	464.4
Net fee and commission income	63.3	77.8	90.8	97.0	107.1	117.7
<b>Total expenses</b>	<b>159.3</b>	<b>171.3</b>	<b>176.9</b>	<b>190.5</b>	<b>200.7</b>	<b>212.6</b>
<b>Operating profit</b>	<b>145.5</b>	<b>162.3</b>	<b>233.1</b>	<b>275.7</b>	<b>324.4</b>	<b>380.8</b>
Loan loss provisions	1.5	15.2	15.6	18.5	21.1	22.1
<b>Profit before tax</b>	<b>144.0</b>	<b>147.1</b>	<b>217.5</b>	<b>257.2</b>	<b>303.3</b>	<b>358.7</b>
Income tax	27.0	29.3	41.4	49.6	58.2	68.5
<b>Net profit</b>	<b>117.0</b>	<b>117.9</b>	<b>176.1</b>	<b>207.6</b>	<b>245.1</b>	<b>290.2</b>
Attributable net profit	114.3	115.8	173.2	203.7	240.0	284.0
<b>Business volumes, EURm</b>	<b>2025</b>	<b>FP2026</b>	<b>FP2027</b>	<b>FP2028</b>	<b>FP2029</b>	<b>FP2030</b>
Deposits	8,134	8,577	9,562	10,512	11,607	12,814
Loans (net)	5,465	6,082	7,083	8,067	9,152	10,147
Fin. intermediaries' payments, million	86	93	108	119	131	144
Assets under management	1,702	1,898	2,164	2,447	2,748	3,067
<b>Key metrics, %</b>	<b>2025</b>	<b>FP2026</b>	<b>FP2027</b>	<b>FP2028</b>	<b>FP2029</b>	<b>FP2030</b>
Cost-to-income (C/I)	52.3%	51.3%	43.1%	40.9%	38.2%	35.8%
pre-tax ROE*	19.9%	18.7%	24.7%	26.0%	27.4%	28.9%
ROE*	16.1%	15.0%	20.0%	21.0%	22.1%	23.4%
CET1 capital ratio	17.4%	16.1%	15.8%	15.5%	15.5%	15.6%
Total capital ratio	22.8%	20.9%	20.5%	20.9%	20.8%	20.5%

- Forecast based on a gradually improving macro environment in Estonia and the UK, with inflation stabilising at ~2–2.5% and moderate economic growth
- Strong competition in lending and deposits continues, reinforcing the focus on efficiency and disciplined pricing
- Total income expected to grow from EUR 305m in 2025 to EUR 593m by 2030, driven by net interest income and expanding fee income
- Business volume growth:
  - Loans grow from EUR 5.5bn to EUR 10.1bn
  - Deposits from EUR 8.1bn to EUR 12.8bn
  - AUM from EUR 1.7bn to EUR 3.0bn
- Costs grow materially slower than income, with the cost-to-income ratio improving from above 50% to 36% by 2030

# LHV Pank – financial plan for 2026

## Improving digital customer offering and efficiency

### Focus areas

- Enhance digital channels and customer experience
- Improve digital onboarding and customer journey simplicity
- Further develop investment services offering
- Continue modernisation of core systems and platform capabilities
- Advance with selected initiatives within digital assets and next-generation payment solutions
- Increase automation in customer service and back-office processes to improve efficiency and reduce manual workload
- Strengthen data quality, reporting and risk governance to support disciplined growth

# LHV Bank – financial plan for 2026

## Focus is on high-quality and measurable growth

Financial results, EURm	2025	FP2026	Δ	Δ %
Net interest income	206.3	215.6	9.3	5%
Net fee and commission income	46.9	60.8	13.9	29%
Net fee sharing	-26.0	-23.7	2.3	-9%
Other income	1.4	0.1	-1.3	-93%
<b>Total income</b>	<b>228.6</b>	<b>252.8</b>	24.2	11%
Personnel expenses	58.5	62.6	4.1	7%
Operating expenses	39.2	43.0	3.9	8%
<b>Total expenses</b>	<b>97.6</b>	<b>105.6</b>	8.0	7%
Provisions	-0.1	13.2	13.3	n.m.
<b>Profit before tax</b>	<b>131.1</b>	<b>134.0</b>	3.0	2%
Income tax	24.0	24.8	0.9	4%
<b>Net profit</b>	<b>107.1</b>	<b>109.2</b>	2.1	2%

Business volumes, EURm	2025	2026FC	Δ	Δ %
Deposits from customers	6 964	6 868	-95	-1%
Loans (net)	4 683	4 878	195	4%

Key figures, %	2025	FP2026	Δ
Cost-to-income (C/I)	42.7%	41.8%	-0.9 pp
pre-tax ROE*	23.2%	21.2%	-2.0 pp
ROE*	19.0%	17.3%	-1.7 pp
Cost of risk	0.0%	0.3%	+0.3 pp
T1 capital adequacy	18.6%	18.0%	-0.6 pp
Total capital adequacy	22.4%	21.6%	-0.9 pp

- Net interest income grows EUR 9m to EUR 216m, supported by higher volumes despite some margin normalisation in a lower-rate environment
- Net fee income increases EUR 14m to EUR 61m, driven by payments, FX, investment services, card fees, intragroup services and broader product usage
- Cost-to-income ratio improves to 41.5%
- Loan loss ratio remains low (~0.3%), assuming continued strong asset quality and risk appetite considering underwriting
- Loan portfolio grows to EUR 4.9bn (+EUR 195m YoY), driven mainly by mortgages and moderate corporate and SME growth
- New lending must meet return requirements and low-ROE corporate loans should be repriced or exited
- Customer deposits (excl. banking services) expected at EUR 5.6bn with loan-to-deposit ratio around 88%

# LHV Bank – financial plan for 2026

## Increasing market traction in all segments

### Focus areas

#### Retail banking:

- Develop app and service experience, launch new design
- Launch multicurrency accounts, FX, and multicurrency payments
- Receive cash ISA registration, build existing and launch additional savings products
- Receive consumer credit permission, launch overdraft

#### SME lending:

- Reduce average completion time to improve customer experience

#### Banking Services:

- Launch FX, and multicurrency payments
- Launch credit products

# LHV Bank – financial plan for 2026

## Strong business growth continuing

Financial results, EURm	2025	FP2026	Δ	Δ %
Net interest income	27.4	39.6	12.2	45%
Net fee and commission income	0.6	2.9	2.3	370%
Net fee sharing	26.0	23.7	-2.3	-9%
<b>Total income</b>	<b>55.5</b>	<b>66.3</b>	10.8	19%
Personnel expenses	26.4	30.1	3.7	14%
Operating expenses	19.6	21.0	1.3	7%
<b>Total expenses</b>	<b>46.0</b>	<b>51.1</b>	5.0	11%
Provisions	1.6	1.9	0.3	22%
<b>Profit before tax</b>	<b>7.9</b>	<b>13.2</b>	5.4	68%
Income tax expense	2.3	3.3	1.0	42%
<b>Net profit</b>	<b>5.5</b>	<b>9.9</b>	4.4	79%
<b>Business volumes, EURm</b>	<b>2025</b>	<b>FP2026</b>	<b>Δ</b>	<b>Δ %</b>
Deposits	1 286	1 763	476	37%
Loans (net)	782	1 203	421	54%
<b>Key metrics, %</b>	<b>2025</b>	<b>FP2026</b>	<b>Δ</b>	
Cost-to-income (C/I)	83.0%	77.1%	-5.8	
pre-tax ROE*	7.4%	8.2%	0.8	
ROE*	5.2%	6.1%	1.0	
Total capital adequacy	19.8%	22.1%	2.3	

- Retail plans are built on average 100 new customers per day reaching 40,000 customers
- Increasing deposits to GBP 1.5bn, with GBP 0.3bn in direct deposits and GBP 1.1bn in platform deposits
- The loan portfolio is assumed to grow to GBP 1bn
- Payments activity is projected to remain strong, with 93m transactions
- Off-balance sheet deposits are expected to reach GBP 1bn

# LHV Varahaldus – financial plan for 2026

## Growth in business volumes and results

<b>Financial results, EURm</b>	<b>2025</b>	<b>FP2026</b>	<b>Δ</b>	<b>Δ %</b>
<b>Total income</b>	<b>12.1</b>	<b>14.8</b>	+2.7	+22%
<b>Total expenses</b>	<b>7.4</b>	<b>8.6</b>	+1.2	+17%
Profit before tax	4.7	6.1	+1.5	+31%
Income tax	0.6	1.1	+0.6	+100%
<b>Net profit</b>	<b>4.1</b>	<b>5.0</b>	+0.9	+22%

<b>Business volumes</b>	<b>2025</b>	<b>FP2026</b>	<b>Δ</b>	<b>Δ %</b>
Assets under management, EURm	1 702	1 898	+195.9	+12%
Number of active customers II pillar, thous.	106	109	+4.0	4%

<b>Key metrics, %</b>	<b>2025</b>	<b>2026FC</b>	<b>Δ</b>
Cost-to-income (C/I)	61.1%	58.4%	-2.7 pp
pre-tax ROE*	23.8%	30.6%	+6.8 pp
ROE*	21.0%	25.0%	+4.0 pp

- Fund performance and customer growth are the key revenue drivers, directly impacting AUM
- Strengthen sales effectiveness and marketing execution, shifting focus toward digital channels
- II pillar customer base expected to grow to 109k, driven by digital channels, telemarketing and Group cross-sell
- Cost base expected to remain controlled and stable
- Continued strong net profit growth contributing to ROE

# LHV Kindlustus – financial plan for 2026

## Improving customer service and cross-selling in our channels

Financial results, EURt	2025	FP2026	Δ	Δ %
Insurance revenue	41 081	44 674	3 594	9%
<b>Total expenses</b>	<b>36 901</b>	<b>40 994</b>	4 093	11%
Re-insurance results	1 725	1 298	-427	-25%
<b>Total result from insurance activities</b>	<b>2 455</b>	<b>2 382</b>	-73	-3%
Net investments income	764	891	126	17%
Interest expense	301	301	0	0%
Other income/expenses (net)	-397	-418	-21	5%
<b>Profit before tax</b>	<b>2 521</b>	<b>2 553</b>	32	1%
Income tax	0	0	0	
<b>Net profit</b>	<b>2 521</b>	<b>2 553</b>	32	1%
<b>Business volumes, EURm</b>	<b>2025</b>	<b>FP2026</b>	<b>Δ</b>	<b>Δ %</b>
Contract premiums written	43.0	48.1	5.1	12%
<b>Key metrics, %</b>	<b>2025</b>	<b>FP2026</b>	<b>Δ</b>	
Net loss ratio	67.8%	67.4%	-0.4 pp	
Net expense ratio	26.8%	28.0%	+1.2 pp	
pre-tax ROE*	31.4%	24.3%	-7.1 pp	
ROE*	31.4%	24.3%	-7.1 pp	

- Premium growth assumption of 12%
- Operating expenses growth remains below premium growth. Vast majority of expenses growth is related with expansion of intragroup expense allocations
- Aim is to reduce capital cost by terminating the reinsurance coverage in MTPL quota share treaty
- Assumption that claim frequency remains at or slightly below 2025 levels
- Interest rates assumed to stay near 2025 levels (ca 3.5%), providing stable but not increasing yield
- At the end of 2026, there will be approximately 62 people working in LHV Kindlustus. New additional FTEs mainly for claims handling and IT team

**Mihkel Torim**  
LHV Group CEO  
[mihkel.torim@lhv.ee](mailto:mihkel.torim@lhv.ee)

**Meelis Paakspuu**  
LHV Group CFO  
[meelis.paakspuu@lhv.ee](mailto:meelis.paakspuu@lhv.ee)

**Sten Hans Jakobsoo**  
Head of Investor Relations and Corporate Development  
[stenhans.jakobsoo@lhv.ee](mailto:stenhans.jakobsoo@lhv.ee)

