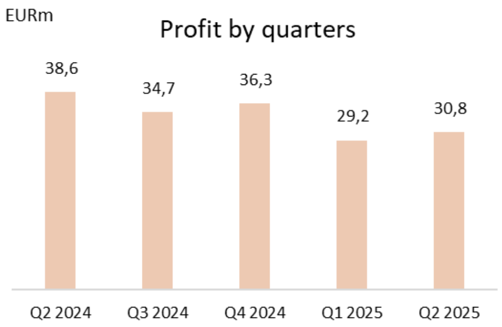
Interim Report January – June 2025
Summary of Results

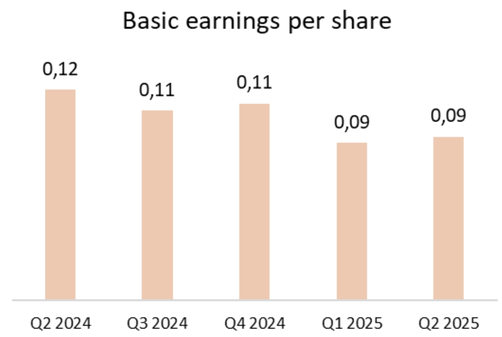
Q2 2025 in comparison with Q1 2025

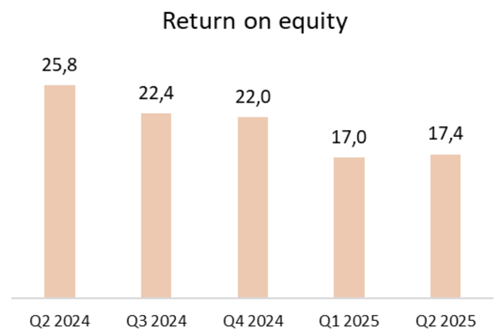
- Net profit EUR 30.8 m (EUR 29.2 m), of which EUR 30.0 m (EUR 28.6 m) is attributable to owners of the parent
- Earnings per share EUR 0.09 (EUR 0.09)
- Net income EUR 73.9 m (EUR 79.4 m)
- Operating expenses EUR 40.5 m (EUR 37.5 m)
- Loan and bond provisions EUR -4.2 m (EUR 5.7 m)
- Income tax expenses EUR 6.8 m (EUR 7.1 m)
- Return on equity 17.4% (17.0%)
- Capital adequacy 22.4% (21.6%)

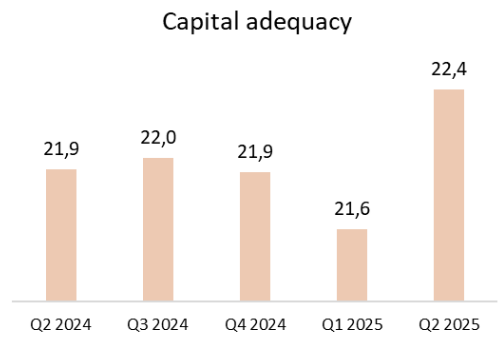
Q2 2025 in comparison with Q2 2024

- Net profit EUR 30.8 m (EUR 38.6 m), of which EUR 30.0 m (EUR 38.3 m) is attributable to owners of the parent
- Earnings per share EUR 0.09 (EUR 0.12)
- Net income EUR 73.9 m (EUR 87.3 m)
- Operating expenses EUR 40.5 m (EUR 37.6 m)
- Loan and bond provisions EUR -4.2 m (EUR 5.0 m)
- Income tax expenses EUR 6.8 m (EUR 6.1 m)
- Return on equity 17.4% (25.8%)
- Capital adequacy 22.4% (21.9%)









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

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Financial Summary

The Group's Q2 2025 consolidated net income was EUR 30.8 million, which increased by EUR 1.6 million compared to Q1 2025 and decreased by EUR 7.8 million compared to Q2 2024. The profit for the Group's shareholders was EUR 30 million in Q2 2025, which was EUR 1.5 million more than in Q1 2025.

The Group's Q2 2025 consolidated net income was EUR 73.9 million, which decreased by EUR 5.5 million compared to Q1 2025 and by EUR 11.9 million compared to Q2 2024.

The Group's net interest income decreased by 7% in Q2 2025 compared to Q1 2025, amounting to EUR 57.6 million (EUR 62.01 million in Q1 2025). The Group's net interest income decreased by 18% compared to Q2 2024.

Net service fee income increased by 11%, amounting to EUR 15.6 million (EUR 14.1 million in Q1 2025). In total, the Group's Q2 net income decreased by 6.9% from Q1 2025, amounting to EUR 73.9 million (Q1 2025: EUR 79.4 million).

Operating expenses amounted to EUR 40.5 million in Q2, having increased by EUR 3 million compared to Q1 2025 and by EUR 4.4 million compared to Q2 2024.

The Group's Q2 operating profit was EUR 33.4 million (EUR 41.9 million in Q1 2025). Write-downs were reduced by EUR 4.2 million in Q2 (an increase of EUR 5.7 million in Q1 2025).

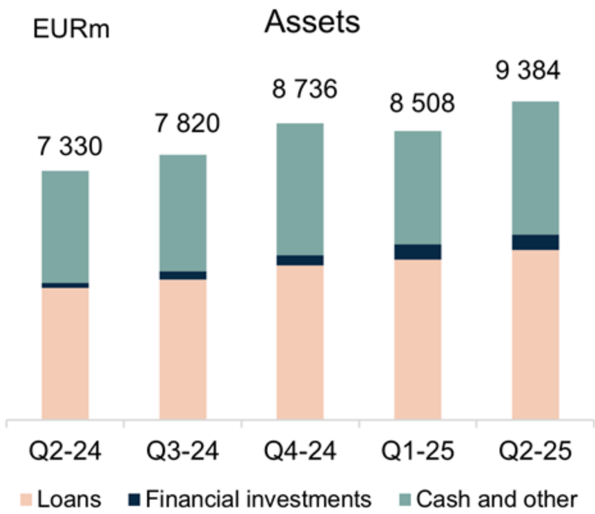
Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.4 million in Q2.

The Group's Q2 net profit was EUR 30.8 million (Q1 2025: EUR 29.2 million). Compared to Q2 2024, the Group's net interest income decreased by 18% and net service fee income grew by 9%.

Return on equity owned by LHV shareholders was 17.4% in Q2 2025, which increased by 0.4 percentage points from Q1 2025 (17.0%) and decreased by 8.4 percentage points compared to Q2 2024 (25.8%).

The Group's loan volume grew to EUR 4,999 million by the end of Q2 (EUR 4,729 million in Q1 2025), having grown by 6% or EUR 269 million in the quarter (a growth of EUR 177 million in Q1 2025). Compared to Q2 2024, the Group's loan volume has grown by 28%.

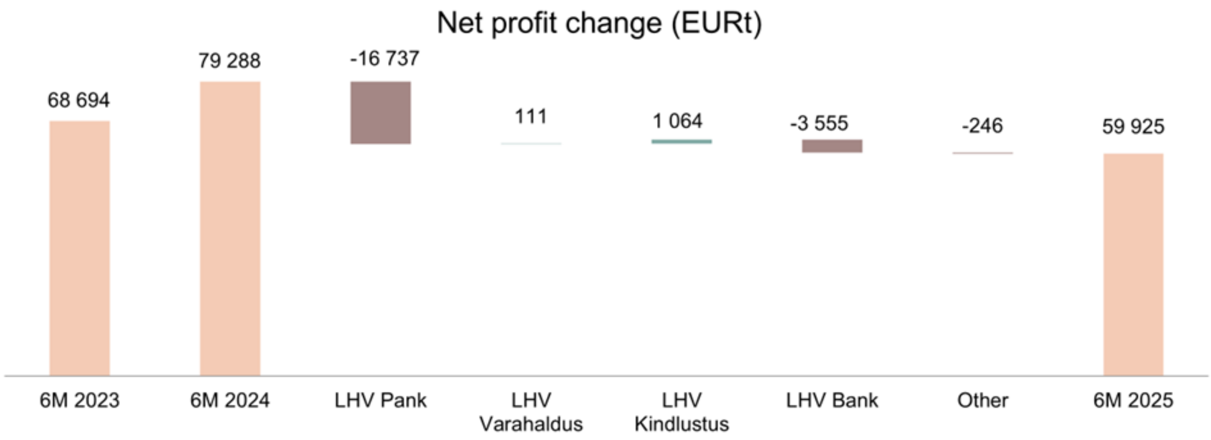
The volume of deposits increased by EUR 760 million in the quarter (a decrease of EUR 306 million in Q1 2025). The volume of deposits of clients who are financial intermediaries decreased by EUR 118 million. The volume of deposits of ordinary clients increased by EUR 346 million and the volume of platform deposits by EUR 296 million. Of the deposits, EUR 4,669 million (EUR 4,188 million in Q1 2025) were call deposits, EUR 1,508 million (EUR 1,525 million in Q1) term deposits and EUR 1,186 million (EUR 891 million in Q1) platform deposits.



By business units, AS LHV Pank's consolidated net profit amounted to EUR 29.7 million in Q2 and that of AS LHV Varahaldus amounted to EUR 0.5 million. AS LHV Kindlustus earned a net profit of EUR 1.1 million. The net profit of LHV Bank was EUR 0.1 million. The net profit of LHV Paytech was EUR 0.1 million. Viewed separately, LHV Group made a net loss of EUR 0.6 million.

From the management's point of view, Q2 was better than Q1. The growth of the loan portfolio was strong both in Estonia and Great Britain. While at the beginning of the quarter LHV Pank had to increase the engagement of deposits from platforms, the growth of local deposits picked up during the quarter. Due to the prospects of the macroeconomic environment and a decrease in the write-downs of specific loans, the expected credit losses decreased. The results were as planned for LHV Kindlustus and LHV Varahaldus. The Group's result is generally as planned, with only the expected credit loss expenses being lower than in the financial plan and the Group thus exceeds the financial plan by EUR 2.3 million with regard to net profit.

The management of LHV acknowledges that preserving the quality of the loan portfolio is of utmost importance in the midst of rapid growth and, on the other hand, we can only grow relying on local deposits. The quality of the loan portfolio is the biggest variable that creates volatility in profitability. Another big variable is the engagement of deposits. We would like to increase the number of active clients, which would allow us to use the expensive investment sources engaged from foreign markets in a smaller volume.



The Bank's net profit at the consolidated level was EUR 29.7 million in Q2 2025, which is EUR 4.4 million more than the result in the previous quarter (EUR 25.2 million in Q1 2025) and EUR 5.2 million less than the net profit of Q2 2024. The number of the Bank's clients grew by 8,300 during the quarter (9,700 in Q1 2025) and the total number of the Bank's clients is 474,000.

The Bank's loan portfolio grew by EUR 190 million in Q2 (EUR 35 million in Q1 2025), reaching EUR 4,429 million.

The deposits of the Bank's clients decreased by EUR 576 million in Q2, while the balance of the deposits of payment intermediaries increased by EUR 113 million, platform deposits increased by EUR 113 million, and the deposits of the remaining clients grew by EUR 350 million. The total volume of deposits was EUR 6,560 million at the end of Q2.

As at the end of Q2 2025, the net loan portfolio of LHV Bank amounted to EUR 569 million and the volume of deposits was EUR 1,022 million. The net profit of LHV Bank was EUR 0.1 million in Q2 2025 (EUR 2.1 million in Q1 2025). The net income of LHV Bank was EUR 12.4 million in Q2 2025 (EUR 14.6 million in Q1 2025).

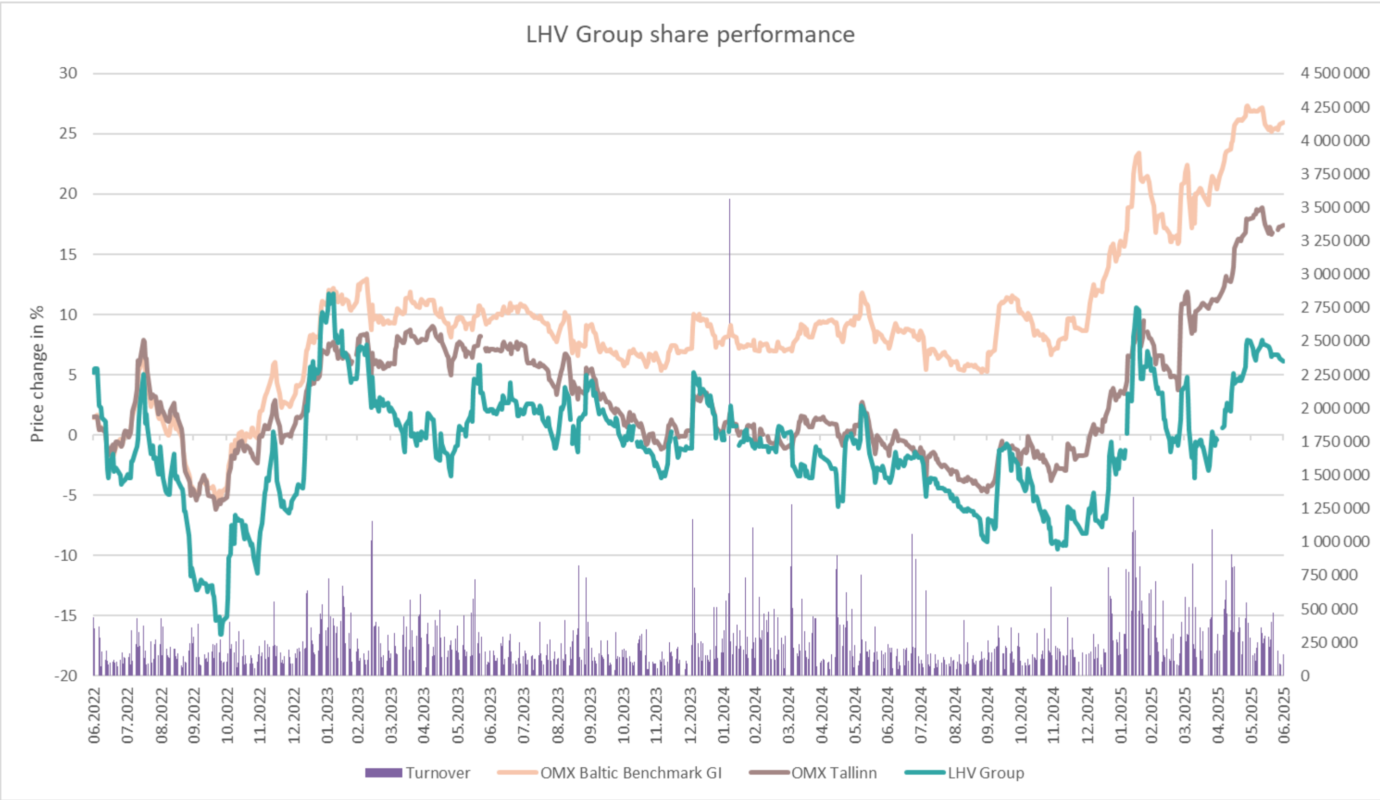
The net profit of LHV Varahaldus was EUR 0.5 million in Q2 2025 (a profit of EUR 0.1 million in Q1 2025). The service fee income of LHV Varahaldus was EUR 2.2 million (EUR 2.2 million in Q1 2025). The operating expenses of LHV Varahaldus were EUR 1.5 million in Q2 2025 (EUR 1.4 million in Q1 2025). Expenses related to non-current assets (including depreciation on client agreements) were EUR 0.3 million in Q2 2025 (EUR 0.3 million in Q1 2025).

The total volume of funds managed by LHV increased by EUR 4 million in a quarter (an increase of EUR 1 million in Q1 2025). The number of active 2nd pillar clients decreased by 2,900 in the quarter (a decrease of 1,000 in Q1 2025).

The net profit of LHV Kindlustus was EUR 1.1 million in Q2 2025 (a profit of EUR 0.7 million in Q1 2025). The volume of premiums from concluded contracts decreased by EUR 2.6 million in the quarter, to EUR 10.2 million. Income from insurance activities at LHV Kindlustus increased by EUR 0.5 million in the quarter, EUR 1.1 million.

There is only one class of shares issued by LHV, each share gives 1 voting right. The shares of LHV Group is traded on NASDAQ Tallinn main list since May 2016. Graph below presents LHV Group share performance against OMX Tallinn index and OMX Baltics benchmark index over last three years. LHV Group share has not performed good against both indexes and has dropped by 6.08%, when comparison indexes have increased by 17.42% and 25.93% respectively.

LHV Group share price has been 3.76 euros in the end of first quarter and based on the stock price, LHV's market value was EUR 1 233 million. LHV Group market cap has increased EUR 41 million within last quarter.



Business volumes EUR million	**Q2 2025**	**Q1 2025**	**Quarter over quarter**	**Q2 2024**	**Year over year**
Loan portfolio	4 998.6	4 729.3	6%	3 890.5	28%
Financial investments	451.1	434.3	4%	151.6	198%
Deposits of customers	7 364.3	6 604.5	12%	5 783.9	27%
incl. deposits of financial intermediates	1 726.8	1 464.8	18%	2 572.0	-33%
Equity (including minority interest)	715.3	677.6	6%	602.3	19%
Equity (owners' share)	707.4	670.5	6%	594.6	19%
Volume of funds managed	1562.7	1 559.0	0%	1 529.3	2%
Client securities	3 998.2	3 833.7	4%	3 604.5	11%

Income statement EUR million	**Q2 2025**	**Q1 2025**	**Quarter over quarter**	**Q2 2024**	**Year over year**	**6M 2025**	**6M 2024**	**Year over year**
Net interest income	57.64	62.01	-7%	70.43	-18%	119.65	139.34	-14%
Net fee and commission income	15.58	14.07	11%	14.35	9%	29.65	28.35	5%
Other financial income	1.06	2.75	-61%	0.42	152%	1.66	0.56	194%
Net insurance income	-0.38	0.60	NA	-0.04	850%	2.37	0.50	374%
Total net operating income	73.90	79.43	-7%	85.16	-13%	153.33	168.76	-9%
Other income	0.00	0.00	NA	0.64	-100%	0.00	1.06	-100%
Operating expenses	-40.51	-37.54	8%	-36.1	12%	-78.05	-70.23	11%
Loan and bond portfolio gains/(-losses)	4.15	-5.67	NA	-5.04	NA	-1.52	-7.89	-81%
Income tax expenses	-6.78	-7.05	-4%	-6.07	12%	-13.84	-12.41	12%
Net profit	30.76	29.17	5%	38.58	-20%	59.92	79.29	-24%
Including attributable to owners of the parent	30.05	28.57	5%	38.29	-22%	58.62	78.83	-26%

Ratios EUR million	**Q2 2025**	**Q1 2025**	**Quarter over quarter**	**Q2 2024**	**Year over year**	**6M 2025**	**6M 2024**	**Year over year**
Average equity (attributable to owners of the parent)	689.0	670.3	18.7	593.0	96.0	688.7	571.5	117.2
Return on equity (ROE), %	17.4	17.0	0.4	25.8	-8.4	17.0	27.6	-10.6
Return on assets (ROA), %	1.4	1.4	0.0	2.1	-0.7	1.3	2.2	-0.9
Interest-bearing assets, average	8 904.7	8 583.5	321.2	7 291.7	1 612.0	9 015.8	7 153.2	1 862.5
Net interest margin (NIM) %	2.59	2.89	-0.30	3.86	-1.27	2.65	3.90	-1.25
Price spread (SPREAD) %	2.37	2.65	-0.28	3.62	-1.24	2.46	3.59	-1.13
Cost/income ratio %	54.8	47.3	7.5	42.1	12.7	50.9	41.4	9.5
Profit attributable to owners before income tax	36.7	35.3	1.4	44.3	-7.6	72.1	91.1	-19.0

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

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

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

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

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

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

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

Operating Environment

Going forward, the global economy continues to face challenges. World growth and commerce are jeopardized by trade barriers, restrictive financing possibilities, lower confidence among both businesses and consumers, (geo)political tensions and sudden changes. A continuation of these trends would undermine the economic outlook even more. The OECD[1] estimated that world economic growth fell to 0.8% in Q1 and will close the year at 2.9%. Economic activity will remain at the same level provided that the trade restrictions in place as of June, including tariffs, are not eased or tightened. Noteworthy stockpiling of goods took place in Q1 and early Q2 in anticipation of tariffs. Yet trade will slow significantly over the next two years, forecasted to drop to 2.8% and 2.2% in 2026. The persistently lower confidence is also curbing business investment activity. Inflation is decreasing, but will remain 3.6% in G20 countries in 2025 and 3.2% in 2026. At the same time, tensions and open hostilities in the Middle East will impact the inflation level. The escalation of the Israel-Iran war in Q2 made the outlook for energy markets shakier, above all because of fluctuations in the price of oil and natural gas.

The biggest drivers of the slowing of world economic growth are the US, Canada, Mexico and China. In Q1, the American economy contracted by 0.5% year over year. The sudden uptick in import preceding tariffs exerted the greatest negative impact, but lower consumer spending and shrinking government spending also were instrumental.[2] The OECD expects US economic growth to continue slowing in the coming years. Growth forecasts are down to just 1.6% this year and 1.5% for 2026. The Japanese economy also showed signs of slowing in the first half of the year, posting a -0.2% year-over-year figure in Q1. We can also see the first signs of declining total employment. Since inflationary pressure is still steady, it will result in a rise in interest rates in Japan. The European Union's economic growth was modest in Q1: 1.6%[3]. Preparations for tariffs temporarily increased production volumes and exports in Europe as well, e.g. in Germany and the United Kingdom.

China, too, experienced something of a slowdown, but the temporary influence of the spike in exports and expansive fiscal policy kept growth around 5.4%[4]. The OECD is forecasting that growth will decrease to 4.7% for 2025 and 4.3% for 2026. Meanwhile, the US and China in their June trade pact reached an agreement on 10% tariffs, which is much lower than the previous rates. Although tariffs will continue to act as a brake on the world's economies, the influence will be lower than expected if the agreement holds up, and Chinese economic growth will probably outstrip the OECD forecast as well.

Tensions over trade and geopolitics continued to exert an influence on stock markets in Q2. Yet by late June, the world's leading stock markets had made up for the deep dip in April, since trade negotiations with the US started in a number of regions. The S&P 500 gained 10.6% during the quarter, reaching an all-time high in early July. London's FTSE 100 closed the quarter 2% higher than the previous quarter, but the European stock market index Euro Stoxx 50 did not recover completely, down 1%. In Asia, Japan's Nikkei 225 index was up 13.7%; Hong Kong's Hang Seng, 4.1%; and the Shanghai SSE Composite index, 3.3%.

The UK economy grew by 1.3% year over year in Q1, but flash estimates indicated a 0.3% decline in April. The growth during the quarter was driven mainly by the service sector, led by administrative and support services and retail. Investments into fixed assets, net export and domestic household consumption also made a positive contribution to economic growth. The construction sector showed weak growth – a 1.2% year-over-year increase – but production volumes only grew on a quarterly basis – by 1.3%. The growth of output was propelled most by production of machinery and transport vehicles, yet the figure was nevertheless 5.5% lower than the year before. Sector by sector, the metals production and financial and insurance activity had the greatest negative influence.[5] Similarly to the rest of the world,

[1] OECD. *Economic Outlook, Interim Report June 2025*. Accessible at: https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2025-issue-1_83363382-en.html

[2] Bureau of Economic Analysis. *Gross Domestic Product, 1st Quarter 2025 (Third Estimate), GDP by Industry, and Corporate Profits (Revised)*. 26 June 2025. Accessible at: https://www.bea.gov/news/2025/gross-domestic-product-1st-quarter-2025-third-estimate-gdp-industry-and-corporate-profits

[3] Eurostat. *namq_10_gdp*. Accessible at: https://doi.org/10.2908/NAMQ_10_GDP

[4] National Bureau of Statistics of China. *National Economy was Off to a Good Start in the First Quarter*. 16 April 2025. Accessible at: https://www.stats.gov.cn/english/PressRelease/202504/t20250416_1959313.html

[5] Office for National Statistics. *GDP quarterly national accounts, UK: January to March 2025*. 30 June 2025. Accessible at: https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/quarterlynationalaccounts/january

growth of UK exports in Q1 and the beginning of Q2 was driven by temporary stockpiling in anticipation of US tariffs, which will come at the expense of purchasing in the rest of the year. The average GDP forecast for 2025 from independent analysts[6] is 1.1% for 2025 and 1.0% for 2026. Inflation is expected to remain around 3.1% in 2025 and decrease to 2.3% in 2026. By May, British inflation had fallen to 3.4%, but due to continued uncertainty, the Bank of England has lowered interest rates only twice this year, holding the marker to 4.25%[7]. At the same time, the UK and US signed a trade pact in late June that will improve the outlook for the British economy. It calls for a 10% tariff on key exports and sectors.

The Eurozone economy grew 1.5% year over year in Q1[3] and low activity continued in Q2 as well. Although operating activity in the service sector stabilized and the growth of industrial output remained moderate[8], the prospects for economic growth and investing activity are overshadowed by trade tensions and increased global uncertainty. The Eurozone's market share of world trade will continue to decrease in future as well. As a whole, this should be partially offset in 2025 by stronger than expected economic activity in Q1, which likely reflects the fact that export occurred earlier than it otherwise would have done, due to the threat of US tariffs. Forecasts indicate that economic growth in the Eurozone should wind up being 0.9% in 2025 and 1.1% in 2026. Eurozone inflation fell to 2% in Q2, which should end up being the average for the year. In 2026, inflation is expected to fall to 1.6% before it returns to 2.0% again in 2027. However, these forecasts assume that US tariffs on EU goods will stay at 10%. Should they return to the high level floated on 2 April and if the EU retaliates in kind, that will result in Eurozone GDP growth falling to 0.4% for both 2025 and 2026. The Eurozone's job market should remain strong, with unemployment for 2025 being an estimated 6.3% and, for 2027, 6.0%. The growth of nominal wages should continue to taper, slowing from the 3.2% average in 2025 to 2.8% in both 2026 and 2027. On the other hand, spending on infrastructure and defence should increase internal demand in the Eurozone starting in 2026 – mainly in Germany. This year, uncertainty over international trade policy will slow the recovery of the German economy, causing economic growth to stagnate around 0%[9]. Meanwhile, the French economy grew 0.1% in Q1. The Banque de France forecasts growth of 0.6% for 2025 as a whole, which is mainly a function of internal demand[10].

Since 2024, the European Central Bank has cut interest rates on a total of eight occasions by 25 base points each time. The deposit facility rate was 2.0% as of the end of the quarter and the interest rate for main refinancing operations was 2.15%. Fiscal policy easing has led to a drop in market interest rates. The 6-month Euribor rate, which is linked to many loan agreements, fell to 2.05% by the end of June, and the 12-month rate fell to 2.07%, pointing to a broader decline in interbank interest rates. Although these developments have gradually lowered borrowing costs, investment activity remains subdued.

The economies of Estonia's main trading partners showed halting signs of recovery in Q1, reflecting also in the trading by Estonian exporters. Economic growth in Finland and Sweden was limited to 1% in Q1 of 2025, while the Lithuanian economy grew by 3.2% while the Latvian economy instead shrank by 0.3%. This year's growth forecasts have been downgraded for all countries. Central banks are calling for 0.5% in Finland, 1.8% in Sweden, 1.2% in Latvia, and 2.8% in Lithuania. Confidence remained relatively stable, but fell short of the long-term average in all countries besides Lithuania.

The Estonian[11] economy grew 1.2% in Q4 of 2024, but reverted to decline in Q1 of 2025, with the GDP decreasing by 0.3% year over year in that quarter. The gradual recovery of foreign demand has caused exports to perk up slightly and the processing industry has entered a phase of slow growth, yet domestic demand remains weak. In Estonia as well, the dynamics of changes in export and production volumes in the first half of the year can be attributed to the world trend of stockpiling goods in anticipation of tariffs. Nominal growth of trade was 14% in Q1, measured year

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[6] HM Treasury. *Forecasts for the UK economy: a comparison of independent forecasts. June* 2025. Accessible at: https://assets.publishing.service.gov.uk/media/685271097f8c3d2cbb1ec5cc/forecomp_june.pdf

[7] Bank of England. *Monetary Policy Summary, June 2025*. Accessible at: https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2025/june-2025

[8] S&P Global. HCOB Flash Eurozone PMI. 23 June 2025. Accessible at: https://www.pmi.spglobal.com/Public/Home/PressRelease/9dc3aeda07194efb9d3264a90a91eb40

[9] Deutsche Bundesbank, The Bundesbank's forecast for Germany: Economic recovery slowly getting started. 6 June 2025. Accessible at: https://www.bundesbank.de/en/press/press-releases/the-bundesbank-s-forecast-for-germany-economic-recovery-slowly-getting-started-959308

[10] Banque de France. *Macroeconomic projections – June 2025*. 11 June 2025. Accessible at: https://www.banque-france.fr/en/publications-and-statistics/publications/macroeconomic-projections-june-2025

[11] Data for Estonia is from the databases of Statistics Estonia, the Bank of Estonia and the Estonian Institute of Economic Research.

over year, but slowed to 2.6% in April. Industrial output increased up to April, when year-over-year growth was 4%, but fell to 0.9% in May. Retail indicators also have started to improve, although sale of foodstuffs remains very weak, at certain points as much as 20% lower compared to the previous year. This suggests continued weakness in the purchasing power of most domestic households. Economic activity should remain modest going forward, since the inflationary shock of the previous years raised price levels significantly and dented the competitiveness of Estonian companies.

In Q2, inflation rose to 4.7%, driven upward mainly by continued increases in the prices of foodstuffs and services and also by the motor vehicle tax. Producer prices have also started rising again, above all in timber processing, production of mineral products and the foodstuff industry. Inflation is expected to remain high for all of 2025, reflecting the influence of continuing rises in prices in the primary commercial groups and hikes in various taxes on consumption, including the value-added tax and excise duty. Unemployment in Q1 of 2025 stood at 8.6% and will now ease slowly, as the number of jobs being created is lower than the previous year and the slow recovery of business activity means companies will not need to do that much hiring.

Confidence was relatively stable in Q2 of 2025, but at a low level for all sectors and among consumers. These developments were likely the result of higher inflation expectations, recent tax rises and persistent geopolitical tensions.

In the second quarter of 2025, activity on the borrowing and lending market was mainly influenced by the VAT rate, which rose two percentage points to 24% on 1 July. The loan portfolio of domestic households increased by 8.8% year on year as of May, on par with the level of spring 2023. Although data for June were not available at the time of this overview, even faster growth is expected for that month, likely followed by a slowdown. Due to the VAT rate hike, mortgage loans were issued faster in May and June. The growth of non-financial companies' loan portfolio also accelerated, increasing 13.1% year over year as of May – it was last this high at the end of 2022. The availability of loans remained good and interest rates stable. The average interest rate margin for loans to non-financial firms fell to 2.6%, and the margin on housing loans remained stable at approximately 1.5%, pointing to continuing availability of loans. The growth of domestic households' deposits in Q2 decreased slightly yet remained robust, growing 9.7% year over year in May. At the same time, companies' deposits continued to decrease, amounting to a drop of 0.1% p.a. While the overall quality of loan portfolios remained somewhat lower, loans in arrears by non-financial companies increased during Q2. By the end of May, loans to non-financial companies more than 60 days overdue made up 0.76% of the portfolio, the highest level since late 2020. In comparison, the respective figure at the end of the last quarter was 0.58%. The share of loans to domestic households in arrears remained low at 0.36%.

Eesti Pank is forecasting economic growth of 1.5% for 2025 and 2.3% for 2026. In nominal terms, GDP should grow by 5.3% in 2025 and 4.9% in 2026. However, short-term vulnerability to external risks will remain, since geopolitical tensions and changes in world trade policy may curtail exports. The pace of recovery will thus depend on developments in the economies of primary trading partners, since internal demand will be slower to return to former levels. Domestically, a key area to watch is the ability of Estonian companies to adapt to increased cost pressure, expand to new markets and manage the inflationary effects of recent tax increases. At the same time, the government coalition has introduced a plan to increase defence spending to 5% of GDP in the years to come. Although necessary to shore up defensive capability, it will raise questions about future budgetary policy, since revenue will not keep up with growing expansion. In this scenario, the budget deficit will rise from the 1.4% level in 2025 to 4.0% in 2026 and 3.4% in 2027. It would also lead to a need to find additional sources of budgetary revenue in the coming years or take additional loans.

The Group's Liquidity, Capitalisation and Asset Quality

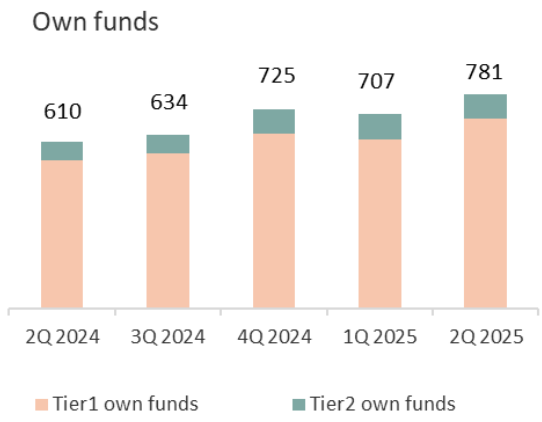
As at 30 June 2025, the Group's own funds stood at EUR 781.2 million (31 December 2024: EUR 725.5 million). LHV Group own funds are calculated based on regulative requirements.

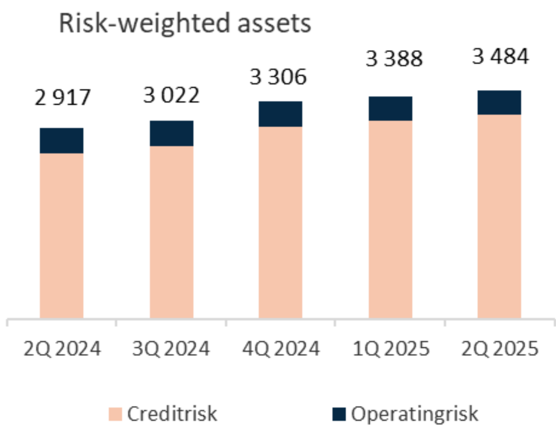
Compared to Group's internal capital adequacy ratio target 20.0%, the Group is capitalised good enough as at the end of the reporting period, with the capital adequacy ratio is amounting to 22.4% (31 December 2024: 21.9%). In addition to total capital adequacy targets the Group has also set internal targets for the core Tier 1 capital adequacy ratio to 15.3% and Tier 1 capital adequacy ratio to 17.3%. The internal targets were approved in June 2025 by the Group's Supervisory Board together with establishment of a new risk appetite. LHV Group includes only that part of the current year's profit for which the European Central Bank has given permission as part of its own funds. Obtaining the permit is done with the referrer, but it is also applied to the reporting quarter afterwards, which is why the capitalization ratios also change, and the Group reflects them in the next report.

The minimum requirement for own funds and eligible liabilities (MREL) is a building block of the resolution plan and LHV has to maintain sufficient own funds and qualifying liabilities which can be used to cover losses in resolution planning. On 21st of June 2021 Estonian FSA set two separate MREL ratios on the consolidation group level for LHV Group. MREL-TREA is calculated based on total risk weighted assets. MREL-LRE is calculated based on total assets. Each year regulator reviews the targets and recalibrates the requirements, if needed. As at the end of Q2 2025 the regulatory targets are 32.50% (MREL-TREA) and 7.0% (MREL-LRE). Group needs to meet higher MREL-TREA target to distribute dividends. This target is equal to sum of regulatory minimum requirement and combined buffer which is 32.30%. As at 30 June 2025, MREL-TREA ratio was 36.02% (31.12.2024: 34.48%) and MREL-LRE was 13.08% (31.12.2024: 12.88%).

The Group's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 199.1% as at the end of June (31 December 2024: 187.5%).

Financial intermediates' deposits in Bank are covered 100% with liquid assets. Excluding the financial intermediates deposits the Groups LCR is 443.4% (31.12.2024: 469.5%). The Group recognises cash and bond portfolios as liquidity buffers. These accounted for 46% of the balance sheet (31 December 2024: 47%). The ratio of loans to deposits stood at 64% as at the end of the second quarter (31.12.2024: 62%). Group's maturity structure is presented in Note 5.





Capital base	30.06.2025	31.12.2024	31.12.2023
Paid-in share capital	32 786	32 419	31 983
Share premium	154 593	146 958	143 372
Statutory reserves transferred from net profit	4 713	4 713	4 713
Other reserves	-444	2 440	-996
Retained earnings	448 314	320 757	229 287
Intangible assets (subtracted)	-21 185	-21 834	-21 278
Net profit for the reporting period (COREP)	21 010	148 969	129 740
Other adjustments	-10	-4	-8
Dividends to be distributed	0	-29 177	-41 578
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	0	-971	0
CET1 capital elements or deductions	-13 500	0	-382
CET1 instruments of financial sector entities where the institution has a significant investment	-5 467	-4 313	-3 496
CET1 instruments of financial sector entities where the institution has not a significant investment	0	0	0
Tier 1 capital	**620 810**	**599 957**	**471 357**
Additional Tier 1 capital	70 230	35 314	55 000
Total Tier 1 capital	**691 040**	**635 271**	**526 357**
Subordinated debt	90 179	90 196	70 000
Total Tier 2 capital	**90 179**	**90 196**	**70 000**
Net own funds for capital adequacy	**781 219**	**725 467**	**596 357**
Risk weighted assets			
Central governments and central bank under standard method	0	0	0
Credit institutions and investment companies under standard method	11 731	9 760	12 316
Companies under standard method	571 046	1 611 717	1 300 707
Retail claims under standard method	186 538	227 524	226 592
Public sector under standard method	0	0	0
Housing real estate under standard method	0	857 765	610 181
Secured by mortgages on immovable property and ADC	2 120 031	0	0
Overdue claims under standard methods	78 417	23 074	19 759
Investment funds’ shares under standard method	0	189	188
Other assets under standard method	46 654	99 646	109 295
Total capital requirements for covering the credit risk and counterparty credit risk	**3 014 417**	**2 829 675**	**2 279 038**
Foreign currency risk	114 178	89 260	1 793
Interest position risk	0	0	0
Equity portfolio risk	1 215	1 176	746
Credit valuation adjustment risk	5 571	3 526	1 966
Operational risk under base method	354 509	385 580	259 437
Total risk weighted assets	**3 489 890**	**3 309 217**	**2 542 980**

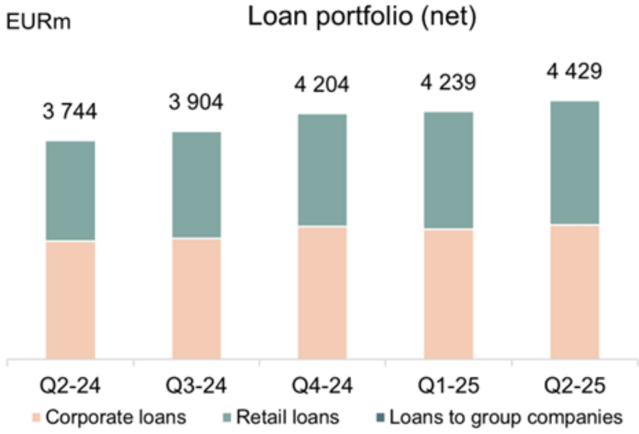
Capital adequacy (%)	**22.39**	**21.92**	**23.45**
Tier 1 capital ratio (%)	**19.80**	**19.20**	**20.70**
Core Tier 1 capital ratio (%)	**17.79**	**18.13**	**18.54**

The credit quality of the group remained at a good level. A loan discount reserve of 39.7 million euros was formed in the balance sheet at the end of June to cover estimated loan losses. As of the end of the first quarter, the fair value of the collateral of the loan portfolio is 8% lower than the book value of the loan portfolio.

Loan portfolio distribution	Over-collateralized loans		Under-collateralized loans		Total	
	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral	Carrying value	Fair value of collateral
Stage 1	**1 924 436**	**2 947 572**	**2 603 329**	**1 270 443**	**4 527 765**	**4 218 015**
Corporate Lending	745 261	1 047 805	1 989 011	798 269	2 734 272	1 846 074
Consumer Financing	0	0	70 997	0	70 997	0
Investment Financing	6 823	31 329	2 109	1 473	8 932	32 802
Leasing	19 931	29 822	131 235	96 211	151 166	126 033
Private Lending	1 152 421	1 838 616	409 977	374 490	1 562 398	2 213 106
Stage 2	**230 149**	**397 617**	**163 090**	**90 815**	**393 239**	**488 432**
Corporate Lending	129 314	168 942	96 028	66 623	225 342	235 565
Consumer Financing	0	0	27 071	0	27 071	0
Investment Financing	211	286	83	66	294	352
Leasing	4 137	6 099	18 339	14 045	22 476	20 144
Private Lending	96 487	222 290	21 569	10 081	118 056	232 371
Stage 3	**54 730**	**73 947**	**22 911**	**10 751**	**77 641**	**84 698**
Corporate Lending	49 279	58 326	19 737	9 296	69 016	67 622
Consumer Financing	0	0	1 507	0	1 507	0
Investment Financing	0	0	0	0	0	0
Leasing	779	1 145	1 526	1 320	2 305	2 465
Private Lending	4 672	14 476	141	135	4 813	14 611

Overview of AS LHV Pank Consolidation Group

- Net profit EUR 29.7 million
- Loan portfolio increased by 190 million euros in the quarter



EUR million	Q2 2025	Q1 2025	Change %	Q2 2024	Change %	From the beginning of 2025	From the beginning of 2024	Change %
Net interest income	46.72	50.65	-8%	60.06	-22%	97.37	120.31	-19%
Net fee and commission income	10.01	8.29	21%	8.23	22%	18.30	16.10	14%
Other financial income	-0.20	1.02	NA	-0.17	12%	0.83	0.21	300%
Total net operating income	56.53	59.96	-6%	68.12	-17%	116.49	136.62	-15%
Other income	0.06	0.02	220%	0.66	-90%	0.08	0.95	-91%
Operating expenses	-24.46	-23.65	3%	-23.23	5%	-48.11	-46.02	5%
Loan and bond portfolio gains/(-losses)	4.08	-4.92	NA	-4.86	NA	-0.84	-7.67	-89%
Income tax expenses	-6.56	-6.17	6%	-5.86	12%	-12.73	-12.24	4%
Net profit	29.66	25.24	18%	34.84	-15%	54.90	71.65	-23%
Loan portfolio	4 429	4 239	4%	3 744	18%			
Financial investments	431	414	4%	143	201%			
Deposits of customers	6 561	5 984	10%	5 459	20%			
incl. deposits of financial entities	1 727	1 538	-12%	1 184	45%			
Subordinated liabilities	150	135	11%	114	32%			
Equity	527	496	6%	527	0%			

LHV Pank earned a net interest income of EUR 46.7 million and EUR 10.0 million in net service fee income in Q2. Net financial income amounted to EUR -0.2 million in Q2. In total, the Bank's income was EUR 56.6 million and expenses were EUR 24.5 million. Net income decreased by 18% and expenses increased by 5% over the year. The discounts of loans and bonds amounted to EUR 4.1 million in Q2. We are keeping a very close eye on the developments in the credit portfolio, paying special attention to changes in payment behaviour, area-specific risks, and the dynamics of the clients' financial standing.

LHV Pank calculates an 18% advance income tax and the respective income tax expenses was EUR 6.3 million in Q2. Income tax expense on future disbursements of dividends by subsidiaries at the consolidated level was EUR 0.3 million in Q2.

The Bank's Q2 profit amounted to EUR 29.7 million, which is 18% less than in Q1 2025 (25.2) and 15% less than in Q2 2024 (34.8).

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

During the quarter, the number of the bank's clients grew by 8 300. Their activity level during Q2 was at a high level, but business volumes saw very strong growth. Deposits increased by EUR 576 million during the quarter; loans, by EUR 190 million.

The total volume of the Bank's loan portfolio reached EUR 4 429 million by the end of Q2 (Q1 2025: EUR 4 239 million). The volume of the portfolio grew by 4% during the quarter. The volume of loans grew by EUR 190 million in Q2 (Q1 2025: a growth of

EUR 35 million). There was a change in the definition of retail loans and corporate loans. On the basis of the new definition, the net retail loan portfolio grew by 5% in the quarter, amounting to EUR 1 970 million (Q1 2025: EUR 1 875 million). The net corporate loan portfolio grew by 4% in the quarter, amounting to EUR 2 459 million (Q1 2025: EUR 2 364 million).

The corporate credit portfolio, which includes loans and guarantees, grew by EUR 391.2 million in a year (+18%) with quarter-over-quarter growth of EUR 117.2 million (+5%). Loans granted to companies in the sector of real estate related activities were the largest source of growth, growing by EUR 178.5 million (+21%) in a year. Next came loans and guarantees to companies in the construction sector, which grew EUR 79.3 million in a year (+89%) and loans to companies in the finance and insurance sector (including holding companies), which grew EUR 40.0 million in a year (+27%).

Compared to Q1 2025, the portfolio growth was most influenced by the sector engaged in real estate activities (quarterly growth EUR 29.0 million; +3%), followed by the construction sector (EUR 26.3 million; +19%) and the manufacturing industry (EUR 26.0 million; +13%).

The majority of corporate loans were granted to the real estate sector, which makes up 41% of the Bank's corporate loan portfolio. Of real estate loans, the principal part was issued to projects with high-quality rental streams, with real estate developments making up a much smaller share. Most of the financed real estate developments are located in Tallinn, while projects located in other major Estonian cities and in the vicinity of Tallinn make up about 25% of development projects. LHV's market share of new development financing in Tallinn made up about one-fifth by estimate at the end of Q2 2025. The LHV real estate development portfolio is well-positioned in case market trends should change – the financed developments are in good locations and the risk to planned sales price ratio averages 55%.

Besides the real estate sector, the largest amount of loans has been granted to manufacturing industry companies (share 9%) and companies engaged in the supply of electricity, gas, steam and conditioned air (share 8%). Of sectors that usually run a higher credit risk, construction makes up 7%, transport and warehousing 3% and HoReCa 3% of the total volume of the portfolio.

The volume of deposits at the Bank increased by EUR 576 million from the previous quarter and stood at EUR 6 560 million (Q1 2025: EUR 5 984 million). The volume of payment intermediaries' deposits grew by EUR 113 million during the quarter. Of the deposits, EUR 4 744 million were call deposits, EUR 1 496 million term deposits and EUR 321 million platform deposits. The volume of the deposits of private persons amounted to EUR 1 957 million as at the end of the quarter, having increased by 10.8% in the quarter.

Ordinary clients' deposits increased by EUR 332 million, deposits raised from platforms by EUR 113 million, and financial intermediaries 'deposits by EUR 113 million. Households' deposit growth on the banking market overall slowed but remained rapid – 9.7% year-over-year in May. On the other hand, businesses' deposits continued their declining trend, falling an average of 0.1% year-over-year. Our goal is to raise deposits from the Estonian market, by making targeted offers and growing our customer base through our value offer and trustworthy partnership for our clients. The strong second-quarter growth in deposit base shows we are succeeding in doing so. Since 2024, the European Central Bank has cut interest rates on eight occasions by 25 base points each time. This has a direct influence on the interest rates we offer clients on term deposits, which in turn reduces the appeal of placing savings in term deposits.

There has effectively been growth in loan volumes in all segments. The loan portfolio of small and medium-sized companies was moved between retail banking and corporate banking. Taking into account the new definition, loans to companies grew by EUR 95 million during the quarter and retail loans increased by EUR 95 million. It is worth noting that Q2 was a strong quarter for home loans, as the portfolio grew by EUR 91 million. Activity on the loan market was primarily influenced by the impending increase in the VAT rate to 24% in July. On the households' loan market, the portfolio grew by 8.8% year-over-year; we have increased the portfolio by 28% since this time last year, which shows our growth is coming both from a supportive market and at the expense of competitors. The growth of the non-financial companies' loan portfolio also sped up, seeing a 13.1% increase in May year-over-year; LHV's growth is outpacing the market slightly. In general, activity has picked up somewhat on the market, availability of loans remained good and interest rates were stable.

The Bank's expense-income ratio was 43.2% in Q2, increasing by 9.5 percentage points from Q2 2024 (33.8%).

Net profit for the quarter was EUR 29.7 million. The result for the quarter was mainly influenced by higher than planned growth of volumes, which offset the change in the interest rate environment at a more aggressive pace, and smaller write-downs. Net profit as of the end of Q2 was EUR 1.1 million more than planned.

In Q2, we performed EUR 4.1 million less write-downs of loans. The main reason was that we found a solution for a corporate client group declared insolvent in Q1. As for the rest of the portfolio, quality tends to be improving and the share of loans in default is low.

In May, Eesti Energia's voluntary takeover offer for Enefit Green shares concluded, resulting in the majority shareholder acquiring a 97.2% stake in the company and thus soon delisting it from the stock exchange. The transaction totalled EUR 180 million, with 88% of the free-floating shares being tendered. In addition, Invego's Latvian subsidiary carried out a bond offering with a 4-year term and an annual interest rate of 11%. Demand exceeded supply by a factor of four, reaching EUR 15.8 million. LHV acted as the lead manager for the offering.

We updated to the securities trading price list for clients. The new pricing applies to LHV growth Account, securities accounts, pension investment account and Trader clients. The most significant change concerns the transaction fees. The fee for a purchase transaction for LHV Growth Account clients was lowered from 1% to 0.5% and the minimum sales fee from 9 euros to 5 euros. LHV Growth Account purchase transactions are now completely free for young people up to 26 years of age.

We introduced to the market a novel banking service called LHV Premium, which will improve the banking experience for more demanding private clients, fusing everyday banking, insurance and investment with convenience-oriented travel services. LHV Premium replaces the Au-package.

Moody's Ratings raised the ratings for LHV Pank's covered bond programme and covered bonds to the highest level, Aaa. The Moody's Investors Service ratings agency left AS LHV Pank's long-term deposits rating at A3 (with a positive outlook) and LHV Group's long-term issuer rating at Baa3 (positive outlook).

We issued 300 million euros' worth of covered bonds with a four-year maturity. The offering attracted 44 institutional investors and was oversubscribed 2.5 times. The final interest rate on the covered bonds was set at 2.68%.

In collaboration with the Estonian Composers' Union, we have since 2016 handed out an award for new compositions. This year, it went to Rasmus Puur and Marianna Liik.

Overview of LHV Bank Limited

In Q2, rapid growth of the bank's business volumes continued. At the end of the quarter, volumes of deposits and loans were outpacing the targets set in the financial plan. Deposits grew by EUR 202 million – 25% – to EUR 1 022 million, and loans increased by EUR 79 million – 16% – to EUR 569 million.

In retail banking, the mobile bank was introduced to market along with a broader marketing plan. It will let clients automatically open accounts, make payments, receive a debit card and set up term deposits. The bank positions itself as the best place to hold and grow funds, offering attractive interest rates on both the current account and term deposits. At the end of the quarter, the bank had more than 1 000 retail banking clients and more than 25 500 depositors from three deposit platforms. In Q3, the goal is to add more everyday banking and deposit products in order to further increase the number of mobile bank clients and volume of deposits. In late June, the bank submitted an application for obtaining a licence for regulated financing activities, which it will need to start offering overdraft facilities to clients next year.

In corporate banking, the balance of loans approved by the credit committee but yet to be issued stood at EUR 204 million, which means that the rapid growth of loans will continue next quarter as well. The quality of the loan portfolio remained strong. As of the end of Q2, two loans were classified as Stage 3 under IFRS 9.

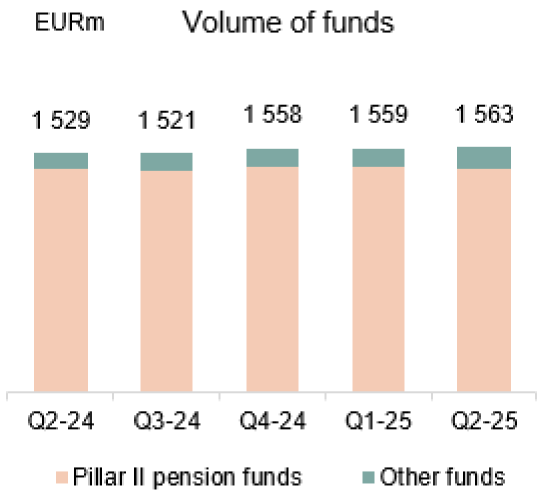
In the field of financial intermediaries, client agreements were signed in early July with a number of new major clients. The process of integrating these new clients also reached a conclusion, as a result of which business volumes can be expected to start growing starting next quarter. The focus of this field has shifted solely to larger clients to grow business volumes more efficiently and to develop anti-money laundering processes for supporting the increasing business volumes. Next quarter, the first client will start using the euro payments direct service. In June, the bank decided to discontinue offering its card payment acceptance service, which will allow the bank to save about EUR 150,000 a month starting next year.

Net profit for the quarter was EUR 0.1 million. The result for the quarter fell short of the financial plan due to the significantly larger marketing plan in retail banking and entering into interest rate swaps with LHV Pank. In Q2, in order to support the rapid growth of the loan portfolio, the bank's share capital was increased by EUR 12 million, and EUR 12 million of subordinated loans were issued.

EUR million	**Q2 2025**	**Q1 2025**	**change %**
Net interest income	10.53	10.73	-2%
Net fee and commission income	2.2	2.40	-8%
Other financial income	-0.33	1.46	NA
Total net operating income	12.42	14.59	-15%
Other income	0	0.00	NA
Operating expenses	-12	-11.0	12%
Loan and bond portfolio gains/(-losses)	0.07	-0.75	-109%
Income tax expenses	-0.05	-0.71	-93%
Net profit	0.13	2.13	-94%
Loan portfolio	569.5	490.1	16%
Deposits of customers	1 022.0	819.8	25%
Equity	109.42	99.68	10%

Overview of AS LHV Varahaldus

- Q2 net profit – EUR 0.5 million
- More than 110 thousand active second-pillar clients by the end of the quarter
- The volume of assets of second-pillar funds by the end of the first six months was EUR 1,429 million
- A continued growth in the third- pillar net assets, the volume being EUR 115 million by the end of June



EUR million	Q2 2025	Q1 2025	Change %	Q2 2024	Change %	From the beginning of 2025	From the beginning of 2024	Change %
Net fee and commission income	2.22	2.20	1%	2.24	-1%	4.42	4.43	0%
Net financial income	0.11	0.2	-45%	0.17	-35%	0.31	0.39	-21%
Operating expenses	-1.49	-1.40	6%	-1.37	9%	-2.89	-2.83	2%
Depreciation of non-current assets	-0.31	-0.33	-6%	-0.30	3%	-0.64	-0.67	-4%
Profit	0.53	0.67	-21%	0.74	-28%	1.20	1.32	-9%
Financial investments	6.0	6.0	0%	6.0	0%			
Equity	19	18	6%	19.0	0%			
Assets under management	1 562.7	1 559.0	0%	1 529.0	2%			

In Q2, the operating income of LHV Varahaldus amounted to EUR 2.2 million and net profit was EUR 0.5 million. Both the operating income and the operating expenses largely met the financial plan after the first six months of the year. The yield of the major actively managed funds has contributed to the higher-than-expected financial income, which has in turn been somewhat reduced by the expected result of the index funds being lower than before.

Q2 will be characterised by the announcement of the greatly startling new US tariff regime in the markets at the beginning of April, and the subsequent recovery of the markets. As to whom, on which groups of goods and in what extent the world's largest economy is setting tariffs, is still unclear. Until now, however, the markets have largely overlooked it and the actual impact on real economy has so far been modest. The US equity markets are mostly at new peaks, but this is measured in the US dollar. Compared to the euro, the dollar has weakened by 12.2% in the first six months. Measured in euros, MSCI World and SP500 dropped by 3.4% and 7.2%, respectively, in the first six months of the year. The major European markets did better, with Euro Stoxx 50 rising by 10.4%.

For LHV's major actively managed pension funds, Q2 and the first six months were generally positive and all the major asset classes and funds generating a positive yield. The values of M, L and XL shares grew in Q2 by 1.2%, 1.0% and 2.28%, respectively. The funds with a higher equity risk partly made up for the previous losses in the past three months after a very weak Q1 – the yield of pension fund Roheline was 4.4% and the yield of pension fund Indeks 3.0%. The conservative funds S and XS grew by 0.8% and 0.7% in the quarter. In year-on-year comparison, the social tax index has remained at a 6% increase in the recent months. With regard to investments, the focus is in addition to managing the existing portfolio primarily on the public equity market where more robust movements have offered several interesting opportunities.

The number of LHV's active second-pillar clients was more than 110 thousand by the end of the quarter, having decreased by nearly three thousand clients in the three months. The decrease was mainly due to the clients who exited the second-pillar at the beginning of May, but the field sales that ended in March has also naturally left its mark. The rate of people exiting the second-pillar has remained similar to the recent years and the latest exit openings. The volume of assets managed by LHV Varahaldus was EUR 1,563 million by the end of the quarter.

The portfolio of all the actively managed funds and the distribution of asset classes largely correspond to the long-term goal, under which the M, L and XL portfolios are largely invested in unlisted asset classes which depend less on equity markets. We are keeping a close eye on equity market developments and are prepared to promptly adapt our positions depending on the situation. We are also keeping an eye on liquidity, in order to ensure the capability to invest more aggressively, should we wish to do so, and to make payments to clients with regard to fund changes or exits.

This is also the last quarter in which we speak of the results of the M, L, XL and Roheline funds. At the beginning of September, pension fund Roheline will be merged with the XL fund and Roheline III will be merged with the fund Aktiivne in the third-pillar. Pension fund S will be merged with pension fund M. Instead of the former scale-based selection, the funds will in the future be characterised by adjectives – fund S will become Rahulik (Calm), fund M will become Tasakaalukas (Balanced), fund L will become Ettevõtlik (Enterprising) and pension fund XL will in September become Julge (Bold).

Overview of AS LHV Kindlustus

The Q2 20205 sales results of AS LHV Kindlustus decreased in numbers compared to the previous quarter, which was quite expected. But considering the company's financial plan and portfolio structure, we are moving on a positive course. Price-dropping continued across the market in Q2, with the vehicle insurance prices having dropped the most. Compared to 2024, the volumes have decreased as much as up to 10% in places. The current forecasts show that a similar trend will continue throughout 2025, which in turn means that most of the insurance companies will not be able to fulfil their sales plans. On the positive side, it is good to see that the volumes of home and travel insurance exceed the figures of the previous year. Considering this, the results of LHV Kindlustus were very good, as we were one of the few insurance companies that managed to almost fulfil their sales goals, running only a couple of hundred thousand short. The volume of insurance premiums from the health insurance product solution marketed in cooperation with Confido was EUR 2,366 thousand in Q2. The sales activity of the said product was at its historical low in Q2 and is low in Q3. On a whole, Q2 was successful for the company – we are ahead of the financial plan in terms of profit and other essential key indicators.

In the development of information systems, interfacing and automation were the keywords in Q2. The automatic claims file creation solution, where the claims adjuster is immediately appointed, was completed. The same function was completed with the avarii.ee portal. The process of interfacing the database of the Traffic Insurance Foundation with RELIKA continues, and will most probably be completed by the beginning of Q4.

As at 30 June 2025, LHV Kindlustus had 278 thousand valid insurance contracts and 176 thousand clients. Both figures have grown from Q1 2025.

The volume of gross insurance premiums was EUR 10,214 thousand and the net earned insurance premiums totalled EUR 9,409 thousand in Q2. The proportions of the products in the insurance portfolio remained the same as in the previous quarter.

During Q2, 35,600 new loss events were registered and as at 30 June, 3,248 claims files were open. The net losses incurred in the period amounted to EUR 5,927 thousand. Compared to the previous quarter, there was an increase in the number of loss events, while the disbursed loss amounts decreased, which contributed to improving profitability.

The quarterly loss frequency of insurance products was lower than foreseen in the financial plan. Larger loss events did occur, but their number was rather small. Of insurance products, home insurance continued to have a good gross loss ratio, and the travel insurance loss ratio improved significantly. The company's Q2 profit was EUR 1,070 thousand.

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EUR thousand	**Q2 2025**	**Q1 2025**	**Change %**	**Q2 2024**	**Change %**
Gross insurance premiums	10 214	12 860	-21%	8 963	14%
Net earned insurance premiums	9 409	8 993	5%	7 564	24%
Net losses incurred	-5 927	-6 216	-5%	-4 767	24%
Total net operating expenses	-2 424	-2 274	7%	-2 411	1%
Underwriting result	1 055	581	82%	385	174%
Net profit	1 070	665	61%	428	150%

As of the end of Q2, LHV Kindlustus employed 54 people.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

(in thousands of euros)	Note	Q2 2025	6M 2025	Q2 2024 corrected	6M 2024 corrected
Interest income		103 656	209 143	111 243	218 005
Interest expense		-46 013	-89 490	-40 819	-78 662
Net interest income	9	**57 643**	**119 653**	**70 424**	**139 343**
Fee and commission income		21 545	40 979	19 297	37 889
Fee and commission expense		-5 966	-11 329	-4 945	-9 540
Net fee and commission income	10	**15 579**	**29 650**	**14 352**	**28 349**
Insurance service revenue		10 213	19 921	8 485	16 609
Insurance service expenses		-8 778	-17 540	-7 849	-15 543
Net result from reinsurance contracts held		-370	-719	-215	-501
Net insurance income		**1 065**	**1 662**	**421**	**565**
Net gains/losses from financial assets measured at fair value		420	3 704	254	575
Foreign exchange gains/losses		-800	-1 337	-291	-76
Net gain/loss from financial assets		**-380**	**2 367**	**-37**	**499**
Other income		0	0	646	1 071
Other expense		0	-4	-8	-15
Staff costs		-22 901	-45 556	-20 420	-39 985
Administrative and other operating expenses		-17 609	-32 496	-15 678	-30 239
Profit before impairment losses on loans and advances		**33 397**	**75 276**	**49 700**	**99 588**
Impairment losses on financial instruments	21	4 152	-1 515	-5 043	-7 894
Income tax expense		-6 784	-13 836	-6 071	-12 406
Net profit for the reporting period	2	**30 765**	**59 925**	**38 586**	**79 288**
Other comprehensive income/loss:					
Items that may be reclassified subsequently to profit or loss:					
Unrealized exchange differences arising on the translation of the financial statements of foreign operations		-2 249	-2 885	853	1 727
Total profit and other comprehensive income for the reporting period		**28 516**	**57 040**	**39 439**	**81 015**
Total profit of the reporting period attributable to:					
Owners of the parent		30 049	58 617	38 286	78 830
Non-controlling interest		716	1 308	300	458
Total profit for the reporting period	2	**30 765**	**59 925**	**38 586**	**79 288**
Total profit and other comprehensive income attributable to:					
Owners of the parent		27 800	55 732	39 139	80 557
Non-controlling interest		716	1 308	300	458
Total profit and other comprehensive income for the reporting period		**28 516**	**57 040**	**39 439**	**81 015**
Basic earnings per share (in euros)	16	0.09	0.18	0.12	0.25
Diluted earnings per share (in euros)	16	0.09	0.18	0.12	0.24

The Notes on pages 24 to 40 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

(in thousands of euros)	Note	30.06.2025	31.12.2024
Assets			
Due from central bank	4, 5, 6, 12	3 820 358	3 775 554
Cash and cash equivalents	4, 5, 6, 12	39 890	35 813
Due from investment companies	4, 6, 12	5 589	5 938
Due from credit institutions		1 650	1 000
Financial assets at fair value through profit or loss	4, 6, 7	25 552	26 272
Investments in debt securities at amortised cost	7	429 427	283 533
Loans and advances to customers	4, 6, 8, 21	4 998 645	4 552 093
Receivables from customers		16 626	4 736
Reinsurance contract assets		875	2 044
Insurance contract assets		19	89
Other financial assets		276	281
Other assets		6 641	6 559
Financial investment		1 000	1 000
Property and equipment	19	14 878	18 206
Intangible assets	19	13 221	14 043
Goodwill		9 148	9 150
Total assets	2	**9 383 795**	**8 736 311**
Liabilities			
Deposits of customers	13	7 364 341	6 910 110
Loans received and debt securities in issue	13	1 037 347	927 686
Financial liabilities at fair value through profit or loss	7	4 218	24
Accounts payable and other liabilities	14	85 407	76 818
Insurance contract liabilities		16 067	16 757
Subordinated debt	6, 20	161 155	126 256
Total liabilities	2	**8 668 535**	**8 057 651**
Owner's equity			
Share capital		32 786	32 419
Share premium		154 593	146 958
Statutory reserve capital		4 713	4 713
Treasury shares		-501	0
Other reserves		8 891	16 271
Retained earnings		506 928	469 727
Total equity attributable to owners of the parent		**707 410**	**670 088**
Non-controlling interest		7 850	8 572
Total equity		**715 260**	**678 660**
Total liabilities and equity		**9 383 795**	**8 736 311**

The Notes on pages 24 to 40 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

(in thousands of euros)	Note	Q2 2025	6M 2025	Q2 2024 corrected	6M 2024 corrected
Cash flows from operating activities					
Interest received		98 444	201 740	111 591	218 622
Interest paid		-52 256	-83 596	-37 474	-58 196
Fees and commissions received		21 425	40 837	19 349	37 938
Fees and commissions paid		-5 950	-11 313	-4 867	-9 371
Other income received		-105	-218	589	743
Staff costs paid		-20 587	-41 235	-18 516	-35 947
Administrative and other operating expenses paid		-14 892	-27 104	-12 488	-22 621
Income tax paid		-5 309	-13 113	-6 149	-12 079
Net insurance income		3 284	19 836	662	1 068
Cash flows from operating activities before change in operating assets and liabilities		**24 054**	**71 337**	**52 697**	**120 157**
Net increase/decrease in operating assets:					
Net increase/(decrease) in financial assets at fair value through profit or loss		3 078	1 463	-2 012	-1 192
Loans and advances to customers		-279 282	-473 720	-243 321	-331 726
Net changes of investment securities at fair value through profit or loss and of investment securities at amortized cost		-15 529	-144 846	96 048	185 959
Mandatory reserve at central bank		-6 041	-3 122	2 066	853
Security deposits		0	-1	0	0
Other assets		247	1 020	-26 884	-1 544
Deposits with more than 3 months maturity		350	-150	-750	250
Net increase/decrease in operating liabilities:					
Demand deposits of customers		465 869	222 768	-64 723	-91 832
Term deposits of customers		314 128	257 751	-86 701	127 275
Loans received/repayments		49 050	49 050	0	0
Financial liabilities held for trading at fair value through profit and loss		1 462	4 224	-310	-1 801
Other liabilities		-35 926	6 671	-34 830	-33 715
Net cash generated from/used in operating activities		**-521 460**	**-7 555**	**-308 720**	**-27 316**
Cash flows from investing activities					
Purchase of non-current assets		-649	-1 533	-1 326	-2 480
Net cash flows from/used in investing activities		**-649**	**-1 533**	**-1 326**	**-2 480**
Cash flows from financing activities					
Paid in share capital (incl. share premium)		8 002	8 002	4 021	4 021
Treasury shares		-501	-501	0	0
Dividends paid		-29 177	-31 207	-41 578	-42 278
Loans received		110 000	110 000	300 000	300 000
Prepayments of loans received		-15 000	-15 000	-137 170	-137 170
Repayments of the principal of lease liabilities		-867	-895	-694	-2 314
Net cash flows from/used in financing activities		**72 457**	**-69 532**	**124 579**	**122 259**
Effect of exchange rate changes on cash and cash equivalents	6	**-11 243**	**-15 034**	**1 892**	**6 693**
Net increase/decrease in cash and cash equivalents		**582 025**	**45 410**	**-183 575**	**99 156**
Cash and cash equivalents at the beginning of the period		3 217 451	3 754 066	3 344 376	3 061 645
Cash and cash equivalents at the end of the period	12	**3 799 476**	**3 799 476**	**3 160 801**	**3 160 801**

The Notes on pages 24 to 40 are an integral part of the condensed consolidated interim financial statements

Condensed Consolidated Interim Statement of Changes in Equity

(in thousands of euros)	Share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings	Treasury shares	**Total equity attributable to owners of LHV Group**	Non-controlling interest	**Total equity**
Balance as at 01.01.2024	**31 983**	**143 372**	**4 713**	**9 333**	**359 029**	**0**	**548 430**	**7 936**	**556 366**
Paid in share capital	436	3 586	0	0	0	0	**4 022**	0	**4 022**
Dividends paid	0	0	0	0	-41 578	0	**-41 578**	-700	**-42 278**
Share options	0	0	0	-151	3 308	0	**3 157**	0	**3 157**
Profit for the reporting period	*0*	*0*	*0*	0	78 830	0	**78 830**	458	***79 288***
Other comprehensive income/loss	*0*	*0*	*0*	*1 727*	0	0	**1 727**	0	***1 727***
Total profit and other comprehensive income for the reporting period	0	0	0	1 727	78 830	0	**80 557**	458	**81 015**
Balance as at 30.06.2024	**32 419**	**146 958**	**4 713**	**10 909**	**399 589**	**0**	**594 588**	**7 694**	**602 282**

(in thousands of euros)	Share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings	Treasury shares	**Total equity attributable to owners of LHV Group**	Non-controlling interest	**Total equity**
Balance as at 01.01.2025	**32 419**	**146 958**	**4 713**	**16 271**	**469 727**	**0**	**670 088**	**8 572**	**678 660**
Share options	367	7 635	0	0	0	0	**8 002**	0	8 002
Treasury shares	0	0	0	0	0	-501	**-501**	0	-501
Dividends to be distributed	0	0	0	0	-29 177	0	**-29 177**	-2 030	-31 207
Dividends paid out	0	0	0	-4 495	7 761	0	**3 266**	0	3 266
Profit for the reporting period	0	0	0	0	58 617	0	**58 617**	1 308	59 925
Other comprehensive income/loss	0	0	0	-2 885	0	0	**-2 885**	0	-2 885
Total profit and other comprehensive income for the reporting period	0	0	0	-2 885	58 617	0	**55 732**	1 308	**57 040**
Balance as at 30.06.2025	**32 786**	**154 593**	**4 713**	**8 891**	**506 928**	**-501**	**707 410**	**7 850**	**715 260**

The Notes on pages 24 to 40 are an integral part of the condensed consolidated interim financial statements

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. The condensed consolidated interim financial statements does not contain all the information necessary to be presented in the annual report.

These condensed consolidated interim financial statements should be read in conjunction with the group's annual financial statements as at 31 December 2024. The same accounting policies and methods of computation are followed in the condensed consolidated interim financial statements as compared with the most recent annual financial statements.

There are no significant changes in risk policies of the group, all the results including estimates and judgement of expected credit losses are in line with principles described in group's annual financial statements as at 31 December 2024.

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

Correction in cash flows:

	Q2 2024	Increase/(Decrease)	Q2 2024 restated
Fees and commissions received	21 157	-1 808	19 349
Staff costs paid	-19 114	598	-18 516
Administrative and other operating expenses paid	-13 036	548	-12 488
Net insurance income	0	662	662

	6M 2024	Increase/(Decrease)	6M 2024 restated
Fees and commissions received	41 197	-3 259	37 938
Staff costs paid	-37 171	1 224	-35 947
Administrative and other operating expenses paid	-23 588	967	-22 621
Net insurance income	0	1 068	1 068

NOTE 2 Business Segments

The Group divides its business activities into segments according to its legal structure. The segments form a part of the Group, with a separate access to financial data and which are subject to regular monitoring of operating profit by the Group's decision-maker. The Management Board of AS LHV Group has been designated as the decision-maker responsible for allocation of funds and assessment of the profitability of the business activities. The result posted by a segment includes revenue and expenditure directly related to the segment.

The revenue of a reported segment includes gains from transactions between the segments, i.e. loans granted by AS LHV Pank to other group companies. The division of interest income and fee and commission income by customer location has been presented in Notes 9 and 10. The breakdown of interest income by customer location does not include the income from current accounts, deposits and investments in securities. The Group does not have any customers, whose income would account for more than 10% of the corresponding type of revenue.

Q2 2025 *(in thousands of euros)*	LHV Pank	LHV Bank	LHV Varahaldus	LHV Kindlustus	Other activities	Eliminations	Total
Interest income	82 060	21 560	9	100	10 644	-10 717	103 656
Incl. intragroup	*-3 938*	*4 583*	*0*	*9*	*10 063*	*-10 717*	*0*
Interest expense	-35 345	-11 027	0	-76	-10 282	10 717	-46 013

Net interest income	**46 715**	**10 533**	**9**	**24**	**362**	**0**	**57 643**
Fee and commission income	16 373	2 802	2 213	0	1 650	-1 493	21 545
Incl. intragroup	*2 596*	*-2 262*	*73*	*0*	*1 086*	*-1 493*	*0*
Fee and commission expense	-6 360	-588	0	-29	-76	1 087	-5 966
Net fee and commission income	**10 013**	**2 214**	**2 213**	**-29**	**1 574**	**-406**	**15 579**
Net insurance income	**0**	**0**	**0**	**1 065**	**0**	**0**	**1 065**
Other income	**64**	**0**	**0**	**-5**	**0**	**-59**	**0**
Net gains/(-losses) from financial assets	-195	-329	100	84	-40	0	-380
Administrative and other operating expenses, staff costs	-24 461	-12 314	-1 790	-63	-2 348	466	-40 510
Operating profit	**32 136**	**104**	**532**	**1 076**	**-452**	**1**	**33 397**
Impairment gains/(-losses) on loans and bond portfolio	4 081	71	0	0	0	0	4 152
Income tax	-6 559	-49	0	0	0	-176	-6 784
Net profit	**29 658**	**126**	**532**	**1 076**	**-452**	**-175**	**30 765**

6 months 2025 *(in thousands of euros)*	**LHV Pank**	**LHV Bank**	**LHV Varahaldus**	**LHV Kindlustus**	**Other activities**	**Eliminations**	**Total**
Interest income	169 079	39 922	36	179	20 634	-20 707	209 143
Incl. intragroup	*-9 130*	*10 026*	*1*	*13*	*19 797*	*-20 707*	*0*
Interest expense	-71 717	-18 660	0	-151	-19 669	20 707	-89 490
Net interest income	**97 362**	**21 262**	**36**	**28**	**965**	**0**	**119 653**
Fee and commission income	30 485	5 749	4 416	0	3 268	-2 939	40 979
Incl. intragroup	*704*	*-81*	*146*	*0*	*2 170*	*-2 939*	*0*
Fee and commission expense	-12 183	-1 135	0	-52	-132	2 173	-11 329
Net fee and commission income	**18 302**	**4 614**	**4 416**	**-52**	**3 136**	**-766**	**29 650**
Net insurance income	**0**	**0**	**0**	**1 662**	**0**	**0**	**1 662**
Other income	**87**	**0**	**0**	**-9**	**0**	**-82**	**-4**
Net gains/(-losses) from financial assets	823	1 129	271	184	128 730	-128 770	2 367
Administrative and other operating expenses, staff costs	-48 114	-23 322	-3 524	-72	-3 868	848	-78 052
Operating profit	**68 460**	**3 683**	**1 199**	**1 741**	**128 963**	**-128 770**	**75 276**
Impairment gains/(-losses) on loans and bond portfolio	-841	-674	0	0	0	0	-1 515
Income tax	-12 726	-758	-564	0	0	212	-13 836
Net profit	**54 893**	**2 251**	**635**	**1 741**	**128 963**	**-128 558**	**59 925**

Total assets 30.06.2025	**8 218 096**	**1 154 302**	**19 487**	**27 527**	**986 624**	**-1 022 241**	**9 383 795**
Total liabilities 30.06.2025	**7 691 163**	**1 044 878**	**675**	**19 281**	**647 225**	**-734 688**	**8 668 535**

Q2 2024 *(in thousands of euros)*	**LHV Pank**	**LHV Bank**	**LHV Varahaldus**	**LHV Kindlustus**	**Other activities**	**Eliminations**	**Total**
Interest income	96 804	13 852	25	141	9 109	-8 688	111 243
Incl. intragroup	-5 832	6 014	0	6	8 500	-8 688	0
Interest expense	-36 744	-4 224	0	-75	-8 464	8 688	-40 819
Net interest income	**60 060**	**9 628**	**25**	**66**	**645**	**0**	**70 424**
Fee and commission income	13 683	2 933	2 235	0	1 626	-1 180	19 297
Incl. intragroup	*104*		*66*		*1 010*	*-1180*	*0*
Fee and commission expense	-5 451	-491	0	-16	0	1 013	-4 945
Net fee and commission income	**8 232**	**2 442**	**2 235**	**-16**	**1 626**	**-167**	**14 352**
Net insurance income	**0**	**0**	**0**	**421**	**0**	**0**	**421**
Other income	**662**	**0**	**0**	**-4**	**0**	**-20**	**638**
Net gains/(-losses) from financial assets	-174	-34	157	1	13	0	-37
Administrative and other operating expenses, staff costs	-23 225	-9 821	-1 674	-46	-1 522	190	-36 098
Operating profit	**45 555**	**2 215**	**743**	**422**	**762**	**3**	**49 700**
Impairment gains/(-losses) on loans and bond portfolio	-4 858	-185	0	0	0	0	-5 043
Income tax	-5 861	-1 093	0	0	1024	-141	-6 071
Net profit	**34 836**	**937**	**743**	**422**	**1786**	**-138**	**38 586**

6 months 2024 *(in thousands of euros)*	**LHV Pank**	**LHV Bank**	**LHV Varahaldus**	**LHV Kindlustus**	**Other activities**	**Eliminations**	**Total**
Interest income	191 815	25 674	73	323	16 352	-16 232	218 005
Incl. intragroup	-11 395	11 944	0	48	15 635	-16 232	0
Interest expense	-71 506	-7 249	0	-140	-15 999	16 232	-78 662
Net interest income	**120 309**	**18 425**	**73**	**183**	**353**	**0**	**139 343**
Fee and commission income	26 703	5 977	4 422	0	3 176	-2 389	37 889
Incl. intragroup	-2 160	2 365	131	0	2 053	-2 389	*0*
Fee and commission expense	-10 601	-973	0	-28	0	2 062	-9 540
Net fee and commission income	**16 102**	**5 004**	**4 422**	**-28**	**3 176**	**-327**	**28 349**
Net insurance income	0	0	0	565	0	0	**565**
Other income	954	157	0	-8	0	-47	**1 056**

Net gains/(-losses) from financial assets	201	-67	328	38	81 199	-81 200	499
Administrative and other operating expenses, staff costs	-46 028	-18 211	-3 499	-72	-2 792	378	-70 224
Operating profit	**91 538**	**5 308**	**1 324**	**678**	**81 936**	**-81 196**	**99 588**
Impairment gains/(-losses) on loans and bond portfolio	-7 665	-229	0	0	0	0	-7 894
Income tax	-12 243	726	-801	0	-295	207	-12 406
Net profit	**71 630**	**5 805**	**523**	**678**	**81 641**	**-80 989**	**79 288**
Total assets 30.06.2024	**6 775 038**	**539 482**	**19 217**	**24 142**	**818 502**	**-846 658**	**7 329 723**
Total liabilities 30.06.2024	**6 248 111**	**455 701**	**692**	**18 194**	**594 067**	**-589 322**	**6 727 441**

NOTE 3 Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2024. There have been no major changes in the risk management department or in any risk management policies since the year end.

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

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

The Estonian economy has been in recession for 3 years and only in the last quarter of 2024 did the economy turn around. So far, the cooling economy has had no significant negative impact on the credit portfolio quality. The slowdown in the economic downturn led to a decrease in model-based loan impairments in the first quarter, while we defined a few customer loans as non-performing and led to temporarily higher specific impairments. LHV is continuously monitoring credit portfolio quality and is in close dialog with customers, so that in case of a need, potential risks could be mitigated.

NOTE 4 Breakdown of Financial Assets and Liabilities by Countries

30.06.2025	**Estonia**	**Germany**	**Other EU**	**USA**	**UK**	**Other**	**Total**
Due from banks and investment companies	2 706 162	0	580 563	12 219	568 458	85	**3 867 487**
Financial assets at fair value	7 856	502	16 750	40	402	2	**25 552**
Financial assets at amortized cost	362 684	0	66 743	0	0	0	**429 427**
Loans and advances to customers	4 376 025	933	42 967	606	570 445	7 669	**4 998 645**
Receivables from customers	16 626	0	0	0	0	0	**16 626**
Reinsurance contract assets	875	0	0	0	0	0	**875**
Insurance contract assets	19	0	0	0	0	0	**19**
Other financial assets	176	0	0	100	0	0	**276**
Total financial assets	**7 470 423**	**1 435**	**707 023**	**12 965**	**1 139 305**	**7 756**	**9 338 907**
Deposits of customers	4 778 044	97 001	1 103 979	77 935	1 259 329	48 053	**7 364 341**
Loans received and debt securitioes in issue	0	0	1 037 347	0	0	0	**1 037 347**
Subordinated debt	161 155	0	0	0	0	0	**161 155**

Financial liabilities at fair value	62 448	0	0	0	7 400	0	**69 848**
Insurance contract liabilities	16 067	0	0	0	0	0	**16 067**
Reinsurance contract liabilities	0	0	0	0	0	0	**0**
Accounts payable and other financial liabilities	4 218	0	0	0	0	0	**4 218**
Total financial liabilities	**5 021 932**	**97 001**	**2 141 326**	**77 935**	**1 266 729**	**48 053**	**8 652 976**

Unused loan commitments in the amount of EUR 516 638 thousand are for the residents of Estonia.

31.12.2024	**Estonia**	**Germany**	**Other EU**	**USA**	**UK**	**Other**	**Total**
Due from banks and investment companies	2 965 435	0	412 219	14 143	425 221	1 287	**3 818 305**
Financial assets at fair value	8 094	896	16 452	427	401	2	**26 272**
Financial assets at amortized cost	201 148	0	82 385	0	0	0	**283 533**
Loans and advances to customers	4 156 287	1 164	38 344	660	349 333	6 305	**4 552 093**
Receivables from customers	4 736	0	0	0	0	0	**4 736**
Reinsurance contract assets	2 044	0	0	0	0	0	**2 044**
Insurance contract assets	89	0	0	0	0	0	**89**
Other financial assets	181	0	0	100	0	0	**281**
Total financial assets	**7 338 014**	**2 060**	**549 400**	**15 330**	**774 955**	**7 594**	**8 687 353**
Deposits of customers	4 557 895	8 798	1 332 356	34 694	915 475	60 892	**6 910 110**
Loans received and debt securitioes in issue	0	0	927 686	0	0	0	**927 686**
Subordinated debt	126 256	0	0	0	0	0	**126 256**
Financial liabilities at fair value	50 015	0	0	0	4 778	0	**54 793**
Insurance contract liabilities	15 258	0	0	0	0	0	**15 258**
Reinsurance contract liabilities	1 499	0	0	0	0	0	**1 499**
Accounts payable and other financial liabilities	24	0	0	0	0	0	**24**
Total financial liabilities	**4 750 947**	**8 798**	**2 260 042**	**34 694**	**920 253**	**60 892**	**8 035 626**

Unused loan commitments in the amount of EUR 561 981 thousand are for the residents of Estonia.

NOTE 5 Breakdown of Assets and Liabilities by Maturity Dates (undiscounted contractual cash flows)

30.06.2025	**On demand**	**0-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Liabilities by contractual maturity dates						
Deposits from customers	4 669 435	1 320 732	1 390 057	10 947	30	**7 391 201**
Loans received and debt securities in issue	0	318	121 828	1 012 250	0	**1 134 396**
Subordinated debt	0	37 269	9 981	159 619	0	**206 869**
Lease libility	0	897	2 734	4 638	0	**8 269**
Accounts payable and other financial liabilities (excluding lease liability)	0	61 579	0	0	0	**61 579**
Insurance contract liabilities	0	16 067	0	0	0	**16 067**
Unused loan commitments	516 638	0	0	0	0	**516 638**
Financial liabilities at fair value	0	4 248	0	0	0	**4 248**
Financial guarantees by contractual amounts	80 158	0	0	0	0	**80 158**
Foreign exchange derivatives liabilities notional (gross settled)	0	154 972	0	0	0	**154 972**
Foreign exchange derivatives assets notional (gross settled)	0	-154 972	0	0	0	**-154 972**
Total liabilities	**5 266 231**	**1 441 110**	**1 524 600**	**1 187 454**	**30**	**9 419 425**

Financial assets by contractual maturity dates						
Due from central bank, banks and investment companies	3 865 837	0	1 650	0	0	**3 867 487**
Financial assets at fair value and at amortised cost (debt securities)	0	145 691	39 329	140 018	122 948	**447 986**
Loans and advances to customers	0	231 717	683 754	3 570 814	2 106 779	**6 593 064**
Receivables from customers	0	16 626	0	0	0	**16 626**
Insurance contract assets	0	894	0	0	0	**894**
Other financial assets	276	0	0	0	0	**276**
Total financial assets	**3 866 113**	**394 928**	**724 733**	**3 710 832**	**2 229 727**	**10 926 333**
Maturity gap from financial assets and liabilities	**-1 400 118**	**-1 046 182**	**-799 867**	**2 523 378**	**2 229 697**	**1 506 908**

31.12.2024	**On demand**	**0-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Liabilities by contractual maturity dates						
Deposits from customers	4 432 899	1 022 778	1 476 702	8 211	419	**6 941 009**
Loans received and debt securities in issue	0	318	283 578	723 535	0	**1 007 431**
Subordinated debt	0	2 625	56 638	94 106	0	**153 369**
Rendikohustised	0	10 119	0	0	0	**10 119**
Accounts payable and other financial liabilities (excluding lease liability)	0	44 674	0	0	0	**44 674**
Insurance contract liabilities	0	15 258	0	0	0	**15 258**
Reinsurance contract liabilities	0	1 499	0	0	0	**1 499**
Unused loan commitments	561 981	0	0	0	0	**561 981**
Financial liabilities at fair value	0	24	0	0	0	**24**
Financial guarantees by contractual amounts	55 525	0	0	0	0	**55 525**
Foreign exchange derivatives liabilities notional (gross settled)	0	157 710	0	0	0	**157 710**
Foreign exchange derivatives assets notional (gross settled)	0	-157 710	0	0	0	**-157 710**
Total liabilities	**5 050 405**	**1 097 295**	**1 816 918**	**825 852**	**419**	**8 790 889**
Financial assets by contractual maturity dates						
Due from central bank, banks and investment companies	3 817 305	0	1 000	0	0	**3 818 305**
Financial assets at fair value and at amortised cost (debt securities)	0	6 465	164 985	86 597	41 227	**299 274**
Loans and advances to customers	0	251 006	732 376	3 218 878	2 036 792	**6 239 052**
Receivables from customers	0	4 736	0	0	0	**4 736**
Reinsurance contract assets	0	2 044	0	0	0	**2 044**
Insurance contract assets	0	89	0	0	0	**89**
Other financial assets	281	0	0	0	0	**281**
Total financial assets	**3 817 586**	**264 340**	**898 361**	**3 305 475**	**2 078 019**	**10 363 781**
Maturity gap from financial assets and liabilities	**-1 232 819**	**-832 955**	**-918 557**	**2 479 623**	**2 077 600**	**1 572 892**

It is possible to take a short-term loan from the central bank against the security of the majority of instruments in the bond portfolio. Fair value of the derivative contracts is presented in balance sheet and remaining of notional cashflows in off-balance.

NOTE 6 Open Foreign Currency Positions

30.06.2025	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	3 269 957	8 130	578 049	790	5 879	4 682	**3 867 487**
Financial assets at fair value	20 641	0	0	4 911	0	0	**25 552**
Financial assets at amortised cost	429 427	0	0	0	0	0	**429 427**
Loans and advances to customers	4 421 430	13	569 646	373	6 806	377	**4 998 645**
Receivables from customers	7 640	0	2 157	779	5 814	237	**16 626**
Reinsurance contract assets	875	0	0	0	0	0	**875**
Insurance contract assets	19	0	0	0	0	0	**19**
Other financial assets	101	0	175	0	0	0	**276**
Total assets bearing currency risk	**8 150 090**	**8 143**	**1 150 027**	**6 852**	**18 499**	**5 296**	**9 338 907**
Liabilities bearing currency risk							
Deposits from customers	6 155 744	8 083	1 035 748	6 576	145 972	12 218	**7 364 341**
Loans received and bonds issued	1 037 347	0	0	0	0	0	**1 037 347**
Financial liabilities at fair value	4 218	0	0	0	0	0	**4 218**
Accounts payable and other financial liabilities	52 245	29	8 528	217	7 748	1 081	**69 848**
Insurance contract liabilities	16 067	0	0	0	0	0	**16 067**
Reinsurance contract liabilities	0	0	0	0	0	0	**0**
Subordinated debt	161 155	0	0	0	0	0	**161 155**
Total liabilities bearing currency risk	**7 426 776**	**8 112**	**1 044 276**	**6 793**	**153 720**	**13 299**	**8 652 976**
Open gross position derivative assets at contractual value	879	0	11 533	165	135 078	7 317	154 972
Open gross position derivative liabilities at contractual value	153 956	0	0	0	850	166	154 972
Open foreign currency position	**570 237**	**31**	**117 284**	**224**	**-993**	**-852**	**685 931**

31.12.2024	EUR	CHF	GBP	SEK	USD	Other	Total
Assets bearing currency risk							
Due from banks and investment companies	3 365 275	2 744	435 820	1 593	6 041	6 832	**3 818 305**
Financial assets at fair value and at amoritsed cost	306 300	1	1	3 472	30	2	**309 805**
Loans and advances to customers	4 194 563	18	348 514	198	8 572	228	**4 552 093**
Receivables from customers	5 394	-181	-41	421	-490	-367	**4 736**
Reinsurance contract assets	2 044	0	0	0	0	0	**2 044**
Insurance contract assets	89	0	0	0	0	0	**89**
Other financial assets	100	0	181	0	0	0	**281**
Total assets bearing currency risk	**7 873 765**	**2 582**	**784 475**	**5 683**	**14 153**	**6 695**	**8 687 353**
Liabilities bearing currency risk							
Deposits from customers	6 032 987	7 485	701 956	7 208	148 864	11 610	**6 910 110**
Loans received and bond issued	927 685	0	0	0	0	0	**927 686**
Financial liabilities at fair value	24	0	0	0	0	0	**24**
Accounts payable and other financial liabilities	33 983	39	8 993	1 448	9 996	334	**54 793**
Insurance contract liabilities	15 258	0	0	0	0	0	**15 258**
Reinsurance contract liabilities	1 499	0	0	0	0	0	**1 499**
Subordinated debt	126 256	0	0	0	0	0	**126 256**
Total liabilities bearing currency risk	**7 137 692**	**7 524**	**710 949**	**8 656**	**158 860**	**11 944**	**8 035 626**
Open gross position derivative assets at contractual value	0	4 983	0	3 054	144 384	5 289	**157 710**
Open gross position derivative liabilities at contractual value	157 710	0	0	0	0	0	**157 710**
Open foreign currency position	**578 363**	**41**	**73 526**	**81**	**-323**	**40**	**651 727**

NOTE 7 Fair Value of Financial Assets and Liabilities

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

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

	IFRS 9 measurement	Level 1	Level 2	Level 3	Total fair value	Carrying value
30.06.2025						
Cash and balances with central bank	AC	1 186 553	2 633 805	0	**3 820 358**	**3 820 358**
Due from banks and investment companies	AC	45 479	0	0	**45 479**	**45 479**
Due from credit institutions	AC	0	1 650	0	**1 650**	**1 650**
Debt securities	FVTPL	18 429	0	0	**18 429**	**18 429**
Shares and fund units	FVTPL	6 364	0	0	**6 364**	**6364**
Debt securities	AC	0	428 998	0	**428 998**	**429 427**
Loans and advances to customers	AC	0	0	5 151 604	**5 151 604**	**4 998 645**
Receivables from customers	AC	0	16 626	0	**16 626**	**16 626**
Strategic financial investment	FVTPL	0	759	0	**759**	**759**
Derivatives	FVTPL	0	0	1 000	**1 000**	**1 000**
Other financial assets	AC	0	0	276	**276**	**276**
Total assets		**1 256 825**	**3 081 838**	**5 152 880**	**9 491 543**	**9 339 013**
Deposits from customers	AC	0	7 405 581	0	**7 405 581**	**7 364 341**
Loans received and debt securities in issue	AC	0	1 063 799	0	**1 063 799**	**1 037 347**
Subordinated debt	AC	0	168 907	0	**168 907**	**161 155**
Derivatives	FVTPL	0	4218	0	**4 218**	**4 218**
Accounts payable and other liabilities	AC	0	61579	0	**61 579**	**61 579**
Total liabilities		**0**	**8 704 084**	**0**	**8 704 084**	**8 628 640**
31.12.2024						
Cash and balances with central bank	AC	878 316	2 897 238	0	**3 775 554**	**3 775 554**
Due from banks and investment companies	AC	41 751	0	0	**41 751**	**41 751**
Due from credit institutions	AC	0	1 000	0	**1 000**	**1 000**
Debt securities	FVTPL	15 671	0	0	**15 671**	**15 671**
Shares and fund units	FVTPL	7 186	0	0	**7 186**	**7 186**
Debt securities	AC	0	283 902	0	**283 902**	**283 533**
Loans and advances to customers	AC	0	0	4 728 259	**4 728 259**	**4 552 093**
Receivables from customers	AC	0	4 736	0	**4 736**	**4 736**
Strategic financial investment	FVTPL	0	0	1 000	**1 000**	**1 000**
Derivatives	FVTPL	0	3 415	0	**3 415**	**3 415**
Other financial assets	AC	0	0	281	**281**	**281**
Total assets		**942 924**	**3 190 291**	**4 729 540**	**8 862 755**	**8 686 220**
Deposits from customers	AC	0	6 955 717	0	**6 955 717**	**6 910 110**
Loans received and debt securities in issue	AC	0	940 488	0	**940 488**	**927 686**
Subordinated debt	AC	0	132 506	0	**132 506**	**126 256**
Derivatives	FVTPL	0	24	0	**24**	**24**
Accounts payable and other liabilities	AC	0	44 674	0	**44 674**	**44 674**
Total liabilities		**0**	**8 073 409**	**0**	**8 073 409**	**8 008 750**

As of June 30, 2025, the liquidity portfolio in the amount of EUR 429 427 thousand is reflected in the amortised cost and the loss from the revaluation of the portfolio is refleced in the income statement in the line Impairment losses on loans and bonds in the total amount of EUR 4 thousand. The estimated market value of the securites recorded in the amortised cost as of June 30, is EUR 429 121 thousand.

Hierarchy levels:

1. Level 1 – the price quoted on active market

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

As at 30.06.20245 the fair value of corporate loans and overdraft is EUR 121 186 thousand (4.15%) higher than their carrying amount (31.12.2024: 125 312 thousand, 4.67% higher). Loans are issued in the bank's business segments on market conditions. Therefore, the fair value of retail loans does not materially differ from their carrying amount as at 30 June 2025 and 31 December 2024. In determining the fair value of loans, considerable management judgements are used (discounted cash flow method with current market interest is used for the valuation). Loans issued are thus categorised under hierarchy level 3.

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

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

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

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

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

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

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

30.06.2025	**Stage 1**	**Stage 2**	**Stage 3**	**Provision**	**Total**	**%**
Individuals	1 672 117	148 725	9 571	-6 049	1 824 364	36.50%
Agriculture	45 159	10 815	23	-136	55 861	1.12%
Mining and Quarrying	11 559	792	36	-73	12 314	0.25%
Manufacturing	168 627	14 475	47 952	-11 709	219 345	4.39%
Energy	208 996	1 273	0	-1 365	208 904	4.18%
Water and sewerage	37 693	253	0	-401	37 545	0.75%
Construction	109 316	4 300	113	-584	113 145	2.26%
Wholesale and retail trade	106 822	45 151	1 932	-1 233	152 672	3.05%
Transportation and storage	111 116	2 527	42	-1 054	112 631	2.25%
Accommodation and catering	72 135	1 622	3 791	-501	77 047	1.54%
Information and communication	20 495	2 585	126	-180	23 026	0.46%
Financial activities	135 650	904	0	-669	135 885	2.72%
Real estate activities	1 476 106	102 548	32 528	-10 950	1 600 232	32.01%
Professional, scientific and technical activities	90 021	6 113	219	-343	96 010	1.92%
Administrative and support service activities	85 052	18 568	112	-500	103 232	2.07%
Local municipalities	37 960	3 649	0	-103	41 506	0.83%
Education	5 035	3 020	40	-887	7 208	0.14%
Health care	75 905	1 193	101	-235	76 964	1.54%
Arts and entertainment	53 905	32 339	9	-2 716	83 537	1.67%

Other service activities	16 247	1 005	11	-46	17 217	0.34%
Total	**4 539 916**	**401 857**	**96 606**	**-39 734**		
Provision	-12 152	-8 619	-18 963			
Total loan portfolio	**4 527 764**	**393 238**	**77 643**		**4 998 645**	**100%**

31.12.2024	Stage 1	Stage 2	Stage 3	Provision	Total	%
Individuals	1 459 694	190 727	7 146	-7 235	1 650 332	36.3%
Agriculture	42 577	14 996	31	-185	57 419	1.3%
Mining and Quarrying	105	1 022	36	-28	1 135	0.0%
Manufacturing	131 634	49 937	18 336	-13 277	186 630	4.1%
Energy	215 497	2 391	0	-1 248	216 640	4.8%
Water and sewerage	27 882	314	0	-307	27 889	0.6%
Construction	100 869	4 191	47	-702	104 405	2.3%
Wholesale and retail trade	157 574	12 691	616	-1 418	169 463	3.7%
Transportation and storage	68 223	1 890	8	-625	69 496	1.5%
Accommodation and catering	58 599	1 157	150	-311	59 595	1.3%
Information and communication	22 808	3 773	102	-177	26 506	0.6%
Financial activities	154 091	1 525	0	-782	154 834	3.4%
Real estate activities	1 222 762	128 858	8 197	-8 986	1 350 831	29.7%
Professional, scientific and technical activities	137 097	9 309	331	-334	146 403	3.2%
Administrative and support service activities	96 100	18 651	73	-647	114 177	2.5%
Local municipalities	46 572	4 086	0	-98	50 560	1.1%
Education	5 156	3 356	0	-1 029	7 483	0.2%
Health care	68 976	819	0	-200	69 595	1.5%
Arts and entertainment	40 160	31 525	0	-2 182	69 503	1.5%
Other service activities	18 614	611	14	-42	19 197	0.4%
Total	**4 074 990**	**481 829**	**35 087**	**-39 813**		
Provision	-11 384	-14 303	-14 126			
Total loan portfolio	**4 063 606**	**467 526**	**20 961**		**4 552 093**	**100%**

NOTE 9 Net Interest Income

Interest income	Q2 2025	6M 2025	Q2 2024	6M 2024
From balances with credit institutions and investment	736	1 168	468	836
From central bank	23 125	48 076	35 363	67 871
From debt securities	4 064	8 217	1 697	4 435
Leasing	2 640	5 536	3 358	6 612
Leverage loans and lending of securities	409	831	409	806
Consumer loans	2 927	5 884	2 992	6 046
Hire purchase	668	1 336	733	1 521
Corporate loans	50 160	99 535	45 107	88 318
Credit card loans	329	646	297	591
Mortgage loans	17 671	36 011	19 044	37 587
Private loans	812	1 666	967	1 971
Other loans	115	237	808	1 411
Total	**103 656**	**209 143**	**111 243**	**218 005**
Interest expense				
Deposits of customers and loans received	-42 314	-82 817	-32 171	-62 156

Other interest expense	-391	-734	-169	-3 86
Subordinated liabilities	-3 308	-5 939	-8 479	-16 120
Total	**-46 013**	**-89 490**	**-40 819**	**-78 662**
Net interest income	**57 643**	**119 653**	**70 424**	**139 343**

Interest income on loans by customer location (interest on bank balances and bonds excluded):	**Q2 2025**	**6M 2025**	**Q2 2024**	**6M 2024**
Estonia	64 635	132 272	71 032	140 112
Great Britain	11 096	19 410	2 683	4 751
Total	**75 731**	**151 682**	**73 715**	**144 863**

NOTE 10 Net Fee and Commission Income

Fee and commission income	**Q2 2025**	**6M 2025**	**Q2 2024 corrected**	**6M 2024 corrected**
Security brokerage and commissions paid	1 616	3 475	1 562	3 319
Asset management and similar fees	3 664	7 380	4 052	7 982
Currency exchange fees conversion revenues	2 384	4 662	2 229	4 377
Fees from cards and payments	9 379	18 346	9 451	18 463
Other fee and commission income	4 502	7 116	2 003	3 749
Total	**21 545**	**40 979**	**19 297**	**37 889**
Fee and commission expense				
Security brokerage and commissions paid	-867	-1 765	-748	-1 561
Expenses related to cards	-2 518	-4 789	-1 972	-3 716
Expenses related to acquiring	-2 174	-4 045	-1 748	-3 316
Other fee and commission expense	-407	-730	-477	-947
Total	**-5 966**	**-11 329**	**-4 945**	**-9 540**
Net fee and commission income	**15 579**	**26 650**	**14 352**	**28 349**

Fee and commission income by customer location:	**Q2 2025**	**6M 2025**	**Q2 2024**	**6M 2024**
Estonia	19 077	36 075	17 472	33 648
Great Britain	2 468	4 904	1 825	4 241
Total	**21 545**	**40 979**	**19 297**	**37 889**

NOTE 11 Operating Expenses

	Q2 2025	**6M 2025**	**Q2 2024 corrected**	**6M 2024 corrected**
Wages, salaries and bonuses	16 622	32 601	15 090	29 412
Social security and other taxes*	6 279	12 955	5 330	10 573
Total personnel expenses	**22 901**	**45 556**	**20 420**	**39 985**
IT expenses	4 017	7 593	3 267	6 159
Information services and bank services	474	1 031	449	912
Marketing expenses	1 526	2 785	796	1 416
Office expenses	544	1 210	588	1 118
Transportation and communication expenses	226	409	163	334
Staff training and business trip expenses	403	731	438	813

Other outsourced services	3 119	5 763	3 385	6 075
Other administrative expenses	4 291	7 017	3 409	7 217
Depreciation of non-current assets	2 525	5 097	2 498	5 231
Operational lease payments	135	128	286	269
Other operating expenses	349	732	399	695
Total other operating expenses	**17 609**	**32 496**	**15 678**	**30 239**
Total operating expenses	**40 510**	**78 052**	**36 098**	**70 224**

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

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

	30.06.2025	31.12.2024
Demand and term deposits with maturity less than 3 months*	39 890	35 813
Statutory reserve capital with the central bank	66 361	63 239
Due from investment companies*	5 589	5 938
Demand deposit from central bank*	3 753 997	3 712 315
Total	**3 865 837**	**3 817 305**
*Cash and cash equivalents in the Statement of Cash Flows	3 799 476	3 754 066

The breakdown of receivables by countries has been presented in Note 4. The minimum reserve requirement as at 30 June 2025 was 1% (31 December 2024: 1%) of all financial resources (customer deposits and loans received). The reserve requirement is to be fulfilled as a monthly average in euros or in the foreign financial assets approved by the central bank.

NOTE 13 Deposits of Customers and Debt Securities in issue

Deposits by type	Individuals	Financial entities	Non-financial entities	Public sector	30.06.2025
Demand deposits	1 196 049	1 545 102	1 847 134	81 150	4 669 435
Term deposits	1 645 651	99 805	868 315	81 135	2 694 906
Total	**2 841 700**	**1 644 907**	**2 715 449**	**162 285**	**7 364 341**

Deposits by type	Individuals	Financial entities	Non-financial entities	Public sector	31.12.2024
Demand deposits	1 055 141	1 591 310	1 684 385	102 063	4 432 899
Term deposits	1 359 221	156 189	918 197	43 604	2 477 211
Total	**2 414 362**	**1 747 499**	**2 602 582**	**145 667**	**6 910 110**

Loans from financial institutions and debt securities in issue	30.06.2025	31.12.2024
Debt securities in issue	484 126	427 525
Covered bonds	553 221	500 161
Total	**1 037 347**	**927 686**

In the spring of 2025, LHV Group issued MREL eligible bonds in the amount of 60 million euros, Tier 1 subordinated bonds in the amount of 50 million euros and covered bonds in the amount of 300 million euros. In April, Moody's raised the rating of LHV Pank's covered bonds to the highest level of Aaa.The nominal interest rate of customer deposits and received loans is equal to their internal interest rate, as no other significant fees have been applied.

NOTE 14 Accounts payable and other liabilities

Financial liabilities	30.06.2025	31.12.2024
Trade payables and payables to merchants	3 338	4 961
Other short-term financial liabilities	14 156	1 982
Lease liabilities	8 269	10 119
Payments in transit	36 412	30 207
Financial guarantee contracts issued	6 899	6 368
Liabilities from insurance services	774	1 156
Subtotal	**69 848**	**54 793**
Not financial liabilities		
Performance guarantee contracts issued	1 756	1 943
Tax liabilities	5 631	12 916
Payables to employees	7 011	6 178
Other short-term liabilities	1 160	988
Subtotal	**15 559**	**22 025**
Total	**85 407**	**76 818**

Payables to employees consist of unpaid salaries; bonus accruals and vacation pay accrual for the reporting period and the increase in liabilities is caused by the increase in the number of employees during the year. Payments in transit consist of foreign payments and payables to customers related to intermediation of securities transactions. All liabilities, except for financial guarantees, are payable within 12 months and are therefore recognised as current liabilities.

NOTE 15 Contingent Liabilities

Irrevocable transactions	Performance guarantees	Financial guarantees	Letter of credit	Unused loan commitments	Total
Liability in the contractual amount as at 30 June 2025	185 660	80 158	6 491	516 638	**788 947**
Liability in the contractual amount as at 31 December 2024	110 674	55 525	1 071	561 981	**729 251**

NOTE 16 Basic Earnings and Diluted Earnings Per Share

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

	Q2 2025	6M 2025	Q2 2024	6M 2024
Total profit attributable to owners of the parent (EUR thousand)	30 049	58 617	38 286	78 830
Weighted average number of shares (in thousands of units)	326 023	325 106	322 911	320 922
Basic earnings per share (EUR)	0.09	0.18	0.12	0.25
Weighted average number of shares used for calculating the diluted earnings per shares (in thousands of units)	332 274	330 973	327 494	326 505
Diluted earnings per share (EUR)	0.09	0.18	0.12	0.24

NOTE 17 Capital Management

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

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

The amount of capital that the Group managed as of 30.06.2025 was 781 219 thousand euros (31.12.2024 725 467 thousand euros). The goals of the Group's capital management are set based on both the regulative requirements and additional internal buffer.

The Group follows the general principles in its capital management:

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

Capital base	**30.06.2025**	**31.12.2024**
Paid-in share capital	32 786	32 419
Share premium	141 093	146 958
Reserves	4 713	4 713
Other reserves	-444	2 440
Accumulated loss	448 313	320 757
Intangible assets (subtracted)	-21 185	-21 834
Profit for the reporting period (COREP)	21 010	148 969
Other adjustments	-9	-4
Dividends to be distributed	0	-29 177
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	0	-971
CET1 capital elements or deductions	0	0
CET1 instruments of financial sector entities where the institution has a significant investment	-5 467	-4 313
CET1 instruments of financial sector entities where the institution has not a significant investment	0	0
Total Core Tier 1 capital	**620 810**	**599 957**
Additional Tier 1 capital	70 230	35 314
Total Tier 1 capital	**691 040**	**635 271**
Subordinated liabilities	90 179	90 196
Total Tier 2 capital	**90 179**	**90 196**
Total net own funds	**781 219**	**725 467**

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

NOTE 18 Transactions with related parties

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

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

Transactions	Q2 2025	6M 2025	Q2 2024	6M 2024
Interest income	**843**	**1 735**	**739**	**1 445**
incl. management	26	49	67	135
incl. shareholders that have significant influence	827	1 684	672	1 310
Fee and commission income	**32**	**53**	**25**	**94**
Incl. management	3	4	9	18
incl. shareholders that have significant influence	29	49	16	76
Interest expenses from deposits	**55**	**113**	**60**	**94**
incl. management	7	14	14	35
incl. shareholders that have significant influence	48	99	46	59
Interest expenses from subordinated loans	**50**	**108**	**76**	**152**
incl. management	2	4	1	2
incl. shareholders that have significant influence	48	104	75	150

Balances	30.06.2025	31.12.2024
Loans and receivables as at the year-end	**52 948**	**52 500**
incl. management	959	770
incl. shareholders that have significant influence	51 989	51 730
Deposits as at the year-end	**16 285**	**28 558**
incl. management	1 008	917
incl. shareholders that have significant influence	15 277	37 641
Subordinated loans as at the year-end	**1 594**	**1 904**
incl. management	96	96
incl. shareholders that have significant influence	1 498	1 808

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

Loans granted to related parties are issued at market conditions.

In Q2, salaries and other compensations paid to the management of the parent AS LHV Group and its subsidiaries totalled EUR 790 thousand (Q2 2024: EUR 805 thousand), including all taxes. As at 30.06.2025, remuneration for June and accrued holiday pay in the amount of EUR 198 thousand (31.12.2024: EUR 234 thousand) is reported as a payable to management. The Group did not have any long-term payables or commitments to the members of the Management Board and the Supervisory Board as at 30.06.2025 and 31.12.2024 (pension liabilities, termination benefits, etc.). In Q2 2025, the remuneration paid to the members of the Group’s Supervisory Board totalled EUR 44 thousand (Q2 2024: EUR 29 thousand).

Management is related to the share-based compensation plan. In Q2 2025 the share-based compensation to management amounted to EUR 503 thousand (Q2 2024: EUR 614 thousand).

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

NOTE 19 Tangible and intangible assets

(in thousands of euros)	**Tangible assets**	**Right of use assets**	**Total tangible assets**	**Intangible assets**	**Costs incurred for the acquisition of customer contracts**	**Total intangible assets**
Balance as at 31.12.2023						
Cost	19 181	21 047	40 228	19 060	18 470	37 530
Accumulated depreciation and amortisation	-7 931	-10 188	-18 119	-12 234	-11 453	-23 687
Carrying amount 31.12.2023	**11 250**	**10 859**	**22 109**	**6 826**	**7 017**	**13 843**
Purchase of non-current assets	1 209	1 621	2 830	3 268	0	3 268
Depreciation/amortisation charge	-3 396	-1 371	-4 767	-3 843	-1 332	-5 175
Recalculation of the accumulated amortisation	-177	-1 789	-1 966	953	0	953
Capitalised selling costs	0	0	0	0	1 154	1 154
Balance as at 31.12.2024						
Cost	20 213	20 879	41 092	23 281	19 624	42 905
Accumulated depreciation and amortisation	-11 327	-11 559	-22 886	-16 077	-12 785	-28 862
Carrying amount 31.12.2024	**8 886**	**9 320**	**18 206**	**7 204**	**6 839**	**14 043**
Purchase of non-current assets	143	0	143	965	0	965
Depreciation/amortisation charge	-1 748	-1 573	-3 321	-1 615	0	-1 615
Exchange rate differences	-126	-24	-150	0	0	0
Capitalised selling costs	0	0	0	0	425	425
Balance as at 30.06.2025						
Cost	20 230	20 855	41 085	24 246	20 049	44 295
Accumulated depreciation and amortisation	-13 075	-13 132	-26 207	-17 692	-13 382	-31 074
Carrying amount 30.06.2025	**7 155**	**7 723**	**14 878**	**6 554**	**6 667**	**13 221**

NOTE 20 Subordinated debts

Subordinated debts (in thousands of euros)

	Year of issue	Amount	Interest rate	Maturity date
Subordinated Tier 2 liabilities	2020	35 000	6.0%	September 30 2030
Subordinated Tier 2 liabilities	2023	35 000	10.5%	September 29 2033
Subordinated Tier 2 liabilities	2024	20 000	6,0%	September 29 2033
Additional subordinated Tier 2 liabilites	2022	20 000	10.5%	Perpetual
Additional subordinated Tier 2 liabilites	2025	50 000	9.5%	Perpetual
Subordinated debt as at 30.06.2025		160 000		
Subordinated debt as at 31.12.2024		125 000		

NOTE 21 Changes in impairments

Changes in impairments	Balance as at 01.01	Impairment provisions/reversals set up during the year	Written off during the reporting perion	Balance as at 30.06
Corporate loans	-31 004	-11 999	10 632	-32 371
Consumer loans	-4 911	-1 141	2 236	-3 816
Investment financing	-5	-28	2	-31
Leasing	-1 589	-345	636	-1 298
Private loans	-2 304	-843	929	-2 218
Total 2025	**-39 813**	**-14 356**	**14 434**	**-39 734**

Changes in impairments	Balance as at 01.01	Impairment provisions/reversals set up during the year	Written off during the reporting perion	Balance as at 31.12
Corporate loans	-21 068	-17 763	7 827	-31 004
Consumer loans	-4 310	-3 238	2 637	-4 911
Investment financing	-11	-1	7	-5
Leasing	-2 107	-939	1 457	-1 589
Private loans	-2 229	-1 324	1 249	-2 304
Total 2024	**-29 725**	**-23 265**	**13 177**	**-39 813**

Shareholders of AS LHV Group

AS LHV Group has a total of 327 856 146 ordinary shares, with a nominal value of 0.1 euro.

As at 30 June 2025, AS LHV Group has 38 538 shareholders:

- 141 536 529 shares (43.17%) were held by members of the Supervisory Board and Management Board, and related parties.
- 186 319 617 shares (56.83%) were held by Estonian entrepreneurs and investors, and related parties.

Top ten shareholders as at 30 June 2025:

Number of	Participation	Name of shareholder
37 162 070	11.5%	AS Lõhmus Holdings
35 210 370	10.9%	Viisemann Investments AG
25 449 470	7.9%	Rain Lõhmus
12 446 070	3.8%	Krenno OÜ
11 310 000	3.5%	AS Genteel
10 725 470	3.3%	Ambient Sound Investments OÜ
7 188 990	2.2%	SIA Krugmans
6 691 020	2.1%	Bonaares OÜ
6 037 590	1.9%	OÜ Merona Systems
5 437 640	1.7%	AS Amalfi

Shares held by members of the Management Board and Supervisory Board

Madis Toomsalu holds 1 718 150 shares.
Kadri Haldre holds 30 610 shares.
Meelis Paakspuu holds 880 890 shares.
Jüri Heero holds 1 045 270 shares and Heero Invest OÜ holds 306 820 shares.
Rain Lõhmus holds 25 449 470 shares, AS Lõhmus Holdings 37 162 070 shares and OÜ Merona Systems 6 037 590 shares.
Andres Viisemann holds 642 690 shares and Viisemann Investment AG holds 35 210 370 shares.
Tauno Tats does not hold shares. Ambient Sound Investments OÜ holds 10 622 730 shares.
Tiina Mõis holds 49 880 shares. AS Genteel holds 11 310 000 shares.
Heldur Meerits does not hold shares. AS Amalfi holds 5 437 640 shares.
Raivo Hein does not hold shares. OÜ Kakssada Kakskümmend Volti holds 5 026 370 shares, Astrum OÜ holds 3 890 shares and Lame Maakera OÜ holds 483 120 shares.
Liisi Znatokov does not hold shares.

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

AS LHV Group
Supervisory board: Rain Lõhmus, Andres Viisemann, Tiina Mõis, Heldur Meerits, Raivo Hein, Tauno Tats, Liisi Znatokov
Management board: Madis Toomsalu, Kadri Haldre, Meelis Paakspuu, Jüri Heero

AS LHV Varahaldus
Supervisory board: Madis Toomsalu, Andres Viisemann, Kadri Kiisel
Management board: Vahur Vallistu, Eve Sirel

AS LHV Pank
Supervisory board: Madis Toomsalu, Rain Lõhmus, Andres Viisemann, Tiina Mõis, Heldur Meerits, Raivo Hein, Liisi Znatokov
Management board: Kadri Kiisel, Jüri Heero, Annika Goroško, Meelis Paakspuu, Indrek Nuume, Kadri Haldre

AS LHV Finance
Supervisory board: Kadri Kiisel, Madis Toomsalu, Veiko Poolgas, Jaan Koppel
Management board: Heidy Kütt

AS LHV Kindlustus
Supervisory board: Madis Toomsalu, Erki Kilu, Veiko Poolgas, Jaan Koppel
Management board: Martti-Sten Merilai, Taavi Lehemaa

LHV UK Limited
Directors: Madis Toomsalu, Erki Kilu, Paul Hancock, Keith Butcher, Sally Veitch, Gill Lungley, Rachelle Frewer

AS LHV Paytech
Supervisory board: Kadri Kiisel, Madis Toomsalu, Erki Kilu
Management board: Lauri Teder

Signatures of the Management Board to the Condensed Consolidated Interim Report

The Management Board has prepared the summary of results for January to June 2025 period the condensed consolidated interim financial statements of AS LHV Group for the 6-months period ended 30 June 2025.

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

21.07.2025

Madis Toomsalu

Kadri Haldre

Meelis Paakspuu

Jüri Heero