

Report on Activities of Supervisory Board and Assessment of 2025 Annual Report of AS LHV Group for Submission to General Meeting of Shareholders

18 February 2026

The Supervisory Board of AS LHV Group (hereinafter LHV Group), consisting of Chairman of the Supervisory Board Rain Lõhmus and members of the Supervisory Board Andres Viisemann, Tiina Mõis, Raivo Hein, Tauno Tats and Liisi Znatokov, discussed the following issues and concluded that:

1. Organisation of Management and Economic Activities in 2025 Financial Year

The year 2025 was shaped by continued geopolitical fragmentation, heightened regulatory scrutiny and a more balanced interest rate environment compared to the sharp movements of prior years. Financial markets remained selective, rewarding well-capitalised and disciplined institutions. Technological transformation accelerated further, particularly in digital finance and on-chain solutions, while expectations regarding governance, risk management and sustainability continued to rise. In this environment, resilience, capital strength and strategic clarity were decisive.

Despite a more moderate interest rate backdrop, 2025 was a year of disciplined execution and structural strengthening for LHV Group consolidation group companies (hereinafter LHV). LHV continued to grow its core business volumes while maintaining prudent risk standards and a strong capital position. Although the normalisation of interest rates created pressure on net interest income compared to the peak levels of the previous year, business growth, efficiency measures and active capital management supported stable profitability and long-term value creation. The focus shifted from benefiting from the rate cycle to reinforcing sustainable earnings capacity.

AS LHV Pank maintained its strong position in the Estonian market, further strengthening its corporate lending franchise and retail presence. LHV Bank Limited continued expanding its activities, supported by a capital increase and additional capital instruments to underpin future growth. AS LHV Kindlustus and AS LHV Varahaldus continued developing their product offerings and customer base in a competitive environment. Strategic initiatives, including the restructuring of AS LHV Paytech and the development of innovative on-chain solutions, were closely monitored to ensure alignment with LHV Group's long-term objectives and risk appetite.

In 2025, LHV continued refining its governance and risk architecture. A comprehensive set of group-level risk policies was approved and updated, including capital management, credit, liquidity and funding, market and operational risk, financial crime prevention and ESG-related risk management. A significant milestone was the approval and subsequent refinement of LHV Group's Risk Appetite Statement, including the calibration of ESG-related metrics. ICAAP and ILAAP processes were further integrated with financial planning, strengthening the link between strategy, capital adequacy and liquidity resilience. The Financial Recovery Plan and resolvability-related documentation were also updated to reflect evolving supervisory expectations.

Capital management was a central theme throughout the year. The Supervisory Board approved the issuance of Additional Tier 1 bonds, the issuance of Tier 2 subordinated bonds, MREL-eligible senior bonds and a capital increase of LHV Bank Limited. These decisions reinforced LHV Group's capital base and ensured compliance with regulatory requirements, while supporting continued growth. The Supervisory Board also approved the acquisition of own shares to fulfil obligations arising from the share option programme, thereby aligning employee incentives with long-term shareholder value.

Organisational development and leadership continuity were key topics in 2025. During the year, the Supervisory Board approved changes in the Management Board, including the appointment of a new Chairman of the Management Board for a five-year term. The Supervisory Board devoted considerable attention to succession planning, individual and collective suitability assessments and the long-term composition of governing bodies. In October, the Supervisory Board mourned the passing of Heldur Meerits, whose long-standing contribution to LHV's development was highly valued.

In 2025, the Supervisory Board convened for nine ordinary meetings and one extraordinary meeting and adopted decisions electronically on six occasions. Attendance remained high, demonstrating strong engagement and commitment to oversight responsibilities. The Supervisory Board maintained close and continuous dialogue with its four committees – the Audit Committee, the Risk and Capital Committee, the Nomination Committee and the Remuneration Committee. Through structured quarterly reporting and thematic deep dives, the Supervisory Board ensured comprehensive oversight of financial results, risk developments, compliance matters, audit findings and remuneration frameworks.

Strategic planning remained a priority. The Supervisory Board approved LHV Group's budget for 2025 and engaged in thorough discussions regarding the five-year financial plan for 2026–2030, including adverse scenario analyses to test resilience under stressed conditions. Internal capital targets were reviewed in light of supervisory expectations, including the outcomes of the Supervisory Review and Evaluation Process (SREP). Amendments were made to key governance documents, including risk policies, the Supervisory Board's Terms of Reference and the Diversity Policy, ensuring continued alignment with regulatory developments and strategic objectives.

Throughout 2025, the Supervisory Board demonstrated a consistent and forward-looking approach to governance. Its work combined strategic guidance, prudent capital oversight and detailed monitoring of risk and compliance matters. By reinforcing capital strength, refining the risk framework and overseeing organisational transitions, the Supervisory Board ensured that LHV Group remained resilient, well-governed and strategically focused in a changing environment.

Overall, the Supervisory Board expressed satisfaction with the management and organisation of LHV's economic activities in 2025 and remains confident in LHV Group's long-term prospects and its ability to create sustainable value for shareholders, customers and employees.

2. Annual Report 2025

The Supervisory Board has thoroughly reviewed the 2025 Annual Report of LHV Group, as compiled by the Management Board, alongside the auditor's report. The Supervisory Board believes that the Annual Report adheres to the generally accepted accounting principles, international standards, and relevant regulatory statutes governing accounting practices.

Furthermore, the Supervisory Board endorses the Annual Report as prepared by the Management Board, expresses satisfaction with the auditor's performance in 2025, and hereby presents the 2025 Annual Report to the Annual General Meeting of LHV Group shareholders for their approval.