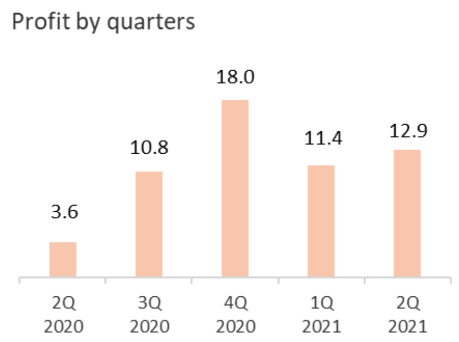
Interim Report January – June 2021
Summary of Results

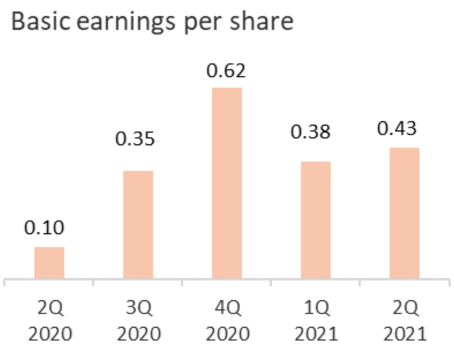
Q2 2021 in comparison with Q1 2021

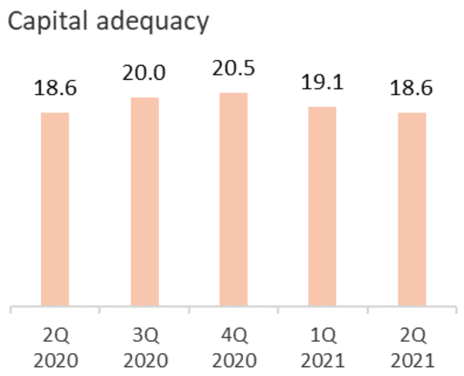
- Net profit EUR 12.9 m (EUR 11.4 m), of which EUR 12.4 m (EUR 11.0 m) is attributable to owners of the parent
- Earnings per share EUR 0.43 (EUR 0.38)
- Net income EUR 32.7 m (EUR 28.6 m)
- Operating expenses EUR 17.9 m (EUR 13.8 m)
- Loan provisions EUR -0.8 m (EUR 1.6 m)
- Income tax expenses EUR 2.8 m (EUR 1.99 m)
- Return on equity 19.9% (18.5%)
- Capital adequacy 18.6% (19.13%)

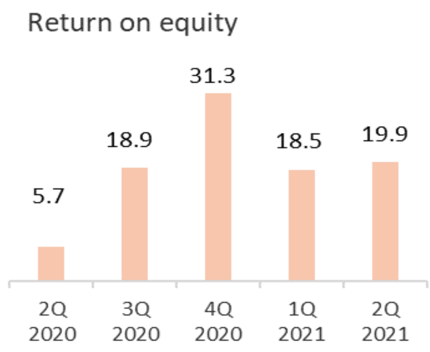
Q2 2021 in comparison with Q2 2020

- Net profit EUR 12.9 m (EUR 3.6 m), of which EUR 12.4 m (EUR 2.9 m) is attributable to owners of the parent
- Earnings per share EUR 0.43 (EUR 0.10)
- Net income EUR 32.7 m (EUR 22.1 m)
- Operating expenses EUR 17.9 m (EUR 10.7 m)
- Loan provisions EUR -0.8 m (EUR 7.7 m)
- Income tax expenses EUR 2.8 m (EUR 0.16 m)
- Return on equity 19.9% (5.7%)
- Capital adequacy 18.6% (18.6%)









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.

Managing Director's Statement

Dear investor in LHV,

The overall sense of security in the Estonian economy has risen close to record level and shows that undertakings expect the rapid recovery that started in the first quarter to continue. According to economic forecasts, the Estonian economy will grow by at least 5% this year. The actual growth pace will depend on the use of the money paid out from the 2nd pension pillar in the autumn. Survey results so far indicate that a large part of the withdrawn money will be spent quite quickly. At the same time, the European Central Bank has maintained its previous money policy approach to alleviate the situation caused by the pandemic, thereby continuing its considerable money supply.

For LHV, the second quarter turned out to be a quarter with some of its best results. The Group's net profit of EUR 12.9 million included higher-than-ordinary income from the deposits of financial intermediaries and a decrease in loan discounts as well as a non-cash flow discount of intangible assets related to 2nd pillar customer contracts in the amount of EUR 3.1 million. By the end of the first six months, we exceeded the financial plan by EUR 7.6 million. Due to the results exceeding the plan, we shall disclose a new financial plan for 2021 in August.

We can be satisfied with having been able to maintain our growth and do it regardless of the increasingly high base. Compared to the end of June last year, the volume of loans has grown by EUR 597 million (y-o-y growth +33%), deposits by EUR 1.8 million (+59%), funds by EUR 180 million (+12%) and number of payments processed by 12 million (+59%). LHV Pank has reached 286,000 customers (+28%).

Despite the rapid growth, we have made no compromises in credit quality and apply the same risk assessment principles. The credit quality has so far remained good, with the wage subsidies paid by the state and the grace leaves offered by banks helping to provide financial buffers for borrowers. The grace leaves we granted against the backdrop of last year's emergency situation have mostly ended in due time and had decreased from the initial EUR 350 million to EUR 39 million by the end of Q2.

The continued growth in investment activity is of equal importance to the growth in loan volumes. We have succeeded in increasing our role as the market leader through our most comprehensive product portfolio, a broad-based provision of investment education, the best Baltic brokerage services and the lowest services fees. In this light, nearly 6,600 new investment agreements were concluded during the quarter. We attracted over 4,600 additional customers with assets in Q2, with more than half of them choosing the Growth Account.

LHV Kindlustus introduced all-risks and motor TPL insurance in May and started offering insurance products to all its customers. In addition, the travel insurance provided under LHV's private banking Platinum card and the private banking card will include an additional COVID-19 cover until the end of October. We have publicly stated that as a new Estonian capital-based insurance company we wish to offer strong competition in a market so far mainly dominated by foreign companies.

In the second quarter, we moved LHV's London office to a new location, the Angel Court office building in London's Financial Quarter. Angel Court is a modern office building and has received various architectural awards, including the title of best London office building. LHV's offices are located on the 15th floor and contain workplaces for 28 people.

When applying for a UK credit institution license, we submitted an initial regulatory business plan for oversight by the end of the second quarter and will focus on liquidity and capital adequacy assessments and the preparation of other necessary documentation in the next phase. After the enf of 2nd quarter Gary Sher will become Chief Financial officer of LHV UK Limited as of the beginning of July. The Chief Financial Officer will also be appointed as a member of the governing body of the company. In parallel, we are looking for three independent members of the governing body who would among other things be responsible for running the Risk and Audit Committee.

LHV pension funds showed a good yield during the quarter, although actively managed funds were surpassed by index funds due to a lower equity risk. Maintaining the liquidity needed for customers who are withdrawing in September in index funds also plays a role here.

While in Q1 the growth of the received pension insurance part of social tax that acts as a reference index for actively managed funds was modest, in Q2 the monthly growth numbers was remarkable, particularly compared to the previous year. The receipt of social tax grew in April, May and June by 12.8%, 11.2% and 8.6%, respectively, compared to 2020. The strong growth figures are partly also influenced by the low comparison base caused by the coronavirus restrictions in Q2 last year, but the pace of recovery of the economy has doubtlessly been very fast, namely in Q2.

In terms of other significant events of Q2, LHV Pank has, according to Estonian employers' reputation survey conducted every spring by Kantar Emor, risen to 5th place in the ranking list of working people and was the most highly valued employer among students. In Kantar Emor's survey of the favourite brands of Estonians, LHV made it to the TOP 10 for the first time. In addition to local recognition, the leading international economic journal Euromoney named LHV Pank as the best Estonian bank for the fourth year running. LHV was successful in this year's competition thanks to its good handling of the impact of COVID-19, the development of various digital banking and other financial products, and its remarkable growth figures.

Madis Toomsalu

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Financial Summary

The Group's 2021 Q2 consolidated profit was EUR 12.9 million, having increased by EUR 1.5 million from 2021 Q1 and grown by EUR 9.4 million compared to the second quarter in the previous year. Loan discounts in Q2 were EUR 0.8 million. At the consolidated level, income tax on future dividend payments by subsidiaries was EUR 0.4 million in the second quarter. The profit of the Group's shareholders in the second quarter of 2021 was 9.5 million euros higher than last year.

The yield on equity held by LHV's shareholders was 19.7% in 2021 Q2, having increased by 1.5 percentage points from 2021 Q1 (18.2%) and grown by 14 percentage points from 2020 Q2 (5.7%).

The Group's consolidated net loan portfolio grew by EUR 97 million in the quarter (EUR 96 million in 2021 Q1) and consolidated deposits grew by EUR 188 million (for comparison: growth in 2021 Q1 was EUR 614 million). Deposits related to payment intermediaries grew by EUR 306 million (EUR 595 million in 2021 Q1).

The Group's own funds increased by EUR 7 million from the previous quarter and risk-weighted assets grew by EUR 84 million.

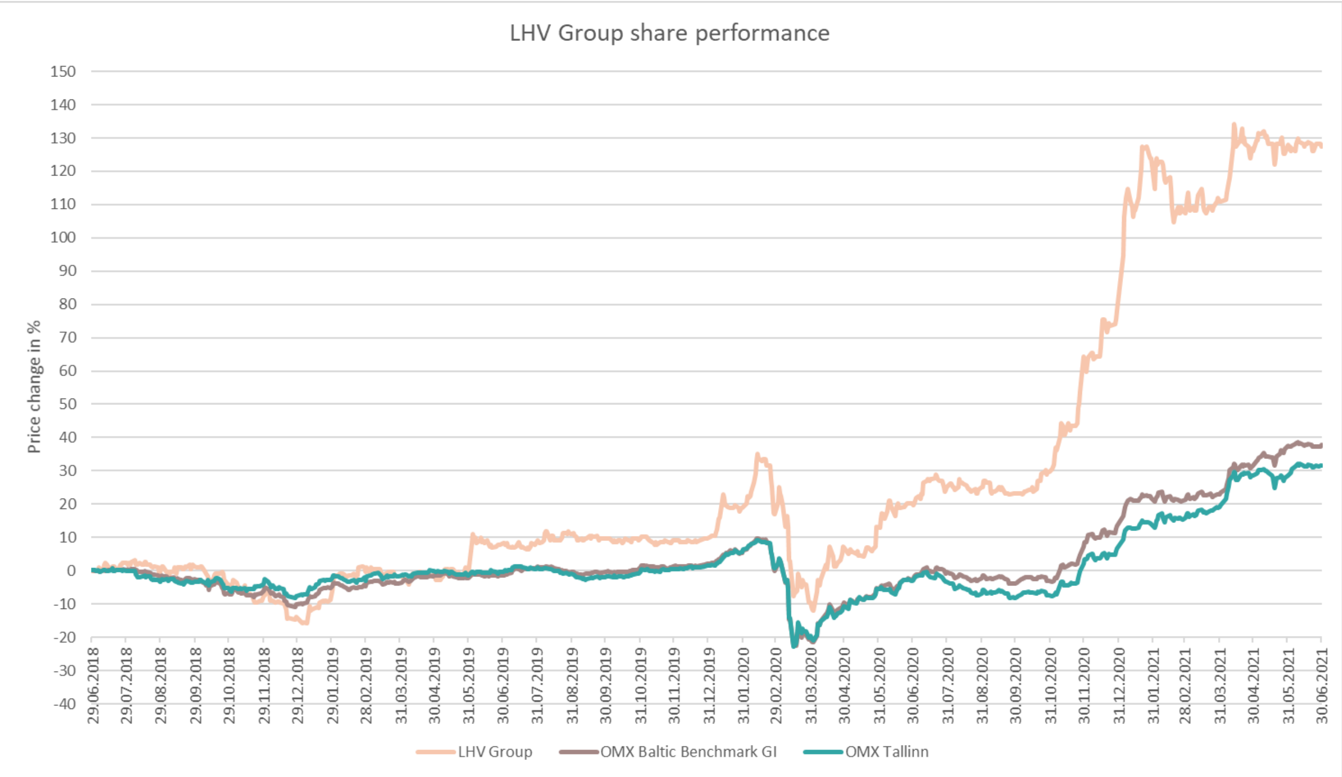
The bank's Q2 consolidated profit was EUR 16.5 million, which is EUR 4.8 million higher than the profit of the previous quarter (EUR 11.8 million in 2021 Q1). The number of the bank's clients grew by over 12 000 in the quarter (16 000 in 2021 Q1), with the total number of the bank's clients now around 286 000.

The bank's loan portfolio grew by EUR 97 million in Q2 (EUR 96 million in 2021 Q1), reaching EUR 2 401 million. Among the loans, business loans and home loans grew the most.

The deposits of the bank's clients grew by EUR 182 million in Q2, while the balance of the deposits of payment intermediaries grew by EUR 306 million and the deposits of the remaining clients decreased by EUR 124 million. By the end of Q2, the total volume of deposits amounted to EUR 4 947 million.

LHV Varahaldus earned a loss of EUR 2.3 million in Q2 (loss of EUR 0.6 million in 2021 Q1) which was due to) due to the write-off of non-monetary customer contracts. Income from service fees of LHV Varahaldus stayed at the same level as in previous quarter (EUR 2.3 million.) The operating expenses of LHV Varahaldus decreased by EUR 0.1 million in the quarter.

The aggregate volume of the funds managed by LHV grew by EUR 33 million in the quarter (a growth of EUR 50 million in 2021 Q1). The number of active second pillar clients decreased by 1 804 in the quarter (decrease of 3 164 in 2021 Q1).



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 banchmark index. LHV Group share has outperformed both indexes and has raised 127%, when comparison indexes have increased by 31 and 37% respectively. LHV Group share price has been 24.9 euros in the end of Q2 and based on the stock price, LHV's market value was EUR 725 million.

Business volumes EUR million	**Q2 2021**	**Q1 2021**	**Quarter over quarter**	**Q2 2020**	**Year over year**
Loan portfolio	2 401.3	2 304.3	4%	1 804.0	33%
Financial investments	86.6	149.7	-42%	423.1	-80%
Deposits of customers	4 921.5	4 733.8	4%	3 086.9	59%
incl. deposits of financial intermediates	953.5	1 648.3	-42%	539.8	77%
Equity (including minority interest)	262.0	255.2	3%	213.3	23%
Equity (owners' share)	254.8	248.5	3%	208.1	22%
Volume of funds managed	1 620.0	1 587.0	2%	1 440.0	13%
Assets managed by bank	2 491.0	2 167.0	15%	1 486.6	68%

Income statement EUR million	**Q2 2021**	**Q1 2021**	**Quarter over quarter**	**Q2 2020**	**Year over year**	**6M 2021**	**6M 2020**	**Year over year**
Net interest income	22.93	20.37	13%	15.55	47%	43.30	31.87	36%
Net fee and commission income	9.11	8.64	5%	6.19	47%	17.75	1270	40%
Other financial income	0.29	-0.37	NA	0.32	-9%	-0.08	-0.07	14%
Income	0.41	0.09	356%	0	NA	0.50	0	NA
Total net operating income	32.74	28.73	14%	22.06	48%	61.47	44.50	38%
Other income	0.04	0.04	0%	-0.02	NA	0.08	0.02	300%
Operating expenses	-17.87	-13.76	30%	-10.66	68%	-31.63	-21.84	45%
Loan losses	0.79	-1.60	NA	-7.67	NA	-0.81	-8.68	-91%
Income tax expenses	-2.79	-1.99	40%	-0.16	1 644%	-4.78	-2.97	61%
Net profit	12.91	11.42	13%	3.55	264%	24.33	11.03	121%
Including attributable to owners of the parent	12.41	11.04	12%	2.94	322%	23.45	10.02	134%

Ratios EUR million	**Q2 2021**	**Q1 2021**	**Quarter over quarter**	**Q2 2020**	**Year over year**	**6M 2021**	**6M 2020**	**Year over year**
Average equity (attributable to owners of the parent)	251.6	242.6	9.0	205.5	46.1	245.8	209.7	41.3
Return on equity (ROE), %	19.7	18.2	1.5	5.7	14.0	19.1	9.8	9.3
Return on assets (ROA), %	0.9	0.9	0.0	0.4	0.5	0.9	0.7	0.2
Interest-bearing assets, average	5 743.3	5 294.8	448.5	3 458.2	2 285.1	5 385.6	3 330.0	2 044.4
Net interest margin (NIM) %	1.60	1.50	0.1	1.80	-0.2	1.61	2.10	-0.52
Price spread (SPREAD) %	1.60	1.50	0.1	1.80	-0.2	1.58	1.90	-0.29
Cost/income ratio %	54.6	47.8	6.8	49.7	4.9	51.4	49.0	2.4
Profit attributable to owners before income tax	15.05	12.83	2.2	3.06	3.06	28.0	12.7	15.3

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
Interest yield from interest-bearing assets = interest income / interest-bearing assets, average *100
Cost of external capital = interest expenses / interest-bearing liabilities, average *100
Cost/income ratio = total operating cost / total income *100

Operating Environment

In the first quarter of this year, the second wave of the coronavirus was in progress everywhere, and the activities of many sectors were still limited by various movement and business restrictions. Economic activity did, indeed, grow compared to previous quarters, as the vaccination rollout began and people became a little bit bolder. However, economic growth in major regions still remained negative or near zero in a year-on-year comparison. The economy of the European Union decreased by 1.3% and the US economy only grew by 0.4% in a year-on-year comparison. According to survey results, the economy abruptly opened in Q2 – the global purchase managers index has risen to its highest level in 15 years.

The economies of Estonia's main trading partners were also on a downward trend in Q1. In quarter-on-quarter comparison, gross production decreased in Finland, Latvia and Germany. Sweden and Lithuania were able to increase their gross production, but their growth pace clearly lagged behind Estonia. The opening of a new factory in the biotechnology sector, which produces chemical components necessary for COVID tests, has, among other things, also contributed to the success story of the Lithuanian economy. Latvia's relatively strict restrictions at the beginning of the year also show in smaller retail sales figures, while practically everywhere else merchants still managed to considerably increase sales under the new restrictions.

Unemployment began decreasing in Europe in spring and reached 7.35% in May. Compared to the beginning of the crisis, a little under 2 million more people are unemployed. As the crisis has mainly hit companies operating in the service sector (tourism, accommodation and catering, transport) where the share of unreported employment is traditionally greater, the number of people who have become unemployed is actually probably a bit higher. At the same time, recent survey data show that activity in the service sector has grown considerably, and undertakings foresee a continuation in the rapid recovery.

The growth of the eurozone harmonised consumer prices that reached 1.3% in March accelerated at the beginning of summer and was 1.9% in June. The movement of the price increase has been controlled by energy prices which have grown by the average of 12% in a year-on-year comparison in the past three months. Without the energy component, the eurozone price increase has remained a little under 1%. However, inflation can be expected to accelerate somewhat in the second half of the year, when besides fuels, industrial goods and services that are in an ever-increasing demand also put pressure on the price increase.

The meetings of the Council of the European Central Bank held in April and June decided to leave the current money policy approach largely unchanged and continue the implementation of the developed solutions. In order to alleviate the situation caused by the pandemic, the Central Bank has considerably increased the money supply. In 2020, another EUR 2.3 trillion was injected into the economy, of which EUR 1 trillion was used to buy securities (PEPP, mainly the public sector) and approximately EUR 1.2 trillion was lent to commercial banks, primarily within the framework of the TLTRO-III targeted refinancing opportunities programme. In the first six months of this year, another EUR 0.7 trillion was released into the economy, and this was distributed more or less equally between asset purchases and loans. The 6-month Euribor and the euro short-term rate €STR that has been introduced as a new reference interest rate have remained below -0.5% since the beginning of the year.

July saw the completion of the review of ECB's money policy strategy, as a result of which the Council of ECB approved a new symmetrical inflation goal of 2%. Symmetry here means that both positive and negative deviations from the goal are seen as equally bad. Similarly to the FED, it was also confirmed that upon exiting the environment of lower interest rates, inflation in excess of the goal can be tolerated for a while. In perspective, the intention is also to start better accounting for expenses related to dwellings used by owners in calculating the harmonised consumer price index, but the implementation of that change will still take years.

The Estonian economy grew by 5.4% in the first quarter of this year. Although previously published monthly indicators showed that Q1 was stronger than expected, the pace of growth was more rapid than expected. About a half of the economic growth came from a significantly stronger receipt of product taxes, which was partly due to the weak base of the previous year. In the first quarter of the previous year, the receipt of excise duty decreased due to fuel hoarding in the preceding quarter in order to avoid the additional cost arising from the mandatory bio-component added from the beginning of 2020. However, most of the improved tax receipt was still due to a considerably more active economic environment than in the previous year. The receipt of value added tax grew by approximately a fifth and the receipt of excise duties by as much as 28%.

Of fields of activity, information and communication, finance and insurance and trade contributed to economic growth. The stronger impact of retail trade on GDP growth shows in Q2 of this year, but the recovered sales of motor vehicles was already evident in Q1 statistics. In the case of other fields of activity, growth was expectedly near zero or the created added value continued to decrease. The decrease in construction volumes that has lasted for a year has by now reached the added value of the construction sector, which decreased by 7%, and the processing industry is also showing a small minus. Public sector fields of activity also made a positive contribution.

The exporting sector also continued strong at the beginning of the year. Total exports grew by 6.5% in Q1 compared to the previous year, whereas the export of goods grew by 5% and the export of services by a little over 2%. Foreign trade statistics data give even more reason to rejoice, showing 12% growth in the export of goods. Foreign trade statistics also considers the re-export of goods brought to Estonia only for processing as an export, but this is not recognised as an export under the GDP. Of groups of goods, the export of fuels, wood and electronics made a greater contribution. In the case of services, the export of transport, ICT and other business services increased. The strong growth in the export of goods also continued in April and May. The increase in export prices by approximately 10% in a year-on-year comparison has also made a considerable contribution to the growth of export in recent months.

Prices started growing again in the first quarter and the average inflation remained at around 0.6% in Q1. The price increase accelerated in the second quarter and the average consumer basket was as much as 3.8% more expensive in June than at the same time in the previous year. The price increase was last this acute in 2018. However, we should not yet construe the rapid inflation of the recent months to mean a great price boom, as it reflects climbing out of the hole of the previous year and the receding impact of tax cuts. Furthermore, the price increase has so far mainly concerned fuel and energy goods, the consumption of which drastically decreased last spring. The price increase will start accelerating on a broader basis in the second half of the year when the economy increasingly opens up and consumers can return to their ordinary consumption rhythm. As the sense of security grows, people will increasingly start to spend the savings they accumulated during the pandemic, with the money released from the 2nd pension pillar added to that in the autumn.

The overall sense of security of the economy has risen to near record levels and shows that undertakings are expecting the rapid recovery to continue. Only consumers still remain relatively unsure and are, according to surveys, still not interested in making major purchases in the near future. The fear of losing a job still remains higher than usual, although companies are planning to increase employment in the short-term and the number of vacancies has also clearly grown on job portals. As over a billion euros' worth of savings withdrawn from the 2nd pension pillar will hit people's bank accounts in autumn, it is probable that consumers' sense of security will also increase quite rapidly in the coming months.

According to the recently published economic forecast of the Bank of Estonia, the Estonian economy will grow by between 5 to 8% this year. The actual speed of the growth will significantly depend on how people use the money paid out of the 2nd pension pillar in the autumn. Survey data so far indicate that a large part of the withdrawn money will be spent quite quickly, which means a strong boost for private consumption growth. There is therefore reason to expect that a more optimistic scenario will be realised. The pace of growth should calm down in the coming year and remain at 4 to 5%, which means that the growth will still be at a pace faster than what is sustainable in the long-term.

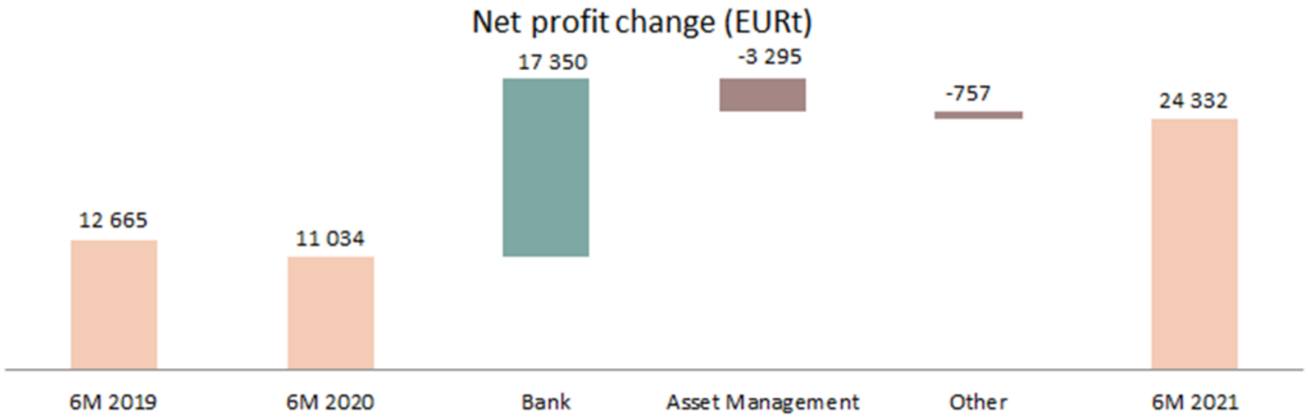
Financial Results of the Group

Compared to Q1, the Group's net interest income increased in Q2 2021 by 13%, standing at EUR 22.9 (Q1: 20.4) million.

At the consolidated level, income tax on future dividend payments by subsidiaries was EUR 0.4 million in the second quarter.

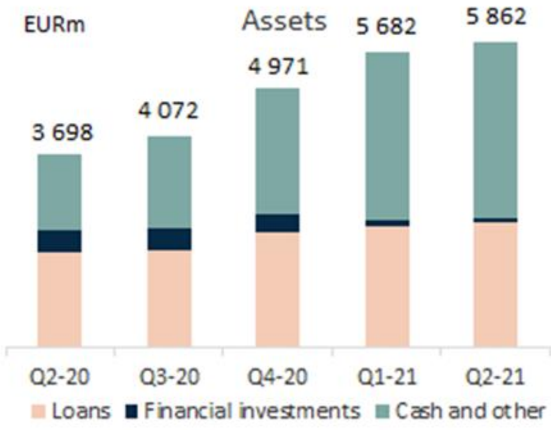
Net fee and commission income increased in Q2 by 5% and stood at EUR 9.7 (Q1: 8.6) million. In total, the net income of the Group increased by 14% in Q2, compared to Q1, amounting to EUR 32.7 (Q1: 28.6) million, with expenses increasing 30% and amounting to EUR 17.9 (Q1: 13.8) million. The Group's operating profit for Q2 amounted to EUR 14.9 (Q1: 15.0) million. The revenue from loan impairments amounted to EUR 0.8 million in Q2 (Q1: loss 1.6). The Group's total profit for Q2 amounted to EUR 12.9 million (Q1: 11.4). Compared to Q2 2020, the Group's net interest income increased by 47% and net fee and commission income increased by 47%.

In terms of business entities, AS LHV Pank posted in Q2 a consolidated profit of EUR 16.8 million and AS LHV Varahaldus a loss of EUR 2.3 million. LHV Kindlustus posted a loss of EUR 0.1 million. The AS LHV Group on solo bases posted a loss of EUR 0.6 million.



The Group's volume of deposits as at the end of Q2 amounted to EUR 4 922 (Q1: 4 734) million, of which demand deposits formed EUR 4 659 (Q1: 4 273) million and term deposits EUR 263 (Q1: 461) million.

As at the end of Q2, the volume of loans granted by the Group amounted to EUR 2 401 (Q1: 2 304) million, increasing in Q2 by 4%. Compared to Q2 2020, the volume of the Group’s deposits has increased by 59% and the volume of loans by 33%.



The Group's Liquidity, Capitalisation and Asset Quality

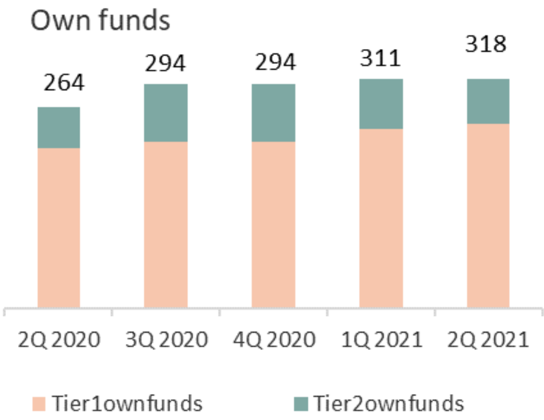
As at 30 June 2021, the Group's own funds stood at EUR 317.6 million (31 December 2020: EUR 311.3 million). LHV Group own funds are calculated based on regulative requirements.

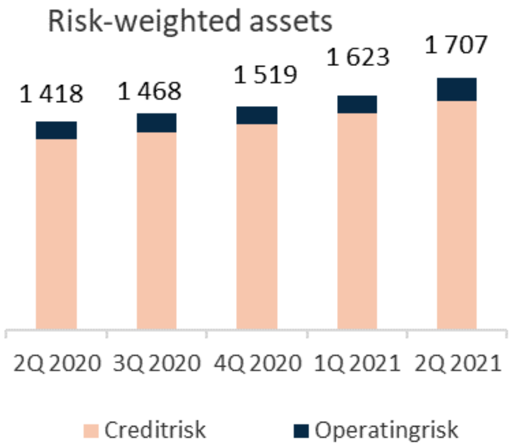
Compared to Group's internal capital adequacy ratio target 16.0%, the Group is capitalised good enough as at the end of the reporting period, with the capital adequacy ratio amounting to 18.6% (31 December 2020: 20.50%). In addition to total capital adequacy targets the Group has also set internal targets for the core Tier 1 capital adequacy ratio to 10.63% and Tier 1 capital adequacy ratio to 12.46%. The internal targets were approved in December 2020 by the Group's Supervisory Board, after the completion of the annual supervisory assessment by the Financial Supervision Authority.

The minimum requirement for own funds and eligible liabilities (MREL) is included into resolution plan and LHV has to keep enough 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 ratio for LHV Group, one MREL-TREA is calculated against total risk weighted assets and another MREL-LRE against total assets. Both these ratios have transition time till 01.01.2024 and were set respectively at 21.42% and 5.91%. Additionally mid-term targets were set at 19.08% and 5.91%, what LHV Group has to fulfil by 01.01.2022.

The Group's liquidity coverage ratio (LCR), as defined by the Basel Committee, stood at 125.7% as at the end of June (31 December 2020: 147.9%). Financial intermediates' deposits in Bank are covered 100% with liquid assets. Excluding the financial intermediates deposits the Groups LCR is 268.9% (31.12.2020: 269.3%). The Group recognises cash and bond portfolios as liquidity buffers. These accounted for 58% of the balance sheet (31 December 2020: 55%). The ratio of loans to deposits stood at 45% as at the end of the second quarter (31 December 2020: 49%). Group's maturity structure is presented in Note 5.

The Group's credit quality was good. As at the end of June, provisions for estimated loan losses amounted to EUR 17.3 million in the balance sheet, i.e. approximately 0.7% of the loan portfolio (31 December 2020: EUR 16.9 million, 0.8%). Estimated loan losses make up 603.6% (31 December 2020: 459.2%) of the portfolio of loans overdue for more than 90 days.





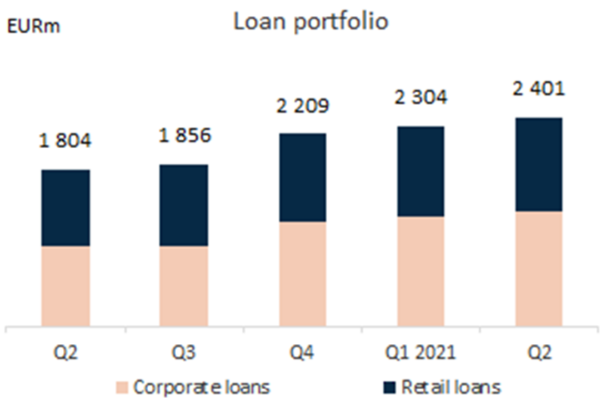
EUR thousand	30.06.2021	Proportion	31.12.2020	Proportion
Loans to customers	2 418 634		2 225 681	
including overdue loans:	27 794	1.1%	24 809	1.1%
1-30 days	21 830	0.9%	17 728	0.8%
31-60 days	2 391	0.1%	2 559	0.1%
61-90 days	708	0.0%	850	0.0%
91 and more days	2 866	0.1%	3 671	0.2%
Impairment of loans	-17 298	-0.7%	-16 858	-0.8%
Impairment % of loans overdue for more than 90 days	603.6%		459.2%	

Capital base	**30.06.2021**	**31.12.2020**	**31.12.2019**
Paid-in share capital	29 119	28 819	28 454
Share premium	72 766	71 468	70 136
Statutory reserves transferred from net profit	4 713	4 713	4 713
Other reserves	29	0	212
Retained earnings	121 485	90 434	69 452
Intangible assets (subtracted)	-15 159	-18 528	-18 319
Net profit for the reporting period (COREP)	0	37 950	12 186
Other adjustments	-79	-323	-33
CET1 capital elements or deductions	-685	-8 358	0
CET1 instruments of financial sector entities where the institution has a significant investment	-4 598	-4 842	0
Tier 1 capital	**207 591**	**201 333**	**166 801**
Additional Tier 1 capital	35 000	35 000	20 000
Total Tier 1 capital	**242 591**	**236 333**	**186 801**
Subordinated debt	75 000	75 000	55 000
Total Tier 2 capital	**75 000**	**75 000**	**55 000**
Net own funds for capital adequacy	**317 591**	**311 333**	**241 801**
Capital requirements			
Central governments and central bank under standard method	362	363	920
Credit institutions and investment companies under standard method	9 441	8 060	4 183
Companies under standard method	1 002 569	865 624	818 918
Retail claims under standard method	206 446	197 849	167 276
Public sector under standard method	2 404	3 250	2
Housing real estate under standard method	260 621	243 971	208 693
Overdue claims under standard methods	22 321	13 362	5 242
Investment funds' shares under standard method	20	7 145	8 052
Other assets under standard method	47 355	49 321	17 875
Total capital requirements for covering the credit risk and counterparty credit risk	**1 551 539**	**1 388 945**	**1 231 161**
Capital requirement against foreign currency risk under standard method	1 134	3 950	4 211
Capital requirement against interest position risk under standard method	0	0	0
Capital requirement against equity portfolio risks under standard method	1 938	972	959
Capital requirement against credit valuation adjustment risks under standard method	419	82	22
Capital requirement for operational risk under base method	152 778	124 638	109 546
Total capital requirements for adequacy calculation	**1 707 808**	**1 518 587**	**1 345 899**

Capital adequacy (%)	**18.60**	**20.50**	**17.97**
Tier 1 capital ratio (%)	**14.20**	**15.56**	**13.88**
Core Tier 1 capital ratio (%)	**12.16**	**13.26**	**12.39**

Overview of AS LHV Pank Consolidation Group

- (Net) growth in loan volume EUR 97 million
- Net profit EUR 16.5 million
- (Net) growth in deposits EUR 181 million



EUR million	Q2 2021	Q1 2021	Change %	Q2 2020	Change %	From the beginning of 2021	From the beginning of 2020	Change %
Net interest income	23.31	20.76	12%	15.54	50%	44.07	31.79	39%
Net fee and commission income	6.82	6.37	7%	4.09	67%	13.19	8.42	57%
Other financial income	0.11	-0.50	NA	-0.19	NA	-0.39	-0.28	39%
Total net operating income	30.24	26.63	14%	19.44	56%	56.87	39.93	42%
Other income	0.12	0.06	92%	0.01	1 817%	0.18	0.08	165%
Operating expenses	-11.93	-11.45	4%	-8.81	35%	-23.38	-18.24	28%
Loan losses	0.79	-1.60	NA	-7.67	NA	-0.81	-8.68	-91%
Income tax expenses	-2.68	-1.88	43%	-0.16	1 629%	-4.56	-2.13	115%
Net profit	16.53	11.76	41%	2.81	489%	28.29	10.96	159%
Loan portfolio	2 401	2 304	4%	1 804	33%			
Financial investments	79	143	-44%	414	-81%			
Deposits of customers	4 947	4 766	4%	3 104	59%			
incl. deposits of financial intermediates	1 944	1 648	18%	540	260%			
Subordinated liabilities	86	86	0%	76	13%			
Equity	238	221	8%	184	29%			

Q2 was successful in terms of business volumes. LHV Bank generated EUR 23.3 million in net interest income and EUR 6.8 million in net fee and commission income. In total, the bank's net income amounted to EUR 30.2 million, expenditure to EUR 11.9 million and loan provisions to EUR -0.8 million. The net profit of LHV Pank amounted to EUR 16.5 million in Q2. This constitutes a 41% increase from Q1 (11.8) and a 489% increase from Q2 2020 (2.81). Net interest income increased 12% compared to previous quarter. Net fee and commission income increased 7% compared to Q1. Net operating income increased by 14% compared to previous quarter. In Q2 other financial expenses amounted to EUR 0.1 million (Q1 financial income 0.5 million).

Securities brokerage fees, transaction fees and fees from cards are the greatest contributor to fee and commission income. The quarterly profit before taxes was EUR 19.2 million and net profit EUR 16.5 million. As at the end of the quarter, net profit exceeded the financial plan by EUR 7.2 million.

The increase in net interest income stems from the growth in business volumes. By the end of Q2, the total volume of the bank's loan portfolios amounted to EUR 2 401 million (Q1: EUR 2 304 million). The volume of portfolios grew 4% over the quarter.

The corporate credit portfolio that contains loans and guarantees grew by EUR 467.4 million (+48%) in a year and by EUR 70.5 million (+5%) in a quarter-on-quarter comparison. The very strong growth was largely based on the acquisition of Danske Bank Eesti's portfolio related to corporate and public sector credit, which was completed in October last year. Above all, the growth stemmed from loans for real estate activities, which is traditionally an area most financed by commercial banks; these increased by EUR 172.1 million (+50%) in all. The growth was mainly driven by financing commercial real estate project with a strong rental flow. The next biggest contributors were loans issued to sectors engaged in public administration and national defence and mandatory social insurance, which grew by EUR 111.3 million. The acquisition of Danske Bank's portfolio had the biggest impact on growth in this area. Loans issued to the wholesale and retail trade sector and the sector engaged in the repairs of motor vehicles and motorbikes grew by EUR 35.9 million (+60%) compared to the previous year.

Compared to the first quarter of 2021, the growth of the portfolio was most influenced by loans and guarantees issued for real estate activities (EUR 46.6 million; +10%), followed by the sector engaged in water supply, sewerage, waste and contamination treatment (quarterly growth EUR 26.5 million) and the processing industry (EUR 12.8 million; +10%).

Loans to the real estate sector make up the largest part, or 37% of the corporate loan portfolio. The majority of real estate loans have been issued to high-quality projects with a rental flow, with real estate developments making up a considerably smaller part. Most of the financed real estate developments are located in Tallinn, and projects located in other larger Estonian cities and in the vicinity of Tallinn form approximately 20% of the development projects. LHV's market share in financing new developments in Tallinn was about a fifth as at the end of Q2 2021. LHV's real estate development portfolio is also well positioned for potential changes in market trends – the financed developments are at good locations and the average ratio of the project risk and the planned sales price is 58%.

Besides the real estate sector, credit has most been issued to companies in the processing industry (10% of the portfolio) and the sectors engaged in public administration and national defence and mandatory social insurance (8% of the portfolio). Of sectors with a higher than ordinary credit risk, accommodation and catering make up 3%, construction 2% and transport and storage 1% of the total volume of the portfolio.

The number of the customers grew by nearly 11 600 in a quarter and the customers' activity and growth in business volumes was at a very good level. In connection with the alleviation of restrictions from May, transaction activity among customers recovered and rose to new record levels. Deposits grew by EUR 181 million and loans by EUR 97 million in Q2.

The growth of deposits has slowed a little on account of the deposit base of financial intermediaries, which started growing at a rapid pace from the end of last year in connection with customers' increased interest in virtual currencies. The deposits of financial intermediaries grew by EUR 306 million in Q2, while the deposits of private customers grew by EUR 64 million and corporate deposits decreased by EUR 40 million. As the bank is still not active in engaging deposits on platforms, the volume of deposits dropped by EUR 149 million. As at the end of June, a little over EUR 30 million euros' worth of deposits engaged from platforms still remain in the portfolio.

Loans grew by EUR 97 million in Q2, including corporate loans by EUR 50 million and retail loans by EUR 47 million. Competition in the loan market remains very tight. Similar to Q1, customers' activity also remained high in Q2, although the number of loan applications dropped slightly in June, mainly among retail customers. In total, the growth of loan volumes has been very good, with the corporate loan portfolio having grown faster than estimated in the financial plan. According to data from the Bank of Estonia, EUR 963 million worth of corporate loans were issued in the first five months of this year (EUR 994 million in the same period last year). The issue of loans grew to EUR 228 million in the market in May, but the volume of the loan portfolio in the market still decreased. When comparing the volume of our corporate loans issued in May with the loans issued in the market, our market share in May was high – at 40 %.

The net profit for the quarter amounted to EUR 16.5 million. The total net profit of the first six months amounted to EUR 28.3 million, which is more than 2.5 times more than in the same period last year and exceeds the financial plan by EUR 7.2 million. The significantly better result is driven by the growth of loan volumes in excess of the financial plan, additional income received from the deposits of financial intermediaries, greater revenue from the service fees of currency exchange entailed in high investment activity, and considerably smaller loan discounts. Loan discounts decreased by EUR 872 000 in Q2. The quality of the bank's loan portfolio as a whole has remained strong and the proportion of overdue loans continues to be very small. Furthermore, the prospects of economic growth on the whole are significantly better than at the beginning of the year.

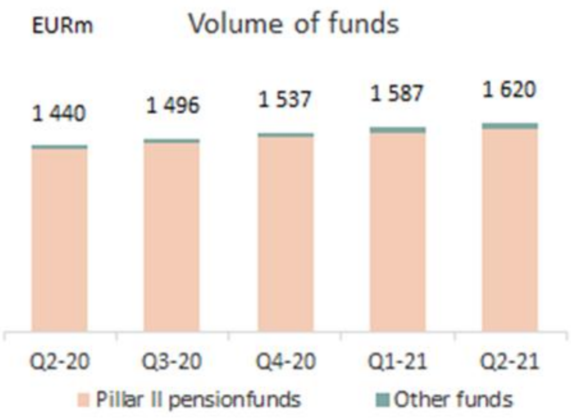
Of new solutions, the refinancing loan was introduced to the market in April, allowing customers to easily combine several consumer loans. A combined single loan makes servicing the loan easier and helps optimise costs. In addition, we started offering the insurance products of LHV's insurance company to the customers of LHV. Customers can use LHV's home insurance, all-risks and motor TPL insurance and can also conclude an additional warranty for purchased equipment and ensure the continuation of small loan payments, if anything should happen to personal income.

LHV's home repair loan 'Who does it!' support programme received a total of 53 projects and the EUR 20,000 support went to Järva-Jaani Firefighting Society. The volunteer rescue society will use the money to renovate a historical commando building and establish a safer dispatch road.

According to the Estonian employers' reputation survey conducted every spring by Kantar Emor, LHV Pank has risen to 5th place in the ranking list of working people and was the most highly valued employer among students. In Kantar Emor's survey of the favourite brands of Estonians, LHV made it to the TOP 10 for the first time. In addition to local recognition, the leading international economic journal Euromoney named LHV Pank as the best Estonian bank for the fourth year running. Euromoney determines the best banks of countries and regions within the framework of its Awards for Excellence programme. LHV was successful in this year's competition thanks to its good handling of the impact of COVID-19, the development of various digital banking and other financial products, and its remarkable growth figures.

Overview of AS LHV Varahaldus

- After Q2, LHV Varahaldus is EUR 1.2 million ahead of the financial plan presented at the beginning of the year
- The financial result in Q2 was affected by additional non-monetary amortisation of intangible assets in the amount of nearly EUR 3.1 million, which is related to customers withdrawing from the 2nd pillar
- The net loss of the quarter was EUR 2.3 million, while the net profit would amount to EUR 0.8 million without the extraordinary write-down of assets
- By the end of Q2, there were 175,000 active 2nd pillar customers
- The volume of managed assets was more than EUR 1.6 billion, with a growth of EUR 3 million across all the funds in a quarter
- The growth in 3rd pillar net assets and the number of customers was more modest in Q2
- The number of withdrawals from the 2nd pillar remained modest in Q2, as expected.



EUR million	Q2 2021	Q1 2021	Change %	Q2 2020	Change %	6M 2021	6M 2020	Change %
Net fee and commission income	2.3	2.3	0%	2.10	10%	4.6	4.27	8%
Net financial income	0.18	0.11	64%	0.48	-63%	0.29	0.16	81%
Operating expenses	-1.18	-1.25	-6%	-1.11	6%	-2.43	-2.20	1´0%
Depreciation of non-current assets	-3.60	-0.49	635%	-0.48	650%	-4.09	-0.96	326%
Profit	-2.30	0.67	NA	0.99	NA	-1.63	1.27	NA
Financial investments	7.1	6.9	3%	8.4	-15%			
Subordinated liabilities	0	0.6	-100%	1.6	-100%			
Equity	24.0	26.0	-8%	25.0	-4%			
Assets under management	1 620.0	1 587.0	2%	1 440.0	13%			

In Q2, the operating income of LHV Varahaldus amounted to EUR 2.3 million and financial income to EUR 0.2 million, but due to intangible assets having been written down by nearly EUR 3.1 million, the net loss of the quarter amounted to EUR 2.3 million. Depreciation/amortisation remained nearly EUR 1.1 million lower compared to the financial plan, as even more customers than expected or over 75% decided to continue with the 2nd pillar. Long-term customer contracts are the biggest asset of LHV Varahaldus, and the extraordinary departure of a large number of customers means that the book value of customer contracts also has to be written off according to the number of departing customers. This is a non-monetary expense which affects the income statement to a great degree, but does not have an effect on the liquidity of the company. Without the additional amortisation of intangible assets, the net profit of the quarter would have amounted to EUR 0.8 million.

A subordinated loan in the amount of EUR 0.6 million was repaid to LHV Group in April. The strong monetary balance and own funds allowed the company to refrain from the initial plan to take out an additional loan in Q2. As at June, LHV Varahaldus does not have any long-term or short-term loan obligations.

The second quarter was volatile on equity markets, but the largest developed markets showed strong growth figures supported by a very strong June. Measured in euros, MSCI World rose by 6.8% in a quarter, the S&P500 by 7.3% and Euro Stoxx 50 by 4.9%.

In a quarter, the values of the shares of LHV's biggest actively managed pension funds M, L and XL grew by 1.6%, 2.9% and 3.2%, respectively. Of pension funds, funds with a high broad-based equity risk showed the best yield in Q2. LHV's pension fund Indeks rose by 5.4% in a quarter, while pension fund Roheline with its narrower investment strategy generated a yield of 1.3%. We made additional payments to private capital funds already previously included in the portfolio and mainly increased positions related to the energy sector on the equity markets.

While in Q1 the growth of the received pension insurance part of social tax that acts as a reference index for actively managed funds was modest, in Q2 the monthly growth numbers have been remarkable, particularly compared to the previous year. The receipt of social tax grew in April, May and June by 12.8%, 11.2% and 8.6%, respectively, compared to 2020. The strong growth figures are partly also influenced by the low comparison base caused by the coronavirus restrictions in Q2 last year, but the pace of recovery of the economy has doubtlessly been very fast, namely in Q2.

The number of LHV's active 2nd pillar customers remained basically at the same level in three months, with nearly 175,000 active 2nd pillar customers as at the end of June. Active sales activities were limited due to the restrictions related to the spread of the coronavirus, and outside sales took place to a larger extent from the end of May. Interest in exiting the 2nd pillar system was expectedly low in Q2 compared to the first three months of the year. This was also the case among pre-retirement and retirement age customers, the majority of whom submitted an application to withdraw their money at the first opportunity in Q1. Cancelling a submitting application has also become more popular in recent weeks, with nearly 500 LHV customers having decided to continue with the 2nd pillar as at the end of June.

The volume of assets managed by LHV Varahaldus was over EUR 1.6 billion by the end of the quarter. The volume of 2nd pillar assets grew by EUR 28 million in the quarter and the growth of the volume and the number of customers of the 3rd pillar continued, albeit in a more modest volume than in the previous quarter. A more extensive decrease in the volume of assets is expected in September when payments will be made to people who have submitted an application to withdraw from the 2nd pillar or moved to the Pension Investment Account. To date, interest in the Pension Investment Account has been modest, with a little under three thousand people across the market having opened an account by the end of the quarter.

As applications to withdraw from the 2nd pillar can be cancelled until the end of July, campaigns highlighting the benefits of continuing with the 2nd pillar can be expected from the Ministry of Finance and market participants in July.

Overview of AS LHV Kindlustus

AS LHV Kindlustus commenced active insurance activities in Q2 2021. It introduced vehicle and motor TPL insurance products, began actively offering home insurance contracts to LHV Pank customers and opened its own online sales channels. As at 30 June 2021, LHV Kindlustus had 217 000 valid insurance contracts and 128 000 customers.

The company started offering insurance cover to LHV Pank's Gold Card and Private Banking customers. The 6 month gross volume of travel insurance premiums was EUR 672,000. A financial risks insurance contract was concluded in order to cover the risks of the loan customers of LHV Finance and the gross volume of the insurance premiums under that contract was EUR 232,000 in Q2 2021.

During Q2, 145 loss events were registered and the losses of the period amounted to EUR 56,400 without indirect claim handling expenses. As at the end of the period, the provision for claims amounted to EUR 30,300.

The reporting period of the first 6 months of 2021 resulted in a loss of EUR 387,800, which may be considered a good result for a new insurance company. The result falls short of the financial forecast, primarily due to smaller than expected net income caused by slower than planned sales activities; at the same time, however, expenses have also been lower than planned.

EURt	**Q2 to Q4 2020**	**Q1 2021**	**Q2 2021**	**6 months 2021**
Gross insurance premiums	0	2 136	1 640	3 776
Net earned insurance premiums	0	91	527	617
Net losses incurred	0	1	103	104
Total net operating expenses	551	365	537	902
Underwriting result	-551	-276	-114	-390
Net profit	-551	-276	-112	-388
Actuarial reserves at the end of the period	0	2 036	3 160	3 160
Equity at the end of the period	7 449	7 176	7 070	7 070

As a new insurance company, AS LHV Kindlustus continues to develop its technology and sales channels.

As at the end of the second quarter, AS LHV Kindlustus employed 24 people.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

(in thousands of euros)	Note	Q2 2021	6M 2021	Q2 2020	6M 2020
Interest income		29 747	56 783	20 508	41 487
Interest expense		-6 819	-13 484	-4 963	-9 618
Net interest income	9	**22 928**	**43 299**	**15 545**	**31 869**
Fee and commission income		13 230	26 230	9 129	18 592
Fee and commission expense		-4 129	-8 488	-2 942	-5 897
Net fee and commission income	10	**9 101**	**17 742**	**6 187**	**12 695**
Income from insurance services		**417**	**506**	**0**	**0**
Net gains from financial assets measured at fair value		203	-224	315	-51
Foreign exchange rate gains/losses		89	141	7	-16
Net gains from financial assets		**292**	**-83**	**322**	**-67**
Other income		43	82	0	44
Other expense		0	0	-17	-25
Total other income		**43**	**82**	**-17**	**19**
Staff costs		-8 007	-15 260	-6 145	-11 914
Administrative and other operating expenses		-9 865	-16 372	-4 515	-9 922
Total expenses	11	**-17 872**	**-31 632**	**-10 660**	**-21 836**
Profit before impairment losses on loans and advances		**14 909**	**29 914**	**11 377**	**22 680**
Impairment losses on loans and advances	21	791	-810	-7 671	-8 682
Profit before income tax		**15 700**	**29 104**	**3 706**	**13 998**
Income tax expense		-2 785	-4 773	-155	-2 964
Net profit for the reporting period	2	**12 915**	**24 331**	**3 551**	**11 034**
Other comprehensive income/loss:					
Items that may be reclassified subsequently to profit or loss:					
Changes in the fair value of debt instruments measured at FVOCI		0	0	0	0
Unrealized exchange differences arising on the translation of the financial statements of foreign operations		-58	0	0	0
Total profit and other comprehensive income for the reporting period		**12 587**	**24 331**	**3 551**	**11 034**
Total profit of the reporting period attributable to:					
Owners of the parent		12 409	23 451	2 936	10 015
Non-controlling interest		506	880	615	1 019
Total profit for the reporting period	2	**12 915**	**24 331**	**3 551**	**11 034**
Total profit and other comprehensive income attributable to:					
Owners of the parent		12 351	23 451	2 936	10 015
Non-controlling interest		506	880	615	1 019
Total profit and other comprehensive income for the reporting period		**12 587**	**24 331**	**3 551**	**11 034**
Basic earnings per share (in euros)	16	0.43	0.81	0.10	0.35
Diluted earnings per share (in euros)	16	0.42	0.79	0.10	0.34

The Notes on pages 23 to 38 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

(in thousands of euros)	**Note**	**30.06.2021**	**31.12.2020**
Assets			
Due from central bank	4, 5, 6, 12	3 161 214	2 213 211
Due from credit institutions	4, 5, 6, 12	171 959	170 341
Due from investment companies	4, 6, 12	8 521	9 985
Financial assets at fair value through profit or loss	4, 6, 7	86 613	330 055
Loans and advances to customers	4, 6, 8, 21	2 401 337	2 208 823
Receivables from customers		5 320	9 391
Other financial assets		2 135	2 073
Other assets		1 788	2 182
Tangible assets	19	6 999	6 585
Intangible assets	19	12 167	15 147
Goodwill		3 614	3 614
Total assets	2	**5 861 667**	**4 971 407**
Liabilities			
Deposits of customers and loans received	13	5 387 192	4 588 355
Financial liabilities at fair value through profit or loss	7	5	221
Accounts payable and other liabilities	14	62 426	27 555
Non-preferred senior bonds		40 000	0
Subordinated debt	6, 20	110 000	110 000
Total liabilities	2	**5 599 623**	**4 726 131**
Owner's equity			
Share capital		29 119	28 819
Share premium		72 766	71 468
Statutory reserve capital		4 713	4 713
Other reserves		3 248	3 409
Retained earnings		144 936	128 385
Total equity attributable to owners of the parent		**254 782**	**236 794**
Non-controlling interest		7 262	8 482
Total equity		**262 044**	**245 276**
Total liabilities and equity		**5 861 667**	**4 971 407**

The Notes on pages 23 to 38 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

(in thousands of euros)	Note	Q2 2021	6M 2021	Q2 2020	6M 2020
Cash flows from operating activities					
Interest received		29 853	56 403	20 456	41 345
Interest paid		-7 877	-14 196	-7 073	-10 234
Fees and commissions received		13 234	26 234	9 129	18 592
Fees and commissions paid		-4 129	-8 488	-2 942	-5 897
Other income received		448	568	6	-26
Staff costs paid		-7 032	-13 358	-5 379	-10 340
Administrative and other operating expenses paid		-5 591	-10 978	-3 449	-7 549
Income tax		-1 578	-5 996	-1 139	-3 394
Cash flows from operating activities before change in operating assets and liabilities		**17 327**	**30 189**	**9 609**	**22 497**
Net increase/decrease in operating assets:					
Net increase/(decrease) in financial assets at fair value through profit or loss		-612	-980	12	-39
Loans and advances to customers		-96 335	-193 434	-67 992	-120 138
Mandatory reserve at central bank		-1 525	-8 045	-1 492	-4 553
Security deposits		28	-62	47	-7
Other assets		672	6 085	-3 696	-4 550
Net increase/decrease in operating liabilities:					
Demand deposits of customers		386 257	1 023 565	154 733	322 717
Term deposits of customers		-197 428	-220 863	-19 428	63 970
Loans received		0	73	248 834	248 834
Prepayments of loans received		-2 907	-2 907	-2 943	-2 943
Financial liabilities held for trading at fair value through profit and loss		-1	-216	-37	10
Other liabilities		-14 318	34 027	10 372	11 069
Net cash generated from/used in operating activities		**91 159**	**667 432**	**328 019**	**536 868**
Cash flows from investing activities					
Purchase of non-current assets		-1 250	- 2 547	-310	-1 425
Proceeds from disposal and redemption of investment securities at fair value through other comprehensive income				-220	-220
Net changes of investment securities at fair value through profit or loss		63 917	244 174	-191 272	-381 945
Net cash flows from/used in investing activities		**62 667**	**241 627**	**-191 802**	**-383 590**
Cash flows from financing activities					
Paid in share capital (incl. share premium)		1 578	1 578	1 697	1 697
Non-controlling interests on acquisition of subsidiary		0	0	437	437
Dividends paid		-8 358	-10 458	0	-6 838
Loans received (non-preferred bonds)		0	40 000	15 000	15 000
Repayments of the principal of lease liabilities		-111	-266	-239	-472
Net cash flows from/used in financing activities		**-6 891**	**30 854**	**16 895**	**9 824**
Effect of exchange rate changes on cash and cash equivalents	6	**88**	**199**	**7**	**-16**
Net increase/decrease in cash and cash equivalents		**147 023**	**940 112**	**153 119**	**163 086**
Cash and cash equivalents at the beginning of the period		3 145 373	2 352 284	1 254 694	1 244 727
Cash and cash equivalents at the end of the period	12	**3 292 396**	**3 292 396**	**1 407 813**	**1 407 813**

The Notes on pages 23 to 38 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	**Total equity attributable to owners of LHV Group**	Non-controlling interest	**Total equity**
Balance as at 01.01.2020	**28 454**	**70 136**	**4 713**	**3 280**	**94 228**	**200 811**	**5 217**	**206 028**
Paid in share capital	365	1 332	0	0	0	**1 697**	438	**2 135**
Dividends paid	0	0	0	0	-5 406	**-5 406**	-1 431	**-6 837**
Share options	0	0	0	-651	1 613	**962**	0	**962**
Profit for the reporting period	*0*	*0*	*0*	*0*	*10 015*	***10 015***	*1 019*	***11 034***
Other comprehensive income/loss	*0*	*0*	*0*	*0*	*0*	***0***	*0*	***0***
Total profit and other comprehensive income for the reporting period	0	0	0	0	10 015	**10 015**	1 019	**11 034**
Balance as at 30.06.2020	**28 819**	**71 468**	**4 713**	**2 629**	**100 450**	**208 079**	**5 243**	**213 322**
Balance as at 01.01.2021	**28 819**	**71 468**	**4 713**	**3 409**	**128 385**	**236 794**	**8 482**	**245 276**
Paid in share capital	300	1 298	0	0	0	**1 598**	0	**1 598**
Dividends paid	0	0	0	0	-8 358	**-8 358**	-2 100	**-10 458**
Share options	0	0	0	-192	1 458	**1 266**	0	**1 266**
Profit for the reporting period	*0*	*0*	*0*	*0*	*23 451*	*23 451*	*880*	***24 331***
Other comprehensive income/loss	*0*	*0*	*0*	*31*	*0*	***31***	*0*	***31***
Total profit and other comprehensive income for the reporting period	0	0	0	31	23 451	**23 482**	880	**24 362**
Balance as at 30.06.2021	**29 119**	**72 766**	**4 713**	**3 248**	**144 936**	**254 782**	**7 262**	**262 044**

The Notes on pages 23 to 38 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 the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted by the European Union, and consists of condensed consolidated financial statements and selected explanatory notes.

The accounting policies and methods of computation used in the preparation of the interim report are the same as the accounting policies and methods of computation used in the annual report for the year ended 31 December 2020, which comply with the International Financial Reporting Standards, as adopted by the European Union (IFRS EU).

These condensed consolidated interim financial statements have been reviewed, not audited and do not contain the entire range of information required for the preparation of complete financial statements. The condensed consolidated interim financial statements should be read in conjunction with the Annual Report prepared for the year ended 31 December 2020, which has been prepared in accordance with the International Financial Reporting Standards (IFRS EU).

The applicable accounting policies have not changed compared to the previous financial year.

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), OÜ Cuber Tehnology (100% interest), LHV UK Ltd (100% interest) and AS LHV Finance (65% interest) and AS LHV Kindlustus (65% interest).

NOTE 2 Business Segments

The Group divides its business activities into segments according to its legal structure, except LHV Pank divides its business activities by 3 main business segments: retail banking, corporate banking and financial intermediates. The business 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 2021	Retail banking	Corporate banking	Asset manage-ment	Hire-purchase and consumer finance in Estonia	Financial intermediates	Insurance	Other activities	UK LHV Ltd	Intra-segment elimi-nations	Total
Interest income	8 858	14 040	0	2 884	1 359	0	6 252	0	-3 646	29 747
Interest expense	-347	-2 465	-2	-487	0	0	-7 164	0	3 646	-6 819
Net interest income	**8 511**	**11 575**	**-2**	**2 397**	**1 359**	**0**	**-912**	**0**	**0**	**22 928**
Fee and commission income	2 141	393	2 309	192	8 219	0	0	0	-24	13 230
Fee and commission expense	-330	-5	0	-166	-3 627	0	-1	0	0	-4 129
Net fee and commission income	**1 811**	**388**	**2 309**	**26**	**4 592**	**0**	**-1**	**0**	**-24**	**9 101**
Income from insurance services	**0**	**0**	**0**	**0**	**0**	**417**	**0**	**0**	**0**	**417**
Other income	**17**	**53**	**0**	**0**	**22**	**0**	**0**	**0**	**-49**	**43**

Net income	**10 339**	**12 016**	**2 307**	**2 423**	**5 973**	**417**	**-913**	**0**	**-73**	**32 489**
Net gains from financial assets	-10	0	181	0	-1	0	121	1	0	292
Administrative and other operating expenses, staff costs	-3 941	-2 409	-4 783	-485	-3 387	-531	-1 894	-545	103	-17 872
Operating profit	**6 388**	**9 607**	**-2 295**	**1 938**	**2 585**	**-114**	**-2 686**	**-544**	**30**	**14 909**
Impairment losses on loans and advances	56	824	0	-82	-7	0	0	0	0	791
Income tax	-742	-1 235	0	0	-407	0	0	0	-401	-2 785
Net profit	**5 702**	**9 196**	**-2 295**	**1 856**	**2 171**	**-114**	**-2 686**	**-544**	**-371**	**12 915**

6M 2021	**Retail banking**	**Corporate banking**	**Asset manage-ment**	**Hire-purchase and consumer finance in Estonia**	**Financial intermediates**	**Insurance**	**Other activities**	**LHV UK Ltd**	**Intra-segment elimi-nations**	**Total**
Interest income	17 148	27 668	0	5 841	1 664	0	10 656	0	-6 194	56 783
Interest expense	-780	-4 934	-14	-920	-2	0	-13 028	0	6 194	-13 484
Net interest income	16 368	22 734	-14	4 921	1 662	0	-2 372	**0**	0	**43 299**
Fee and commission income	4 976	709	4 616	381	15 604	0	0	0	-56	26 230
Fee and commission expense	-819	-11	0	-332	-7 322	0	-4	0	0	-8 488
Net fee and commission income	4 157	698	4 616	49	8 282	0	-4	**0**	-56	**17 742**
Income from insurance services	0	0	0	0	0	506	0	0	0	506
Other income	11	60	0	0	60	0	10 400	**0**	-10 449	82
Net income	**20 536**	**23 492**	**4 602**	**4 970**	**10 004**	**506**	**8 024**	**0**	**-10 505**	**61 629**
Net gains from financial assets	-35	0	306	0	-1	0	-354	1	0	-83
Administrative and other operating expenses, staff costs	-7 924	-4 812	-6 538	-904	-6 605	-894	-3 576	-545	166	-31 632
Operating profit	**12 577**	**18 680**	**-1 630**	**4 066**	**3 398**	**-388**	**4 094**	**-544**	**-10 339**	**29 914**
Impairment losses on loans and advances	-160	-36	0	-572	-15	0	-27	0	0	-810
Income tax	-1 302	-2 027	-1 241	-1 184	-633	0	0	0	1 614	-4 773
Net profit	**11 115**	**16 617**	**-2 871**	**2 310**	**2 750**	**-388**	**4 067**	**-544**	**-8 725**	**24 331**
Total assets 30.06.2021	**2 037 433**	**3 609 167**	**24 658**	**69 239**	**174 637**	**11 252**	**263 090**	**2 433**	**-330 232**	**5 861 667**
Total liabilities 30.06.2021	**2 574 494**	**1 511 116**	**689**	**54 827**	**1 511 116**	**4 182**	**15 249**	**29**	**-208 079**	**5 599 623**

Q2 2020	Retail banking	Corporate banking	Asset manage-ment	Hire-purchase and consumer finance in Estonia	Financial intermediates	Other activities	Intra-segment elimi-nations	Total
Interest income	6 655	10 306	0	2 983	315	2 457	-2 208	20 508
Interest expense	-313	-1 207	-31	-491	0	-5 129	2 208	-4 963
Net interest income	**6 342**	**9 099**	**-31**	**2 492**	**315**	**-2 672**	**0**	**15 545**
Fee and commission income	2 026	210	2 099	172	4 622	0	0	9 129
Fee and commission expense	-281	-44	0	-138	-2 475	-4	0	-2 942
Net fee and commission income	**1 745**	**166**	**2 099**	**34**	**2 147**	**-4**	**0**	**6 187**
Net income	**8 087**	**9 265**	**2 068**	**2 526**	**2 462**	**-2 676**	**0**	**21 732**
Net gains from financial assets	-12	-1	512	0	0	-177	0	322
Administrative and other operating expenses, staff costs	-3 266	-1 867	-1 595	-431	-2 298	-1 220	0	-10 677
Operating profit	**4 809**	**7 397**	**985**	**2 095**	**164**	**-4 073**	**0**	**11 377**
Impairment losses on loans and advances	-1 101	-6 317	0	-247	-6	0	0	-7 671
Income tax	-78	-54	0	0	-23	0	0	-155
Net profit	**3 630**	**1 026**	**985**	**1 848**	**135**	**-4 073**	**0**	**3 551**

6M 2020	Retail banking	Corporate banking	Asset manag e-ment	Hire-purchase and consumer finance in Estonia	Financial intermedia tes	Other activities	Intra-segment elimi-nations	Total
Interest income	15 107	20 758	0	6 070	600	5 002	-6 050	41 487
Interest expense	-2 975	-2 688	-62	-985	0	-8 958	6 050	-9 618
Net interest income	**12 132**	**18 070**	**-62**	**5 085**	**600**	**-3 956**	**0**	**31 869**
Fee and commission income	4 010	585	4 273	345	9 379	0	0	18 592
Fee and commission expense	-552	-49	0	-292	-4 998	-6	0	-5 897
Net fee and commission income	**3 458**	**536**	**4 273**	**53**	**4 381**	**-6**	**0**	**12 695**
Net income	**15 590**	**18 606**	**4 211**	**5 138**	**4 981**	**-3 962**	**0**	**44 564**
Net gains from financial assets	-38	-2	216	0	-1	6 817	-7 059	-67
Administrative and other operating expenses, staff costs	-6 772	-3 963	-3 160	-888	-4 830	-2 204	0	-21 817
Operating profit	**8 780**	**14 641**	**1 267**	**4 250**	**150**	**651**	**-7 059**	**22 680**
Impairment losses on loans and advances	-1 178	-7 065	0	-421	-18	0	0	-8 682
Income tax	-454	-688	-844	-826	-152	0	0	-2 964
Net profit from continued operations	**7 148**	**6 888**	**423**	**3 003**	**-20**	**651**	**-7 059**	**11 034**
Total assets 30.06.2020	**1 315 829**	**1 973 744**	**27 430**	**62 659**	**365 508**	**200 082**	**-247 740**	**3 697 512**
Total liabilities 30.06.2020	**2 438 978**	**557 481**	**2 187**	**48 765**	**487 796**	**90 744**	**-141 761**	**3 484 190**

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 2020. There have been no major changes in the risk management department or in any risk management policies since the year end. The impact of COVID-19 on the Group's operations needs to be reported separately. The crisis mainly affects three risks: personnel risk, liquidity risk and credit risk.

Fortunately, the impact on personnel risk has been minimal, LHV was ready to work in home offices and almost all employees worked for two months from home offices. This reduced social interaction and the chances of being exposed to the virus.

To reduce liquidity risk, LHV Pank has issued mortgage bonds. They made it possible to reduce the share of expensive platform deposits in financing and, together with the increased funding from the TLTRO III program, to finance the purchase of Danske's portfolio of local governments and companies at the beginning of the fourth quarter.

In terms of credit risk, in 2020 LHV joined in granting payment holidays to customers' loan payments agreed under the auspices of the Banking Association. In total, we provided 6 and 12 month payment payment holidays in the amount of 350 million euros. By the end of june, the volume of the loan portfolio on payment holidays has decreased by 300 EUR, where clients have moved back to originaal payment schedules and remaining payment holidays end by end of 2021. Only few customers require special attention. In second quarter the restrictions set because of Covid ended, which has positively impacted the GDP growth forecasts, high 5 to 8 percent range.

NOTE 4 Breakdown of Financial Assets and Liabilities by Countries

30.06.2021	Estonia	Germany	Other EU	USA	UK	Other	Total
Due from banks and investment companies	2 992 658	0	82 295	13 914	252 701	126	**3 341 694**
Financial assets at fair value	56 422	1	30 175	14	0	1	**86 613**
Loans and advances to customers	2 379 955	695	14 589	381	1 351	4 366	**2 401 337**
Receivables from customers	5 320	0	0	0	0	0	**5 320**
Other financial assets	115	0	0	2 020	0	0	**2 135**
Total financial assets	**5 434 470**	**696**	**127 059**	**16 329**	**254 052**	**4 493**	**5 837 099**
Deposits of customers and loans received	3 307 992	34 823	1 391 567	58 800	543 675	50 335	**5 387 192**
Non-preferred senior bonds	40 000	0	0	0	0	0	**40 000**
Subordinated debt	110 000	0	0	0	0	0	**110 000**
Financial liabilities at fair value	5	0	0	0	0	0	**5**
Accounts payable and other financial liabilities	56 452	0	0	0	0	0	**56 452**
Total financial liabilities	**3 514 449**	**34 823**	**1 391 567**	**58 800**	**543 675**	**50 335**	**5593 649**

Unused loan commitments in the amount of EUR 475 597 thousand are for the residents of Estonia.

31.12.2020	Estonia	Germany	Other EU	USA	UK	Other	Total
Due from banks and investment companies	2 175 286	0	84 264	17 566	116 222	199	**2 393 537**
Financial assets at fair value	319 828	2	10 219	5	0	1	**330 055**
Loans and advances to customers	2 180 999	823	14 577	360	7 954	4 110	**2 208 823**
Receivables from customers	9 391	0	0	0	0	0	**9 391**
Other financial assets	122	0	0	1 951	0	0	**2 073**
Total financial assets	**4 685 626**	**825**	**109 060**	**19 882**	**124 176**	**4 310**	**4 943 879**

Deposits of customers and loans received	3 246 891	216 261	705 206	1 633	375 657	42 707	**4 588 355**
Subordinated debt	110 000	0	0	0	0	0	**110 000**
Financial liabilities at fair value	221	0	0	0	0	0	**221**
Accounts payable and other financial liabilities	22 995	0	0	0	0	0	**22 995**
Total financial liabilities	**3 380 107**	**216 261**	**705 206**	**1 633**	**375 657**	**42 707**	**4 721 571**

Unused loan commitments in the amount of EUR 413 818 thousand are for the residents of Estonia.

NOTE 5 Breakdown of Assets and Liabilities by Contractual Maturity Dates

30.06.2021	**On demand**	**0-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Liabilities by contractual maturity dates						
Deposits from customers and loans received	4 658 874	87 504	178 924	460 492	734	**5 386 528**
Subordinated debt	0	1 881	5 644	30 100	124 925	**162 550**
Non-peferred senior bond	0	358	0	40 436	0	**40 794**
Accounts payable and other financial liabilities	0	56 452	0	0	0	**56 452**
Unused loan commitments	0	497 567	0	0	0	**497 567**
Financial guarantees by contractual amounts	0	56 867	0	0	0	**56 867**
Foreign exchange derivatives (gross settled)	0	104 739	0	0	0	**104 739**
Financial liabilities at fair value	0	5	0	0	0	**5**
Total liabilities	**4 658 874**	**805 373**	**184 568**	**531 028**	**125 659**	**6 305 502**
Financial assets by contractual maturity dates						
Due from banks and investment companies	3 341 694	0	0	0	0	**3 341 694**
Financial assets at fair value (debt securities)	0	5 619	48 311	24 064	0	**77 994**
Loans and advances to customers	0	134 552	368 604	1 497 145	805 062	**2 805 363**
Receivables from customers	0	5 320	0	0	0	**5 320**
Other financial assets	0	104 739	0	0	0	**104 739**
Foreign exchange derivatives (gross settled)	2 135	0	0	0	0	**2 135**
Total financial assets	**3 343 829**	**250 230**	**416 915**	**1 521 209**	**805 062**	**6 337 245**
Maturity gap from financial assets and liabilities	**-1 315 045**	**-555 143**	**232 347**	**990 181**	**679 403**	**31 743**

31.12.2020	**On demand**	**0-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Liabilities by contractual maturity dates						
Deposits from customers and loans received	3 635 403	99 647	386 654	465 776	1 473	**4 588 953**
Subordinated debt	0	1 881	5 644	29 744	127 175	**164 444**
Accounts payable and other financial liabilities	0	22 995	0	0	0	**22 995**
Unused loan commitments	0	413 818	0	0	0	**413 818**
Financial guarantees by contractual amounts	0	36 492	0	0	0	**36 492**
Foreign exchange derivatives (gross settled)	0	81 789	0	0	0	**81 789**
Financial liabilities at fair value	0	89	0	0	0	**89**
Total liabilities	**3 635 403**	**656 711**	**392 298**	**495 520**	**128 648**	**5 308 580**
Financial assets by contractual maturity dates						
Due from banks and investment companies	2 393 537	0	0	0	0	**2 393 537**
Financial assets at fair value (debt securities)	0	200 448	117 716	4 534	0	**322 698**
Loans and advances to customers	0	146 192	329 310	1 375 417	741 393	**2 592 312**
Receivables from customers	0	9 391	0	0	0	**9 391**
Other financial assets	0	81 789	0	0	0	**81 789**

Foreign exchange derivatives (gross settled)	2 073	0	0	0	0	**2 073**
Total financial assets	**2 395 610**	**437 820**	**447 026**	**1 379 951**	**741 393**	**5 401 800**
Maturity gap from financial assets and liabilities	**-1 239 793**	**-218 891**	**54 728**	**884 431**	**612 745**	**93 220**

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.
All cashflows from financial assets and –liabilities except derivatives include all contractual cash flows.

NOTE 6 Open Foreign Currency Positions

30.06.2021	**EUR**	**CHF**	**GBP**	**SEK**	**USD**	**Other**	**Total**
Assets bearing currency risk							
Due from banks and investment companies	3 058 029	441	256 586	432	12 197	14 010	**3 341 694**
Financial assets at fair value	85 700	7	0	7	61	837	**86 613**
Loans and advances to customers	2 393 955	14	35	244	6 685	403	**2 401 337**
Receivables from customers	3 973	1	351	68	333	593	**5 320**
Other financial assets	115	0	0	0	2 020	0	**2 135**
Total assets bearing currency risk	**5 541 773**	**463**	**256 972**	**751**	**21 296**	**15 844**	**5 837 099**
Liabilities bearing currency risk							
Deposits from customers and loans received	4 997 707	4 099	254 628	7 325	103 582	19 851	**5 387 192**
Financial liabilities at fair value	5	0	0	0	0	0	**5**
Accounts payable and other financial liabilities	46 669	7	1 397	312	3 666	4 401	**56 452**
Non-preferred senior bonds	40 000	0	0	0	0	0	**40 000**
Subordinated debt	110 000	0	0	0	0	0	**110 000**
Total liabilities bearing currency risk	**5 194 381**	**4 106**	**256 025**	**7 637**	**107 248**	**24 252**	**5 593 649**
Open gross position derivative assets at contractual value	0	3 644	0	6 923	85 828	8 344	**104 739**
Open gross position derivative liabilities at contractual value	104 739	0	0	0	0	0	**104 739**
Open foreign currency position	**242 653**	**1**	**948**	**37**	**-124**	**-65**	**243 451**

31.12.2020	**EUR**	**CHF**	**GBP**	**SEK**	**USD**	**Other**	**Total**
Assets bearing currency risk							
Due from banks and investment companies	2 251 556	1 164	119 368	1 944	12 295	7 212	**2 393 537**
Financial assets at fair value	329 959	7	0	8	52	28	**330 055**
Loans and advances to customers	2 195 132	24	7 016	484	5 997	169	**2 208 823**
Receivables from customers	7 779	0	350	10	464	788	**9 391**
Other financial assets	117	0	0	0	1 956	0	**2 073**
Total assets bearing currency risk	**4 784 544**	**1 194**	**126 734**	**2 445**	**20 764**	**8 197**	**4 943 879**
Liabilities bearing currency risk							
Deposits from customers and loans received	4 354 633	3 951	125 267	7 292	85 616	11 597	**4 588 355**
Financial liabilities at fair value	221	0	0	0	0	0	**221**
Accounts payable and other financial liabilities	14 723	21	1 610	661	4 343	1 637	**22 995**
Subordinated debt	110 000	0	0	0	0	0	**110 000**
Total liabilities bearing currency risk	**4 479 577**	**3 971**	**126 877**	**7 953**	**89 959**	**13 234**	**4 721 571**
Open gross position derivative assets at contractual value	0	2 778	0	5 581	69 080	4 350	**81 789**
Open gross position derivative liabilities at contractual value	81 789	0	0	0	0	0	**81 789**
Open foreign currency position	**223 178**	**1**	**-143**	**74**	**-114**	**-687**	**222 308**

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:

	Level 1	Level 2	Level 3	30.06.2021	Level 1	Level 2	Level 3	31.12.2020
Financial assets at fair value through profit and loss								
Shares and fund units*	643	7 078	0	**7 721**	479	6 788	0	**7 267**
Bonds at fair value through profit and loss	77 994	0	0	**77 994**	322 699	0	0	**322 699**
Interest rate swaps and foreign exchange forwards	0	898	0	**898**	0	89	0	**89**
Total financial assets	**78 637**	**7 976**	**0**	**86 613**	**323 178**	**6 877**	**0**	**330 055**
Financial liabilities at fair value through profit and loss								
Interest rate swaps and foreign exchange	0	5	0	**5**	0	221	0	**221**
Total financial liabilities	**0**	**5**	**0**	**5**	**0**	**221**	**0**	**221**

*Shares and fund units include the Group companies' AS LHV Varahaldus investment into pension fund units in the amount of EUR 7 078 (31.12.2020: 6 788) thousand. Pursuant to the Investment Funds Act, the mandatory shares of LHV Varahaldus as the management company is 0.5% of the number of units in each of the mandatory pension fund managed by it.

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

Interest rate 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 theoretical net present value (NPV), by using independent market parameters and without assuming the presence of any risks or uncertainties. The NPV is discounted by using the risk-free profitability rate available on the market.

As at 30.06.2021 the fair value of corporate loans and overdraft is EUR 7 559 thousand (0.56%) smaller than their carrying amount (31.12.2020: 1 412 thousand, 0.11% 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 2021 and 31 December 2020. 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 in the amount of EUR 50 000 thousand were received in 2020, subordinated loans in the amount of EUR 40 000 thousand were received in 2019 and EUR 20 000 thousand were received in 2018. 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.

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

	Stage 1	Stage 2	Stage 3	30.06.2021	%
Individuals	828 830	82 508	11 928	923 266	38.2%
Real estate activities	436 236	121 709	2 881	560 826	23.2%
Financial activities	80 328	0	2	80 330	3.3%
Manufacturing	141 812	21 082	411	163 305	6.8%
Professional, scientific and technical activities	25 579	9 413	330	35 322	1.5%
Wholesale and retail trade	97 756	10 072	879	108 707	4.5%
Other service activities	9 295	459	44	9 798	0.4%
Arts and entertainment	19 475	39 714	111	59 300	2.5%
Transportation and storage	26 227	2 144	134	28 505	1.2%
Agriculture	68 095	4 513	34	72 642	3.0%
Administrative and support service activities	61 436	9 732	1 040	72 208	3.0%
Construction	64 121	2 295	664	67 080	2.8%
Education	18 076	260	34	18 370	0.8%
Information and communication	11 406	101	19	11 526	0.5%
Local municipalities	108 999	0	0	108 999	4.5%
Other sectors	78 760	19 518	173	98 451	4.1%
Total	**2 076 431**	**323 520**	**18 684**	**2 418 635**	**100%**
Provision				-17 298	
Total loan portfolio				**2 401 337**	**100%**

	Stage 1	Stage 2	Stage 3	31.12.2020	%
Individuals	761 626	92 286	4 229	858 141	38.6%
Real estate activities	380 660	114 225	4 042	498 927	22.4%
Financial activities	61 919	7 775	0	69 694	6.9%
Manufacturing	116 686	36 084	198	152 968	2.7%
Professional, scientific and technical activities	30 019	11 211	448	41 678	3.1%
Wholesale and retail trade	73 645	14 286	711	88 642	4.0%
Other service activities	7 533	452	27	8 012	3.3%
Arts and entertainment	18 633	40 484	67	59 184	1.2%
Transportation and storage	24 834	2 689	11	27 534	3.3%
Agriculture	65 977	6 347	74	72 398	0.4%
Administrative and support service activities	57 504	14 162	2 800	74 466	2.0%
Construction	41 895	3 380	39	45 314	0.6%
Education	16 071	332	0	16 403	1.9%
Information and communication	12 169	518	18	12 705	0.7%
Local municipalities	120 805	0	0	120 805	5.4%
Other sectors	60 055	18 746	9	78 810	3.5%
Total	**1 850 031**	**362 977**	**12 673**	**2 225 681**	**100%**
Provision				-16 858	
Total loan portfolio				**2 208 823**	**100%**

NOTE 9 Net Interest Income

Interest income	Q2 2021	6M 2021	Q2 2020	6M 2020
From balances with credit institutions and investment	72	117	-24	5
From central bank	233	483	0	0
From debt securities	-79	-195	-123	-40
Leasing	1 489	2 935	915	1 833
Leverage loans and lending of securities	429	784	160	311
Consumer loans	2 034	4 080	2 057	4 160
Hire purchase	838	1 749	926	1 909
Corporate loans	14 614	28 683	10 886	21 881
Credit card loans	202	437	203	416
Mortgage loans	5 234	10 021	4 264	8 673
Private loans	569	1 123	516	1 010
Other loans	4 112	6 566	728	1 329
Total	**29 747**	**56 783**	**20 508**	**41 487**
Interest expense				
Deposits of customers and loans received	-1 218	-2 789	-2 167	-4 278
Balances with the central bank	-3 371	-6 284	-1 436	-2 736
Subordinated liabilities	-2 230	-4 411	-1 360	-2 604
including loans between related parties	-81	-161	-101	-191
Total	**-6 819**	**-13 484**	**-4 963**	**-9 618**
Net interest income	**22 928**	**43 299**	**15 545**	**31 869**

Interest income on loans by customer location (interest on bank balances and bonds excluded):	Q2 2021	6M 2021	Q2 2020	6M 2020
Estonia	29 521	56 378	20 867	41 522
Total	**29 521**	**56 378**	**20 867**	**41 522**

NOTE 10 Net Fee and Commission Income

Fee and commission income	Q2 2021	6M 2021	Q2 2020	6M 2020
Security brokerage and commissions paid	1 034	2 614	1 246	2 498
Asset management and similar fees	3 417	6 769	2 956	5 990
Currency exchange fees conversion revenues	2 032	3 924	742	1 478
Fees from cards and payments	5 624	10 542	3 198	6 527
Other fee and commission income	1 123	2 381	987	2 099
Total	**13 230**	**26 230**	**9 129**	**18 592**
Fee and commission expense				
Security brokerage and commissions paid	-333	-819	-294	-565
Expenses related to cards	-1 379	-2 966	-1 178	-2 355
Expenses related to acquiring	-1 740	-3 366	-845	-1 769
Other fee and commission expense	-677	-1 337	-625	-1 208
Total	**-4 129**	**-8 488**	**-2 942**	**-5 897**
Net fee and commission income	**9 101**	**17 742**	**6 187**	**12 695**

Fee and commission income by customer location:	Q2 2021	6M 2021	Q2 2020	6M 2020
Estonia	12 238	24 273	9 129	18 592
Great Britain	992	1 957	0	0
Total	**13 230**	**26 230**	**9 129**	**18 592**

NOTE 11 Operating Expenses

	Q2 2021	6M 2021	Q2 2020	6M 2020
Wages, salaries and bonuses	6 159	11 745	4 784	9 273
Social security and other taxes*	1 848	3 515	1 361	2 641
Total personnel expenses	**8 007**	**15 260**	**6 145**	**11 914**
IT expenses	1 007	2 027	796	1 540
Information services and bank services	330	682	255	528
Marketing expenses	552	1 084	315	791
Office expenses	216	407	142	337
Transportation and communication expenses	68	128	55	136
Staff training and business trip expenses	68	103	43	167
Other outsourced services	1 266	2 477	1 018	1 869
Other administrative expenses	1 918	3 697	890	2 392
Depreciation of non-current assets	4 155	5 113	851	1 856
Operational lease payments	169	441	94	176
Other operating expenses	116	212	56	130
Total other operating expenses	**9 866**	**16 372**	**4 515**	**9 922**
Total operating expenses	**17 872**	**31 632**	**10 660**	**21 836**

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

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

	30.06.2021	31.12.2020
Demand and term deposits with maturity less than 3 months*	180 480	180 326
Statutory reserve capital with the central bank	49 298	41 253
Demand deposit from central bank*	3 111 916	2 171 958
Total	**3 341 694**	**2 393 537**
*Cash and cash equivalents in the Statement of Cash Flows	3 292 396	2 352 284

The breakdown of receivables by countries has been presented in Note 4. Demand deposits include receivables from investment companies in the total amount of EUR 8 521 thousand (31 December 2020: EUR 9 985 thousand). All other demand and term deposits are held with credit institutions and the central bank.

The minimum reserve requirement as at 30 June 2021 was 1% (31 December 2020: 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 Loans Received

Deposits/loans by type	Individuals	Financial intermediates	Legal entities	Public sector	30.06.2021
Demand deposits	888 008	1 944 245	1 767 189	59 290	4 658 732
Term deposits	65 458	0	176 100	20 881	262 439
Loans received	0	0	265 681	200 000	465 681
Accrued interest liability	272	0	66	2	340
Total	**953 738**	**1 944 245**	**2 209 036**	**280 173**	**5 387 192**

Deposits/loans by type	Individuals	Financial intermediates	Legal entities	Public sector	31.12.2020
Demand deposits	745 304	1 043 509	1 425 894	420 460	3 635 167
Term deposits	256 764	10 118	194 403	22 017	483 302
Loans received	0	0	268 442	200 000	468 442
Accrued interest liability	1 208	0	230	6	1 444
Total	**1 003 276**	**1 053 627**	**1 888 969**	**642 483**	**4 588 355**

LHV Pank has signed an unsecured 10-year loan agreement with the European Investment Fund (EIF) in the amount of EUR 12.5 million to increase the borrowing possibilities of small and medium-sized enterprises. As at 30.06.2021, the Bank had utilized 12 250 thousand euros of the loan amount and repaid the principal in the amount of EUR 4 289 thousand euros. From Nordic Investment Bank possible 20 000 thousand euro loan the Bank had utilized 20 000 thousand euros as of 30.06.2021 and repaid the principal in the amount of EUR 11 111 thousand euros. The nominal interest rate of the deposits of customers and loans granted equals to their effective interest rate, as no other significant fees have been implemented.

In June 2020, LHV Bank made a successful debut issue of EUR 250 million in covered bonds to international investors. 31 institutional investors participated in the 5-year issue and the interest rate was 0.12%. The issue by LHV Pank was the first debut issue since the beginning of the COVID-19 crisis. The issue received an Aa1 rating from Moodys and was listed on the Dublin Stock Exchange.

In 2020, the Bank raised EUR 200 million in negative interest funds through the TLTRO III program offered by the European Central Bank.

NOTE 14 Accounts payable and other liabilities

Financial liabilities	30.06.2021	31.12.2020
Trade payables and payables to merchants	2 862	2 058
Other short-term financial liabilities	4 906	5 591
Lease liabilities	2 973	3 394
Accrued interest on subordinated loans	1 057	603
Payments in transit	39 791	10 952
Financial guarantee contracts issued	951	397
Liabilities from insurance services	3 912	0
Subtotal	**56 452**	**22 995**
Performance guarantee contracts issued	326	299
Tax liabilities	2 049	1 820
Payables to employees	2 942	2 202
Other short-term liabilities	657	239
Subtotal	**5 974**	**4 560**
Total	**62 426**	**27 555**

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 2021	18 520	56 867	68	497 567	**573 022**
Liability in the contractual amount as at 31 December 2020	15 217	36 492	8	413 818	**465 535**

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 2021	6M 2021	Q2 2020	6M 2020
Total profit (incl. discontinued operations) attributable to owners of the parent (EUR thousand)	12 409	23 452	2 936	10 015
Weighted average number of shares (in thousands of units)	28 969	28 894	28 637	28 576
Basic earnings per share (EUR)	0.43	0.81	0.10	0.35
Weighted average number of shares used for calculating the diluted earnings per shares (in thousands of units)	29 815	29 815	29 360	29 256
Diluted earnings per share (EUR)	0.42	0.79	0.10	0.34

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 30.06.2021 was 317 591 thousand euros (31.12.2020: 311 333 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	30.06.2021	31.12.2020
Paid-in share capital	29 119	28 819
Share premium	72 766	71 468
Reserves	4 713	4 713
Other reserves	29	0
Accumulated loss	121 485	90 434
Intangible assets (subtracted)	-15 159	-18 528
Profit for the reporting period (COREP)	0	37 950
Other adjustments	-79	-323
CET1 capital elements or deductions	-685	-8 358
CET1 instruments of financial sector entities where the institution has a significant investment	-4 598	-4 842
Total Core Tier 1 capital	**207 591**	**201 333**
Additional Tier 1 capital	35 000	35 000
Total Tier 1 capital	**242 591**	**236 333**
Subordinated liabilities	75 000	75 000
Total Tier 2 capital	**75 000**	**75 000**
Total net own funds	**317 591**	**311 333**

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 2021	6M 2021	Q2 2020	6M 2020
Interest income	**31**	**55**	**15**	**30**
incl. management	16	29	9	18
incl. shareholders that have significant influence	15	26	6	12
Fee and commission income	**4**	**8**	**10**	**20**
Incl. management	1	2	0	0
incl. shareholders that have significant influence	3	6	10	20
Interest expenses from deposits	**5**	**10**	**10**	**20**
incl. management	1	2	0	0
incl. shareholders that have significant influence	4	8	10	20
Interest expenses from subordinated loans	**81**	**161**	**101**	**191**
incl. management	2	5	2	4
incl. shareholders that have significant influence	79	156	99	187

Balances	30.06.2021	31.12.2020
Loans and receivables as at the year-end	**5 567**	**4 096**
incl. management	3 018	2 462
incl. shareholders that have significant influence	2 549	1 634
Deposits as at the year-end	**37 212**	**21 318**
incl. management	581	642
incl. shareholders that have significant influence	36 631	20 676
Subordinated loans as at the year-end	**4 134**	**4 134**
incl. management	148	148
incl. shareholders that have significant influence	3 986	3 986

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 646 thousand (Q2 2020: EUR 453 thousand), including all taxes. As at 30.06.2021, remuneration for June and accrued holiday pay in the amount of EUR 162 thousand (31.12.2020: EUR 91 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 30.06.2021 and 31.12.2020 (pension liabilities, termination benefits, etc.). In Q2 2021, the remuneration paid to the members of the Group's Supervisory Board totalled EUR 32 thousand (Q2 2020: EUR 32 thousand).

Management is related to the share-based compensation plan. In Q2 2021 the share-based compensation to management amounted to EUR 291 thousand (Q2 2020: EUR 193 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 31.12.2019						
Cost	5 112	5 676	10 788	8 352	14 020	22 372
Accumulated depreciation and amortisation	-3 203	-899	-4 102	-4 775	-2 892	-7 667
Carrying amount 31.12.2019	**1 909**	**4 777**	**6 686**	**3 577**	**11 128**	**14 705**
Purchase of non-current assets	1 651	0	1 651	1 105	0	1 105
Depreciation/amortisation charge	-780	-972	-1 752	-804	-1 803	-2 607
Capitalised selling costs	0	0	0	0	1 944	1 944
Recalculation	0	-230	-230	0	0	0
Recalculation of the accumulated amortisation	0	230	230	0	0	0
Balance as at 31.12.2020						
Cost	6 763	5 446	12 209	9 457	15 964	25 421
Accumulated depreciation and amortisation	-3 983	-1 641	-5 624	-5 579	-4 695	-10 274
Carrying amount 31.12.2020	**2 780**	**3 805**	**6 585**	**3 878**	**11 269**	**15 147**
Purchase of non-current assets	1 138	68	1 206	1 154	0	1 154
Depreciation/amortisation charge	-403	-322	-725	-1 378	-3 010	-4 388

Recalculation of the accumulated amortisation	0	-67	-67	0	0	0
Capitalised selling costs	0	0	0	0	254	254
Balance as at 30.06.2021						
Cost	7 901	5 514	13 415	10 611	16 218	26 829
Accumulated depreciation and amortisation	-4 386	-2 030	-6 416	-6 957	-7 705	-14 662
Carrying amount 30.06.2021	**3 515**	**3 484**	**6 999**	**3 654**	**8 513**	**12 167**

NOTE 20 Subordinated debts

Subordinated debts (in thousands of euros)

	Year of issue	Amount	Interest rate	Maturity date
Subordinated Tier 2 liabilities	2018	20 000	6.0%	November 28 2028
Subordinated Tier 2 liabilities	2019	20 000	6.0%	November 28 2028
Subordinated Tier 2 liabilities	2020	35 000	6.0%	September 30 2030
Additional subordinated Tier 2 liabilites	2019	20 000	8.0%	Perpetual
Additional subordinated Tier 2 liabilites	2020	15 000	9.5%	Perpetual
Subordinated debt as at 30.06.2020		90 000		
Subordinated debt as at 30.09.2020		125 000		
Subordinated debt as at 31.12.2020		110 000		
Subordinated debt as at 31.03.2021		110 000		
Subordinated debt as at 30.06.2021		110 000		

NOTE 21 Loans and advances to customers

(in thousands of euros)	**30.06.2021**	**31.12.2020**
Consumer financing	**78 470**	**74 247**
incl. consumer loans	57 164	52 202
incl. hire-purchase	13 307	14 294
incl. credit card loans	7 999	7 751
Corporate lending	**1 382 916**	**1 259 173**
incl. corporate loans	1 298 912	1 192 803
incl. overdraft	37 683	30 338
incl. factoring	16 186	8 400
Incl. trade financing	21 991	20 497
incl. apartment association loans	8 144	7 135
Investment financing	**13 888**	**11 917**
incl. leverage loans	13 888	11 917
Leasing	**134 671**	**128 851**
incl. leasing	134 671	128 851
Private lending	**808 690**	**751 493**
Incl. mortgage loans	751 456	695 205
Incl. private loans	51 576	50 264
Incl. overdraft	18	23
Incl. real estate leasing	4 568	5 027
incl. study loans	1 072	974
Total	**2 418 635**	**2 225 681**
Impairment provisions	-17 298	-16 858
Total	**2 401 337**	**2 208 823**

Changes in impairments in 3M 2021	**Corporate loans incl. overdraft, factoring, apartment association loans, trade financing**	**Consumer loans, incl credit cards, hirepurchase**	**Leveraged loans**	**Leasing**	**Private loans incl. mortgage, overdraft, study loan, real estate leasing**	**Total**
Balance as at 1 January	**-13 449**	**-1 178**	**-25**	**-1 385**	**-821**	**-16 858**
Impairment provisions/reversals set up during the year	2 900	-180	8	62	-85	2 705
Written off during the reporting period	-2 722	-351	0	-15	-57	-3 145
Balance as at 30 June 2021	**-13 271**	**-1 709**	**-17**	**-1 338**	**-963**	**-17 298**

Shareholders of AS LHV Group

AS LHV Group has a total of 29 118 873 ordinary shares, with a nominal value of 1 euro.

As at 30 June 2021, AS LHV Group has 13 787 shareholders:

- 13 935 699 shares (47.86%) were held by members of the Supervisory Board and Management Board, and related parties.
- 15 183 174 shares (52.14%) were held by Estonian entrepreneurs and investors, and related parties.

Top ten shareholders as at 30 June 2021:

Number of	Participation	Name of shareholder
3 618 920	12.4%	AS Lõhmus Holdings
2 538 367	8.7%	Rain Lõhmus
2 186 432	7.5%	Viisemann Investments AG
1 653 709	5.7%	Ambient Sound Investments OÜ
1 210 215	4.2%	Krenno OÜ
1 082 744	3.7%	AS Genteel
1 031 310	3.5%	AS Amalfi
688 199	2.4%	SIA Krugmans
653 330	2.2%	Kristobal OÜ
638 276	2.2%	Bonaares OÜ

Shares held by members of the Management Board and Supervisory Board

Madis Toomsalu holds 74 064 shares.
Rain Lõhmus holds 2 538 367 shares, AS Lõhmus Holdings 3 618 920 shares and OÜ Merona Systems 581 718 shares.
Andres Viisemann holds 40 805 shares. Viisemann Holdings OÜ holds 570 000 shares and Viisemann Investment AG holds 2 186 432 shares.
Tauno Tats does not hold shares. Ambient Sound Investments OÜ holds 1 653 709 shares.
Tiina Mõis does not hold shares. AS Genteel holds 1 082 744 shares.
Heldur Meerits does not hold shares. AS Amalfi holds 1 031 310 shares.
Raivo Hein does not hold shares. OÜ Kakssada Kakskümmend Volti holds 508 109 shares, Astrum OÜ holds 371 shares and Lame Maakera OÜ holds 33 306 shares.
Sten Tamkivi holds 391 shares. OÜ Seikatsu holds 15 143 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, Sten Tamkivi
Management board: Madis Toomsalu

AS LHV Varahaldus
Supervisory board: Madis Toomsalu, Andres Viisemann, Erki Kilu
Management board: Vahur Vallistu, Joel Kukemelk

AS LHV Pank
Supervisory board: Madis Toomsalu, Rain Lõhmus, Andres Viisemann, Tiina Mõis, Heldur Meerits, Raivo Hein
Management board: Kadri Kiisel, Erki Kilu (until 19.01.2021), Jüri Heero, Andres Kitter, Meelis Paakspuu, Indrek Nuume, Martti Singi

AS LHV Finance
Supervisory board: Kadri Kiisel (since 29.01.2021), Erki Kilu (until 28.01.2021), Madis Toomsalu, Veiko Poolgas, Jaan Koppel
Management board: Mari-Liis Stalde (since 29.01.2021), Kadri Kiisel (until 28.01.2021)

AS LHV Kindlustus
Supervisory board: Madis Toomsalu, Erki Kilu, Veiko Poolgas, Jaan Koppel
Management board: Jaanus Seppa, Tarmo Koll

OÜ Cuber Tehnology
Management board: Daniel Haab

LHV UK Limited
Board of Directors: Madis Toomsalu, Erki Kilu, Andres Kitter

Signatures of the Management Board to the Condensed Consolidated Interim Report

The Management Board has prepared the summary of results for January to June 2021 period the condensed consolidated interim financial statements of AS LHV Group for the 6-months period ended 30 June 2021.

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.

19.07.2021

Madis Toomsalu