

# LHV Group

April results  
11 May 2021

# LHV Group

## Good month in all business lines

Financial results, EURt	13 months	Apr-21	YTD21	YTD20	FP YTD	Δ YTD FP
<b>Total revenue, incl.</b>		9,896	38,661	30,056	37,152	+1,509
Net interest income		7,058	27,429	21,582	27,114	+315
Net fee and commission income		2,631	11,271	8,507	9,337	+1,933
<b>Total operating expenses</b>		4,906	18,666	14,714	18,052	+614
<b>Earnings before impairment</b>		4,989	19,994	15,342	19,100	+895
Impairment losses on loans		0	1,601	6,638	2,945	-1,344
Income tax		790	2,778	2,809	2,284	+494
<b>Net profit, incl.</b>		4,200	15,616	5,895	13,871	+1,745
attr. to shareholders		4,078	15,121	5,356	13,444	+1,677
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>Apr-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		4,701	4,701	3,038	4,081	+620
Loans (net)		2,321	2,321	1,746	2,292	+29
Assets under management		1,595	1,595	1,403	1,606	-11
<b>Key figures</b>	<b>13 months</b>	<b>Apr-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		49.6%	48.3%	49.0%	48.6%	- 0.3 pp
pre-tax ROE*		23.8%	22.1%	11.7%	19.2%	+ 2.8 pp
ROE*		20.1%	18.8%	8.0%	16.9%	+ 1.9 pp
Net interest margin (NIM)		1.5%	1.5%	2.2%	1.7%	- 0.1 pp
ROA		0.9%	0.9%	0.6%	0.8%	+ 0.0 pp

- Strong growth in deposits, loans and customer activity. Deposits exceed the financial plan due to increase in financial intermediaries' deposits, volumes of loans and funds largely in line with the plan
- Revenue exceeds the financial plan mainly due to higher fee and commission income, net profit positively affected by higher quality of credit portfolio
- In UK main focus on recruitment of key personnel and preparations for obtaining a banking licence
- Monthly profit 4.2 EURm. Financial plan exceeded by 1.7 EURm

# LHV Banking










## High business volumes resulted in strong results

Financial results, EURt	13 months	Apr-21	YTD21	YTD20	FP YTD	Δ YTD FP
<b>Total revenue, incl.</b>		<b>9,107</b>	<b>35,792</b>	<b>27,100</b>	<b>33,831</b>	<b>+1,961</b>
Net interest income		7,186	27,943	21,482	27,405	+538
Net fee and commission income		1,873	8,237	5,654	6,307	+1,931
<b>Total operating expenses</b>		<b>4,024</b>	<b>15,472</b>	<b>12,409</b>	<b>14,662</b>	<b>+809</b>
<b>Earnings before impairment</b>		<b>5,083</b>	<b>20,320</b>	<b>14,691</b>	<b>19,168</b>	<b>+1,152</b>
Impairment losses on loans		0	1,601	6,638	2,945	-1,344
Income tax		755	2,629	1,964	2,284	+346
<b>Net profit</b>		<b>4,328</b>	<b>16,090</b>	<b>6,089</b>	<b>13,940</b>	<b>+2,150</b>
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>Apr-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		4,727	4,727	3,043	4,105	+622
Loans (net)		2,321	2,321	1,746	2,292	+29
<b>Key figures</b>	<b>13 months</b>	<b>Apr-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		44.2%	43.2%	45.8%	43.3%	- 0.1 pp
Net interest margin (NIM)		1.6%	1.6%	2.1%	1.7%	- 0.1 pp

- The number of bank customers increased by 4,300 and the number of active customers by 1,700. Customer activity remains good
- Loan portfolio increased by 16.5 EURm, of which about half came from home loans. As credit quality remains good, no additional loan provisions were made in April
- Deposits decreased by 40 EURm, however, financial intermediaries' deposits increased by 54 EURm and private individuals' deposits by 27 EURm

# LHV Asset Management

## Volume of assets under management continues to grow

Financial results, EURt	13 months	Apr-21	YTD21	YTD20	FP YTD	Δ YTD FP
Total revenue		794	3,214	2,844	3,152	+63
Total expenses		564	2,318	2,065	2,216	+102
Earnings before taxes		230	896	779	935	-39
Income tax		0	1,241	844	1,241	+0
Net profit		230	-345	-65	-306	-39
Business volumes	13 months	Apr-21	YTD21	YTD20	FP YTD	Δ YTD FP
Assets under management, EURm		1,595	1,595	1,403	1,606	-11
Active customers of PII funds, thous.		175	175	172	177	-2
Key figures	13 months	Apr-21	YTD21	YTD20	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		71.0%	72.1%	72.4%	70.3%	+ 1.8 pp
Funds average return		1.3%	3.6%	0.3%	1.9%	+ 1.7 pp

- Monthly profit 230 EURt, revenues and expenses largely in line with the financial plan
- Largest funds L and XL grew by 1.4% and 1.7%, respectively, pension fund Roheline ended the volatile month with a 3.1% decrease
- Decrease in the number of customers due to people in early retirement pension age and pensionable age leaving the II pillar. The pace of customers leaving the II pillar significantly slower in April
- Increase in funds' volume in both II and III pillar resulting mainly from return, AUM increased by 8 EURm in a month

# LHV Insurance

## Start of servicing LHV Bank customers

Financial results, EURt	13 months	Apr-21	YTD21	YTD20	FP YTD	Δ YTD FP
<b>Total revenue, incl.</b>		129	218	0	488	-270
Net earned premiums		140	230	0	1,230	-999
Net incurred losses		10	12	0	355	-343
<b>Total expenses</b>		152	517	0	629	-113
<b>Earnings before taxes</b>		-23	-298	0	-141	-157
Income tax		0	0	0	0	+0
<b>Net profit</b>		-23	-298	0	-141	-157
<b>Business volumes</b>	<b>13 months</b>	<b>Apr-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Gross written premium, EURt		747	2,882	0	5,441	-2,559
No of Customers (thous.)		128	128	0	na	na
<b>Key figures</b>	<b>13 months</b>	<b>Apr-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Net loss ratio		7.4%	5.1%	na	28.8%	- 23.8 pp
Net expense ratio		109.0%	224.6%	na	82.7%	+ 141.9 pp

- Financial results in April better than planned due to rapid growth in net earned premiums and small volume of losses
- Active sales of home insurance to home loan customers began
- Preparations for casco and MTPL insurance products were concluded, launch in May
- As electronics stores were closed due to Covid-19 related restrictions, sales of extended warranty insurance lower than planned

## **Madis Toomsalu**

LHV Group Managing Director  
[madis.toomsalu@lhv.ee](mailto:madis.toomsalu@lhv.ee)

## **Meelis Paakspuu**

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