

# LHV Group

May results  
18 June 2024



# LHV Group

## Strong results from all group companies

Financial results, EURt	13 months	May 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		29,281	144,831	116,957	129,334	+15,497
Net interest income		24,169	117,381	97,056	103,219	+14,162
Net fee and commission income		5,497	26,187	19,753	25,370	+816
<b>Total operating expenses</b>		13,094	60,943	51,364	58,465	+2,477
<b>Earnings before impairment</b>		16,186	83,888	65,593	70,869	+13,019
Impairment losses		1,400	4,910	-1,543	7,538	-2,628
Income tax expense		2,281	9,977	9,955	9,467	+510
<b>Net profit, incl.</b>		12,504	69,001	57,181	53,864	+15,138
attr. to shareholders		12,408	68,773	56,480	53,702	+15,071
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		6,120	6,120	5,044	6,128	-8
Loans (net)		3,833	3,833	3,259	3,666	+167
Assets under management		1,522	1,522	1,444	1,553	-31
Fin. intermediaries' payments, thous. pcs		6,092	29,929	16,477	23,379	+6,549
<b>Key figures</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		44.7%	42.1%	43.9%	45.2%	- 3.1 pp
Net interest margin (NIM)		3.8%	3.8%	3.8%	3.4%	+ 0.5 pp
pre-tax ROE*		30.1%	33.3%	36.5%	27.1%	+ 6.2 pp
ROE*		25.5%	29.2%	31.0%	23.1%	+ 6.0 pp

- Results driven by a loan portfolio growing faster than planned, resulting in higher interest income. Other income and expenses largely in line with the plan
- Loan portfolio increased by 94 EURm
- Deposits from customers decreased 51 by EURm
- We issued 300 EURm MREL bonds
- Monthly net profit 12.5 EURm and ROE 25.5%
- Net profit ahead of the financial plan by 15.1 EURm. Financial plan holds

## Growing loan portfolio drives profitability

Financial results, EURt	13 months	May 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		<b>23,025</b>	<b>115,479</b>	<b>101,426</b>	<b>102,146</b>	<b>+13,333</b>
Net interest income		20,625	101,423	90,327	87,299	+14,124
Net fee and commission income		2,908	13,204	10,988	14,384	-1,181
<b>Total operating expenses</b>		<b>8,224</b>	<b>38,863</b>	<b>33,650</b>	<b>37,402</b>	<b>+1,461</b>
<b>Earnings before impairment</b>		<b>14,800</b>	<b>76,616</b>	<b>67,776</b>	<b>64,744</b>	<b>+11,872</b>
Impairment losses		1,292	4,715	-1,742	7,456	-2,741
Income tax expense		1,939	10,546	8,688	8,320	+2,226
<b>Net profit</b>		<b>11,569</b>	<b>61,355</b>	<b>60,830</b>	<b>48,968</b>	<b>+12,387</b>
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		5,797	5,797	5,123	5,748	+49
incl. banking services' deposits		1,054	1,054	1,137	1,000	+54
Loans (net)		3,698	3,698	3,269	3,512	+186
<b>Key figures</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		35.7%	33.7%	33.2%	36.6%	- 3.0 pp
Net interest margin (NIM)		3.5%	3.5%	3.5%	3.0%	+ 0.5 pp

- The number of bank customers increased by 3,100
- Loan portfolio increased by 67 EURm, including retail loans by 37 EURm and corporate loans by 30 EURm
- Deposits decreased by 9 EURm, incl. banking services customers' deposits by 86 EURm and platform deposits by 38 EURm, regular customers' deposits increased by 47 EURm and deposits from group companies by 68 EURm
- Credit quality stays at a good level, therefore, impairment losses lower than planned

## Historically fastest growth in the loan portfolio

Financial results, EURt	13 months	May 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		<b>3,779</b>	<b>19,530</b>	<b>9,722</b>	<b>19,505</b>	<b>+26</b>
Net interest income		3,099	15,286	7,666	17,390	-2,104
Net fee and commission income		669	4,148	2,108	2,115	+2,033
Other net income		11	96	-52	0	+96
<b>Total operating expenses</b>		<b>3,368</b>	<b>14,827</b>	<b>11,213</b>	<b>13,278</b>	<b>+1,549</b>
<b>Earnings before impairment</b>		<b>411</b>	<b>4,703</b>	<b>-1,491</b>	<b>6,226</b>	<b>-1,524</b>
Impairment losses		109	195	19	82	+113
Income tax expense		0	-1,930	0	0	-1,930
<b>Net profit</b>		<b>302</b>	<b>6,437</b>	<b>-1,510</b>	<b>6,144</b>	<b>+293</b>
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		464	464	0	478	-14
Loans (net)		135	135	29	154	-19
<b>Key figures</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		89.1%	75.9%	115.3%	68.1%	+ 7.8 pp
Net interest margin (NIM)		6.9%	8.1%	34.1%	9.1%	- 0.9 pp

- Loan portfolio increased by 27 EURm. Projects approved by the Credit Committee amounting to 85 EURm. Priority to grow the loan portfolio
- Deposits from platforms increased by 40 EURm. In total, 5,500 depositors
- The portfolio of new banking services customers is very active and growing. Monthly profitability affected by profit sharing with LHV Pank
- The first test card payment in mobile bank carried out in the development of the retail banking offering

# LHV Varahaldus









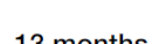



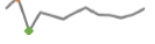
## All LHV pension funds with positive returns

Financial results, EURt	13 months	May 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income		752	3,690	3,607	3,726	-36
Total operating expenses		539	2,933	2,939	3,054	-121
<b>EBIT</b>		<b>213</b>	<b>757</b>	<b>668</b>	<b>672</b>	<b>+85</b>
Net financial income		124	419	92	242	+178
Income tax expense		0	801	488	801	-0
<b>Net profit</b>		<b>337</b>	<b>375</b>	<b>272</b>	<b>113</b>	<b>+263</b>
<b>Business volumes</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Assets under management, EURm		1,522	1,522	1,444	1,553	-31
Active customers of PII funds (thous.)		119	119	129	121	-2
<b>Key figures</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		61.5%	71.4%	79.5%	77.0%	- 5.6 pp
Funds average return		1.9%	6.2%	2.0%	3.1%	+ 3.1 pp

- Revenues and expenses largely in line with the plan. Net profit and also fund volumes positively affected by the returns of funds
- The increase of the benchmark index more modest compared to previous periods, annual growth of 5.3% in May
- By end of May, over 5,700 LHV pension fund customers had increased their second pillar contributions
- M, L, and XL increased by 1.0%, 2.1%, and 2.0% respectively over the month. The Indeks rose by 0.4%, Roheline by 8.0%

# LHV Kindlustus

## A month with stable results

Financial results, EURt	13 months	May 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		595	2,576	1,333	2,657	-81
Net earned premiums		2,578	12,287	8,111	11,713	+575
Net incurred losses		1,649	8,140	5,965	7,613	+527
Other net income		-334	-1,571	-813	-1,442	-129
<b>Total expenses</b>		512	2,302	1,775	2,444	-143
<b>Technical result</b>		83	275	-441	213	+62
Net investment income		10	159	18	44	+115
Other operating income and expenses		-6	-28	-4	-25	-3
<b>Net profit</b>		86	406	-427	232	+174
<b>Business volumes, EURt</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Gross written premiums		2,712	16,869	12,910	16,461	+408
No of customers (thous.)		168	168	160	na	na
<b>Key figures</b>	<b>13 months</b>	<b>May 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Net loss ratio		64.0%	66.2%	73.5%	65.0%	+ 1.2 pp
Net expense ratio		33.1%	31.8%	32.7%	33.4%	- 1.6 pp

- 13,900 insurance contracts with a volume of 2.7 EURm were signed
- Claims were compensated in the amount of 1.6 EURm. Net incurred losses higher than planned mainly due to larger sales volumes
- At month-end 239,000 valid policies
- Net loss ratio continues its downward trend
- The increase in net expense ratio due to various marketing activities

**Madis Toomsalu**

LHV Group CEO

[madis.toomsalu@lhv.ee](mailto:madis.toomsalu@lhv.ee)

**Meelis Paakspuu**

LHV Group CFO

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