

LHV Group

Q1 results
22 April 2025



Strong business volume growth combined with improving efficiency

Home loans exceeded 1.5 EURb

LHV Euro Bond Fund was launched

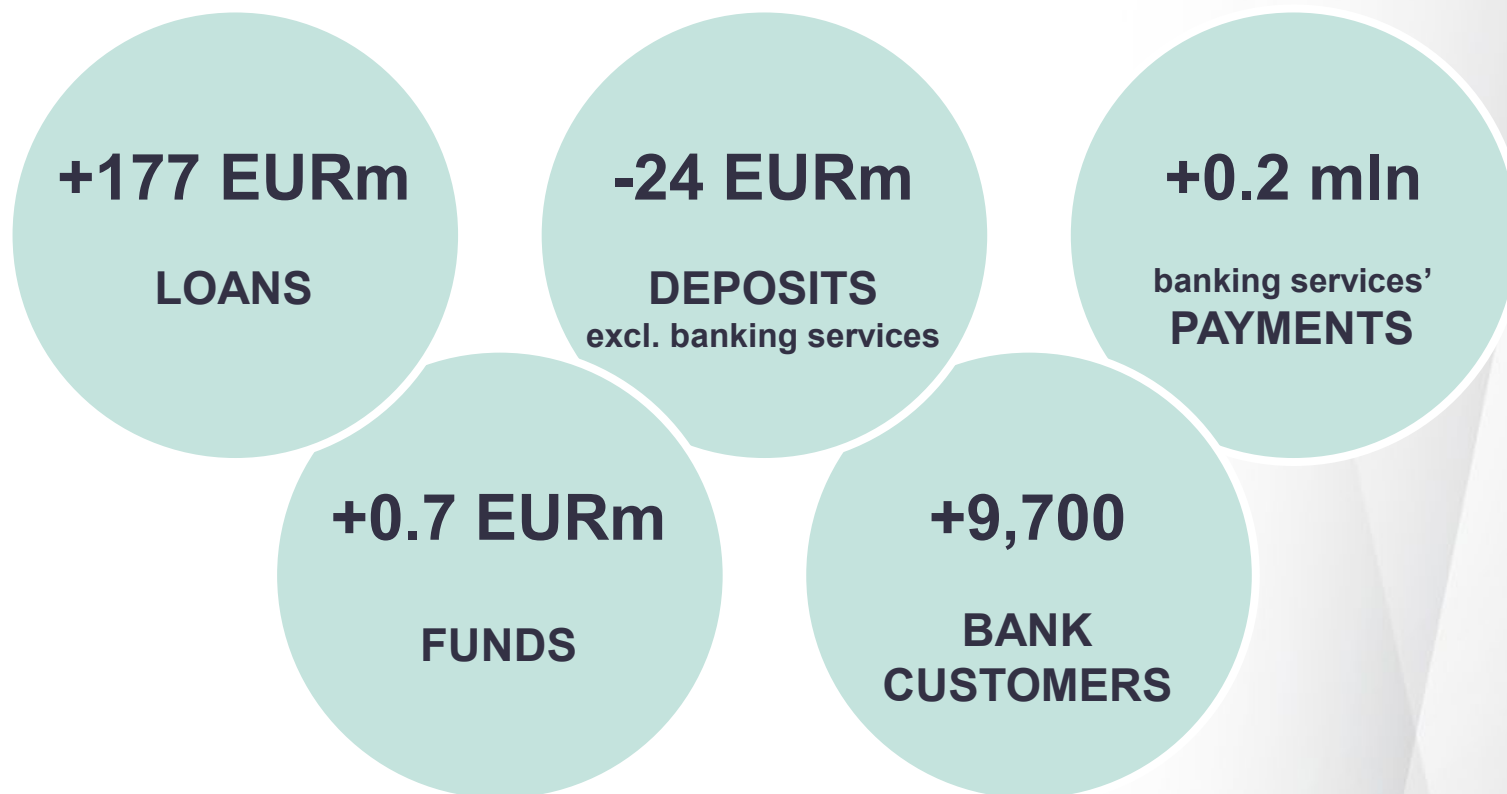
Over 30,000 business account users

External sales of pension funds were discontinued

Awarded for best investor relations



















Top Employer in Financial Sector 2024

Moody's upgraded LHV covered bond rating to the highest Aaa level



LHV Group

Rapid growth in business volumes

Financial results, EURt	9 quarters	Q1-25	Q4-24	Δ quarter
Net interest income		62,010	66,556	-4,546
Net fee and commission income		14,071	17,323	-3,252
Other income		3,341	1,041	+2,300
Total net income		79,422	84,920	-5,498
Total operating expenses		37,543	40,783	-3,240
Earnings before impairment		41,879	44,137	-2,258
Impairment losses		5,667	1,085	+4,582
Income tax expense		7,052	6,733	+319
Net profit		29,160	36,319	-7,159
Business volumes, EURm	9 quarters	Q1-25	Q4-24	Δ quarter
Loans portfolio (net)		4,729	4,552	+177
Deposits from customers		6,604	6,910	-306
Assets under management		1,559	1,558	+1
No of customers, thous.		620	613	+7
Fin. intermediaries' payments, thous. pcs		20,054	19,829	+225
Key figures	9 quarters	Q1-25	Q4-24	Δ quarter
Cost / income ratio (C/I)		47.3%	48.0%	- 0.8 pp
Net interest margin (NIM)		2.9%	3.2%	- 0.3 pp
pre-tax ROE*		20.6%	26.1%	- 5.4 pp
ROE*		16.7%	22.0%	- 5.3 pp

- Number of customers increased, customer activity at good level
- Loan portfolio increased by 177 EURm, growth remains strong. Portfolio quality remains good. For specific impairments related to individual customers, the goal is to reverse part of these during the current year
- Deposits from customers decreased by 306 EURm, of which 281 EURm related to financial intermediaries
- Number of payments processed by financial intermediaries exceeded 20 million for first time
- Quarterly profit 29.2 EURm

LHV Group – comparison with financial plan

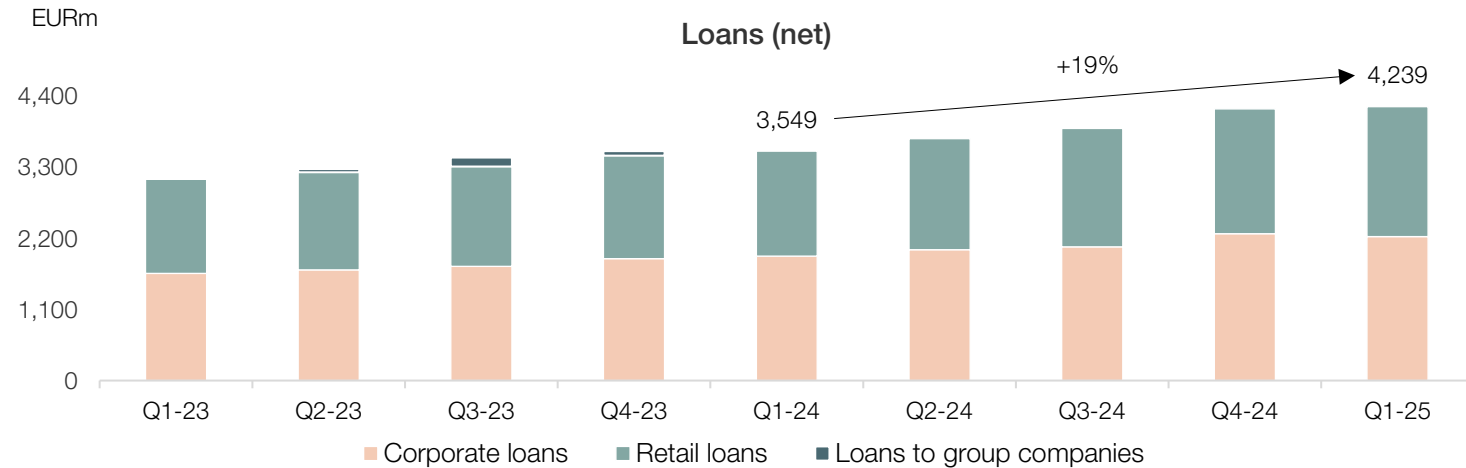
Delay in recognising impairments caused shortfall

Financial results, EURt	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		25,591	79,422	84,013	76,932	+2,490
Net interest income		20,978	62,010	68,918	61,586	+424
Net fee and commission income		4,808	14,071	13,997	14,724	-653
Total operating expenses		12,003	37,543	34,125	37,974	-431
Earnings before impairment		13,588	41,879	49,888	38,958	+2,920
Impairment losses		1,645	5,667	2,850	1,426	+4,241
Income tax expense		2,524	7,052	6,335	7,161	-109
Net profit, incl.		9,418	29,160	40,702	30,371	-1,211
attr. to shareholders		9,074	28,568	40,544	29,722	-1,154
Business volumes, EURm	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Loans (net)		4,729	4,729	3,645	4,662	+67
Deposits from customers		6,604	6,604	5,934	6,893	-288
Assets under management		1,559	1,559	1,540	1,551	+8
Fin. intermediaries' payments, thous. pcs		7,041	20,054	17,821	18,664	+1,390
Key figures	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		46.9%	47.3%	40.6%	49.4%	- 2.1 pp
Net interest margin (NIM)		2.9%	2.9%	3.8%	2.8%	+ 0.1 pp
pre-tax ROE*		19.2%	20.6%	32.9%	21.4%	- 0.8 pp
ROE*		15.4%	16.7%	28.5%	17.4%	- 0.7 pp

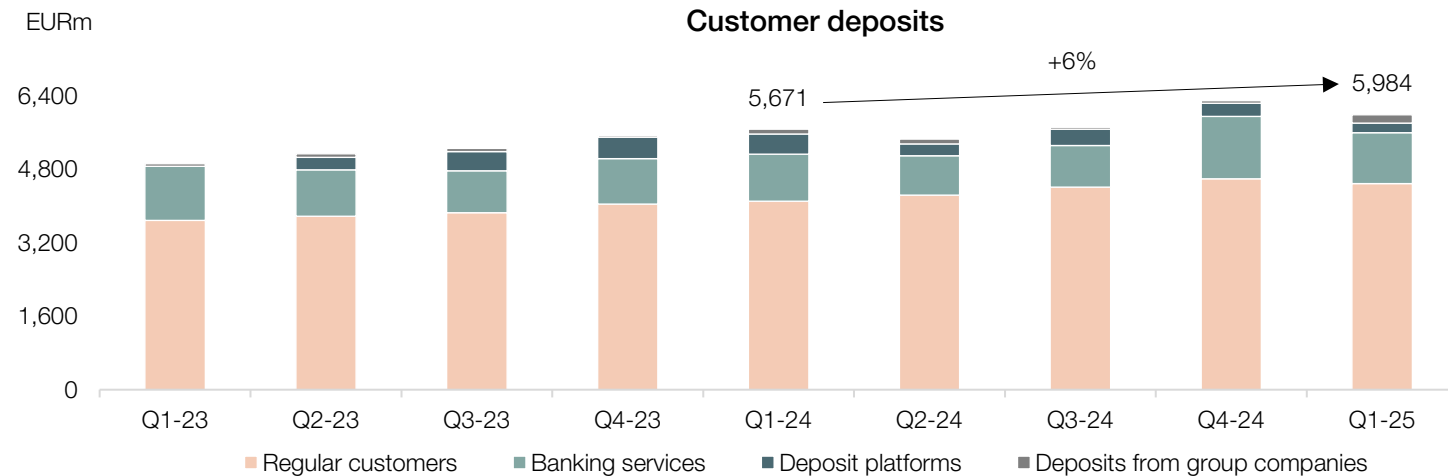
- Revenues slightly above plan, expenses in line with plan
- Loan, payment and fund volumes ahead of plan; however, deposits fell slightly short, mainly due to elevated base in Q4
- Quality of loan portfolio remains strong. With an improving macroeconomic outlook, model-based impairments were reduced at year-end. Temporary larger impairments were made for few customers
- Quarterly cost/income ratio 47.3% and ROE 16.7%
- Financial plan holds

LHV Pank

Business growth remains in line with plan



- Number of bank customers increased by 9,700. Customer activity in payments and card usage is good
- Loans increased by 35 EURm
- Deposits decreased by 309 EURm, of which 232 EURm was related to financial intermediaries. An additional 80 EURm in platform deposits was reduced
- Focus remains on deposits



LHV Pank

High customer activity

Financial results, EURt	9 quarters	Q1-25	Q4-24	Δ quarter
Net interest income		50,647	56,751	-6,104
Net fee and commission income		8,289	11,600	-3,310
Other income		1,041	433	+608
Total net income		59,977	68,784	-8,806
Total operating expenses		23,654	26,513	-2,859
Earnings before impairment		36,323	42,271	-5,947
Impairment losses		4,922	1,019	+3,903
Income tax expense		6,167	6,460	-293
Net profit		25,235	34,792	-9,557
Business volumes, EURm	9 quarters	Q1-25	Q4-24	Δ quarter
Loans (net)		4,239	4,204	+35
Deposits from customers		5,984	6,294	-309
incl. banking services' deposits		1,112	1,355	-243
No of customers, thous.		465	456	+9.7
Key figures	9 quarters	Q1-25	Q4-24	Δ quarter
Cost / income ratio (C/I)		39.4%	38.5%	+ 0.9 pp
Net interest margin (NIM)		2.6%	3.0%	- 0.4 pp
pre-tax ROE*		22.7%	28.3%	- 5.6 pp
ROE*		18.4%	23.9%	- 5.5 pp

- Income base remains well diversified. Interest income is still the dominant source
- Customer activity remains high
- Defining two customers as non-performing resulted temporarily in higher impairments, with the objective to partially reduce these within the current year
- Quarterly net profit 25.2 EURm and ROE 18.4%

LHV Pank – comparison with financial plan

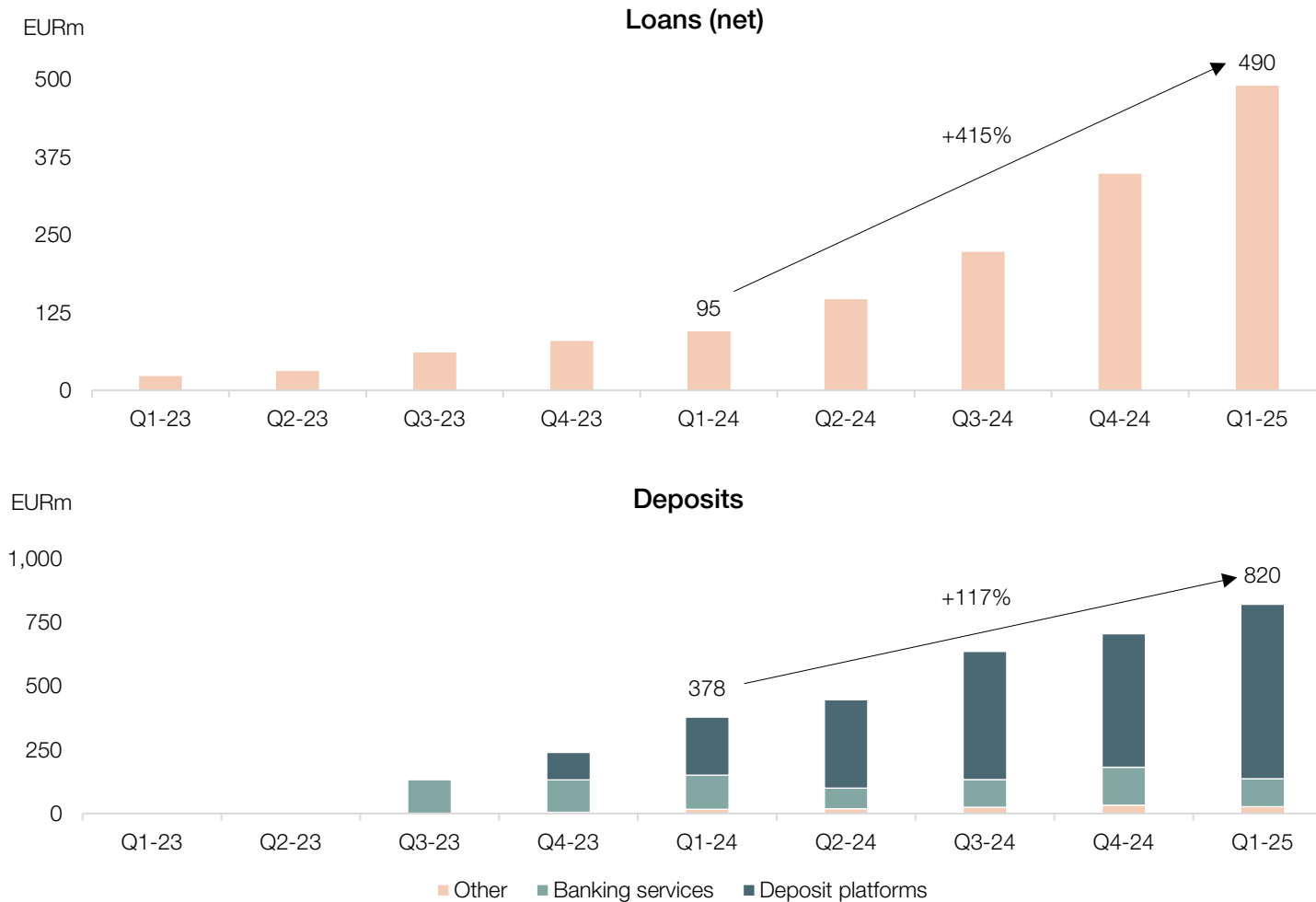
Financial plan holds

Financial results, EURt	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		19,721	59,977	68,786	60,067	-90
Net interest income		17,409	50,647	60,249	51,372	-725
Net fee and commission income		2,843	8,289	7,871	8,517	-228
Total operating expenses		7,343	23,654	22,804	23,720	-66
Earnings before impairment		12,378	36,323	45,983	36,347	-24
Impairment losses		1,391	4,922	2,807	733	+4,189
Income tax expense		2,426	6,167	6,382	6,869	-702
Net profit		8,562	25,235	36,794	28,745	-3,511
Business volumes, EURm	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Loans (net)		4,239	4,239	3,549	4,260	-20
Deposits from customers		5,984	5,984	5,671	6,221	-237
incl. banking services' deposits		1,112	1,112	1,029	1,201	-88
Key figures	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		37.2%	39.4%	33.2%	39.5%	- 0.1 pp
Net interest margin (NIM)		2.7%	2.6%	3.5%	2.6%	+ 0.0 pp
T1 capital adequacy		16.9%	16.9%	18.9%	17.5%	- 0.6 pp
Total capital adequacy		19.6%	19.6%	21.2%	20.3%	- 0.6 pp

- Declining interest rates reduced interest income, partially offset by positive revaluation of bond portfolio
- Expenses in line with plan
- Loans according to plan. Deposit volumes declined, primarily due to financial intermediaries, whose deposits fell by EUR 232 million. In addition, platform deposits were reduced by 80 EURm
- Shortfall was driven by timing of impairments
- Quarterly net profit 25.2 EURm, falling 3.5 EURm below plan
















LHV Bank

Record growth in loan portfolio



- Loan portfolio increased by 142 EURm. Loans approved by Credit Committee but not yet disbursed amount to 167 EURm, indicating potential for continued rapid growth in second quarter
- Deposits increased by 115 EURm. In total 17,800 depositors from three platforms
- In financial intermediaries segment, focus remained on onboarding and activating larger new customers to support GBP payment volume growth in second half of the year. In parallel, efforts were made to improve the first line monitoring process for payment alerts
















First customers in retail banking app

Financial results, EURt	9 quarters	Q1-25	Q4-24	Δ quarter
Total net income, incl.		14,588	11,731	+2,857
Net interest income		10,729	9,079	+1,650
Net fee and commission income		2,401	2,144	+257
Other net income		1,458	509	+950
Total operating expenses		11,009	10,893	+116
Earnings before impairment		3,579	838	+2,741
Impairment losses		745	66	+679
Income tax expense		709	132	+577
Net profit		2,125	640	+1,485
Business volumes, EURm				
		Q1-25	Q4-24	Δ quarter
Deposits from customers		820	705	+115
Loans (net)		490	348	+142
Key figures				
		Q1-25	Q4-24	Δ quarter
Cost / income ratio (C/I)		75.5%	92.9%	- 17.4 pp
Net interest margin (NIM)		5.0%	4.8%	+ 0.2 pp
pre-tax ROE		12.2%	3.6%	+ 8.6 pp
ROE		9.2%	3.0%	+ 6.1 pp

- First few hundred customers onboarded via mobile banking app
- Significant improvements were made to account opening process, including launch of fixed-term deposits and card payments testing for early users
- Preparations began for a broader communication and marketing campaign to be launched in second half of Q2
- In-house mobile banking team was fully assembled, allowing the discontinuation of external development services

LHV Bank – comparison with financial plan

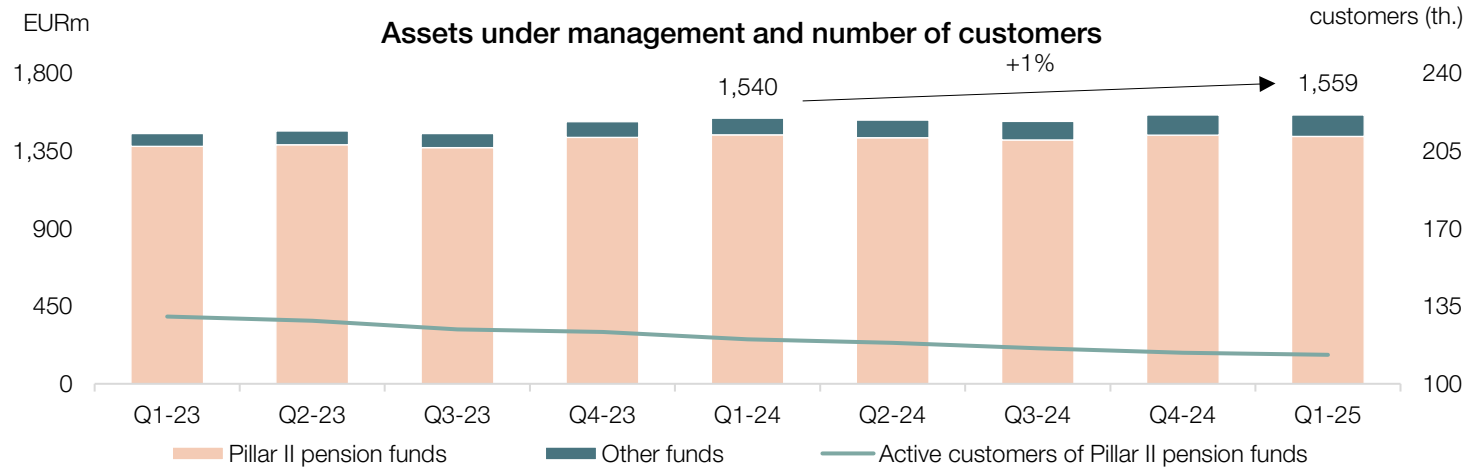
Business volumes and profitability significantly exceeded financial plan

Financial results, EURt	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		4,250	14,588	11,483	12,497	+2,091
Net interest income		3,425	10,729	8,797	9,735	+994
Net fee and commission income		844	2,401	2,562	2,762	-362
Other net income		-19	1,458	124	0	+1,458
Total operating expenses		3,657	11,009	8,390	11,341	-332
Earnings before impairment		593	3,579	3,093	1,156	+2,423
Impairment losses		254	745	44	693	+52
Income tax expense		40	709	-1,819	116	+593
Net profit		299	2,125	4,868	347	+1,778
Business volumes, EURm	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Deposits from customers		820	820	378	742	+78
Loans (net)		490	490	95	402	+88
Key figures	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		86.1%	75.5%	73.1%	90.7%	- 15.3 pp
Net interest margin (NIM)		4.7%	5.0%	8.6%	4.8%	+ 0.2 pp
T1 capital adequacy		22.7%	22.7%	na	20.4%	+ 2.3 pp
Total capital adequacy		22.7%	22.7%	na	21.7%	+ 1.0 pp

- Net profit for quarter amounted to 2.1 EURm, with ROE reaching 9.2%
- Profitability significantly outperformed financial plan, driven by additional interest income from bond portfolio in first half of quarter and stronger loan portfolio growth in second half
- To support rapid loan portfolio growth, bank increased its share capital by 12 EURm in March

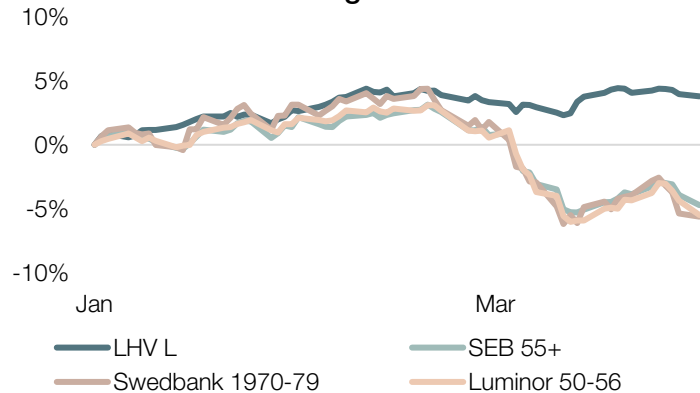
LHV Varahaldus

Increased uncertainty in equity markets

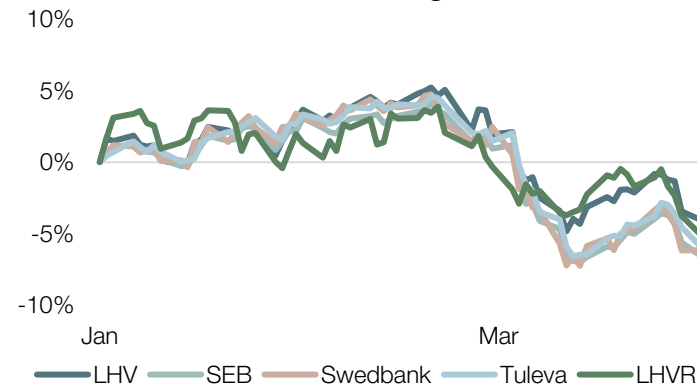


- Assets under management reached nearly 1.6 EURb by end of quarter
- European markets delivered relatively strong performance, while US markets had weak quarter. SP500 fell by 8.7% in euro terms, whereas Euro Stoxx 50 gained 7.5%
- LHV pension funds M, L and XL returned 3.0%, 3.8% and 4.5%, respectively. More conservative funds XS and S achieved returns of 1.5% and 2.1%
- Pension fund Indeks declined by 4.1%, and Roheline lost 5.2% in value over quarter

Pillar II comparable pension funds NAV change YTD



Index funds and pension fund Roheline NAV change YTD













Quarterly net profit 0.1 EURm, dividend payment 2 EURm

Financial results, EURt	9 quarters	Q1-25	Q4-24	Δ quarter
Total net income		2,203	2,262	-59
Total operating expenses		1,734	1,799	-64
EBIT		469	464	+5
Net financial income		199	45	+154
Net profit		103	509	-405
Business volumes, EURm				
	9 quarters	Q1-25	Q4-24	Δ quarter
Pillar II pension funds		1,433	1,442	-9
Pillar III pension funds		108	109	-1
Key figures				
	9 quarters	Q1-25	Q4-24	Δ quarter
Cost / income ratio (C/I)		72.2%	78.0%	- 5.7 pp
pre-tax ROE		14.0%	10.3%	+ 3.6 pp
ROE		2.2%	10.3%	- 8.2 pp

- Operating income and expenses remained broadly in line with previous quarter. Profit was positively impacted by financial income from performance of the funds and gains on own fund units
- Net profit was impacted by 2 EURm dividend payment made in March and associated income tax charge of approximately 0.6 EURm
- Fund volumes remained largely unchanged due to redemptions made at the beginning of January
- Number of active second-pillar customers making monthly contributions reached 113,000 by end of quarter

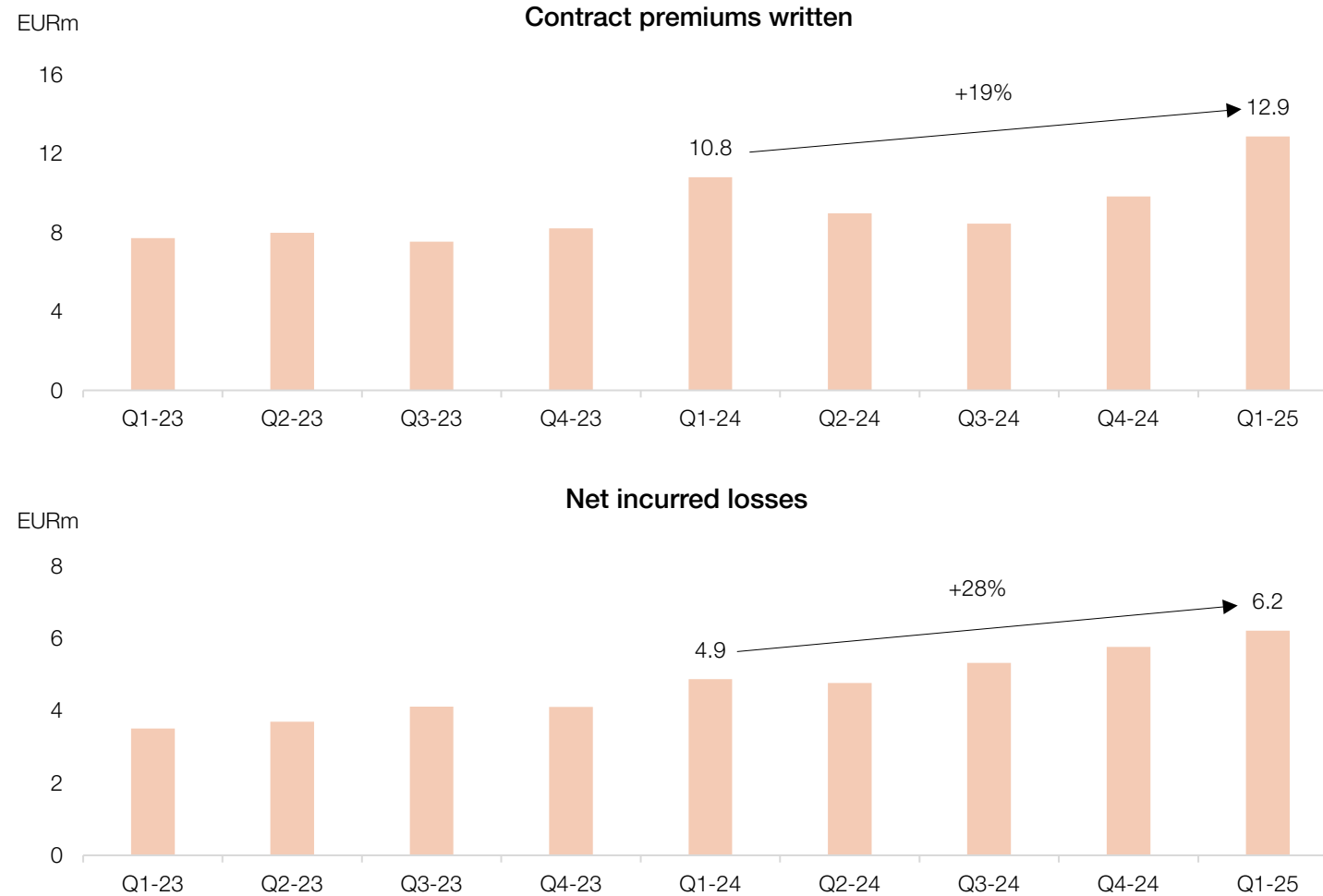
LHV Varahaldus – comparison with financial plan

Net profit exceeded financial plan

Financial results, EURt	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income		764	2,203	2,187	2,173	+30
Total operating expenses		605	1,734	1,825	1,775	-41
EBIT		159	469	361	397	+71
Net financial income		-14	199	219	139	+59
Income tax expense		564	564	801	564	-0
Net profit		-419	103	-220	-27	+131
Business volumes	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Assets under management, EURm		1,559	1,559	1,540	1,551	+8
Active customers of PII funds, thous.		113	113	120	113	+0
Key figures	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		80.6%	72.2%	75.9%	76.8%	- 4.6 pp
Funds average return		-0.7%	2.5%	3.2%	1.8%	+ 0.6 pp
















- Revenue, expenses and net profit exceeded financial plan
- Fund volume and customer numbers were in line with expectations
- Launch of new LHV Euro Bond Fund
- March marked the conclusion of almost 17 years of external sales of LHV pension funds

Portfolio continues to grow at moderate pace



- Q1 sales fell short of financial plan, primarily due to market-wide decline in insurance premiums
- Compared to same period last year, quarterly sales increased by 2.1 EURm, with strong performance across most major insurance segments
- No large claims occurred during quarter, while medium-sized claims were more frequent. The increase in net incurred losses over past year was proportional to the growth of the insurance portfolio








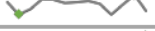





Low cost levels supported profitability

Financial results, EURt	9 quarters	Q1-25	Q4-24	Δ quarter
Insurance service revenue		9,708	9,429	+279
Commissions expense		947	1,236	-289
Gross incurred losses		6,499	6,529	-30
Operating expenses		1,316	1,460	-144
Insurance result without reinsurance		946	204	+742
Reinsurance result		349	155	+194
Total result from insurance activities		597	49	+548
Net other income		67	19	+49
Net profit		665	68	+597
Business volumes, EURt	9 quarters	Q1-25	Q4-24	Δ quarter
Contract premiums written		12,860	9,821	+3,039
No of customers (thous.)		174	170	+4
Key figures	9 quarters	Q1-25	Q4-24	Δ quarter
Net loss ratio		69.1%	68.7%	+ 0.4 pp
Net expense ratio		24.6%	32.0%	- 7.4 pp
pre-tax ROE		39.0%	4.2%	+ 34.8 pp
ROE		39.0%	4.2%	+ 34.8 pp

- Net earned premiums continued to grow, while operating expenses decreased. Gross incurred losses were in line with plan, although number of travel insurance claims increased significantly
- Number of active policies and customers showed a strong upward trend
- Net loss ratio slightly increased quarter-on-quarter, while expense ratio decreased notably
- ROE reached 39% and net profit 665 EURt at quarter-end – both figures exceeding financial plan

LHV Kindlustus – comparison with financial plan

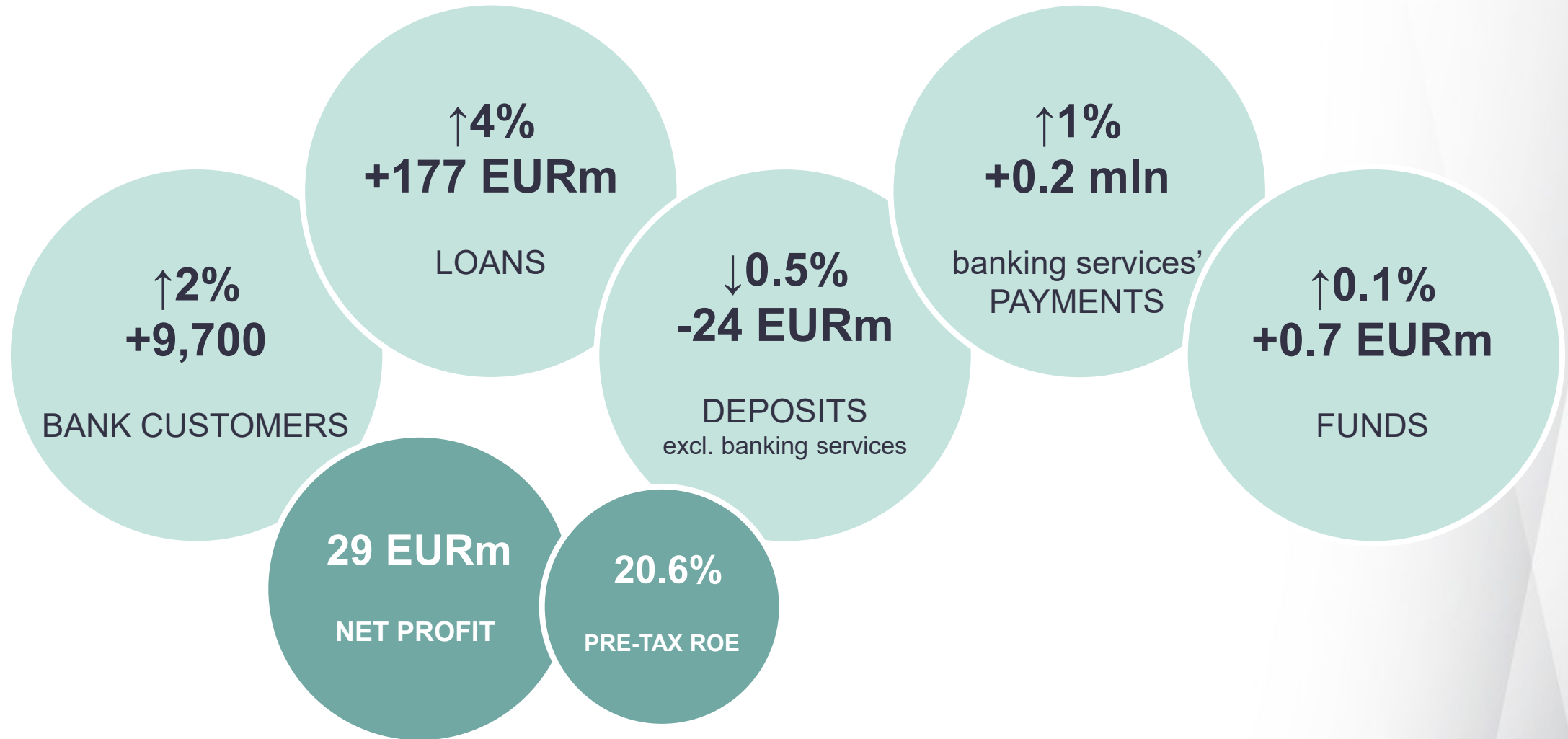
Month with solid profitability

Financial results, EURt	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Insurance service revenue		3,385	9,708	8,124	9,914	-206
Commissions expense		167	947	1,036	1,337	-390
Gross incurred losses		2,320	6,499	5,351	6,435	+64
Operating expenses		408	1,316	1,307	1,400	-83
Insurance result without reinsurance		491	946	430	743	+204
Reinsurance result		95	349	286	225	+124
Total result from insurance activities		396	597	144	518	+80
Net other income		-17	67	112	-1	+69
Net profit		379	665	256	516	+148
Business volumes, EURt	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Contract premiums written		2,843	12,860	10,788	13,206	-346
No of customers (thous.)		174	174	164	na	na
Key figures	13 months	Mar 25	YTD25	YTD24	FP YTD	Δ YTD FP
Net loss ratio		69.9%	69.1%	67.3%	65.8%	+ 3.3 pp
Net expense ratio		17.8%	24.6%	31.3%	29.2%	- 4.5 pp

- Insurance contracts signed in March amounted to 2.85 EURm
- Claims paid totalled 2.3 EURm, with 12,200 new claims registered
- As of the end of March, number of active insurance contracts stood at 266,000
- Solvency ratio at end of quarter was 140.1

LHV Group

3 months

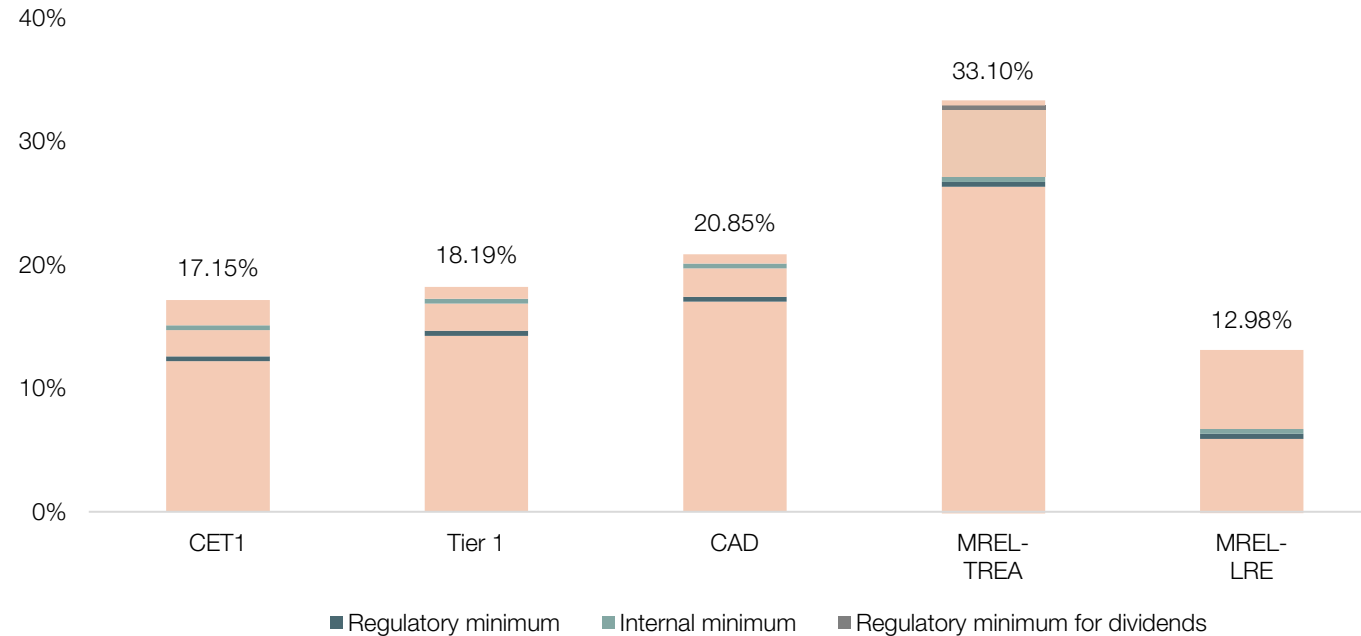


Risks and capitalisation

LHV Group

Capitalisation

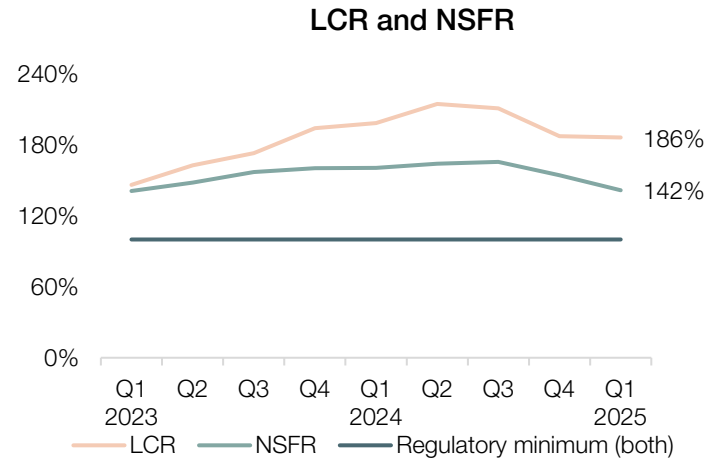
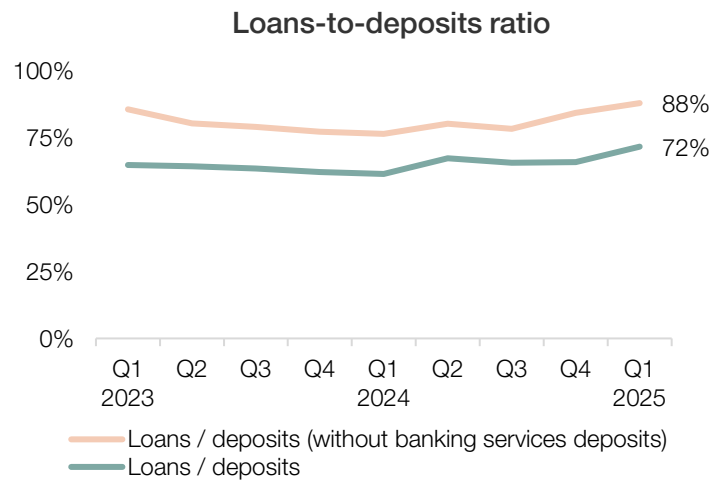
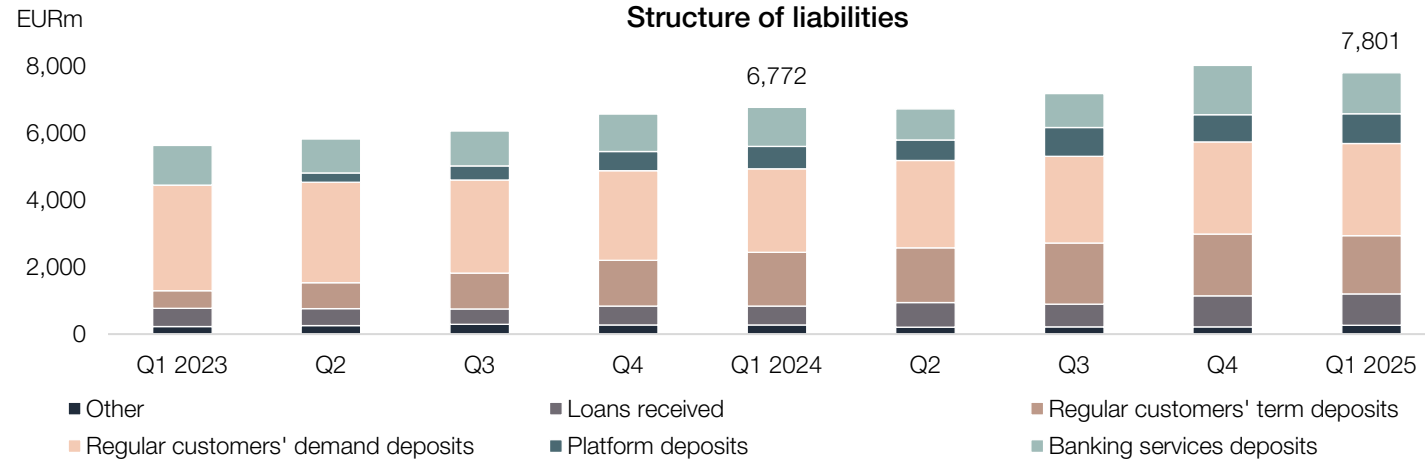
Capital ratios and minimum requirements as of March 2025



- LHV Group well-capitalised and all capital targets have been met with solid buffer
- Strongest buffer in own funds is at CET1 level
- Q1 net profit 21 EURm is not yet included in own funds and will be added upon ECB approval
- Regarding MREL requirements, MREL-TREA metric is currently more constraining factor

LHV Group

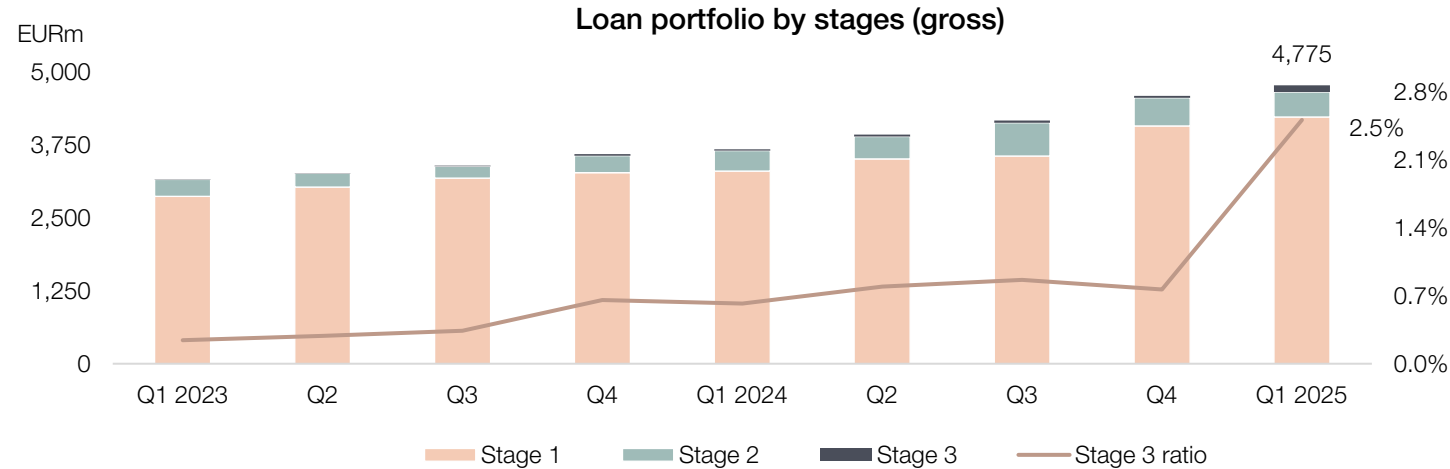
Liquidity and funding



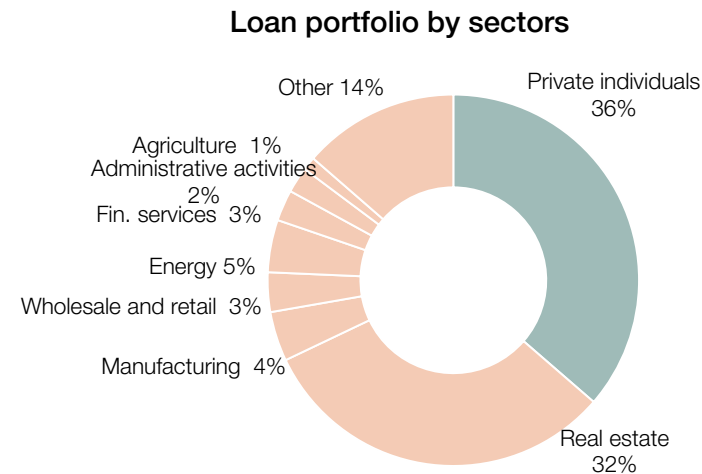
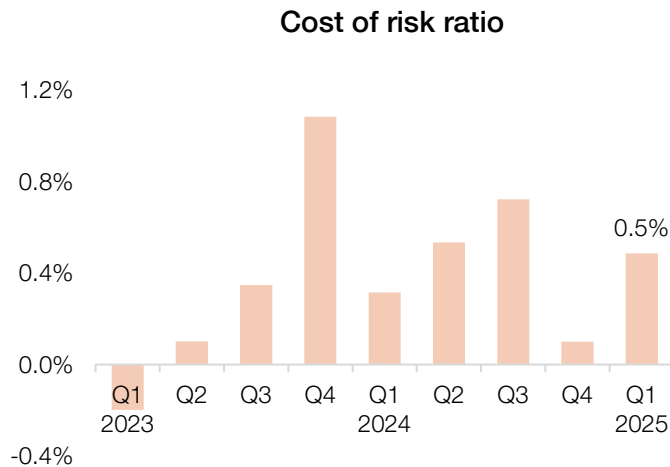
- Liquidity remains strong, with a loans-to-deposits ratio of 72%
- Liquidity coverage ratio (LCR) 186%
- Net Stable Funding Ratio (NSFR) remains very high - at 142%, temporarily influenced by the approaching maturity of one covered bond issuance
- LHV Pank is primarily funded by local deposits, while other sources are kept available as a buffer for risk or project financing
- LHV Bank is funded via platform deposits and has also initiated direct deposit gathering

LHV Group

Loan portfolio quality



- Loan portfolio is well diversified across sectors
- Overall portfolio quality remains strong, although the cost of risk and the share of Stage 3 loans increased. Both were driven by two large loan exposures which were classified as non-performing; however, no long-term loss is expected
- Specific impairments were made for a few individual clients, while model-based provisions continue to decline



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