

# LHV Group

Q1 2026 results

21 April 2026



# Key highlights Q1 2026

**Net profit of EUR 19.7m was in line with the financial plan**, despite declining 36% QoQ and 32% YoY

**Capital and liquidity strong: CET1 16.2%, LCR 192%**, all ratios above internal targets with meaningful buffers to support continued growth

**LHV Pank reached 500,000 customers**, with loan portfolio up 11% YoY

**LHV Bank (UK) loan portfolio grew 79% YoY to EUR 876m**

LHV Varahaldus delivered the **best-performing pension funds in Estonia** across both pillars

LHV Kindlustus quarterly result **impacted from adverse weather conditions and geopolitical events**, slight stabilisation seen in March

Net income

**EUR 73.7m**  
-7% YoY

Net profit

**EUR 19.7m**  
-32% YoY

Loan portfolio

**EUR 5.59bn**  
+18% YoY

Deposits

**EUR 7.80bn**  
+18% YoY

ROE

**10.7%**  
-6.3pp YoY

C/I

**61.9%**  
+14.6pp YoY

# LHV Group

## Q1 2026 compared to Q4 2025

Financial results, EURt	Q1-26	Q4-25	Δ quarter	Mar 26	Feb 26
Net interest income	59,277	59,914	-637	20,165	19,368
Net fee and commission income	14,697	18,312	-3,615	6,034	4,185
Other income	-312	624	-935	17	-115
<b>Total net income</b>	<b>73,662</b>	<b>78,849</b>	<b>-5,187</b>	<b>26,216</b>	<b>23,439</b>
<b>Total operating expenses</b>	<b>45,567</b>	<b>42,492</b>	<b>+3,075</b>	<b>16,334</b>	<b>14,730</b>
<b>Earnings before impairment</b>	<b>28,095</b>	<b>36,357</b>	<b>-8,262</b>	<b>9,882</b>	<b>8,709</b>
Impairment losses	1,289	-1,671	+2,960	915	54
Income tax expense	7,118	7,257	-139	2,950	2,215
<b>Net profit</b>	<b>19,688</b>	<b>30,771</b>	<b>-11,083</b>	<b>6,018</b>	<b>6,440</b>
attr. to shareholders	19,848	29,946	-10,097	6,102	6,500
Business volumes, EURm	Q1-26	Q4-25	Δ quarter	Mar 26	Feb 26
Loans portfolio (net)	5,585	5,465	+120	5,585	5,518
Deposits from customers	7,803	8,134	-332	7,803	7,860
Assets under management	1,718	1,702	+16	1,718	1,772
No of customers, thous.	705	694	+11	705	700
Fin. intermediaries' payments, thous. pcs	26,074	24,351	+1,722	9,178	8,237
Key figures	Q1-26	Q4-25	Δ quarter	Mar 26	Feb 26
Cost / income ratio (C/I)	61.9%	53.9%	+ 8.0 pp	62.3%	62.8%
Net interest margin (NIM)	2.4%	2.4%	- 0.1 pp	2.4%	2.5%
pre-tax ROE*	14.4%	20.0%	- 5.6 pp	13.9%	14.7%
ROE*	10.7%	16.1%	- 5.4 pp	9.6%	11.0%

- Net interest income broadly stable QoQ as interest income continued growth, but was partially offset by modest pressure on funding costs
- Net fee income declined 20% QoQ, driven by lower fee expense level in Q4 and a EUR 2m performance fee recognised by LHV Varahaldus
- Operating expenses up 7% QoQ, largely driven by one-off personnel-related costs and higher outsourced advisory services
- Impairment charges amounted at EUR 1.3m from which EUR 1m is related to UK loan provision
- Business volumes continued to grow: loans EUR +120m, AUM EUR +16m. Deposits declined EUR 332m

# LHV Group

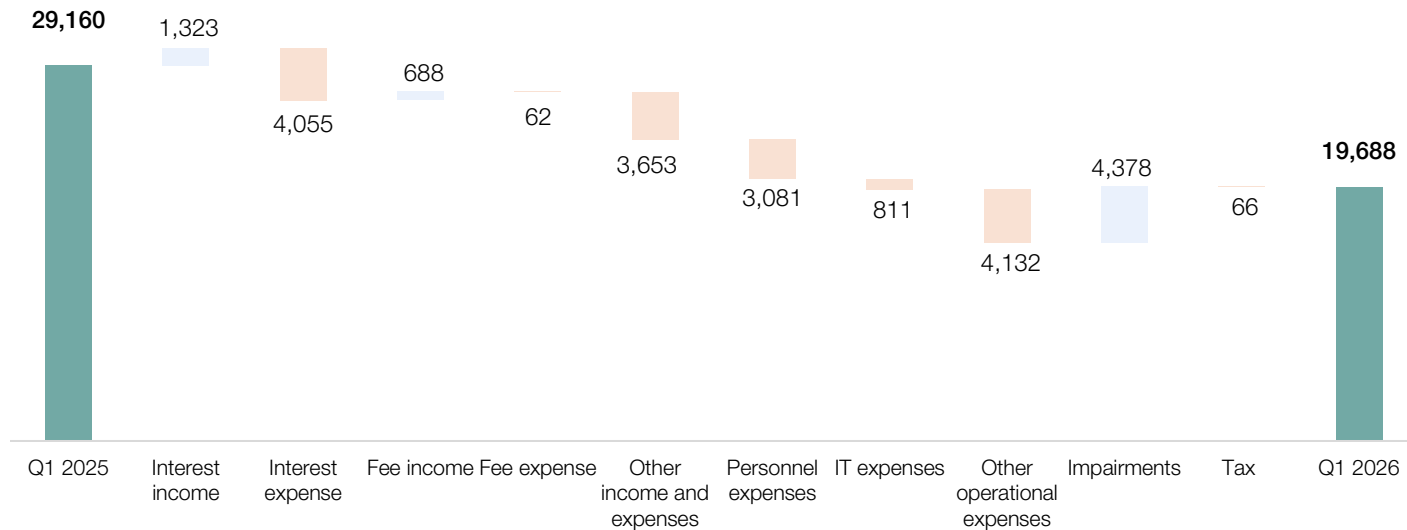
## Q1 2026 compared to Q1 2025

<b>Financial results, EURt</b>	<b>Q1-26</b>	<b>Q1-25</b>	<b>Δ YoY</b>
Net interest income	59,277	62,010	-2,733
Net fee and commission income	14,697	14,071	+626
Other income	-312	3,341	-3,653
<b>Total net income</b>	<b>73,662</b>	<b>79,422</b>	<b>-5,760</b>
<b>Total operating expenses</b>	<b>45,567</b>	<b>37,543</b>	<b>+8,024</b>
<b>Earnings before impairment</b>	<b>28,095</b>	<b>41,879</b>	<b>-13,784</b>
Impairment losses	1,289	5,667	-4,378
Income tax expense	7,118	7,052	+66
<b>Net profit</b>	<b>19,688</b>	<b>29,160</b>	<b>-9,472</b>
attr. to shareholders	19,848	28,568	-8,720
<b>Business volumes, EURm</b>	<b>Q1-26</b>	<b>Q1-25</b>	<b>Δ YoY</b>
Loans portfolio (net)	5,585	4,729	+856
Deposits from customers	7,803	6,604	+1,199
Assets under management	1,718	1,559	+159
No of customers, thous.	705	620	+85
Fin. intermediaries' payments, thous. pcs	26,074	20,055	+6,019
<b>Key figures</b>	<b>Q1-26</b>	<b>Q1-25</b>	<b>Δ YoY</b>
Cost / income ratio (C/I)	61.9%	47.3%	+14.6 pp
Net interest margin (NIM)	2.4%	2.9%	-0.5 pp
pre-tax ROE*	14.4%	21.1%	-6.7 pp
ROE*	10.7%	17.0%	-6.3 pp

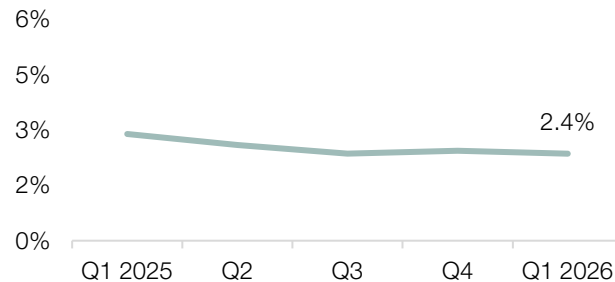
- Net interest income declined 4% YoY as margin compression offset volume growth. Pressure continues to ease as deposit base gradually reprices
- Operating expenses rose 21% YoY, driven by personnel expenses and quarter-specific one-off items. Other expenses reflect continued investment into business growth in the UK and technology
- Impairments decreased 77% YoY, indicating a strong portfolio quality
- Business volumes grew strongly across all categories

# LHV Group Profitability

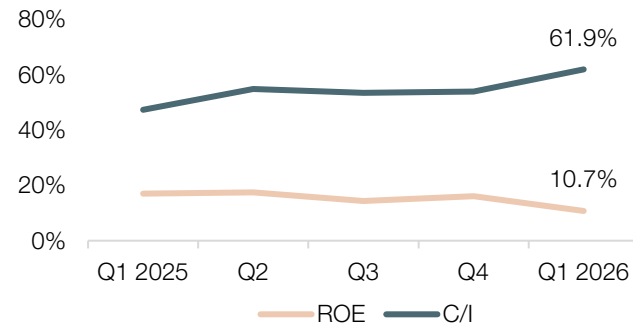
Net profit year-over-year bridge



NIM



ROE and C/I

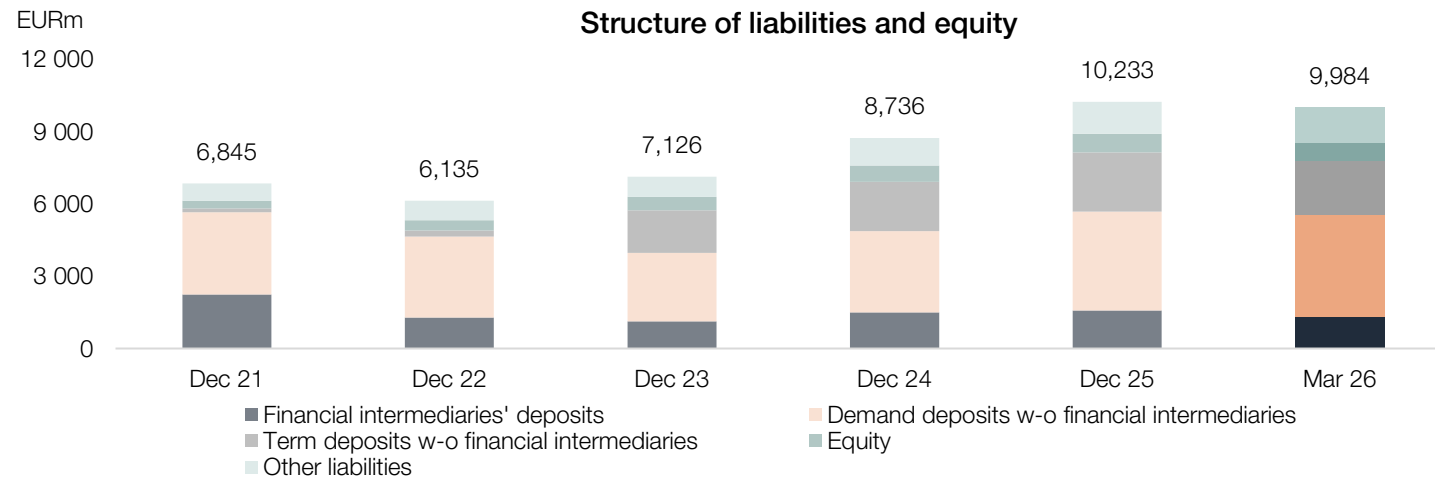
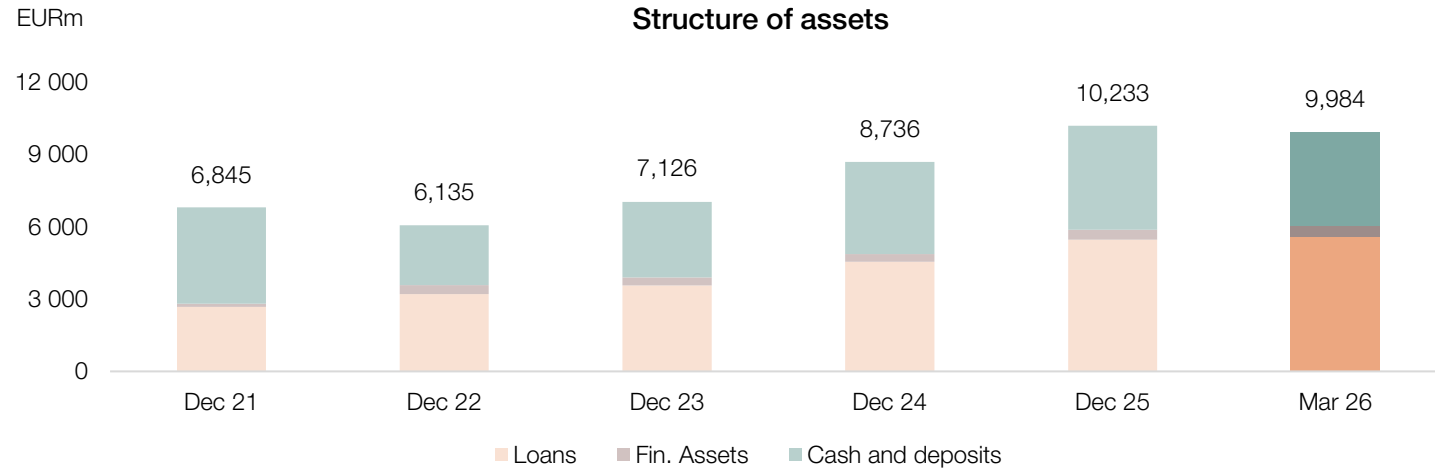


- Net profit declined EUR 9.5m YoY, with net income headwinds partially offset by significantly lower impairments
- Interest expense increase driven by a larger deposit base and residual funding rate pressure, which is expected to ease as repricing continues
- Decrease in other income and expenses reflect the negative result of LHV Kindlustus and higher net financial income comparison level in Q1 2025
- Personnel expense growth reflects a slightly larger headcount and one-time costs related to management transitions
- Other operational expenses increased due to higher outsourced advisory services and additional reserves
- NIM stabilised at 2.4% QoQ, with gradual improvement expected



# LHV Group

## Balance sheet structure



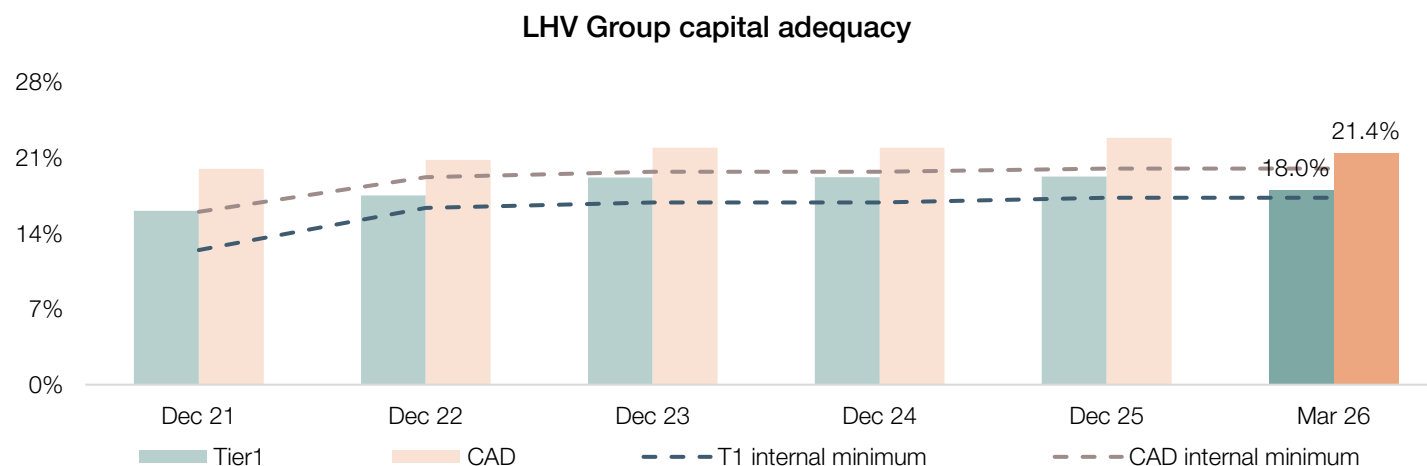
- Balance sheet structure remains deliberately simple: customer loans and a high-quality liquidity portfolio on the asset side. Customer deposits as the primary source of funding
- Approximately 90% of assets are euro-denominated, supporting low structural FX risk
- Liquidity portfolio mainly comprises deposits held with the European Central Bank and a limited allocation to high-quality short-term bonds
- Q1 deposit decrease of EUR 332m was driven primarily by decrease in financial intermediaries' deposits

# LHV Group

## Risk tolerance: Capital

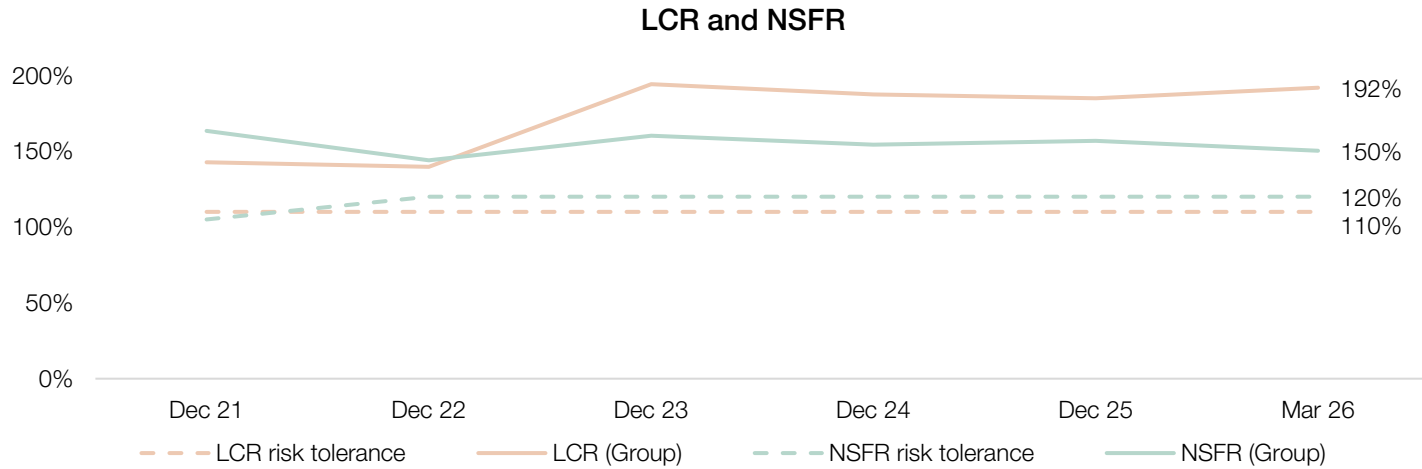
Category	Indicator	Risk appetite level	Actual 31 March 2026
Capital	Capital adequacy (CAD)	>20.00%	21.43%
	Capital adequacy (Tier 1)	>17.35%	17.98%
	Capital adequacy (CET 1)	>15.30%	16.18%
	Leverage ratio	>4.00%	6.99%
	MREL-TREA	>32.50%	33.43%
	MREL-LRE	>7.00%	13.00%

- All capital ratios exceed both regulatory minimums and internal risk tolerance levels with meaningful buffers
- CET1 ratio of 16.2% reflects the combined effect of risk-weighted asset growth, higher dividend distribution for 2025 (EUR 0.17 per share)
- CET1 is treated as the binding constraint as the most capital-intensive tier
- Subordinated Tier 2 and AT1 instruments issued over the past 12 months support the total capital ratio and provide flexibility for continued loan growth
- All capital and liquidity indicators monitored weekly and reported monthly to supervisors and the Management Board

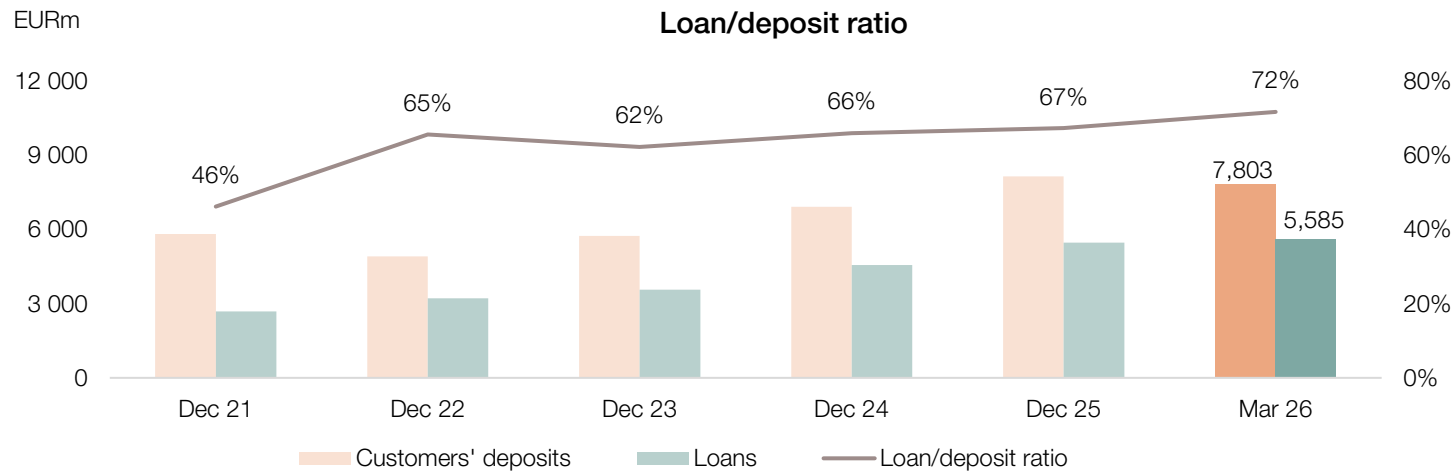


# LHV Group

## Liquidity

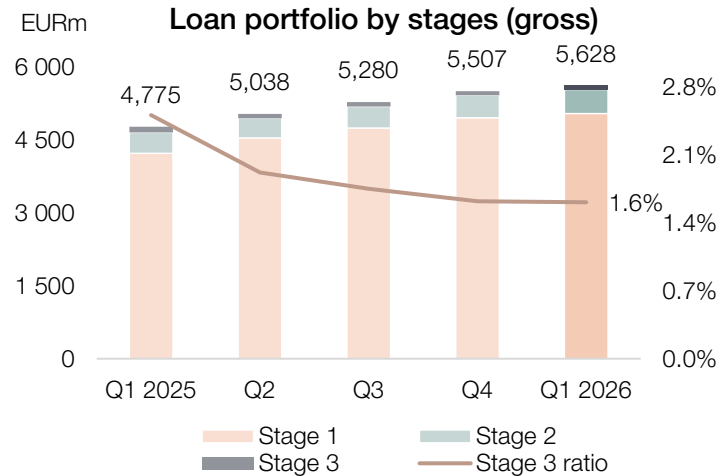


- LCR at 192% and NSFR at 150%, both well above regulatory minimums and internal targets
- Deposit base remains the primary funding source, complemented by covered bonds and unsecured senior debt
- Loan-to-deposit ratio at 72%, among the most conservative in the regional peer group with significant headroom for loan growth
- Financial intermediaries' deposits are fully matched by liquid assets and are not used to fund long-term lending
- Liquidity management approach unchanged: conservative buffer, diversified funding sources, no reliance on central bank facilities



# LHV Group

## Loan portfolio quality



### Stage 3 collateral shortfall

Segment	Carrying amount (EURm)	Fair value of collateral (EURm)	Collateral shortfall (EURm)	Collateral coverage (%)
Corporate loans	38.5	35.3	3.1	91.9%
Consumer financing	1.5	0.0	1.5	0.0%
Investment financing	0.0	0.0	0.0	-
Leasing	1.9	1.7	0.2	89.1%
Retail loans	0.3	0.3	0.0	98.4%
<b>Total</b>	<b>42.1</b>	<b>37.3</b>	<b>4.9</b>	<b>88.5%</b>

- Loan portfolio expanded by EUR 853m (+18%) over the past 12 months, with growth well diversified between Estonia and UK

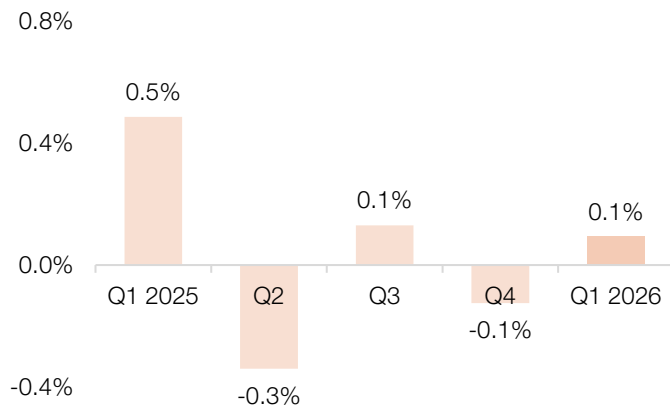
- Portfolio quality remained strong: Stage 3 exposures represent ~1.6% of gross loans, well collateralised with a total collateral coverage ratio of 89%

- Stage 3 collateral shortfall of EUR 4.9m is fully provisioned, no material new inflows in Q1 2026

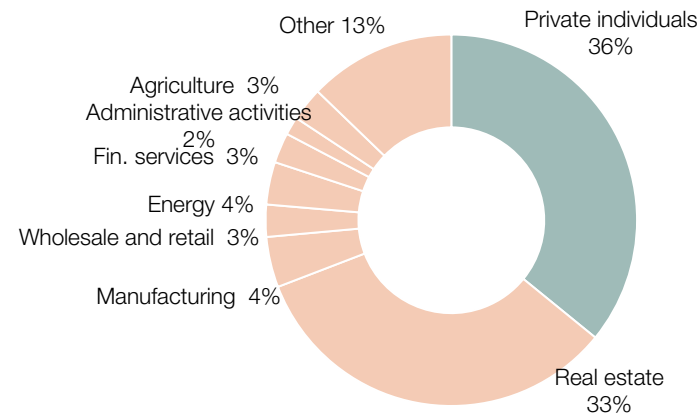
- Portfolio composition remains stable and diversified

- Mortgage portfolio continues to be the primary growth engine in Estonia, SME lending driving growth in UK

### Cost of risk ratio



### Loan portfolio by sectors



# Q1 2026 financial results in line with financial plan

Financial results, EURt	YTD26	YTD25	Δ YoY	FP YTD	Δ FP
Net interest income	59,277	62,010	-2,733	58,692	+585
Net fee and commission income	14,697	14,071	+626	14,049	+648
Other income	-312	3,341	-3,653	764	-1,076
<b>Total net income</b>	<b>73,662</b>	<b>79,422</b>	<b>-5,760</b>	<b>73,505</b>	<b>+157</b>
<b>Total operating expenses</b>	<b>45,567</b>	<b>37,543</b>	<b>+8,024</b>	<b>43,548</b>	<b>+2,019</b>
<b>Earnings before impairment</b>	<b>28,095</b>	<b>41,879</b>	<b>-13,784</b>	<b>29,957</b>	<b>-1,862</b>
Impairment losses	1,289	5,667	-4,378	3,705	-2,416
Income tax expense	7,118	7,052	+66	6,715	+403
<b>Net profit</b>	<b>19,688</b>	<b>29,160</b>	<b>-9,472</b>	<b>19,537</b>	<b>+151</b>
attr. to shareholders	19,848	28,568	-8,720	19,214	+635
Business volumes, EURm	YTD26	YTD25	Δ YoY	FP YTD	Δ FP
Loans portfolio (net)	5,585	4,729	+856	5,581	+5
Deposits from customers	7,803	6,604	+1,198	7,711	+92
Assets under management	1,718	1,559	+159	1,717	+1
No of customers, thous.	705	620	+85	na	na
Fin. intermediaries' payments, thous. pcs	26,074	20,055	+6,019	21,198	+4,875
Key figures	YTD26	YTD25	Δ YoY	FP YTD	Δ FP
Cost / income ratio (C/I)	61.9%	47.3%	+ 14.6 pp	59.2%	+ 2.6 pp
Net interest margin (NIM)	2.4%	2.9%	- 0.5 pp	2.3%	+ 0.0 pp
pre-tax ROE*	14.4%	21.1%	- 6.7 pp	14.2%	+ 0.2 pp
ROE*	10.7%	17.0%	- 6.3 pp	10.4%	+ 0.3 pp

- Q1 2026 net profit of EUR 19.7m, in line with the financial plan (EUR 19.5m)
- Net interest income and net fee income slightly ahead of plan. Other income and insurance result below plan due to elevated claims experience
- Operating expenses EUR 2.0m above plan, primarily reflecting one-off personnel items not fully anticipated in budgeting
- Strong quality of the portfolio has kept impairments at healthy level
- Business volumes tracking at or ahead of plan: loans EUR +4m, deposits EUR +92m, AUM EUR +1m, payments volumes meaningfully ahead

LHV Pank

**LHV**

## Key highlights Q1 2026

**500,000 customers reached**, focus on activation and engagement

**Efficiency gains** from loan margins and deposit pricing

**Mobile app redesign launched**, enhancements ongoing

**Core platform cloud migration on track for completion in May**

Recognised as **Best Employer in Estonia in the financial sector**

Net income

**EUR 54.0m**

-10% YoY

Net profit

**EUR 20.2m**

-20% YoY

Loan portfolio

**EUR 4.71bn**

+11% YoY

Deposits

**EUR 6.54bn**

+9% YoY

ROE

**13.4%**

-5.0pp YoY

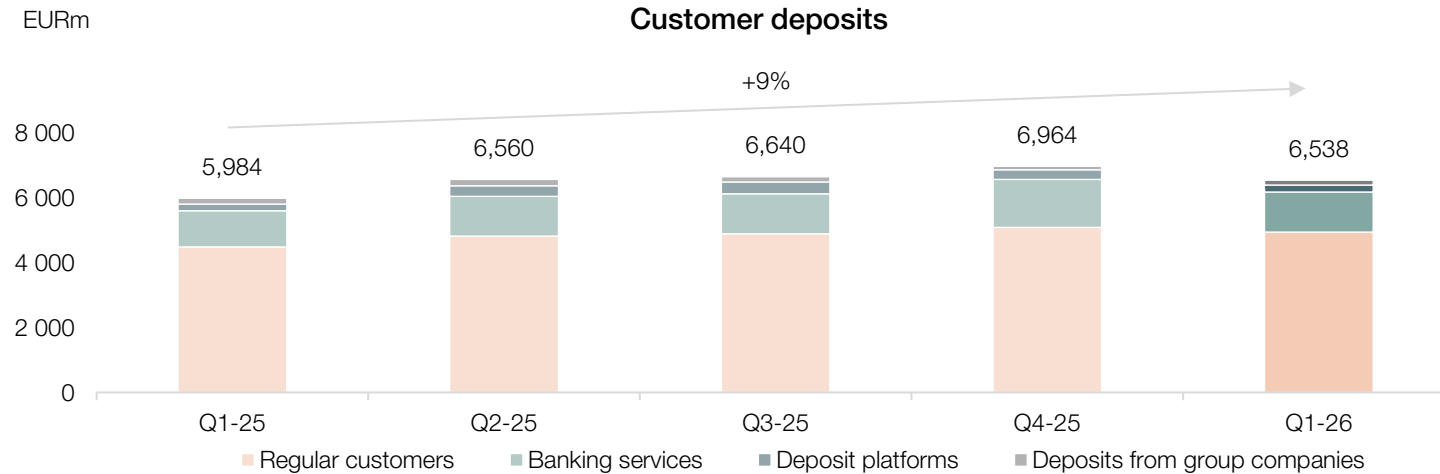
C/I

**50.7%**

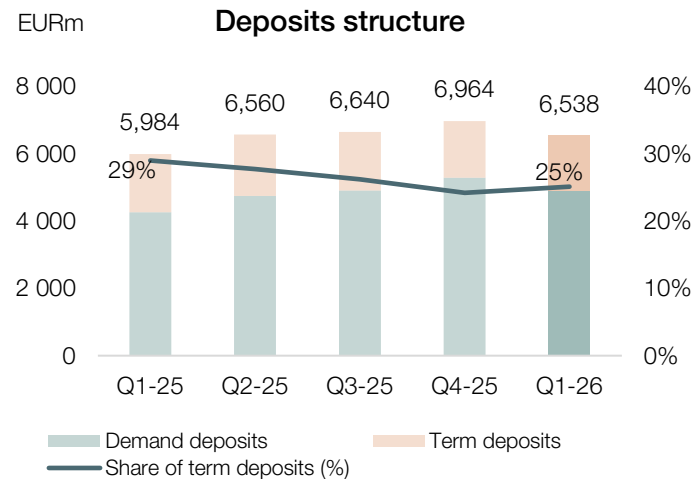
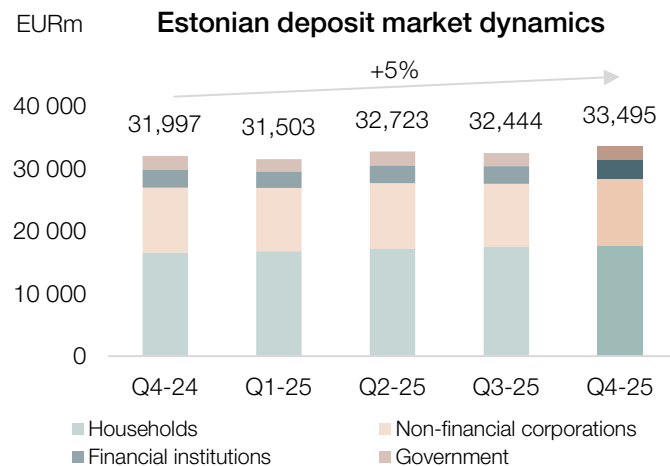
+11.3pp YoY

# LHV Pank

## Increasing efficiency in deposit pricing

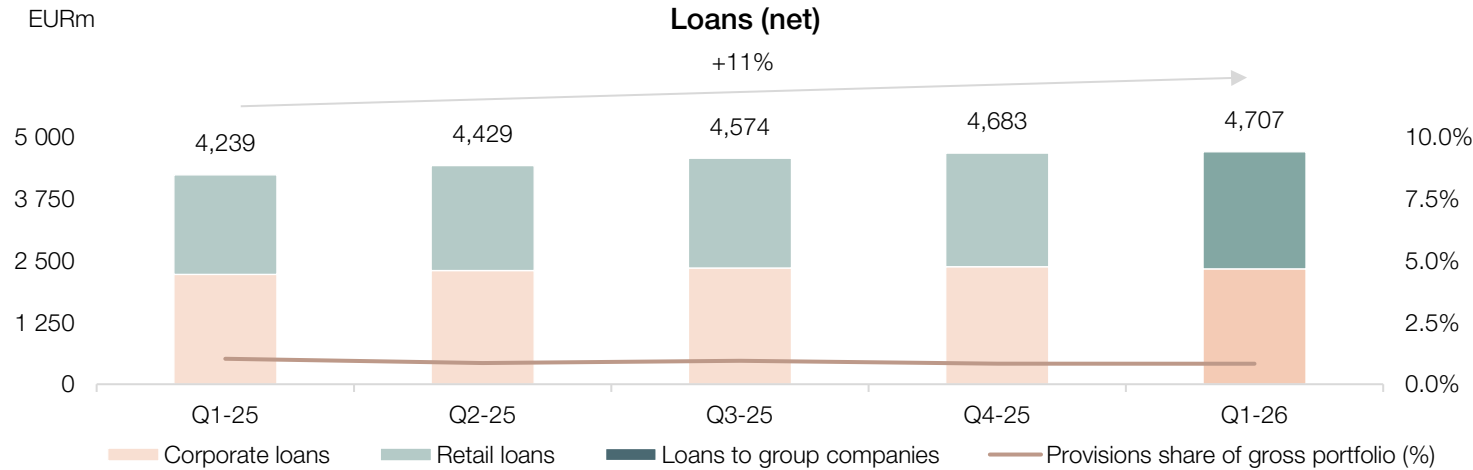


- Customer deposits decreased slightly due to conservative repricing of deposits
- Banking Services deposits declined mainly due to declining crypto values during the quarter
- Platform deposits decreased to focus mainly on customer deposits and reduce dependency on platforms in future
- LHV Pank's funding strategy is shifting more to Estonian direct to customer deposits

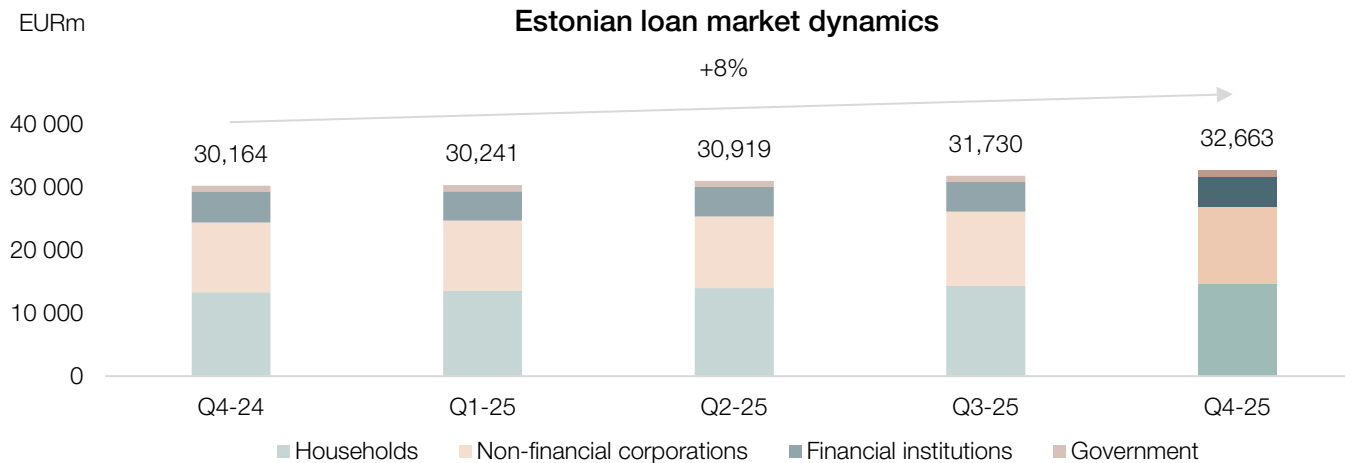


# LHV Pank

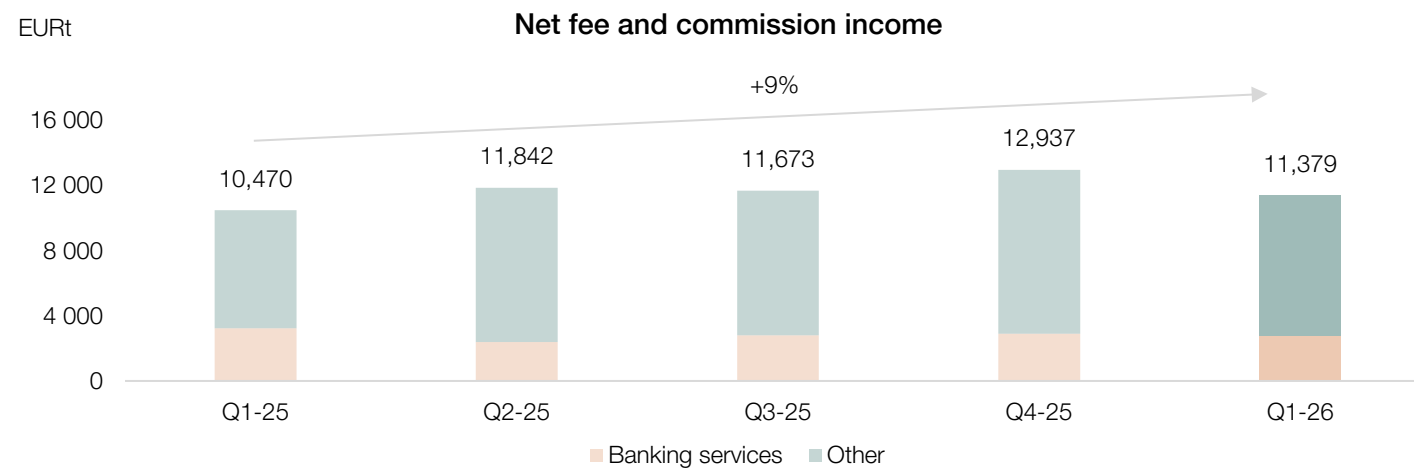
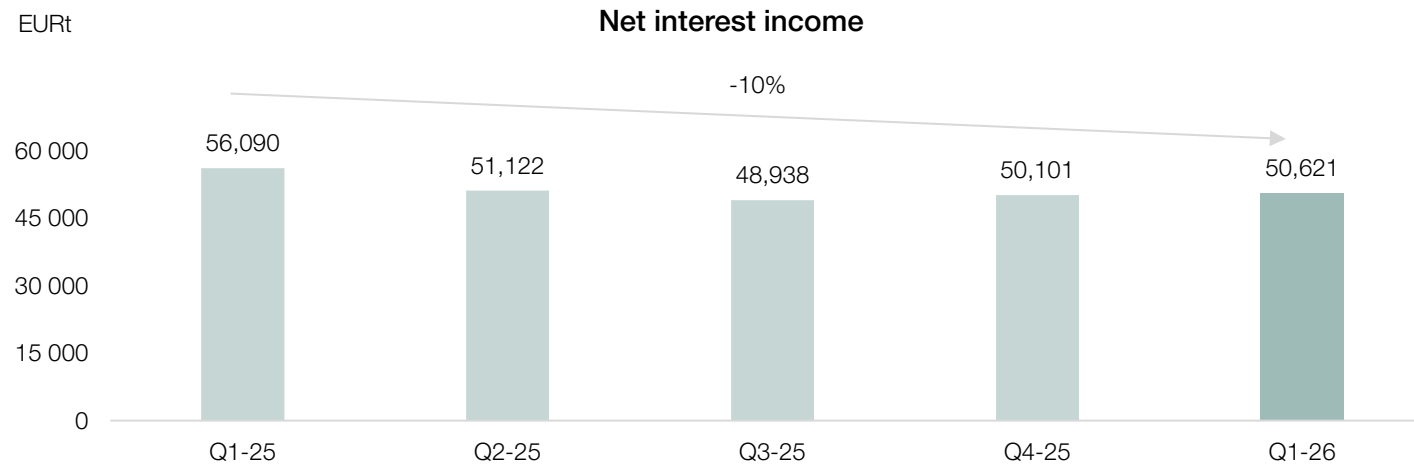
## Increasing return of loan portfolio



- Loan portfolio grew slightly
- Growth came from mortgages that continue to grow actively
- Corporate loans declined due to one larger loan where term ended and the bank was not interested in renewing the loan with existing low margin
- Corporate lending team focused on increasing the return of loan book by reviewing margins when possible
- Quality of loan portfolio remained strong



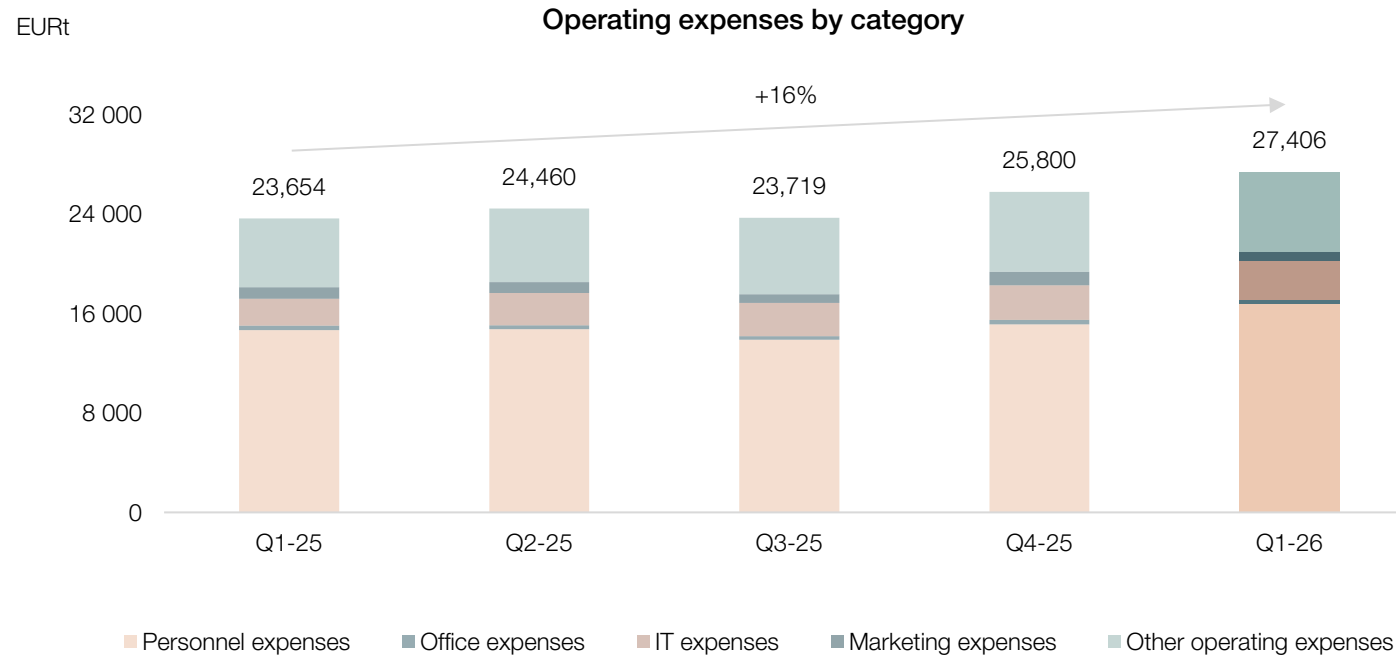
# Net income expected improvement from Q2



- Net interest income has stabilised
- Increasing Euribor effect realising from next months
- Decline in fee income driven by a product mix with low or zero fees and seasonal first-quarter softness
- Virtual cards pricing starting to show effect from next quarter

# LHV Pank

## Expenses broadly in line with plan



- Personnel expenses higher due to severance payments and accelerated share option costs related to management transitions
- IT expenses slightly increased due to migration to cloud infrastructure
- Other operating expenses according to financial plan, except some additional outsourced advisory services

## Underlying business performance according to plan

Financial results, EURt	Q1-26	Q4-25	YTD26	YTD25	FP YTD	Δ FP
Net interest income	50,621	50,101	50,621	56,090	51,231	-610
Net fee and commission income	11,379	12,937	11,379	10,470	11,018	+361
Net fee sharing	-5,572	-6,098	-5,572	-7,624	-5,542	-30
Other income	-2,397	78	-2,397	1,041	28	-2,425
<b>Total net income</b>	<b>54,032</b>	<b>57,018</b>	<b>54,032</b>	<b>59,977</b>	<b>56,736</b>	<b>-2,704</b>
<b>Total operating expenses</b>	<b>27,406</b>	<b>25,800</b>	<b>27,406</b>	<b>23,654</b>	<b>26,157</b>	<b>+1,249</b>
<b>Earnings before impairment</b>	<b>26,626</b>	<b>31,218</b>	<b>26,626</b>	<b>36,323</b>	<b>30,579</b>	<b>-3,953</b>
<b>Earnings before impairments excl. Intra group IRS revaluation</b>	<b>28,961</b>	<b>31,218</b>	<b>28,961</b>	<b>36,323</b>	<b>30,579</b>	<b>-1,617</b>
Impairment losses	249	-2,340	249	4,922	3,372	-3,124
Income tax expense	6,198	5,853	6,198	6,167	5,615	+582
<b>Net profit</b>	<b>20,179</b>	<b>27,704</b>	<b>20,179</b>	<b>25,235</b>	<b>21,591</b>	<b>-1,412</b>
<b>Net profit excl. intra group IRS revaluation</b>	<b>22,515</b>	<b>27,704</b>	<b>22,515</b>	<b>25,235</b>	<b>21,591</b>	<b>+924</b>
<b>Business volumes, EURm</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Loans (net)	4,707	4,683	4,707	4,239	4,722	-16
Deposits from customers	6,538	6,964	6,538	5,984	6,481	+57
incl. banking services' deposits	1,234	1,480	1,234	1,112	1,225	+9
Fin. intermediaries' payments, th. pcs	25,411	23,585	25,411	19,471	20,547	+4,864
No of customers, th.	500	492	500	465	na	na
<b>Key figures</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Cost / income ratio (C/I)	50.7%	45.2%	50.7%	39.4%	46.1%	+ 4.6 pp
Net interest margin (NIM)	2.4%	2.3%	2.4%	2.9%	2.4%	- 0.0 pp
pre-tax ROE*	17.3%	22.1%	17.3%	22.7%	16.9%	+ 0.4 pp
ROE*	13.4%	18.2%	13.4%	18.4%	13.3%	+ 0.1 pp

- Deposits ahead of plan, loans slightly behind due to corporate lending
- Net income lower due to EUR 2.3m revaluation of interest rate swaps made with Bank (eliminated at the Group level)
- Operating expenses higher due to severance payments and accelerated share option costs related to management transitions

LHV Bank

**LHV**

# LHV Bank

## Key highlights Q1 2026

**Business volumes ahead of plan** across loans, deposits and transactions, with **net profit in line with expectations**

**Loan portfolio grew 12% QoQ to EUR 876m**

**Deposits reached EUR 1.4bn**, with direct customer deposits growing to 16.5% of total funding

**Regulatory approvals received for consumer credit and ISA products**, with development underway

Net income

**EUR 15.0m**

+3% YoY

Net profit

**EUR 1.3m**

-41% YoY

Loan portfolio

**EUR 0.88bn**

+79% YoY

Deposits

**EUR 1.43bn**

+74% YoY

ROE

**3.7%**

-5.4pp YoY

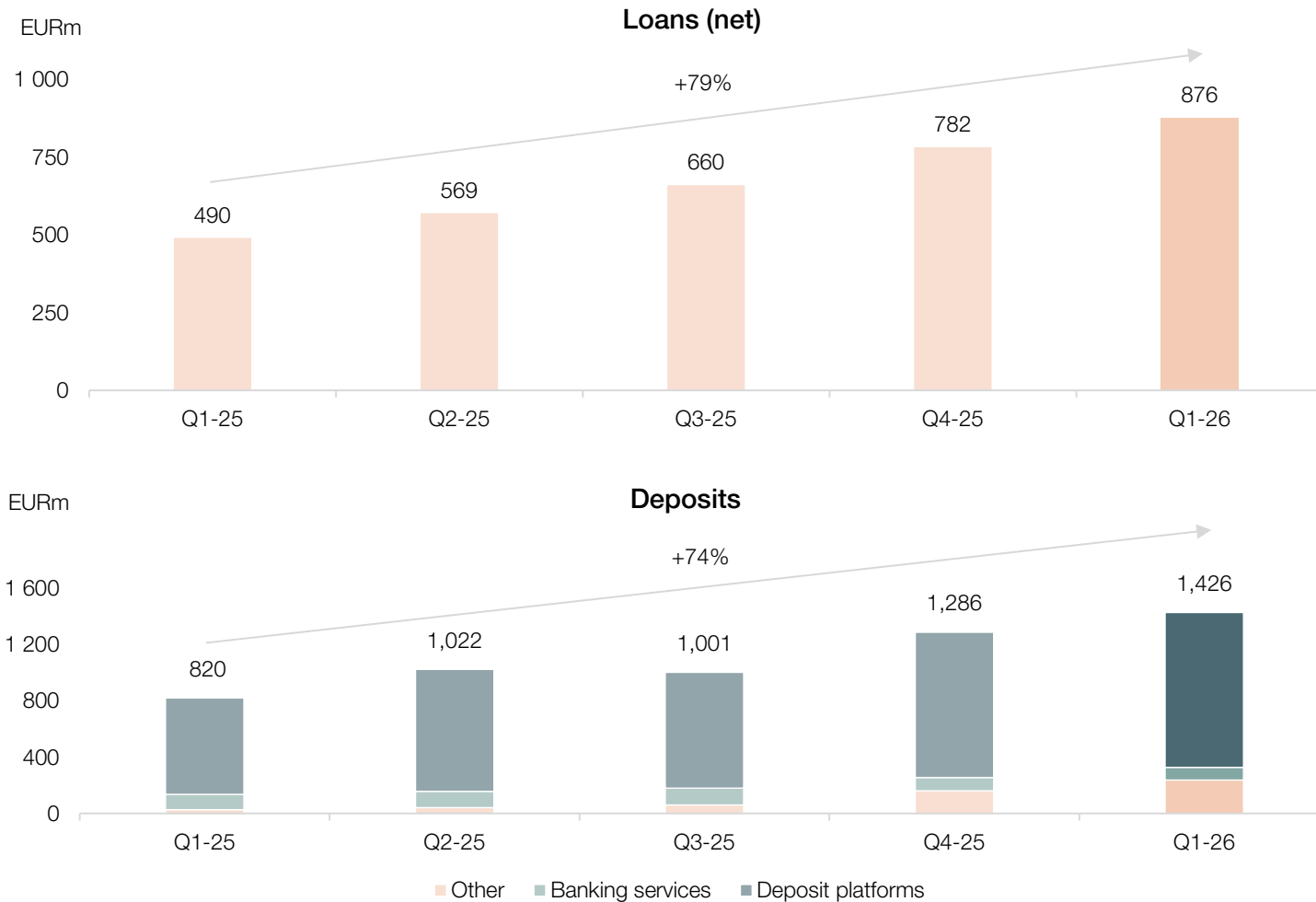
C/I

**82.6%**

+7.1pp YoY

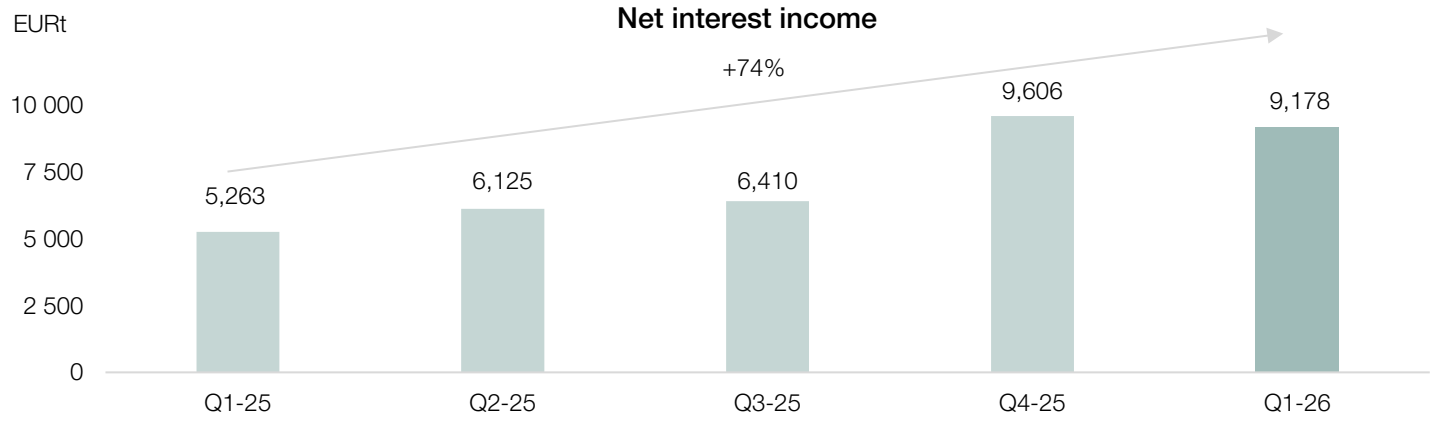
**LHV**

# Loan and deposit volumes continued to grow strongly

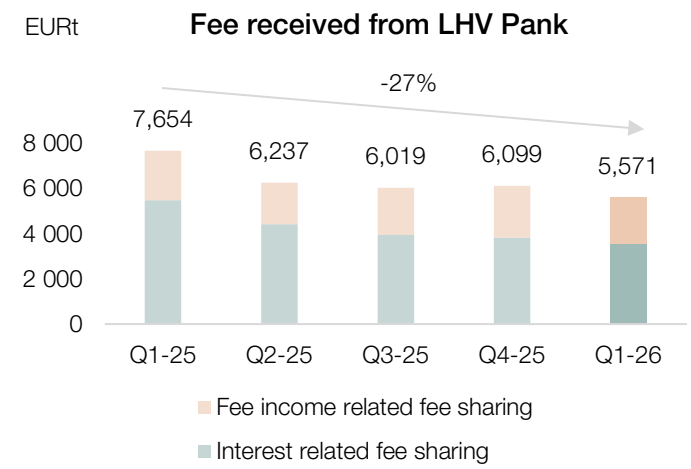
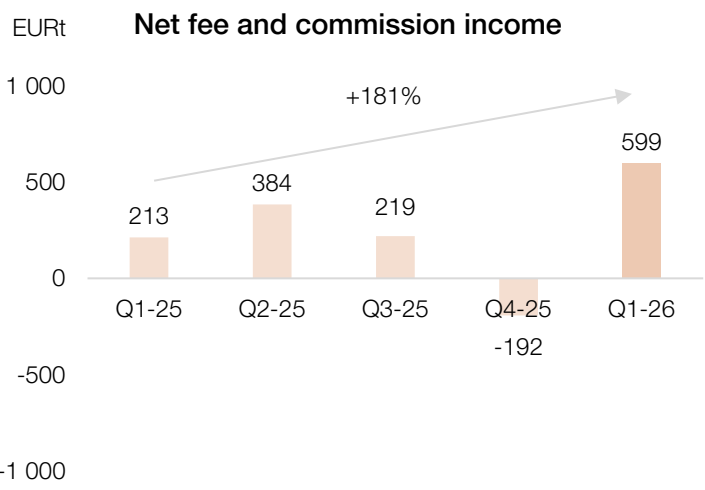


- Strong sales continued in SME Lending
- Pipeline with offers at £124m (EUR 143m)
- Overdue loans naturally growing in line with portfolio growth and maturity
- Strong acceleration in direct customer and deposit growth
- Direct retail customer numbers grew from 5,000 at the end of Q4 2025 to 7,140 in Q1 2026
- Cost of funds slightly better than plan
- Reduced reliance on aggregator funding with direct deposits reaching c.16.5% of total deposits

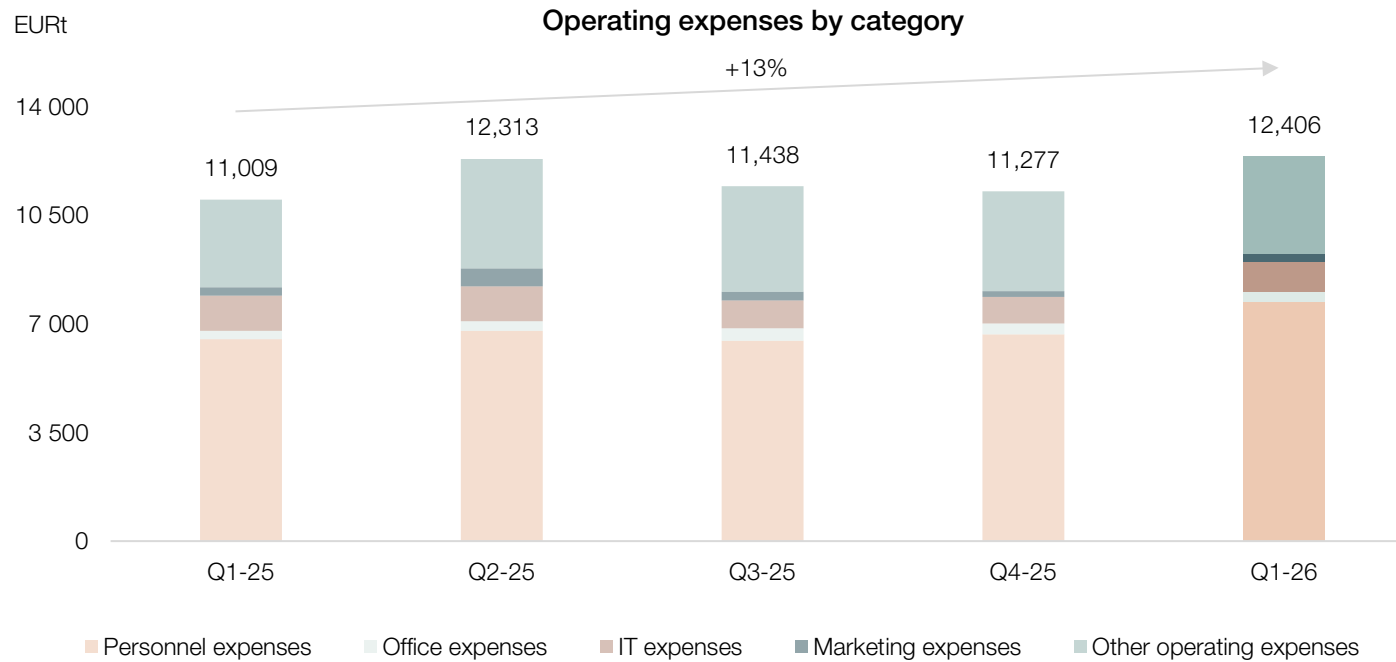
# Net income dynamics reflect portfolio growth



- SME loan portfolio growth driving interest income growth
- The bank continues to see record levels of payment volumes, with volumes in the first quarter over 25% higher than the same period in 2025



# Expenses remained well controlled



- Operating costs reflect investment in people, the brand and business growth
- Customer support Agentic AI proof of concept explored successfully in Q1 with plans to roll out to support cost effective retail banking growth

## Underlying business volumes ahead of plan

Financial results, EURt	Q1-26	Q4-25	YTD26	YTD25	FP YTD	Δ FP
Net interest income	9,178	9,606	9,178	5,263	8,070	+1,109
Net fee and commission income	599	-192	599	213	638	-38
Net fee sharing	5,571	6,099	5,571	7,654	5,542	+29
Other net income	-330	-73	-330	1,458	0	-330
<b>Total net income</b>	<b>15,019</b>	<b>15,441</b>	<b>15,019</b>	<b>14,588</b>	<b>14,249</b>	<b>+770</b>
<b>Total operating expenses</b>	<b>12,406</b>	<b>11,277</b>	<b>12,406</b>	<b>11,009</b>	<b>11,915</b>	<b>+491</b>
<b>Earnings before impairment</b>	<b>2,613</b>	<b>4,164</b>	<b>2,613</b>	<b>3,579</b>	<b>2,334</b>	<b>+279</b>
Impairment losses	1,040	669	1,040	745	333	+707
Income tax expense	321	1,227	321	709	500	-179
<b>Net profit</b>	<b>1,252</b>	<b>2,267</b>	<b>1,252</b>	<b>2,125</b>	<b>1,501</b>	<b>-249</b>
<b>Business volumes, EURm</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Loans (net)	876	782	876	490	858	+17
Deposits from customers	1,426	1,286	1,426	820	1,288	+137
No of customers, thous.	32	36	32	18	na	na
<b>Key figures</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Cost / income ratio (C/I)	82.6%	73.0%	82.6%	75.5%	83.6%	- 1.0 pp
Net interest margin (NIM)	2.4%	3.0%	2.4%	2.5%	2.2%	+ 0.2 pp
pre-tax ROE*	4.7%	11.5%	4.7%	12.2%	5.9%	- 1.3 pp
ROE*	3.7%	7.5%	3.7%	9.2%	4.4%	- 0.7 pp

- Net income ahead of plan on the back of strong loan growth
- Operating expenses higher than plan due to switch to cash, rather share option based, bonus payments and one-off people related costs
- Deposit, loan and payment volumes above plan
- Net interest margin ahead of plan
- Impairment losses higher than plan. These losses are proportionate to the growth and maturity of the loan portfolio and robust portfolio management is in place
- Net profit slightly behind plan due to higher than plan impairment losses

# LHV Varahaldus

**LHV**

# LHV Varahaldus

## Key highlights Q1 2026

**Best-performing pension funds in Estonia** across both Pillar II and Pillar III in Q1

**AUM growing steadily** in both pillars

**Q1 net loss reflects EUR 4m dividend payment to LHV Group and related income tax, a recurring annual effect**

Operating income and expenses **in line with financial plan**

Net income

**EUR 2.4m**  
+8% YoY

Net loss

**EUR -0.6m**  
-682% YoY

Pillar II funds

**EUR 1.55bn**  
+8% YoY

Pillar III funds

**EUR 0.15bn**  
+35% YoY

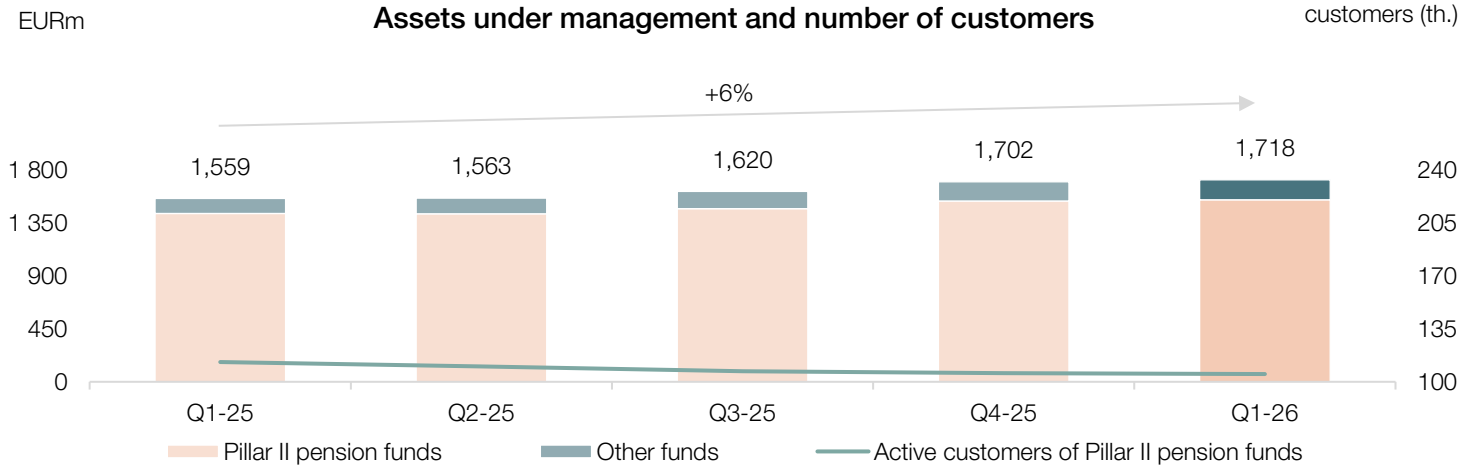
C/I ratio

**79.3%**  
+7.1pp YoY

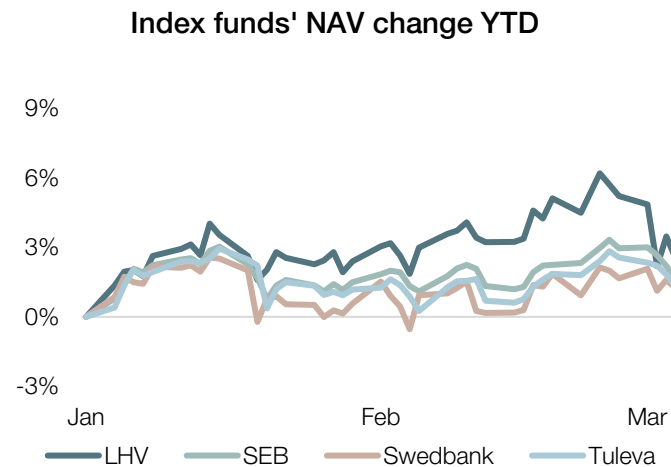
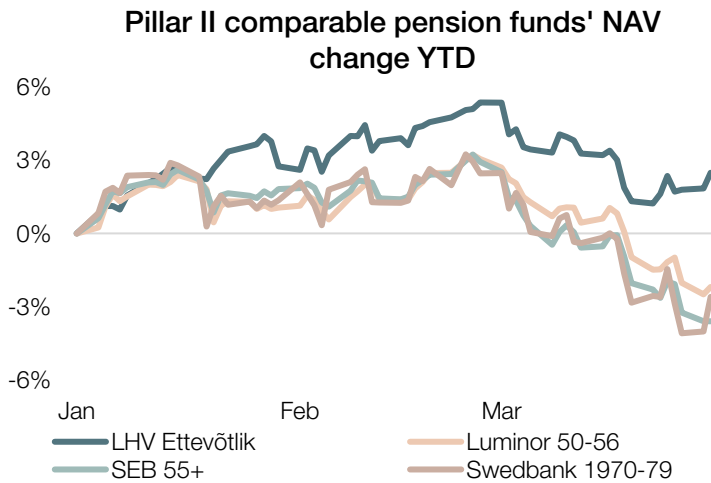
ROE

**-11.9%**  
-14.1pp YoY

## Only LHV pension funds showed positive returns in Q1



- AUM increased mostly due to good funds returns both in II and in III pillar
- Strong quarter for actively managed LHV funds despite weak market returns mostly in March
- Pension funds Julge, Ettevõtlik and Tasakaalukas gained 4.0%, 2.7% and 2.1% in Q1
- LHV fund Indeks, which has higher exposure to developing markets compared to its competitors, showed modest decline of 1.3%
- Conservative fund Rahulik increased by 0.6%
- III pillar funds continue to grow with actively managed Aktiivne III showing positive quarterly return of 4.0%



## Results slightly ahead of financial plan

Financial results, EURt	Q1-26	Q4-25	YTD26	YTD25	FP YTD	Δ FP
Total net income	2,382	4,502	2,382	2,203	2,333	+49
Total operating expenses	2,025	2,006	2,025	1,734	2,036	-12
EBIT	357	2,496	357	469	297	+61
Net financial income	170	189	170	199	154	+15
Income tax expense	1,128	0	1,128	564	1,128	+0
Net profit	-601	2,685	-601	103	-677	+76
<b>Business volumes, EURm</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Assets under management	1,718	1,702	1,718	1,559	1,717	+1
Active customers of PII funds, th.	105	106	105	113	106	-1
<b>Key figures</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Cost / income ratio (C/I)	79.3%	42.8%	79.3%	72.2%	81.9%	- 2.5 pp
Funds average return	2.2%	13.3%	2.2%	2.5%	1.8%	+ 0.3 pp

- Operating income slightly higher than anticipated, expenses also in line with financial plan
- Strong returns of actively managed funds over the first three months means that financial income from own shares has been higher than anticipated despite weaker than expected index fund performance
- Client numbers in line with financial plan, telemarketing and digital channels continue to improve
- Best performing funds in Q1 in both II and III pillar have been LHV funds

# LHV Kindlustus

**LHV**

# LHV Kindlustus

## Key highlights Q1 2026

Net loss driven by **slightly increased claim frequency** and **higher number of large losses**

**Gross premiums grew 14% YoY** in a soft market, driven by home and travel insurance diversification

**Customer base expanded to 237,000** with 314,000 active policies at quarter-end

**Net expense ratio stable at 25.2%**, reflecting disciplined cost management despite volume growth

Gross written premiums

**EUR 14.7m**  
+14% YoY

Net loss

**EUR -0.7m**  
-201% YoY

Net loss ratio

**82.2%**  
+13.1pp YoY

Net expense ratio

**24.5%**  
+0.3pp YoY

No. of customers

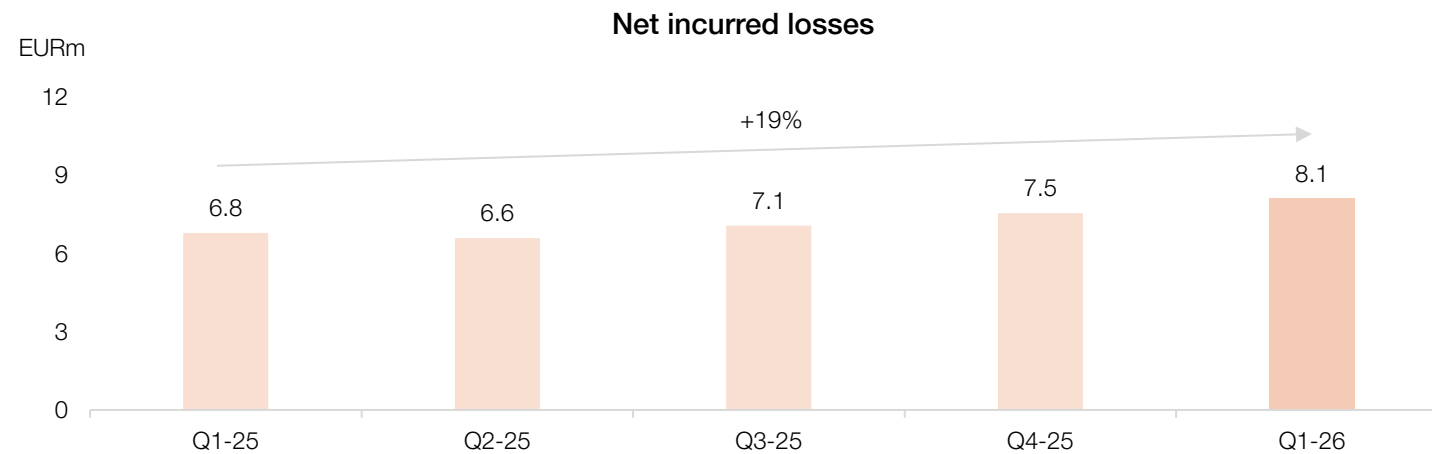
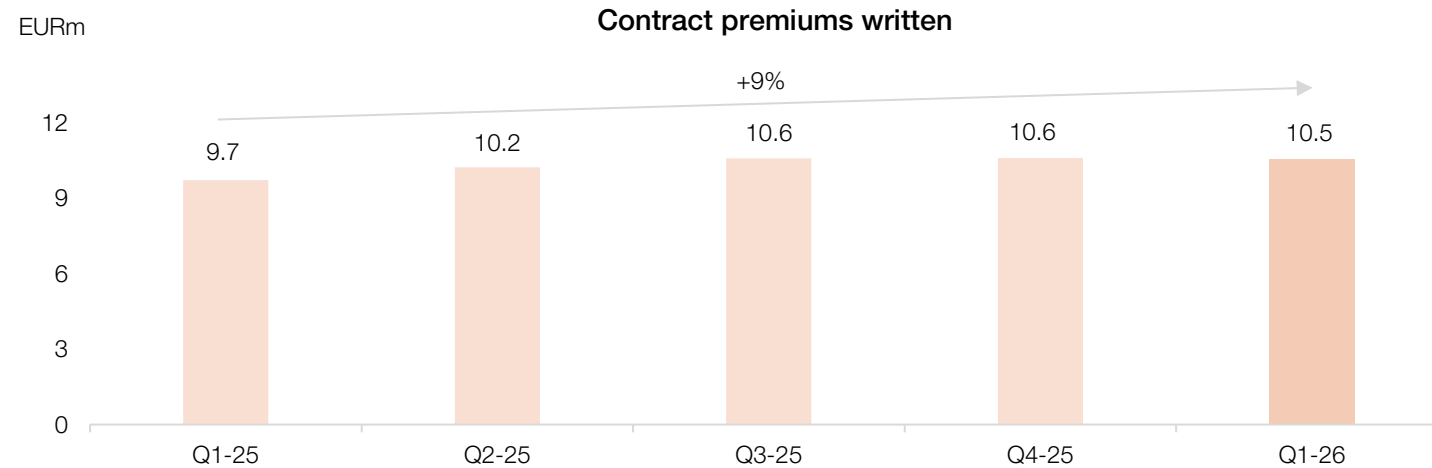
**237 thous.**  
+36% YoY

ROE

**-30.8%**  
-69.8pp YoY

# LHV Kindlustus

## A claim-heavy quarter



- Q1 sales grew by 9% YoY, driven primarily by home and travel insurance. Some smaller product lines also delivered strong sales performances
- 3 claims over EUR 100,000 in Q1, in addition to a high number of above average claims (EUR +50 000). Adverse weather conditions had the biggest impact on large claims
- Although claim frequency increased slightly, the average claim size in motor lines increased by 20-30% during January-February
- The main driver in travel insurance claims was the military conflict in the Middle East

## Monthly sales targets met

<b>Financial results, EURt</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Insurance revenue	10,545	10,591	10,545	9,708	10,717	-172
Commission expense	848	1,265	848	947	1,335	-486
Gross incurred losses	8,250	7,228	8,250	6,499	6,938	+1,312
Operating expenses	1,675	1,483	1,675	1,316	1,519	+156
<b>Insurance result before reinsurance</b>	<b>-228</b>	<b>616</b>	<b>-228</b>	<b>946</b>	<b>926</b>	<b>-1,154</b>
<b>Reinsurance result</b>	<b>461</b>	<b>450</b>	<b>461</b>	<b>349</b>	<b>302</b>	<b>+159</b>
<b>Total insurance result</b>	<b>-689</b>	<b>166</b>	<b>-689</b>	<b>597</b>	<b>624</b>	<b>-1,313</b>
Net other income	15	-36	15	67	48	-33
<b>Net profit</b>	<b>-674</b>	<b>130</b>	<b>-674</b>	<b>665</b>	<b>672</b>	<b>-1,346</b>
<b>Business volumes</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Contract premiums written, EURt	14,661	10,722	14,661	12,860	14,617	+44
No of customers (thous.)	237	231	237	174	232	+5
<b>Key figures</b>	<b>Q1-26</b>	<b>Q4-25</b>	<b>YTD26</b>	<b>YTD25</b>	<b>FP YTD</b>	<b>Δ FP</b>
Net loss ratio	82.2%	70.9%	82.2%	69.1%	66.6%	+ 15.6 pp
Net expense ratio	25.2%	29.4%	25.2%	24.6%	28.4%	- 3.1 pp

- On a YoY basis, total claims increased by EUR 1.3m in Q1
- In Q1, an average of 12,500 new claims were registered per month, around 1,000 above the average
- At the end of Q1 2026, there were 314,000 active policies, reflecting steady growth
- Operating expenses exceeded the financial plan slightly, while the net expense ratio came in below plan

## Key takeaways Q1 2026

**Net profit of EUR 19.7m was in line with the financial plan**, despite declining 36% QoQ and 32% YoY

**Capital and liquidity strong: CET1 16.2%, LCR 192%**, all ratios above internal targets with meaningful buffers to support continued growth

**LHV Pank reached 500,000 customers**, with **loan portfolio up 11% YoY** and focus on deposit pricing efficiency and loan margin discipline

**LHV Bank (UK) loan portfolio grew 79% YoY to EUR 876m**

LHV Varahaldus delivered the **best-performing pension funds in Estonia** across both pillars

LHV Kindlustus quarterly result **impacted from adverse weather conditions and geopolitical events**, slight stabilisation seen in March

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