

# LHV Group

July results  
13 August 2024



## Loan portfolio growth underpins the strong results

Financial results, EURt	13 months	Jul 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		28,550	201,254	169,872	180,389	+20,865
Net interest income		22,676	162,020	140,405	142,336	+19,684
Net fee and commission income		5,834	37,639	28,531	37,012	+627
<b>Total operating expenses</b>		11,696	84,813	73,547	82,225	+2,589
<b>Earnings before impairment</b>		16,853	116,441	96,325	98,165	+18,276
Impairment losses		2,706	10,600	562	11,696	-1,096
Income tax expense		2,015	14,421	13,549	12,791	+1,630
<b>Net profit, incl.</b>		12,132	91,420	82,213	73,678	+17,742
attr. to shareholders		12,020	90,850	81,318	73,330	+17,520
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>Jul 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		5,969	5,969	5,193	6,358	-389
Loans (net)		3,994	3,994	3,281	3,764	+229
Assets under management		1,554	1,554	1,496	1,591	-37
Fin. intermediaries' payments, thous. pcs		6,414	42,550	24,376	33,023	+9,527
<b>Key figures</b>	<b>13 months</b>	<b>Jul 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		41.0%	42.1%	43.3%	45.6%	- 3.4 pp
Net interest margin (NIM)		3.6%	3.8%	3.9%	3.3%	+ 0.6 pp
pre-tax ROE*		27.5%	31.2%	36.1%	25.9%	+ 5.3 pp
ROE*		23.6%	26.9%	30.9%	22.1%	+ 4.9 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 103 EURm
- Deposits from customers increased 185 by EURm
- Monthly net profit 12.1 EURm and ROE 23.6%
- Net profit ahead of the financial plan by 17.7 EURm. Financial plan holds

## Very strong growth in loans and deposits

Financial results, EURt	13 months	Jul 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		<b>23,802</b>	<b>161,368</b>	<b>144,127</b>	<b>143,179</b>	<b>+18,189</b>
Net interest income		20,518	140,827	128,502	121,392	+19,435
Net fee and commission income		3,315	19,418	14,875	21,147	-1,728
<b>Total operating expenses</b>		<b>6,737</b>	<b>52,766</b>	<b>47,966</b>	<b>52,107</b>	<b>+659</b>
<b>Earnings before impairment</b>		<b>17,065</b>	<b>108,602</b>	<b>96,161</b>	<b>91,072</b>	<b>+17,531</b>
Impairment losses		2,887	10,552	332	11,558	-1,006
Income tax expense		2,033	14,275	12,200	11,548	+2,727
<b>Net profit</b>		<b>12,145</b>	<b>83,775</b>	<b>83,629</b>	<b>67,965</b>	<b>+15,810</b>
Business volumes, EURm	13 months	Jul 24	YTD24	YTD23	FP YTD	Δ YTD FP
Deposits from customers		5,597	5,597	5,269	5,913	-316
incl. banking services' deposits		922	922	1,040	1,052	-130
Loans (net)		3,824	3,824	3,302	3,564	+260
Key figures	13 months	Jul 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		28.3%	32.7%	33.3%	36.4%	- 3.7 pp
Net interest margin (NIM)		3.5%	3.5%	3.5%	3.0%	+ 0.6 pp



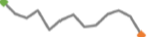







- The number of bank customers increased by 3,600
- Loan portfolio increased by 81 EURm, including retail loans by 38 EURm and corporate loans by 43 EURm
- Deposits increased by 138 EURm, incl. regular customers' deposits by 89 EURm and banking services customers' deposits by 69 EURm. Platform deposits decreased by 19 EURm and deposits from group companies by 1 EURm
- Credit quality remains at a good level, therefore, impairment losses lower than planned

## Loans and deposits growing steadily

Financial results, EURt	13 months	Jul 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		2,942	26,461	17,116	28,109	-1,648
Net interest income		2,155	20,580	13,434	24,882	-4,301
Net fee and commission income		818	5,822	3,725	3,228	+2,594
Other net income		-31	60	-43	0	+60
<b>Total operating expenses</b>		3,379	21,590	16,612	19,357	+2,233
<b>Earnings before impairment</b>		-437	4,872	503	8,752	-3,881
Impairment losses		-181	48	50	138	-90
Income tax expense		-64	-790	0	0	-790
<b>Net profit</b>		-192	5,613	453	8,614	-3,001
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>Jul 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		500	500	0	575	-75
Loans (net)		170	170	47	200	-31
<b>Key figures</b>	<b>13 months</b>	<b>Jul 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		114.9%	81.6%	97.1%	68.9%	+ 12.7 pp
Net interest margin (NIM)		4.6%	7.5%	33.2%	8.4%	- 0.8 pp

- Loan portfolio increased by 23 EURm. Projects approved by the Credit Committee amounting to 147 EURm
- Deposits from platforms increased by 39 EURm. In total, 6,800 depositors
- Banking services customers' payment volumes at a high level. In June, significantly decreased deposit volumes resulted in lower interest income than in previous months and below the planned amounts
- Expenses higher due to active development of retail banking offering

## Despite volatile markets, LHV's larger funds with positive returns

Financial results, EURt	13 months	Jul 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income		766	5,188	5,099	5,262	-74
Total operating expenses		747	4,246	4,005	4,164	+82
<b>EBIT</b>		19	942	1,095	1,098	-156
Net financial income		69	471	302	325	+146
Income tax expense		0	801	488	801	-0
<b>Net profit</b>		88	612	909	622	-10
<b>Business volumes</b>	<b>13 months</b>	<b>Jul 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Assets under management, EURm		1,554	1,554	1,496	1,591	-37
Active customers of PII funds, thous.		118	118	127	120	-2
<b>Key figures</b>	<b>13 months</b>	<b>Jul 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		89.4%	75.0%	74.1%	74.5%	+ 0.5 pp
Funds average return		1.0%	7.1%	4.2%	4.4%	+ 2.8 pp

- Revenues and profitability largely in line with the plan, expenses affected by a one-off personnel cost related to staff movement in July
- The benchmark index's increase the most modest in recent years, with an annual growth of 5.0% in July
- M, L, and XL increased over the month by 1.1%, 1.1%, and 1.3% respectively. Indeks remained unchanged, value of Roheline increased by 1.7%
- Exiting from the II pillar at their lowest in recent years, with customer numbers more affected by competitors' effective sales efforts

# LHV Kindlustus

## A month with good sales results

Financial results, EURt	13 months	Jul 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		474	3,733	2,279	3,905	-172
Net earned premiums		2,669	17,470	12,105	16,626	+844
Net incurred losses		1,832	11,472	8,563	10,721	+751
Other net income		-362	-2,264	-1,263	-2,000	-264
<b>Total expenses</b>		396	3,162	2,574	3,407	-245
<b>Technical result</b>		78	571	-295	498	+74
Net investment income		53	273	14	68	+205
Other operating income and expenses		-5	-41	-7	-35	-6
<b>Net profit</b>		126	803	-288	531	+272
<b>Business volumes, EURt</b>	<b>13 months</b>	<b>Jul 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Contract premiums written		3,462	23,214	18,271	22,559	+655
No of customers (thous.)		167	167	161	na	na
<b>Key figures</b>	<b>13 months</b>	<b>Jul 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Net loss ratio		68.7%	65.7%	70.7%	64.5%	+ 1.2 pp
Net expense ratio		28.1%	31.2%	32.4%	32.7%	- 1.6 pp

- 14,200 insurance contracts with a volume of 3.4 EURm were signed, a monthly growth of 20%. The largest increase in health insurance sales
- The number of valid contracts growing steadily, 242,000 policies by month-end
- Claims were compensated in the amount of 1.8 EURm, with the largest increase in MTPL insurance
- Net loss ratio stable, net expense ratio in downward trend
- Profitability ratios exceeding the financial plan

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