

# LHV Group

April results  
14 May 2024
















## High profitability amid strong growth in business volumes

Financial results, EURt	13 months	Apr 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		<b>30,135</b>	<b>115,550</b>	<b>91,558</b>	<b>102,639</b>	<b>+12,911</b>
Net interest income		24,294	93,212	75,262	82,089	+11,122
Net fee and commission income		5,147	20,690	15,839	19,955	+735
<b>Total operating expenses</b>		<b>12,321</b>	<b>47,848</b>	<b>40,505</b>	<b>46,842</b>	<b>+1,006</b>
<b>Earnings before impairment</b>		<b>17,814</b>	<b>67,702</b>	<b>51,053</b>	<b>55,797</b>	<b>+11,905</b>
Impairment losses		659	3,509	-2,087	5,660	-2,151
Income tax expense		1,361	7,696	8,039	7,768	-72
<b>Net profit, incl.</b>		<b>15,795</b>	<b>56,497</b>	<b>45,101</b>	<b>42,370</b>	<b>+14,127</b>
attr. to shareholders		15,821	56,365	44,544	42,262	+14,103
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		6,170	6,170	4,796	6,066	+105
Loans (net)		3,739	3,739	3,167	3,626	+113
Assets under management		1,563	1,563	1,458	1,545	+18
Fin. intermediaries' payments, thous. pcs		6,016	23,836	12,622	18,629	+5,207
<b>Key figures</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		40.9%	41.4%	44.2%	45.6%	- 4.2 pp
Net interest margin (NIM)		4.0%	3.9%	3.8%	3.4%	+ 0.4 pp
pre-tax ROE*		36.2%	34.4%	36.7%	27.2%	+ 7.3 pp
ROE*		33.3%	30.3%	31.0%	23.0%	+ 7.3 pp

- Good results from all group companies
- Results driven by a growing loan portfolio, resulting in higher interest income. Other income and expenses largely in line with the plan
- Monthly net profit 15.8 EURm and ROE 33.3%
- Net profit ahead of the financial plan by 14.1 EURm. Financial plan holds

## Historically highest issuance of new loans

Financial results, EURt	13 months	Apr 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		23,668	92,454	80,232	81,533	+10,921
Net interest income		20,549	80,798	70,889	69,860	+10,938
Net fee and commission income		2,426	10,296	8,981	11,303	-1,007
<b>Total operating expenses</b>		7,835	30,639	26,725	29,953	+685
<b>Earnings before impairment</b>		15,833	61,816	53,508	51,580	+10,236
Impairment losses		617	3,423	-2,100	5,600	-2,177
Income tax expense		2,224	8,606	6,865	6,667	+1,939
<b>Net profit</b>		12,992	49,786	48,743	39,313	+10,474
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		5,806	5,806	4,848	5,675	+130
incl. banking services' deposits		1,140	1,140	1,054	992	+148
Loans (net)		3,631	3,631	3,157	3,491	+140
<b>Key figures</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		33.1%	33.1%	33.3%	36.7%	- 3.6 pp
Net interest margin (NIM)		3.6%	3.5%	3.5%	3.1%	+ 0.5 pp











- The number of bank customers increased by 3,550
- Loan portfolio increased by 82 EURm, including retail loans by 26 EURm and corporate loans by 56 EURm
- Deposits increased by 135 EURm, including regular customers' deposits increasing by 110 EURm and banking services customers' deposits by 111 EURm, deposits from platforms and group companies both decreased by 43 EURm
- Credit quality remains at a good level, therefore, impairment losses lower than planned

## Strong growth in the loan portfolio

Financial results, EURt	13 months	Apr 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		4,268	15,751	6,770	15,434	+318
Net interest income		3,390	12,187	5,117	13,792	-1,605
Net fee and commission income		917	3,479	1,669	1,641	+1,838
Other net income		-39	85	-17	0	+85
<b>Total operating expenses</b>		3,069	11,459	8,527	10,676	+783
<b>Earnings before impairment</b>		1,199	4,292	-1,757	4,757	-465
Impairment losses		42	86	12	60	+26
Income tax expense		-111	-1,930	0	0	-1,930
<b>Net profit</b>		1,267	6,135	-1,769	4,697	+1,438
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		437	437	0	465	-28
Loans (net)		108	108	23	135	-27
<b>Key figures</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		71.9%	72.8%	125.9%	69.2%	+ 3.6 pp
Net interest margin (NIM)		8.5%	8.4%	37.7%	9.4%	- 1.0 pp

- Deposits from banking services' customers increased by 17 EURm and deposits from platforms by 39 EURm. In total, over 4500 depositors. The interest rates offered on deposits are below the central bank's interest rates
- Loan portfolio increased by 13 EURm. Projects approved by the Credit Committee amounting to 85 EURm. Priority to grow the loan portfolio
- The first test card transaction with a virtual card carried out in the development of the retail banking offering

## Good performance of actively managed funds despite falling stock markets

Financial results, EURt	13 months	Apr 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income		752	2,938	2,858	2,956	-18
Total operating expenses		569	2,394	2,415	2,482	-88
<b>EBIT</b>		182	544	444	474	+70
Net financial income		77	295	117	201	+94
Income tax expense		0	801	488	801	-0
<b>Net profit</b>		259	39	72	-126	+164
<b>Business volumes</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Assets under management, EURm		1,563	1,563	1,458	1,545	+18
Active customers of PII funds, thous.		120	120	131	122	-2
<b>Key figures</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		68.7%	74.0%	81.2%	78.6%	- 4.6 pp
Funds average return		1.0%	4.2%	2.2%	2.5%	+ 1.7 pp

- Major stock markets declined in April, but LHV's actively managed funds showed positive results. Returns of L and XL 1.4% and 1.1%, respectively, in April
- 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 7.6% in April
- By April end, over 5,000 LHV pension fund customers had increased their second pillar contributions

## Positive trend in key indicators continues

Financial results, EURt	13 months	Apr 24	YTD24	YTD23	FP YTD	Δ YTD FP
<b>Total net income, incl.</b>		531	1,982	1,010	2,058	-76
Net earned premiums		2,472	9,709	6,236	9,302	+408
Net incurred losses		1,617	6,491	4,599	6,076	+414
Other net income		-324	-1,237	-627	-1,168	-69
<b>Total expenses</b>		457	1,790	1,362	1,956	-166
<b>Technical result</b>		73	192	-353	101	+91
Net investment income		-4	150	15	33	+117
Other operating income and expenses		-6	-22	-3	-20	-2
<b>Net profit</b>		64	320	-341	114	+206
<b>Business volumes, EURt</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Gross written premiums		3,368	14,157	10,509	13,589	+568
No of customers (thous.)		167	167	158	na	na
<b>Key figures</b>	<b>13 months</b>	<b>Apr 24</b>	<b>YTD24</b>	<b>YTD23</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Net loss ratio		65.4%	66.8%	73.8%	65.3%	+ 1.5 pp
Net expense ratio		31.6%	31.4%	32.5%	33.8%	- 2.4 pp

- 13,600 insurance contracts with a volume of 3.3 EURm were signed
- Claims were compensated in the amount of 1.6 EURm and 9500 new insurance cases were registered
- At month-end 237,000 valid policies
- Net loss ratio continues its downward trend
- Surpassing the financial plan in all key indicators

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