

LHV Group

October results
12 November 2024



LHV Group

A month with strong loan growth

Financial results, EURt	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income, incl.		27,481	285,086	252,322	288,651	-3,565
Net interest income		21,911	228,681	209,086	232,194	-3,514
Net fee and commission income		5,332	53,458	42,213	53,748	-290
Total operating expenses		14,002	124,363	108,033	124,227	+136
Earnings before impairment		13,479	160,722	144,289	164,424	-3,702
Impairment losses		1,647	16,818	5,083	18,573	-1,755
Income tax expense		1,605	19,691	19,880	20,216	-525
Net profit, incl.		10,228	124,213	119,326	125,635	-1,422
attr. to shareholders		10,066	123,281	118,040	124,810	-1,528
Business volumes, EURm	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Loans (net)		4,232	4,232	3,425	4,234	-2
Deposits from customers		6,469	6,469	5,386	6,414	+55
Assets under management		1,534	1,534	1,452	1,536	-2
Fin. intermediaries' payments, thous. pcs		6,420	61,347	38,750	59,326	+2,022
Key figures	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		51.0%	43.6%	42.8%	43.0%	+ 0.6 pp
Net interest margin (NIM)		3.2%	3.6%	3.9%	3.7%	- 0.1 pp
pre-tax ROE*		21.6%	28.8%	35.3%	29.2%	- 0.5 pp
ROE*		18.7%	24.9%	30.2%	25.2%	- 0.3 pp

- The results are still driven by a rapidly growing loan portfolio, while interest rates are falling faster than planned. Other income and expenses largely in line with the plan
- Loan portfolio increased by 105 EURm
- Deposits from customers increased by 182 EURm
- Monthly net profit 10.2 EURm and ROE 18.7%
- Net profit slightly below the updated financial plan. Financial plan holds

Volume growth significantly reduces the impact of declining interest rates

Financial results, EURt	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income, incl.		21,954	229,283	211,776	231,506	-2,223
Net interest income		18,948	199,247	189,899	202,051	-2,804
Net fee and commission income		2,808	27,651	20,640	27,324	+327
Total operating expenses		8,675	77,536	69,363	77,903	-367
Earnings before impairment		13,278	151,747	142,413	153,603	-1,857
Impairment losses		1,556	16,314	4,738	18,091	-1,778
Income tax expense		1,666	19,649	18,409	19,630	+19
Net profit		10,056	115,784	119,266	115,882	-98
Business volumes, EURm	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Loans (net)		3,980	3,980	3,492	3,980	+0
Deposits from customers		5,908	5,908	5,274	5,894	+14
incl. banking services' deposits		953	953	879	1,050	-98
Key figures	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		39.5%	33.8%	32.8%	33.7%	+ 0.2 pp
Net interest margin (NIM)		3.1%	3.4%	3.6%	3.5%	- 0.1 pp











- The number of bank customers increased by 3,800
- Loan portfolio increased by 77 EURm, incl. retail loans by 40 EURm and corporate loans by 37 EURm
- Deposits increased by 192 EURm, incl. regular customers' deposits by 103 EURm, banking services customers' deposits by 48 EURm, platform deposits by 42 EURm and deposits from group companies by 1 EURm
- LHV Pank issued 250 EURm covered bonds
- Credit quality strong, yet we are making forward-looking impairments

Loan to deposits ratio moving towards higher efficiency

Financial results, EURt	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income, incl.		3,475	36,369	28,687	37,658	-1,289
Net interest income		2,717	28,353	22,435	28,973	-620
Net fee and commission income		759	7,993	6,319	8,637	-643
Other net income		-1	22	-68	48	-26
Total operating expenses		3,819	32,021	25,485	31,156	+865
Earnings before impairment		-343	4,348	3,201	6,502	-2,154
Impairment losses		91	504	164	481	+23
Income tax expense		-109	-1,035	0	-491	-544
Net profit		-326	4,879	3,037	6,511	-1,633
Business volumes, EURm	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Loans (net)		252	252	66	254	-2
Deposits from customers		625	625	184	563	+62
Key figures	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		109.9%	88.0%	88.8%	82.7%	+ 5.3 pp
Net interest margin (NIM)		4.5%	6.4%	13.1%	6.9%	- 0.5 pp

- Loan portfolio increased by 29 EURm. Projects approved by the Credit Committee amounting to 180 EURm
- Deposits from platforms were reduced by 11 EURm to achieve more efficient loan to deposit ratio. In total, over 9,700 depositors
- Net interest income, and net fee and commission income lower than planned due to lower deposits from banking services' customers and profit-sharing with LHV Pank
- Expenses higher due to IT expenses

Net profit ahead of the plan, volumes and number of customers as planned

Financial results, EURt	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income		760	7,433	7,344	7,439	-6
Total operating expenses		547	5,827	5,698	5,971	-144
EBIT		213	1,606	1,646	1,468	+138
Net financial income		21	535	39	546	-11
Income tax expense		0	801	488	801	+0
Net profit		233	1,340	1,196	1,213	+127
Business volumes	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Assets under management, EURm		1,534	1,534	1,452	1,536	-2
Active customers of PII funds, thous.		116	116	124	115	+0
Key figures	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		70.1%	73.1%	77.2%	74.8%	- 1.6 pp
Funds average return		0.2%	8.2%	3.1%	6.3%	+ 1.8 pp

- A more modest month in stock markets, with increased volatility in some sectors in anticipation of the U.S. election results
- M,L and XL increased by 0.9%, 0.4% and 0.1% in a month, respectively. Indeks increased by 0.2%, Roheline lost 4.3% in value. Conservative funds S and XS increased by 0.4% and 0.1%
- The benchmark index growth in October was the lowest in the past 3.5 years, with a 4.8% increase compared to the previous year
- Increasing II pillar contributions continues, with 9,000 customers having submitted the applications

LHV Kindlustus

A month with strong sales result

Financial results, EURt	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Net earned premiums		3,116	28,656	21,008	28,250	+406
Commissions expense		409	3,716	2,454	3,503	+212
Gross incurred losses		2,095	18,684	13,876	18,226	+458
Operating expenses		478	4,492	3,829	4,615	-123
Insurance result without reinsurance		134	1,765	849	1,906	-142
Reinsurance result		68	875	876	1,177	-302
Total result from insurance activities		66	889	-26	729	+160
Net other income		41	348	16	246	+101
Net profit		107	1,237	-11	976	+262
Business volumes, EURt	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Contract premiums written		3,799	32,002	26,416	31,124	+878
No of customers (thous.)		169	169	161	na	na
Key figures	13 months	Oct 24	YTD24	YTD23	FP YTD	Δ YTD FP
Net loss ratio		67.5%	65.8%	68.6%	66.0%	- 0.2 pp
Net expense ratio		30.2%	30.7%	32.0%	31.1%	- 0.4 pp

- 16,800 insurance contracts with a volume of 3.8 EURm were signed. The successful campaign for MOD insurance contributed to the good result
- Claims were compensated in the amount of 2.1 EURm. The number of incidents increased in a month, growth driven by travel insurance
- Ahead of the financial plan in terms of both business volumes and profitability

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