

LHV Group

November results
17 December 2024

Historically fastest loan growth amid declining interest rates

| Financial results, EURt | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
|---|------------------|---------------|----------------|----------------|----------------|-----------------|
| Total net income, incl. | | 26,193 | 311,278 | 281,094 | 318,584 | -7,306 |
| Net interest income | | 21,057 | 249,738 | 230,913 | 255,331 | -5,593 |
| Net fee and commission income | | 5,620 | 59,077 | 48,803 | 60,187 | -1,109 |
| Total operating expenses | | 11,204 | 135,568 | 119,467 | 137,742 | -2,174 |
| Earnings before impairment | | 14,988 | 175,710 | 161,627 | 180,842 | -5,132 |
| Impairment losses | | 2,924 | 19,742 | 7,102 | 21,126 | -1,384 |
| Income tax expense | | 1,830 | 21,521 | 21,869 | 22,278 | -756 |
| Net profit, incl. | | 10,235 | 134,448 | 132,656 | 137,439 | -2,991 |
| attr. to shareholders | | 10,156 | 133,438 | 131,178 | 136,558 | -3,120 |
| Business volumes, EURm | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
| Loans (net) | | 4,394 | 4,394 | 3,538 | 4,297 | +96 |
| Deposits from customers | | 6,517 | 6,517 | 5,386 | 6,560 | -43 |
| Assets under management | | 1,560 | 1,560 | 1,488 | 1,554 | +6 |
| Fin. intermediaries' payments, thous. pcs | | 6,316 | 67,664 | 43,647 | 64,759 | +2,905 |
| Key figures | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
| Cost / income ratio (C/I) | | 42.8% | 43.6% | 42.5% | 43.2% | + 0.3 pp |
| Net interest margin (NIM) | | 3.1% | 3.5% | 4.0% | 3.7% | - 0.1 pp |
| pre-tax ROE* | | 22.5% | 28.1% | 35.1% | 28.8% | - 0.7 pp |
| ROE* | | 19.1% | 24.2% | 30.0% | 24.8% | - 0.6 pp |

- Historically fastest growth of loan volumes, loan portfolio increased by 162 EURm
- Deposits from customers decreased by 48 EURm
- Results are driven by rapidly growing loan portfolio, while interest rates decline faster than anticipated
- Monthly net profit 10.2 EURm and ROE 19.1%
- Financial plan holds

LHV Pank

Record-breaking business volumes

| Financial results, EURt | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
|-----------------------------------|------------------|---------------|----------------|----------------|----------------|-----------------|
| Total net income, incl. | | 20,617 | 249,900 | 235,209 | 255,618 | -5,719 |
| Net interest income | | 17,886 | 217,133 | 209,046 | 222,149 | -5,016 |
| Net fee and commission income | | 3,278 | 30,929 | 24,789 | 31,040 | -111 |
| Total operating expenses | | 7,251 | 84,787 | 76,656 | 86,383 | -1,596 |
| Earnings before impairment | | 13,366 | 165,113 | 158,552 | 169,236 | -4,123 |
| Impairment losses | | 2,817 | 19,131 | 6,752 | 20,579 | -1,448 |
| Income tax expense | | 1,535 | 21,185 | 20,357 | 21,509 | -324 |
| Net profit | | 9,014 | 124,797 | 131,443 | 127,148 | -2,351 |
| Business volumes, EURm | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
| Loans (net) | | 4,105 | 4,105 | 3,537 | 4,014 | +91 |
| Deposits from customers | | 5,977 | 5,977 | 5,197 | 6,053 | -76 |
| incl. banking services' deposits | | 1,152 | 1,152 | 799 | 1,099 | +53 |
| Key figures | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
| Cost / income ratio (C/I) | | 35.2% | 33.9% | 32.6% | 33.8% | + 0.1 pp |
| Net interest margin (NIM) | | 2.9% | 3.3% | 3.7% | 3.4% | - 0.1 pp |











- The number of bank customers increased by 3,700
- Loan portfolio increased by 124 EURm, incl. retail loans by 28 EURm and corporate loans by 96 EURm
- Deposits increased by 69 EURm, incl. regular customers' deposits decreased by 71 EURm, banking services customers' deposits increased by 199 EURm
- Change in environment requires strong reaction on expenses side, due to which LHV Pank is reducing the number of employees
- Credit quality strong, however we are making forward-looking impairments

Strong volume growth in corporate loans and financial intermediaries' area

| Financial results, EURt | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
|-----------------------------------|------------------|---------------|---------------|---------------|---------------|-----------------|
| Total net income, incl. | | 3,553 | 39,922 | 32,506 | 41,586 | -1,665 |
| Net interest income | | 2,962 | 31,315 | 25,523 | 31,913 | -598 |
| Net fee and commission income | | 603 | 8,597 | 6,956 | 9,625 | -1,028 |
| Other net income | | -13 | 9 | 26 | 48 | -39 |
| Total operating expenses | | 2,455 | 34,476 | 28,150 | 34,475 | +1 |
| Earnings before impairment | | 1,098 | 5,445 | 4,357 | 7,111 | -1,665 |
| Impairment losses | | 107 | 611 | 169 | 547 | +63 |
| Income tax expense | | 248 | -787 | 0 | -355 | -432 |
| Net profit | | 743 | 5,622 | 4,187 | 6,918 | -1,297 |
| Business volumes, EURm | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
| Loans (net) | | 289 | 289 | 76 | 283 | +6 |
| Deposits from customers | | 619 | 619 | 229 | 580 | +39 |
| Key figures | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
| Cost / income ratio (C/I) | | 69.1% | 86.4% | 86.6% | 82.9% | + 3.5 pp |
| Net interest margin (NIM) | | 5.1% | 6.5% | 14.2% | 6.8% | - 0.4 pp |

- Loan portfolio increased by 37 EURm. Projects approved by the Credit Committee amounting to 172 EURm
- Deposits from platforms were reduced by 15 EURm to achieve more efficient loan to deposit ratio. In total, over 9,600 depositors
- Net interest income lower than planned due to lower deposits from banking services customers' and lower loan portfolio in previous months
- Net fee and commission income lower than planned due to increased pressure on financial intermediaries' market

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

| Financial results, EURt | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
|---------------------------------------|---|---------------|--------------|--------------|---------------|-----------------|
| Total net income |  | 738 | 8,171 | 8,075 | 8,175 | -4 |
| Total operating expenses |  | 578 | 6,405 | 6,367 | 6,657 | -252 |
| EBIT |  | 160 | 1,766 | 1,708 | 1,518 | +247 |
| Net financial income |  | 72 | 606 | 188 | 593 | +14 |
| Income tax expense |  | 0 | 801 | 488 | 801 | +0 |
| Net profit |  | 231 | 1,572 | 1,407 | 1,311 | +261 |
| Business volumes | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
| Assets under management, EURm |  | 1,560 | 1,560 | 1,488 | 1,554 | +6 |
| Active customers of PII funds, thous. |  | 114 | 114 | 124 | 115 | -0 |
| Key figures | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
| Cost / income ratio (C/I) |  | 71.4% | 73.0% | 77.1% | 75.9% | - 2.9 pp |
| Funds average return |  | 1.2% | 9.5% | 5.0% | 7.0% | + 2.6 pp |

- Strong results on stock markets due to U.S. election results
- M, L and XL increased by 0.2%, 0.7% and 0.5%, respectively, over the month. Indeks rose by 4.6%, while Roheline increased by 1.9% in value. Conservative funds S and XS increased by 0.5% and 0.4%, respectively
- The benchmark index growth in November 6.0%
- Nearly 14 thousand customers will start making larger II pillar contributions to LHV pension funds next year

LHV Kindlustus

Stable profitable growth continues

| Financial results, EURt | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
|---|-----------|------------|--------------|------------|--------------|-------------|
| Net earned premiums | | 3,052 | 31,708 | 23,473 | 31,018 | +690 |
| Commissions expense | | 397 | 4,113 | 2,755 | 3,796 | +317 |
| Gross incurred losses | | 2,101 | 20,785 | 15,472 | 20,000 | +784 |
| Operating expenses | | 453 | 4,944 | 4,271 | 5,108 | -164 |
| Insurance result without reinsurance | | 101 | 1,866 | 976 | 2,113 | -247 |
| Reinsurance result | | 20 | 895 | 923 | 1,343 | -448 |
| Total result from insurance activities | | 81 | 971 | 53 | 770 | +201 |
| Net other income | | 27 | 374 | 21 | 238 | +137 |
| Net profit | | 108 | 1,345 | 74 | 1,007 | +338 |

| Business volumes, EURt | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
|---------------------------|-----------|--------|--------|--------|--------|----------|
| Contract premiums written | | 2,994 | 34,997 | 28,944 | 33,892 | +1,104 |
| No of customers (thous.) | | 170 | 170 | 164 | na | na |

| Key figures | 13 months | Nov 24 | YTD24 | YTD23 | FP YTD | Δ YTD FP |
|-------------------|-----------|--------|-------|-------|--------|----------|
| Net loss ratio | | 67.5% | 66.0% | 68.2% | 66.1% | - 0.2 pp |
| Net expense ratio | | 29.5% | 30.6% | 32.0% | 31.1% | - 0.5 pp |

- 18,200 insurance contracts with a volume of 3 EURm were signed. Very good sales results in casco and MTPL insurance
- Claims were compensated in the amount of 2.1 EURm. A higher-than-usual number of MTPL incidents were registered
- Ahead of the financial plan in terms of both business volumes and profitability

Madis Toomsalu

LHV Group CEO

madis.toomsalu@lhv.ee

Meelis Paakspuu

LHV Group CFO

meelis.paakspuu@lhv.ee