

LHV Group

January results
18 February 2025

LHV Group

Moderate start to the year

Financial results, EURt	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		28,597	28,597	28,471	27,295	+1,302
Net interest income		21,527	21,527	23,974	22,163	-636
Net fee and commission income		4,899	4,899	4,505	4,894	+5
Total operating expenses		13,228	13,228	11,733	12,811	+417
Earnings before impairment		15,369	15,369	16,738	14,484	+885
Impairment losses		4,312	4,312	956	1,161	+3,151
Income tax expense		2,041	2,041	2,168	2,384	-342
Net profit, incl.		9,016	9,016	13,615	10,940	-1,924
attr. to shareholders		8,816	8,816	13,623	10,790	-1,973
Business volumes, EURm	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Loans (net)		4,544	4,544	3,602	4,572	-28
Deposits from customers		6,895	6,895	5,825	6,810	+85
Assets under management		1,548	1,548	1,464	1,507	+41
Fin. intermediaries' payments, thous. pcs		6,640	6,640	5,719	6,224	+417
Key figures	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		46.3%	46.3%	41.2%	46.9%	- 0.7 pp
Net interest margin (NIM)		2.9%	3.0%	4.1%	3.1%	- 0.1 pp
pre-tax ROE*		18.9%	19.3%	34.0%	23.4%	- 4.1 pp
ROE*		15.4%	15.7%	29.4%	19.2%	- 3.5 pp

- Three companies ahead of plans, LHV Pank's result impacted by loan impairments
- Loan portfolio declined by 8 EURm, including 23 EURm decrease in LHV Pank and 16 EURm increase in LHV Bank
- Deposits from customers decreased by 15 EURm
- Monthly net profit 9.0 EURm and ROE 15.4%
- Financial plan holds

LHV Pank

Month impacted by loan impairments

Financial results, EURt	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		20,842	20,842	23,862	21,270	-428
Net interest income		17,192	17,192	21,635	18,418	-1,226
Net fee and commission income		2,915	2,915	2,201	2,790	+125
Total operating expenses		8,459	8,459	8,283	8,028	+432
Earnings before impairment		12,383	12,383	15,578	13,242	-859
Impairment losses		3,951	3,951	932	762	+3,189
Income tax expense		1,531	1,531	2,120	2,277	-746
Net profit		6,901	6,901	12,526	10,203	-3,302
Business volumes, EURm	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Loans (net)		4,181	4,181	3,512	4,223	-42
Deposits from customers		6,282	6,282	5,585	6,167	+116
incl. banking services' deposits		1,419	1,419	1,028	1,201	+218
Key figures	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		40.6%	40.6%	34.7%	37.7%	+ 2.8 pp
Net interest margin (NIM)		2.6%	2.6%	3.8%	2.8%	- 0.2 pp

- The number of bank customers increased by 4,000
- Loan portfolio decreased by 23 EURm, incl. retail loans increased by 27 EURm and corporate loans decreased by 50 EURm due to planned repayment by single client
- Deposits decreased by 11 EURm, incl. regular customers' deposits decreased by 78 EURm, financial intermediaries' deposits increased by 64 EURm
- Loan impairment impacted by downgrade of single client's rating

Year started with strong growth and revenues

Financial results, EURt	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		5,941	5,941	3,834	4,431	+1,510
Net interest income		4,119	4,119	2,610	3,498	+621
Net fee and commission income		806	806	1,090	933	-127
Other net income		1,017	1,017	135	0	+1,017
Total operating expenses		3,774	3,774	2,476	3,842	-68
Earnings before impairment		2,167	2,167	1,358	589	+1,578
Impairment losses		361	361	24	399	-38
Income tax expense		452	452	-1,819	48	+404
Net profit		1,355	1,355	3,153	143	+1,212
Business volumes, EURm	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Deposits from customers		697	697	325	691	+6
Loans (net)		364	364	90	349	+15
Key figures	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		63.5%	63.5%	64.6%	86.7%	- 23.2 pp
Net interest margin (NIM)		6.2%	6.3%	8.5%	5.4%	+ 1.0 pp

- Loan portfolio increased by 16 EURm. Loans approved by Credit Committee but not yet disbursed amount to 186 EURm
- Platform deposits increased by 25 EURm, in total over 13,400 depositors
- Without marketing, first 100 retail customers have opened accounts with small initial balance. Account opening automation and term deposits in final development phase
- Net income exceeded plan due to higher-than-expected income from financial intermediaries'

LHV Varahaldus

Year started with strong results

Financial results, EURt	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income		745	745	744	750	-4
Total operating expenses		565	565	564	569	-4
EBIT		181	181	180	181	-0
Net financial income		182	182	-38	46	+136
Income tax expense		0	0	0	0	+0
Net profit		363	363	141	227	+136
Business volumes	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Assets under management, EURm		1,548	1,548	1,464	1,507	+41
Active customers of PII funds, thous.		112	112	121	112	+1
Key figures	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		60.9%	60.9%	80.0%	71.5%	- 10.6 pp
Funds average return		2.9%	2.9%	-0.7%	0.6%	+ 2.3 pp

- Strong month for stock markets, particularly on major European exchanges
- M, L and XL increased by 1.8%, 2.6% and 3.7%, respectively. Indeks rose by 3.7% and Roheline by 1.3%. Conservative funds S and XS grew by 1.2% and 0.7%
- Profitability exceeded plan due to financial income earned from fund holdings
- New LHV Euro Bond Fund was launched in January, accessible to all retail investors

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Highly profitable month

Financial results, EURt	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Insurance service revenue		3,246	3,246	2,709	3,256	-10
Commissions expense		402	402	342	453	-50
Gross incurred losses		2,030	2,030	2,072	2,094	-64
Operating expenses		482	482	445	464	+18
Insurance result without reinsurance		332	332	-150	245	+87
Reinsurance result		99	99	-5	41	+58
Total result from insurance activities		233	233	-145	204	+29
Net other income		16	16	86	0	+17
Net profit		249	249	-59	204	+45
Business volumes, EURt	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Contract premiums written		6,553	6,553	5,078	6,446	+107
No of customers (thous.)		172	172	163	na	na
Key figures	13 months	Jan 25	YTD25	YTD24	FP YTD	Δ YTD FP
Net loss ratio		64.1%	64.3%	75.3%	65.4%	- 1.1 pp
Net expense ratio		28.7%	28.7%	31.4%	28.4%	+ 0.3 pp

- 17,500 insurance contracts with a volume of 6.6 EURm were signed. Very good sales results in vehicle, home and travel insurance
- Claims paid out totalled 2 EURm. As expected for January, more vehicle-related claims
- Key profitability indicators remained at very strong level

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