

LHV Group

April results
May 09, 2019

LHV Group

Solid growth trends are continuing

Financial results, EURt	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Total revenue, incl.		6,170	23,494	22,198	22,768	+726
Net interest income		3,771	14,715	13,817	14,388	+327
Net fee and commission income		2,316	8,541	8,402	8,311	+230
Total operating expenses		3,180	12,285	11,948	11,938	+347
Earnings before impairment		2,990	11,209	10,250	10,831	+379
Impairment losses on loans		42	994	1,377	1,396	-402
Income tax		254	2,519	2,264	3,000	-481
Net profit, incl.		2,694	7,697	6,609	6,435	+1,262
attr. to shareholders		2,505	7,195	6,065	6,010	+1,185
Business volumes, EURm	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Deposits from customers		1,657	1,657	1,435	1,563	+94
Loans (net)		1,016	1,016	782	988	+28
Assets under management		1,275	1,275	1,143	1,263	+12
Key figures	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		51.5%	52.3%	53.8%	52.4%	- 0.1 pp
pre-tax ROE*		21.9%	18.5%	18.9%	16.9%	+ 1.5 pp
ROE*		19.9%	14.1%	14.4%	11.7%	+ 2.4 pp
Net interest margin (NIM)		2.5%	2.7%	2.3%	2.6%	+ 0.1 pp
ROA		1.8%	1.4%	1.1%	1.1%	+ 0.3 pp

- A strong month for customer and loan growth. Growth is broad-based
- All major business volumes - loans, deposits, funds - outperform the financial plan
- The number of customers and customer activity is rising at a good pace
- Good growth potential of the loan portfolio, no additional customers under specific surveillance
- Net profit of April 2.7 EURm and ytd net profit exceeds financial plan by 1.3 EUR

Increasing client base brought record-high business volumes

Financial results, EURt	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Total revenue, incl.		5,021	18,940	15,445	18,476	+464
Net interest income		3,829	15,067	12,457	14,835	+232
Net fee and commission income		1,139	3,842	2,997	3,646	+197
Total operating expenses		2,625	10,136	8,230	9,745	+391
Earnings before impairment		2,395	8,804	7,214	8,732	+73
Impairment losses on loans		42	994	987	1,396	-402
Income tax		254	1,547	1,020	2,028	-481
Net profit		2,099	6,264	5,207	5,308	+956
Business volumes, EURm	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Deposits from customers		1,673	1,673	1,438	1,578	+95
Loans (net)		1,016	1,016	771	988	+28
Key figures	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		52.3%	53.5%	53.3%	52.7%	+ 0.8 pp
Net interest margin (NIM)		2.5%	2.6%	2.1%	2.6%	- 0.0 pp

- 3,300 new bank clients joined in April bringing new record-levels in client activity
- Loan portfolio increased by 26 EURm of which corporate loan portfolio increased by 11 EURm and retail loan portfolio by 15 EURm
- Deposits increased by 90 EURm, of which regular customers deposits increased 145 EURm and payment intermediaries deposits decreased by 55 EURm

LHV Asset Management

AUM is reaching 1.3 billion

Financial results, EURt	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Total revenue		1,210	4,881	4,428	4,700	+180
Total expenses		505	1,988	1,922	1,993	-5
Earnings before taxes		705	2,893	2,506	2,707	+185
Net profit		705	1,921	1,406	1,735	+185
Business volumes	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Assets under management, EURm		1,275	1,275	1,143	1,263	+12
Active customers of PII funds, thous.		177	177	178	177	+0
Key figures	13 months	Apr-19	YTD19	YTD18	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		42.9%	42.3%	43.2%	42.7%	- 0.4 pp
Funds average return		0.7%	2.6%	0.4%	1.1%	+ 1.5 pp

- Stock markets growth continued in April. Return on LHV actively managed II pillar pension funds between +0.0% and +0.9%
- Revenues and profit is ahead of financial plan due to higher financial income
- Share capital was increased through fund issue from 1.5 EURm to 3.0 EURm enabling capital repayment to Group in August in amount of 1.5 EURm
- Implementation of new coalition agreement might influence pension funds long-term non-liquid investments

Madis Toomsalu

LHV Group Managing Director

madis.toomsalu@lhv.ee

Meelis Paakspuu

LHV Group CFO

meelis.paakspuu@lhv.ee