

LHV Group

November results
December 15, 2020



Strong month in all business lines

Financial results, EURt	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Total revenue, incl.		9,979	87,229	65,642	85,920	+1,308
Net interest income		6,877	61,828	41,967	62,071	-243
Net fee and commission income		2,923	24,422	23,075	23,446	+976
Total operating expenses		3,884	40,861	35,617	40,000	+861
Earnings before impairment		6,095	46,368	30,025	45,921	+447
Impairment losses on loans		839	10,900	2,856	10,904	-4
Income tax		920	6,681	3,848	6,366	+315
Net profit, incl.		4,336	28,787	23,321	28,651	+136
attr. to shareholders		4,112	26,635	21,250	26,485	+150
Business volumes, EURm	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Deposits from customers		3,629	3,629	2,627	3,258	+371
Loans (net)		2,166	2,166	1,654	2,192	-26
Assets under management		1,525	1,525	1,357	1,520	+4
Key figures	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		38.9%	46.8%	54.3%	46.6%	+ 0.3 pp
pre-tax ROE*		25.8%	16.3%	15.5%	16.2%	+ 0.1 pp
ROE*		22.4%	13.6%	13.2%	13.6%	+ 0.1 pp
Net interest margin (NIM)		1.9%	2.0%	2.2%	2.1%	- 0.0 pp
ROA		1.2%	0.9%	1.2%	0.9%	- 0.0 pp

- Strong result in November balanced the weaker October. All indicators were better than expected. Revenues were affected by growth in revenues from previously acquired portfolios
- Deposits exceed the financial plan for financial intermediaries, loans and pension funds are in line with the financial plan
- LHV Insurance license is expected around the end of the year
- November profit 4.3 EUR. Financial plan remains valid

Best month in revenues and customer activity metrics

Financial results, EURt	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Total revenue, incl.		9,217	79,175	53,813	77,871	+1,303
Net interest income		7,051	62,276	42,519	62,332	-56
Net fee and commission income		2,175	16,407	11,037	15,509	+898
Total operating expenses		3,144	33,884	29,426	33,278	+606
Earnings before impairment		6,073	45,291	24,387	44,593	+697
Impairment losses on loans		839	10,900	2,856	10,904	-4
Income tax		820	5,435	2,876	5,195	+240
Net profit		4,414	28,955	18,655	28,494	+461
Business volumes, EURm	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Deposits from customers		3,646	3,646	2,638	3,275	+371
Loans (net)		2,166	2,166	1,654	2,192	-26
Key figures	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		34.1%	42.8%	54.7%	42.7%	+ 0.1 pp
Net interest margin (NIM)		2.0%	1.9%	2.0%	1.9%	- 0.0 pp

- November was the best month of the year. The number of bank customers increased by 6,300, customer activity is setting records
- Loan portfolio increased by 31 EURm and the quality of the portfolio is good. 0.8 EURm forward looking provisions were made for a few customers
- Deposits increased by 278 EURm, the main increase from financial intermediaries deposits by 189 EURm, the remaining increase was evenly distributed between business lines and customer segments

LHV Asset Management

Month with record sales and strong returns

Financial results, EURt	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Total revenue		940	8,495	12,332	8,295	+200
Total expenses		608	5,844	5,494	5,728	+116
Earnings before taxes		332	2,651	6,838	2,567	+85
Income tax		0	844	972	844	+0
Net profit		332	1,807	5,866	1,722	+85
Business volumes	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Assets under management, EURm		1,525	1,525	1,357	1,520	+4
Active customers of PII funds, thous.		180	180	171	179	+1
Key figures	13 months	Nov-20	YTD20	YTD19	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		81.2%	72.9%	45.6%	72.2%	+ 0.7 pp
Funds average return		1.6%	4.6%	5.3%	3.5%	+ 1.1 pp

- The number of customers continued to grow, by the end of November more than 180 thousand active customers of Pillar II funds. As a result of fund units exchange, a net 38 EURm will be transferred to LHV pension funds at the beginning of January
- November was positive for stock markets. The return of funds L and XL was 1.2% and 2.7% respectively, the best performing pension fund Roheline increased by 14.6%
- Investments in Sunly bonds and Jüri commercial building
- Launch of the III Pillar Pension Fund Roheline Pluss in early December

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