

# LHV Group

November results  
14 December 2021

## Business volumes grow along with customer activity

Financial results, EURt	13 months	Nov-21	YTD21	YTD20	FP YTD	Δ YTD FP
<b>Total revenue, incl.</b>		12,058	122,548	87,229	119,686	+2,862
Net interest income		8,612	86,400	61,828	86,390	+11
Net fee and commission income		4,192	36,610	24,422	33,063	+3,547
<b>Total operating expenses</b>		6,289	59,032	40,861	56,273	+2,759
<b>Earnings before impairment</b>		5,769	63,516	46,368	63,413	+103
Impairment losses on loans		182	2,362	10,900	5,585	-3,223
Income tax		988	9,576	6,681	9,106	+470
<b>Net profit, incl.</b>		4,599	51,578	28,787	48,722	+2,856
attr. to shareholders		4,459	49,742	26,635	46,931	+2,811
Business volumes, EURm	13 months	Nov-21	YTD21	YTD20	FP YTD	Δ YTD FP
Deposits from customers		6,003	6,003	3,629	5,056	+946
Loans (net)		2,621	2,621	2,166	2,573	+48
Assets under management		1,334	1,334	1,525	1,344	-9
Fin. intermediaries' payments, thous. pcs		2,618	25,140	14,112	na	na
Key figures	13 months	Nov-21	YTD21	YTD20	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		52.2%	48.2%	46.8%	47.0%	+ 1.2 pp
Net interest margin (NIM)		1.5%	1.6%	2.0%	1.6%	- 0.1 pp
pre-tax ROE*		21.6%	23.6%	16.3%	22.4%	+ 1.2 pp
ROE*		17.8%	19.9%	13.6%	18.9%	+ 1.0 pp
ROA		0.8%	0.9%	0.9%	0.9%	+ 0.0 pp

- Good month described by higher fee and commission income resulting from higher business volumes and increased customer activity
- Quality of the loan portfolio remains good, loan provisions therefore smaller than planned
- In UK main focus on recruitment of key personnel and preparations for obtaining a banking licence
- Monthly profit 4.6 EURm. Financial plan exceeded by 2.9 EURm
- LHV Group was announced as the most successful Estonian company by Äripäev

## Active investing brings customers and income from fees and commissions

Financial results, EURt	13 months	Nov-21	YTD21	YTD20	FP YTD	Δ YTD FP
<b>Total revenue, incl.</b>		11,441	113,253	79,175	110,610	+2,643
Net interest income		8,666	86,694	62,276	86,799	-106
Net fee and commission income		3,517	27,593	16,407	23,888	+3,705
<b>Total operating expenses</b>		4,936	44,509	33,884	42,654	+1,856
<b>Earnings before impairment</b>		6,504	68,743	45,291	67,956	+787
Impairment losses on loans		182	2,362	10,900	5,585	-3,223
Income tax		953	9,182	5,435	8,663	+519
<b>Net profit</b>		5,369	57,199	28,955	53,708	+3,491
<b>Business volumes, EURm</b>	<b>13 months</b>	<b>Nov-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Deposits from customers		6,047	6,047	3,646	5,102	+944
Loans (net)		2,621	2,621	2,166	2,573	+48
<b>Key figures</b>	<b>13 months</b>	<b>Nov-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		43.1%	39.3%	42.8%	38.6%	+ 0.7 pp
Net interest margin (NIM)		1.5%	1.6%	1.9%	1.7%	- 0.1 pp

- The number of bank customers increased by 6,300 and the number of active customers by around 3,200. Customer activity remains high
- Loan portfolio increased by 30 EURm, of which 9 EURm from corporate and 21 EURm from retail loans. Credit quality remains good
- Deposits increased by 171 EURm, financial intermediaries' deposits increased by 84 EURm
- Profitability is lead by higher fee and commission income and lower loan provisions
- The possibility for customers to trade in crypto assets on the mobile app was opened up

# LHV Asset Management

## Revenue and profitability ahead of the financial plan

Financial results, EURt	13 months	Nov-21	YTD21	YTD20	FP YTD	Δ YTD FP
Total revenue		638	8,727	8,495	8,463	+264
Total expenses		706	9,503	5,844	9,498	+5
Earnings before taxes		-68	-776	2,651	-1,035	+260
Income tax		0	1,241	844	1,241	+0
Net profit		-68	-2,017	1,807	-2,276	+260
<b>Business volumes</b>	<b>13 months</b>	<b>Nov-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Assets under management, EURm		1,334	1,334	1,525	1,344	-9
Active customers of PII funds, thous.		138	138	180	142	-4
<b>Key figures</b>	<b>13 months</b>	<b>Nov-21</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FP YTD</b>	<b>Δ YTD FP</b>
Cost / income ratio (C/I)		110.6%	108.9%	72.9%	112.2%	- 3.3 pp
Funds average return		0.2%	8.9%	4.6%	7.1%	+ 1.8 pp

- Negative monthly result due to amortisation arising from customers leaving II pillar
- During period August – November, slightly more than 5,400 LHV pension funds' customers submitted the application to withdraw money from II pillar, lower leaving rate compared to other larger fund managers
- Returns of the larger funds L and XL in November 0.5% and 0.2%, respectively. Pension fund Index decreased by 0.3%, Roheline by 1.3%
- Number of active customers by the end of month more than 138 thousand

# LHV Insurance

## Growing business volumes along with high customer satisfaction

Financial results, EURt	13 months	Nov-21	YTD21	YTD20	FP YTD	Δ YTD FP
<b>Total revenue, incl.</b>		51	1,032	0	1,128	-95
Net earned premiums		306	1,925	0	2,000	-75
Net incurred losses		234	814	0	688	+126
<b>Total expenses</b>		99	1,716	442	1,789	-73
<b>Earnings before taxes</b>		-48	-684	-442	-662	-22
<b>Net profit</b>		-48	-684	-442	-662	-23
Business volumes	13 months	Nov-21	YTD21	YTD20	FP YTD	Δ YTD FP
Gross written premium, EURt		544	6,231	0	6,661	-430
No of Customers (thous.)		142	142	0	na	na
Key figures	13 months	Nov-21	YTD21	YTD20	FP YTD	Δ YTD FP
Net loss ratio		76.4%	42.3%	na	34.4%	+ 7.9 pp
Net expense ratio		39.2%	93.3%	na	98.7%	- 5.5 pp

- Sale of single and annual travel insurance began in online and direct sales channels. COVID-19 coverage was added to Gold Card customers' travel insurance
- Integration with Modera car sales platform for offering vehicle insurances
- Gross written premium +45 EURt compared to October
- Number of insurance customers increased to 142 thousand
- 188 claims were settled. Seasonal growth in the number of claims and the volume of indemnities. 11-month customer satisfaction index 98%

## **Madis Toomsalu**

LHV Group Managing Director  
[madis.toomsalu@lhv.ee](mailto:madis.toomsalu@lhv.ee)

## **Meelis Paakspuu**

LHV Group CFO  
[meelis.paakspuu@lhv.ee](mailto:meelis.paakspuu@lhv.ee)