

LHV Group

April results
10 May 2022

LHV Group

Activity of customers increasing

Financial results, EURt	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Total revenue, incl.		12,238	47,023	38,661	52,344	-5,321
Net interest income		8,968	34,755	27,429	34,877	-122
Net fee and commission income		3,405	13,751	11,489	17,049	-3,298
Total expenses		6,456	25,322	18,666	25,328	-6
Earnings before impairment		5,782	21,701	19,994	27,017	-5,316
Impairment losses on loans		-357	378	1,601	3,061	-2,683
Income tax expense		966	3,768	2,778	4,169	-401
Net income, incl.		5,173	17,556	15,616	19,787	-2,231
attr. to shareholders		5,088	16,968	15,121	19,171	-2,203
Business volumes, EURm	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Deposits from customers		5,284	5,284	4,701	5,612	-327
Loans (net)		2,801	2,801	2,321	2,779	+23
Assets under management		1,364	1,364	1,595	1,364	+0
Fin. intermediaries' payments, thous. pcs		2,092	8,684	8,961	10,195	-1,511
Key figures	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		52.8%	53.9%	48.3%	48.4%	+ 5.5 pp
Net interest margin (NIM)		1.7%	1.6%	1.5%	1.6%	- 0.0 pp
pre-tax ROE*		22.1%	19.1%	22.1%	21.1%	- 2.0 pp
ROE*		18.7%	15.7%	18.8%	17.9%	- 2.2 pp
ROA		1.0%	0.8%	0.9%	0.9%	- 0.1 pp

- Customer activity is increasing, revenue growth is expected
- Loan portfolio as planned. Quality of the loan portfolio remains good, loan provisions therefore lower than planned
- In UK main focus on recruitment of key personnel and obtaining a banking licence. Decrease in deposits and payments related to termination of some client agreements, hereafter growth in activity and revenues is expected
- Investment into company Modular Technologies, trademark Tuum
- Monthly profit 5.2 EURm
- Financial plan holds

LHV Banking

Recovery in loan portfolio growth

Financial results, EURt	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Total revenue, incl.		11,293	43,526	35,792	48,356	-4,830
Net interest income		8,945	34,820	27,943	35,004	-184
Net fee and commission income		2,394	10,184	8,237	13,102	-2,918
Total expenses		4,644	19,022	15,472	19,162	-140
Earnings before impairment		6,649	24,504	20,320	29,193	-4,690
Impairment losses on loans		-357	378	1,601	3,061	-2,683
Income tax expense		926	3,194	2,629	3,596	-401
Net income		6,081	20,931	16,090	22,537	-1,606
Business volumes, EURm	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Deposits from customers		5,304	5,304	4,727	5,636	-332
Loans (net)		2,801	2,801	2,321	2,779	+23
Key figures	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		41.1%	43.7%	43.2%	39.6%	+ 4.1 pp
Net interest margin (NIM)		1.7%	1.6%	1.6%	1.6%	- 0.0 pp

- The number of bank customers increased by 4,800, activity increasing
- Net interest income ordinary, net fee and commission income improving
- Loans increased by 49 EURm, of which 28 EURm from corporate loans and 21 EURm from retail loans. Credit quality remains good
- Deposits decreased, as planned, by 133 EURm, financial intermediaries' deposits decreased by 164 EURm, while other deposits increased by 31 EURm
- Account maintenance fees for financial intermediaries were raised, additional revenue in 2022 1 EURm

Stock markets falling, pension funds L and M retained its' value

Financial results, EURt	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Total revenue		690	2,649	3,066	2,617	+32
Total operating expenses		664	2,541	2,318	2,345	+196
EBIT		26	108	747	272	-164
Net financial income		-90	13	149	176	-164
Income tax expense		0	830	1,241	830	+0
Net income		-64	-710	-345	-382	-328
Business volumes	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Assets under management, EURm		1,364	1,364	1,595	1,364	+0
Active customers of PII funds, thous.		135	135	175	135	-0
Key figures	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		110.6%	95.5%	72.1%	83.9%	+ 11.5 pp
Funds average return		-0.4%	1.9%	3.6%	2.2%	- 0.3 pp

- Operating income as planned, profitability slightly below the plan
- Negative month on stock markets – measured in euros, S&P500 and MSCI World decreased by 4.2% and 3.3%, respectively
- In April, return of pension fund M was 0.1%, L retained its value, XL decreased by 0.6%
- Pension fund Index decreased by 1.6% within a month, pension fund Roheline lost 5.4% of its value
- Number of withdrawals from II pillar in April lowest since the pension reform

LHV Insurance

Growing business volumes, customer satisfaction remains high

Financial results, EURt	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Total revenue, incl.		45	187	218	697	-510
Net earned premiums		492	1,755	230	1,687	+68
Net incurred losses		412	1,442	12	863	+579
Total expenses		236	878	517	959	-81
Technical result		-191	-691	-299	-262	-429
Net investments income		10	11	0	11	+1
Net income		-182	-680	-298	-252	-428
Business volumes	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Gross written premium, EURt		1,926	3,674	2,882	3,983	-310
No of Customers (thous.)		148	148	127	na	na
Key figures	13 months	Apr 22	YTD22	YTD21	FP YTD	Δ YTD FP
Net loss ratio		83.7%	82.1%	5.1%	51.1%	+ 31.0 pp
Net expense ratio		55.2%	57.2%	224.6%	64.4%	- 7.2 pp

- Rapid increase in business volumes related to new intermediaries and increase in customer activity
- Increase in net earned premiums better than planned
- Customer satisfaction with claims handling remains high at 98%. In total, 306 claims were settled. Covid-19 impact on claims is decreasing
- Development of new products continues
- Operating expenses as planned

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