

LHV Group

April results
16 May 2023

LHV Group

A month with good results

Financial results, EURt	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Total net income, incl.		23,175	91,558	47,023	79,832	+11,726
Net interest income		20,154	75,262	34,755	63,618	+11,644
Net fee and commission income		3,957	15,800	13,751	16,033	-233
Total operating expenses		9,883	40,505	25,322	38,850	+1,655
Earnings before impairment		13,292	51,053	21,701	40,981	+10,072
Impairment losses		-504	-2,087	378	7,495	-9,583
Income tax expense		1,758	8,039	3,768	6,328	+1,711
Net profit, incl.		12,038	45,101	17,556	27,158	+17,943
attr. to shareholders		11,891	44,544	16,968	26,686	+17,858
Business volumes, EURm	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Deposits from customers		4,796	4,796	5,284	5,331	-534
Loans (net)		3,167	3,167	2,801	3,168	-0
Assets under management		1,458	1,458	1,364	1,461	-3
Fin. intermediaries' payments, thous. pcs		3,499	12,622	8,687	9,350	+3,273
Key figures	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		42.6%	44.2%	53.9%	48.7%	- 4.4 pp
Net interest margin (NIM)		4.1%	3.8%	1.6%	3.0%	+ 0.7 pp
pre-tax ROE*		37.0%	36.7%	19.1%	23.5%	+ 13.2 pp
ROE*		32.3%	31.0%	15.7%	18.9%	+ 12.1 pp
ROA		2.4%	2.2%	0.8%	1.3%	+ 1.0 pp

- Revenues better than planned, quality of loan portfolio holds and expenses largely as planned
- Pank and Bank are leading the profitability
- Monthly net profit 12.0 EURm and ROE 32.3%
- Capitalisation of the Group is on the historically highest levels
- Financial plan holds, visibility of economic environment below average

Quality of loan portfolio is strong

Financial results, EURt	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Total net income, incl.		18,572	80,232	43,524	71,775	+8,458
Net interest income		17,989	70,889	34,820	61,957	+8,932
Net fee and commission income		1,433	8,981	10,184	9,774	-793
Total operating expenses		5,938	26,725	19,020	25,905	+820
Earnings before impairment		12,634	53,508	24,504	45,870	+7,638
Impairment losses		-508	-2,100	378	7,379	-9,479
Income tax expense		1,717	6,865	3,194	4,873	+1,992
Net profit		11,425	48,743	20,931	33,617	+15,125
Business volumes, EURm	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Deposits from customers		4,848	4,848	5,304	5,369	-521
incl. regular customers' deposits		3,795	3,795	3,618	3,836	-41
Loans (net)		3,157	3,157	2,801	3,188	-30
Key figures	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		32.0%	33.3%	43.7%	36.1%	- 2.8 pp
Net interest margin (NIM)		3.7%	3.6%	1.6%	3.0%	+ 0.6 pp

- The number of bank customers grew by 3,600, the number of settling customers remained the same. Revenues are ahead of the plan, expenses are as planned considering the higher than expected deposit guarantee fund payment rate
- Loan portfolio increased by 30 EURm, with corporate loans increasing by 13 EURm, retail loans by 5 EURm and intragroup loan to Bank by 12 EURm. Credit quality remains at a good level
- Deposits decreased by 71 EURm, where financial intermediaries' deposits decreased by 130 EURm. Private customers' deposits together with deposit platforms increased by 85 EURm. Deposits are in focus

Modest month on the markets, larger funds with small positive yield

Financial results, EURt	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Total net income		733	2,858	2,649	2,824	+34
Total operating expenses		693	2,415	2,541	2,341	+74
EBIT		40	444	108	483	-40
Net financial income		-55	117	13	198	-82
Income tax expense		0	488	830	488	-0
Net profit		-15	72	-710	193	-121
Business volumes	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Assets under management, EURm		1,458	1,458	1,364	1,461	-3
Active customers of PII funds, thous.		131	131	135	132	-2
Key figures	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		102.2%	81.2%	95.5%	77.4%	+ 3.7 pp
Funds average return		-0.1%	2.2%	1.9%	2.2%	- 0.1 pp

- Revenues according to expectations, profitability slightly below the plan
- Modest movements on stock markets – measured in euros , S&P500 stayed on the same level, MSCI World grew minimal 0.1%
- Yield of larger pension funds M, L and XL in April 0.4%, 0.1% and 0.4%, respectively. Pension fund Index decreased by 0.8% and Roheline lost 4.6% in value
- Number of active II pillar customers increased more than 300

LHV Kindlustus

First profitable month

Financial results, EURt	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Total net income, incl.		458	1,010	187	1,067	-58
Net earned premiums		1,737	6,236	1,755	5,506	+730
Net incurred losses		1,091	4,599	1,442	3,877	+723
Other net income		189	627	126	561	+65
Total expenses		331	1,362	878	1,344	+18
Technical result		127	-353	-691	-277	-76
Net investment income		-17	15	11	17	-2
Other operating income and expenses		0	3	0	0	+3
Net profit		110	-341	-680	-260	-80
Business volumes, EURt	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Gross written premiums		2,797	10,509	3,674	7,884	+2,625
No of customers (thous.)		158	158	148	na	na
Key figures	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Net loss ratio		62.8%	73.8%	82.1%	70.4%	+ 3.3 pp
Net expense ratio		30.2%	32.5%	57.2%	34.6%	- 2.1 pp

- Strong technical result supported reaching net profit
- 12,600 insurance contracts were signed totalling 3.4 EURm
- At month-end 220,600 valid insurance policies
- In total, claims were settled in the amount of 1.1 EURm
- Improvement in efficiency indicators supports staying in financial plan

LHV Bank

Banking licence received

Financial results, EURt	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Total net income, incl.		3,308	6,770	-2	4,486	+2,285
Net interest income		2,354	5,117	0	541	+4,577
Net fee and commission income		970	1,669	0	3,945	-2,276
Other net income		-16	-17	-2	0	-17
Total operating expenses		2,562	8,527	2,306	7,938	+589
Earnings before impairment		747	-1,757	-2,308	-3,452	+1,695
Impairment losses		4	12	0	116	-104
Net profit		743	-1,769	-2,308	-3,568	+1,799
Business volumes, EURm	13 months	Apr 23	YTD23	YTD22	FP YTD	Δ YTD FP
Loans (net)		23	23	0	28	-5

- Banking licence received on 2 May. Name change to LHV Bank Limited initiated. Business transfer documentation submitted to the court, the hearing in May. Planning business transfer and start of using new IT system in August
- Received capital and liquidity requirements from the supervisory agency
- Max loan amount increased to 5 GBPm. Around 20 GBPm loans decided by the Credit Committee

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