

LHV Group

May results
17 June 2025



Strong volume growth, profitability impacted by lower interest rates

Financial results, EURt	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		23,005	128,999	142,429	126,918	+2,081
Net interest income		18,982	101,063	117,381	101,078	-15
Net fee and commission income		4,258	23,929	23,448	24,864	-935
Total operating expenses		13,444	64,445	58,540	63,069	+1,376
Earnings before impairment		9,561	64,554	83,888	63,849	+705
Impairment losses		-3,183	2,494	4,910	3,501	-1,007
Income tax expense		2,402	11,801	9,977	11,291	+511
Net profit, incl.		10,342	50,258	69,001	49,057	+1,201
attr. to shareholders		10,139	49,293	68,773	48,147	+1,146
Business volumes, EURm	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Loans (net)		4,910	4,910	3,833	4,813	+97
Deposits from customers		7,298	7,298	6,120	7,049	+248
Assets under management		1,544	1,544	1,522	1,586	-42
Fin. intermediaries' payments, thous. pcs		6,743	33,259	29,929	31,100	+2,158
Key figures	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		58.4%	50.0%	41.1%	49.7%	+ 0.3 pp
Net interest margin (NIM)		2.4%	2.7%	3.8%	2.8%	- 0.0 pp
pre-tax ROE*		21.4%	21.3%	33.3%	21.5%	- 0.2 pp
ROE*		17.3%	17.3%	29.2%	17.5%	- 0.3 pp

- Revenues slightly above plan, expenses in line with plan. Profitability impacted by falling interest rates
- Strong month for loan growth
- Quality of loan portfolio remains strong. One major credit risk case was resolved in LHV Pank, leading to reduction in impairments
- LHV Bank launched retail banking business line
- LHV Group issued 50 EURm AT1 bonds in April and called 15 EURm AT1 bonds in May
- Financial plan holds

Positive month in loan and deposit volumes

Financial results, EURt	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		17,163	97,559	115,479	98,696	-1,137
Net interest income		15,267	82,155	101,423	83,900	-1,745
Net fee and commission income		2,432	14,353	13,204	14,498	-144
Total operating expenses		7,560	39,418	38,863	39,598	-180
Earnings before impairment		9,603	58,142	76,616	59,098	-957
Impairment losses		-3,207	1,599	4,715	2,485	-885
Income tax expense		2,334	10,762	10,546	10,709	+53
Net profit		10,477	45,780	61,355	45,905	-124
Business volumes, EURm	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Loans (net)		4,375	4,375	3,698	4,352	+23
Deposits from customers		6,458	6,458	5,797	6,304	+154
incl. banking services' deposits		1,323	1,323	1,054	1,201	+122
Key figures	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		44.0%	40.4%	33.7%	40.1%	+ 0.3 pp
Net interest margin (NIM)		2.2%	2.5%	3.5%	2.5%	- 0.1 pp

- Loan and deposit volumes are slightly ahead of plan. Falling interest rates are reducing interest income, while deposit rates are declining more slowly
- Expenses in line with plan
- Loan growth was strong at 83 EURm, incl. 51 EURm in corporate loans and 32 EURm in retail loans. One of the two major non-performing exposures was resolved
- Very strong month for retail banking deposits, with 88 EURm increase. In corporate banking, decline by 170 EURm, though less than expected
- Monthly net profit 10.5 EURm, offsetting the shortfall from the beginning of the year

Retail Banking offering has been launched to the market

Financial results, EURt	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		4,232	23,309	19,530	20,905	+2,404
Net interest income		3,622	17,988	15,286	16,332	+1,656
Net fee and commission income		661	3,930	4,148	4,573	-643
Other net income		-51	1,392	96	0	+1,392
Total operating expenses		4,170	19,433	14,827	18,737	+696
Earnings before impairment		62	3,877	4,703	2,168	+1,708
Impairment losses		24	894	195	1,016	-121
Income tax expense		9	746	-1,930	288	+458
Net profit		28	2,236	6,437	864	+1,372
Business volumes, EURm	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Deposits from customers		1,002	1,002	464	830	+172
Loans (net)		535	535	135	461	+74
Key figures	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		98.5%	83.4%	75.9%	89.6%	- 6.3 pp
Net interest margin (NIM)		3.9%	4.5%	8.1%	4.6%	- 0.0 pp

- Retail Banking MVP – including mobile app, accounts, payments, cards and deposits – was launched on 21 May, alongside the part of marketing campaign. Further development of the offering continues with the next set of products
- Loan portfolio grew by 21 EURm. Several loan disbursements were deferred to the following period. Loans approved by the credit committee but not yet disbursed total 206 EURm
- Business volumes in the financial intermediaries segment remained stable and in line with plan
- Profit was lower, mainly due to higher marketing expenses and participation in the Money20/20 conference

LHV Kindlustus

Stable revenue growth continues

Financial results, EURt	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Insurance service revenue		3,470	16,526	13,791	16,731	-205
Commissions expense		400	1,686	1,773	2,237	-551
Gross incurred losses		2,197	10,809	8,960	10,940	-131
Operating expenses		459	2,239	2,239	2,351	-113
Insurance result without reinsurance		412	1,793	818	1,203	+589
Reinsurance result		85	542	481	403	+139
Total result from insurance activities		327	1,251	337	800	+451
Net other income		12	73	69	1	+72
Net profit		339	1,324	406	801	+523

Business volumes, EURt	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Contract premiums written		3,151	19,723	16,869	20,118	-394
No of customers (thous.)		176	176	168	na	na

Key figures	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Net loss ratio		64.8%	67.2%	66.2%	66.1%	+ 1.1 pp
Net expense ratio		25.4%	25.0%	31.7%	29.2%	- 4.2 pp

- Insurance contracts signed in May amounted to 3.15 EURm. Strong result was supported by successful MOD campaign in cooperation with Jazz Pesulad
- Claims paid totalled 2.2 EURm, with 12,500 new claims registered
- As at the end of May, number of active insurance contracts stood at 274,000, reflecting monthly increase of 3,000 policies
- Loss ratios for major insurance products remained at very favourable level, ensuring strong profitability

Major pension funds continued to grow in value, strong market performance

Financial results, EURt	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income		750	3,680	3,690	3,681	-1
Total operating expenses		574	2,921	2,933	2,903	+18
EBIT		177	759	757	778	-19
Net financial income		120	272	419	226	+47
Income tax expense		0	564	801	564	-0
Net profit		297	468	375	440	+28
Business volumes	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Assets under management, EURm		1,544	1,544	1,522	1,586	-42
Active customers of PII funds, thous.		111	111	119	113	-2
Key figures	13 months	May 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		65.9%	73.9%	71.4%	74.3%	- 0.4 pp
Funds average return		3.6%	2.1%	6.2%	3.1%	- 1.0 pp

- Fund volumes and customer numbers are slightly below plan, net profit exceeds plan due to strong investment performance
- Largest funds, L and XL, grew by 1.2% and 2.3% in May, with year-to-date returns of 5.1% and 7.5%, respectively
- Financial markets showed strong recovery – LHV Pension Fund Index rose by 5.6% in May, but remains down 0.9% since the beginning of the year
- Merger of green pension funds with other funds and the introduction of new fund names will take effect in early September

Madis Toomsalu

LHV Group CEO

madis.toomsalu@lhv.ee

Meelis Paakspuu

LHV Group CFO

meelis.paakspuu@lhv.ee