

LHV Group

Updated financial plan 2018
May 17, 2018

LHV Group - forecast

Updated financial plan

Financial results, EURt	FP2018	2017	Δ YoY	Δ %
Total revenue, incl.	67,636	58,523	+9,113	+16%
Net interest income	39,533	35,502	+4,031	+11%
Net fee and commission income	25,206	22,180	+3,026	+14%
Total operating expenses	33,303	31,945	+1,358	+4%
Earnings before impairment	34,333	26,578	+7,755	+29%
Impairment losses on loans	4,611	3,154	+1,457	+46%
Earnings before taxes	29,722	23,424	+6,298	+27%
Income tax expense	3,638	1,248	+2,390	+192%
Net profit	26,084	22,176	+3,908	+18%
attr. to owners of the parent	24,348	19,601	+4,747	+24%
Business volumes, EURm	FP2018	2017	Δ YoY	Δ %
Deposits from customers	1,334	1,537	-203	-13%
Loans (net)	835	732	+103	+25%
Assets under management	1,269	1,103	+166	+15%
Key figures	FP2018	2017	Δ YoY	
Cost / Income ratio (C/I)	49.2%	54.6%	-2.6 pp	
ROE (attr. to owners)	17.9%	17.6%	-1,6 pp	
CT1 capital adequacy	14.2%	14.0%	-0,8 pp	
Total capital adequacy	17.9%	18.3%	-1,7 pp	
ROA	1.5%	1.6%	-0,2 pp	

LHV Group updated the financial plan for 2018 taking into account the following:

- The sale of shareholding in Mokilizingas
- Higher revenues from transaction advisory
- Q1 actual financial results

LHV Banking - forecast

Updated financial plan

Financial results, EURt	FP2018	2017	Δ YoY	Δ %
Total revenue, incl.	49,019	39,521	+9,499	+24%
Net interest income	38,530	31,134	+7,396	+24%
Net fee and commission income	10,402	7,696	+2,706	+35%
Total operating expenses	25,005	20,415	+4,589	+22%
Earnings before impairment	24,014	19,105	+4,909	+26%
Impairment losses on loans	4,187	3,585	+602	+17%
Earnings before taxes	19,828	15,521	+4,307	+28%
Income tax expense	2,439	0	+2,439	na
Net profit	17,388	15,521	+1,868	+12%
Business volumes, EURm	FP2018	2017	Δ YoY	Δ %
Deposits from customers	1,346	1,551	-204	-13%
Loans (net)	835	719	+116	+16%
Key figures	FP2018	2017	Δ YoY	
Cost / Income ratio (C/I)	51.0%	51.7%	+0.5 pp	
ROE (attr. to owners of the parent)	14.6%	16.0%	-2.5 pp	
CT1 capital adequacy	13.9%	13.3%	-0.0 pp	
Total capital adequacy	16.3%	16.2%	-0.2 pp	
ROA	1.1%	1.2%	-0.2 pp	

LHV Asset Management - forecast

Updated financial plan

Financial results, EURt	FP2018	2017	Δ YoY	Δ %
Total revenue, incl.	14,109	13,421	+688	+5%
Total expenses	5,983	6,664	-681	-10%
Earnings before taxes	8,126	6,758	+1,369	+20%
Income tax expense	1,100	951	+149	+16%
Net profit	7,026	5,807	+1,220	+21%
Business volumes	FP2018	2017	Δ YoY	Δ %
Assets under management, EURm	1,269	1,103	+166	+15%
Active customers of PII funds, thous.	176	177	-1	-0%
Key figures	FP2018	2017	Δ YoY	
Cost / Income ratio (C/I)	42.4%	50.1%	-8.1 pp	
ROE	31.0%	31.0%	+0.8 pp	
ROA	27.9%	27.2%	+1.3 pp	

Financial reporting is subject to IFRS 15 starting from FY 2018, historic periods presented without changes

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