

Company AS LHV Group  
Type Company Release  
Category Other corporate action  
Disclosure time 23 Apr 2024 08:00:00 +0300

Attachments:

- LHV\_Group\_Factbook\_2024-Q1-EN.pdf (<http://oam.fi.ee/en/download?id=8322>)
- LHV\_Group\_Presentation\_2024-Q1-EN.pdf (<http://oam.fi.ee/en/download?id=8323>)
- LHV\_Group\_Interim\_Report\_2024-Q1-EN.pdf (<http://oam.fi.ee/en/download?id=8324>)
- LHV\_Group\_Factbook\_2024-Q1-ET.pdf (<http://oam.fi.ee/en/download?id=8325>)
- LHV\_Group\_Presentation\_2024-Q1-ET.pdf (<http://oam.fi.ee/en/download?id=8326>)
- LHV\_Group\_Interim\_Report\_2024-Q1-ET.pdf (<http://oam.fi.ee/en/download?id=8327>)

Currency

Title LHV Group unaudited financial results for Q1 2024

For LHV, the first quarter of the year demonstrated strong results, affected by the higher-than-planned increase in business volumes and the interest environment remaining at the same level.

In Q1 of 2024, AS LHV Group generated EUR 40.7 million in net profit. AS LHV Pank earned EUR 36.8 million and LHV Bank Limited EUR 4.9 million in net profit. AS LHV Varahaldus generated a net loss of EUR 220 thousand in Q1, and AS LHV Kindlustus generated a net profit of EUR 256 thousand. The return on equity attributable to the shareholders of the Group was 28.5% in Q1.

In Q1 2024, the consolidation group generated a net income of EUR 85.4 million, which is almost as much as in the previous quarter. Year-on-year, the consolidated income increased by 25%. Of the revenue, net interest income accounted for EUR 68.9 million, and net fee and commission income for EUR 15.5 million. Costs of the consolidation group in Q1 amounted to EUR 35.5 million, i.e., were 6% lower than in the previous quarter. Over the year, costs increased by 16%. Discounts were made in the total extent of EUR 2.9 million in Q1. In Q1, the consolidated net profit of the Group was 24% higher than in Q4 of 2023, and 23% higher than in Q1 of 2023.

As at the end of March, the volume of consolidated assets of LHV Group increased to a record EUR 7.37 billion (an increase of 21% over the year). Over the quarter, the volume of assets increased by EUR 245 million, i.e., 3%. LHV Group's consolidated deposits increased by EUR 203 million over the quarter (+4%), to EUR 5.93 billion (+22% year-on-year). In Q1, the consolidated loan portfolio grew by EUR 83 million (+2%), to EUR 3.65 billion (+16% year-on-year).



The total volume of funds managed by LHV increased by EUR 21 million over the quarter (+1%) to EUR 1.54 billion (the volume of funds has increased by 6% over the year). The number of processed payments related to financial intermediaries amounted to 17.8 million payments in Q1 (+12% compared to the 15.9 million payments in Q4).

Income statement, EUR thousand	Q1-2024	Q4-2023	Q1-2023
Net interest income	68 918	67 670	55 108
Net fee and commission income	15 543	16 300	11 877
Net gains from financial assets	536	480	1 385
Other income	418	1 243	13
Total revenue	85 415	85 693	68 383
Staff costs	-20 275	-18 645	-15 667
Office rent and expenses	-572	-872	-767
IT expenses	-3 100	-4 067	-3 226
Marketing expenses	-658	-1 117	-810
Other operating expenses	-10 924	-13 151	-10 152
Total operating expenses	-35 528	-37 852	-30 622
EBIT	49 888	47 841	37 761
Earnings before impairment losses	49 888	47 841	37 761
Impairment losses on loans and advances	-2 851	-9 430	1 583
Income tax	-6 335	-5 643	-6 281
Net profit	40 702	32 768	33 063
Profit attributable to non-controlling interest	158	231	409
Profit attributable to shareholders of the parent	40 544	32 537	32 654
Ordinary earnings per share, EUR	0.13	0.10	0.10



Diluted earnings per share, EUR	0.12	0.10	0.10
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Balance sheet, EUR thousand	Mar 2024	Dc 2023	Mar 2023
Cash and cash equivalents	3 402 338	3 119 394	2 574 177
Financial assets	249 968	340 341	297 012
Loans granted	3 676 442	3 591 517	3 167 568
Loan impairments	-31 843	-29 725	-18 384
Receivables from customers	22 934	49 505	19 807
Other assets	50 733	54 559	50 353
Total assets	7 370 572	7 125 590	6 090 534
Demand deposits	3 926 714	3 808 162	4 339 971
Term deposits	2 007 628	1 922 843	526 928
Loans received	568 355	563 634	539 807
Loans received and deposits from customers	6 502 697	6 294 639	5 406 706
Other liabilities	141 573	147 934	98 870
Subordinated loans	127 568	126 652	131 070
Total liabilities	6 771 838	6 569 225	5 636 646
Equity	598 734	556 365	453 888
Minority interest	7 394	7 937	7 009
Total liabilities and equity	7 370 572	7 125 590	6 090 534

The first quarter was positively characterised by the higher-than-planned increase in the loan portfolio volume and interest income. Even though client activity generally remained low, as is characteristic of the beginning of the year, some products saw record levels of use. The quality of the loan portfolio has remained stronger than expected; discounts were made proactively, considering the macroeconomic scenarios.



The number of LHV Pank clients increased by 10,500 over the quarter. Client activity in terms of the use of settlements and bank cards was lower compared to the previous quarter, but high in terms of home loans and micro loans granted to companies, for example. At that, against the backdrop of active refinancing of home loans, March was a record month for the LHV home loan. The portfolio of retail loans increased by EUR 30 million over the quarter. The volume of corporate loans granted by LHV Pank increased by EUR 37 million in Q1. The demand for loans is increasing.

The general focus of the bank is still on raising deposits. Among other things, LHV Pank introduced a new savings product for its clients - the LHV Savings Account - which enables 2% interest to be generated on funds while leaving said funds immediately accessible. The deposits of standard clients of LHV Pank increased by EUR 121 million over the quarter, the deposits of financial intermediaries increased by EUR 38 million, while deposits raised from platforms decreased by EUR 23 million. Demand deposits increased by EUR 37 million, while fixed-term deposits increased by EUR 100 million.

Over the quarter, the possibility to unblock a PIN was added to the LHV mobile app, and the possibility to automatically transfer regular investments to the tax declaration was added to the Internet bank. At the end of the quarter, LHV added a special offer on banking services for teachers to its selection. During the quarter, LHV was recognised as the bank with the best service in Estonia by the survey company Dive, and as the best employer in Estonia by CV-Online.

LHV Bank, which operates in the United Kingdom, is now independently financed, having paid back the EUR 66 million loan to its sister bank. LHV Bank also successfully launched the raising of deposits on a third platform - Hargreaves Lansdown. Right now, deposits from over 4,000 depositors have been raised.

LHV Bank focuses on growing its loan portfolio through a network of brokers and doubling its number of loan managers in the first half of the year. By the end of March, the loan portfolio had increased to EUR 95 million, and the credit committee had approved an additional EUR 79 million worth of loans which had not yet been issued. The development of retail banking, together with a new website and mobile bank, is also in the works. Over the quarter, financial intermediary clients showed activity: the volumes of payments of the segment were at a record high.

The result of LHV Varahaldus was affected by a EUR 4.9 million dividend payment to the parent company, accompanied by a tax expense of EUR 800 thousand. The volume of funds and the net profit are slightly ahead of the plan, primarily due to the good rate of return and financial revenue of larger funds. The number of active clients of Varahaldus decreased a little over the quarter, to around 120 thousand clients. 4,300 clients declared their wish to increase their II pension pillar contributions.

In the context of a very strong quarter for stock markets, the quarterly ROE of



LHV pension funds M, L, and XL amounted to 1.5%, 2.9%, and 2.9%, respectively. The more conservative funds XS and S had a rate of return of 1.5% and 1.6%, respectively. Pensionifond Indeks increased by 8.7% over the quarter; Pensionifond Roheline decreased by 5.3%.

LHV Kindlustus continued on an optimal course of growth. As at the end of the quarter, LHV Kindlustus protects a total of 164 thousand clients, who have concluded a total of 233 thousand contracts. The sales volumes of Kindlustus increased by 32% over the quarter. Gross premiums in Q1 increased by 40% year-on-year. At the same time, the number of loss events has also increased, which is normal with the increase of the portfolio. 22,800 new loss events were registered, and 22,400 events were closed.

In Q1, the asset quality review conducted by the European Central Bank was completed, and LHV passed it successfully. The annual general meeting of shareholders in March decided to pay a record dividend of 13 cents per share to shareholders for the previous year. The dividends were paid on 12 April.

In terms of net profit and in a summary of 3, LHV Group was ahead of the financial plan published in February by EUR 7.8 million. The financial plan stands.

Comment by Madis Toomsalu, Chairman of the Management Board at LHV Group:  
"For LHV, it was a busy and strong quarter. The Estonian economy needs investments to restore its growth, and with the increase in loan volumes, we were able to make a moderate contribution here. In addition to corporate loans, home loans also increased strongly, as did the volume of loans decided in LHV Bank in England. At that, the loan quality of subsidiaries of the Group has remained at a good level. During the quarter, the results of the extensive asset quality review conducted by the European Central Bank were also published, and these showed LHV's good capitalisation. Our focus is still on growing business volumes and increasing client activity."

AS LHV Group's reports are available at: <https://investor.lhv.ee/en/reports>  
(<https://investor.lhv.ee/en/reports/>).

In order to introduce the financial results, LHV Group will be organising an investor meeting via the Zoom webinar environment. The virtual investor meeting will take place on 23 April, at 9:00, before the market opens. The presentation will be in Estonian. We kindly ask you to register at the following address: [https://lhvbank.zoom.us/webinar/register/WN\\_alrjq24-S-2fEWnhE1LW\\_Q](https://lhvbank.zoom.us/webinar/register/WN_alrjq24-S-2fEWnhE1LW_Q).

LHV Group is the largest domestic financial group and capital provider in Estonia. LHV Group's key subsidiaries are LHV Pank, LHV Varahaldus, LHV Kindlustus, and LHV Bank Limited. LHV employs more than 1,090 people. As at the end of March, LHV's banking services are being used by 428,000 clients, the pension funds managed by LHV have 120,000 active clients, and LHV Kindlustus



protects a total of 164,000 clients. LHV Bank, a subsidiary of LHV Group, holds a banking licence in the UK and provides banking services to international financial technology companies, as well as loans to small and medium-sized enterprises.

Priit Rum

Communications Manager

Phone: +372 502 0786

Email: [priit.rum@lhv.ee](mailto:priit.rum@lhv.ee) (mailto:priit.rum@lhv.ee)

