

Company AS LHV Group
Type Company Release
Category Annual financial report
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Attachments:

- ASLHV-10001487621-en.pdf (<http://oam.fi.ee/en/download?id=3701>)
- ASLHV-10001487623-et.pdf (<http://oam.fi.ee/en/download?id=3702>)

Currency

Title LHV Group 2018 audited annual report and dividend proposal

AS LHV Group Management Board presented to the Supervisory Board the company's audited annual accounts for 2018, which the Supervisory Board has approved. There are no differences in the audited accounts as regards the financial results, compared to the unaudited financial results (<https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=872632&messageId=1098144>) published on 29 January.

The consolidated annual report 2018 of AS LHV Group has been enclosed to the announcement and will be made available on LHV's homepage at <https://investor.lhv.ee/en/reports/#annual-reports>.

The pre-tax profit of LHV Group for 2018 amounted to EUR 30.9 million and net profit to EUR 27.2 million. The part of Group's shareholders made EUR 25.2 million. Compared to 2017, the pre-tax profit increased 32% in 2018, i.e. by EUR 7.5 million and net profit 23%, i.e. by EUR 5 million.

The net interest income of LHV Group grew 12% and net fee and commission income 17% year on year. The financial income increased 246% compared to the year before mainly thanks to the sale of the Lithuanian business unit. The Group's net income was EUR 70.0 million in 2018, having increased 20% compared to 2017. Operating expenses made EUR 33.8 million, having increased 6% in a year. The Group's results corresponded to the financial forecast, updated in May 2018.

LHV Group consolidated loan portfolio, less impairment, grew by EUR 187 million year on year, i.e. 26%, reaching EUR 919 million. Major part of the loan portfolio is composed of corporate loans, which increased 30%, to EUR 659 million year on year (EUR 505 million in 2017). Retail loan portfolio grew 15%, to EUR 260 million in a year (EUR 227 million in 2017).

Consolidated deposits decreased by EUR 115 million, i.e. 7% and reached EUR 1,422 million by year-end. The share of demand deposits out of all deposits has remained at 92% as in last year.



The volume of funds managed by LHV grew by EUR 112 million year on year, constituting a +10% growth. As at the year-end, the volume of funds managed by LHV was EUR 1,214 million.

By business units, AS LHV Pank earned a consolidated net profit of EUR 18.4 million in 2018 (15.5 in 2017) and AS LHV Varahaldus EUR 6.8 million (5.8 in 2017).

On a solo basis, LHV Group earned EUR 11.6 million in profit (EUR 2.7 million in 2017), this included the EUR 2.9 million profit resulting from the sale of UAB Mokilizingas.

The Management Board of LHV Group proposes the general meeting of shareholders to pay a dividend of 21 eurocents per share (in total sum of EUR 5.463 million) for 2018, transfer EUR 1.262 million to the legal reserve and add the remaining profit for the reporting period, attributable to the parent company of the shareholder, in amount of EUR 18.512 million to the retained earnings.

The list of shareholders entitled to receive dividends will be fixed as at 27 April 2019 COB. Consequently, the day of change of the rights related to the shares (ex-dividend date) is set to 26 March 2019. From this day onwards, the person acquiring the shares will not have the right to receive dividends for the financial year 2018. Dividends will be disbursed to the shareholders on 28 March 2019.

LHV Group is the largest domestic financial group and capital provider in Estonia. LHV Group's key subsidiaries are LHV Pank and LHV Varahaldus. LHV employs over 390 people, and more than 164,000 customers use LHV's banking services. Pension funds managed by LHV have more than 177,000 active clients.

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Attachment

* LHV Group Annual Report 2018 (<https://ml-eu.globenewswire.com/Resource/Download/243ad2b4-20a3-40cd-a999-5fdc2506c9e6>)

