

Company AS LHV Group
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Attachments:

- LHV Group 2021-08-EN.pdf (<http://oam.fi.ee/en/download?id=5739>)
- LHV Group 2021-08-ET.pdf (<http://oam.fi.ee/en/download?id=5740>)

Currency

Title LHV Group results for August 2021

In August, LHV Group earned EUR 5 million in consolidated net profit. LHV Pank earned EUR 5.3 million in net profit, EUR 1.2 million of which was from serving clients associated with the United Kingdom branch, and EUR 0.4 million from LHV Varahaldus. LHV Kindlustus generated a net loss of EUR 0.1 million in August.

The Group's consolidated volume of deposits grew by EUR 268 million in August, with its loan portfolio growing by EUR 30 million and the volume of funds managed by LHV growing by EUR 11 million. In August, the number of payments processed in relation to clients who are financial intermediaries reached 2 million.

The results of the bank were affected by interest income and the growing activity of clients. The bank added 5,000 clients within the month, with the number of clients who use settlements growing by 1,900. Of the growth of the loan portfolio that has continuously good quality, EUR 20 million was on account of corporate loans, and EUR 10 million on account of retail loans. The majority of the growth of deposits originated from the deposits of financial intermediaries.

The results of Varahaldus turned out to be ahead of that forecast in the financial plan. In the first days of September, the effect of the pension reform was also felt, which decreased the volume of funds and the number of clients of the II pillar by a fifth. At the same time, the negative effect of the reform remains more modest than expected. From the beginning of September, contributions by the state for persons continuing with the II pillar also recovered.

In terms of insurance, the growth of sales volumes and clients continued. Satisfaction with claims handling remains at a high level.



In August, LHV Group finished its investment in Bank North of the United Kingdom. For GBP 4.455 million, LHV acquired a 9.9% share in the company.

Rating agency Moody's Investors Service assigned AS LHV Group a Baa3 long-term local currency issuer rating with a positive outlook. The rating gives LHV Group better access to raising funds from international capital markets.

In addition, in August, LHV entered into a cooperation contract with the start-up company eAgronom, with whom LHV intends to offset the unavoidable negative environmental impacts of office activities. LHV aims to make its office activities climate neutral by 2022.

An extraordinary general meeting of shareholders of AS LHV Group was held on 23 August, in which it was decided to increase the company's share capital by means of issuing additional ordinary shares. The share offering, intended to strengthen the Group's capital structure and support the further growth of LHV, is held from 15 to 29 September.

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

LHV Group is the largest domestic financial group and capital provider in Estonia. LHV Group's key subsidiaries are LHV Pank, LHV Varahaldus, and LHV Kindlustus. LHV employs over 620 people. As at the end of August, LHV's banking services are used by 295,000 clients, the pension funds managed by LHV have 175,000 active clients, and LHV Kindlustus protects a total of 136,000 clients. LHV's UK branch offers banking infrastructure to 170 international financial services companies, via which LHV's payment services reach clients around the world.

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