

LHV Group

February results
12 March 2024



The year has started with strong results

Financial results, EURt	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income, incl.		27,076	56,021	43,343	51,326	+4,695
Net interest income		21,910	45,884	34,879	41,256	+4,628
Net fee and commission income		5,106	9,940	7,815	9,775	+165
Total operating expenses		11,498	23,705	21,695	23,520	+185
Earnings before impairment		15,578	32,316	21,649	27,806	+4,510
Impairment losses		-225	731	-1,513	2,414	-1,684
Income tax expense		2,241	4,408	3,589	3,509	+900
Net profit, incl.		13,563	27,177	19,573	21,883	+5,294
attr. to shareholders		13,488	27,112	19,465	21,863	+5,249
Business volumes, EURm	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Deposits from customers		5,918	5,918	4,916	5,898	+20
Loans (net)		3,611	3,611	3,147	3,575	+36
Assets under management		1,482	1,482	1,434	1,507	-25
Fin. intermediaries' payments, thous. pcs		5,578	11,297	5,754	9,241	+2,056
Key figures	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		42.5%	42.3%	50.1%	45.8%	- 3.5 pp
Net interest margin (NIM)		3.9%	3.9%	3.4%	3.5%	+ 0.4 pp
pre-tax ROE*		34.7%	33.5%	32.7%	27.1%	+ 6.4 pp
ROE*		29.9%	28.9%	27.6%	23.4%	+ 5.5 pp

- Good results from all group companies, especially considering the impact of the shorter month
- Interest income drives the results, other income and expenses largely in line with the plan
- Monthly net profit 13.6 EURm and ROE 29.9%
- Net profit ahead of the financial plan by 5.3 EURm. Financial plan holds

Higher business volumes and steady interest environment

Financial results, EURt	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income, incl.		22,281	46,143	40,860	40,716	+5,427
Net interest income		19,371	41,006	35,075	34,990	+6,015
Net fee and commission income		2,856	5,057	5,319	5,542	-485
Total operating expenses		7,197	15,480	15,767	14,952	+528
Earnings before impairment		15,084	30,662	25,093	25,764	+4,898
Impairment losses		-243	689	-1,649	2,389	-1,700
Income tax expense		2,194	4,314	3,507	3,415	+900
Net profit		13,133	25,659	23,235	19,960	+5,699
Business volumes, EURm	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Deposits from customers		5,629	5,629	4,974	5,565	+64
incl. banking services' deposits		1,048	1,048	1,264	987	+60
Loans (net)		3,517	3,517	3,127	3,471	+46
Key figures	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		32.3%	33.5%	38.6%	36.7%	- 3.2 pp
Net interest margin (NIM)		3.6%	3.6%	3.5%	3.1%	+ 0.5 pp










- The number of bank customers increased by 3,600
- Loan portfolio increased by 5 EURm, including retail loans increased by 12 EURm and corporate loans decreased by 7 EURm
- Deposits increased by 44 EURm, including regular customers' deposits increased by 32 EURm and banking services customers' deposits by 20 EURm. Platform deposits decreased by 8 EURm
- Credit quality remains at a good level, therefore, impairments lower than planned

Priority is loan portfolio growth

Financial results, EURt	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income, incl.		3,289	7,123	164	7,747	-624
Net interest income		2,659	5,268	166	6,932	-1,663
Net fee and commission income		631	1,721	0	815	+905
Other net income		0	134	-1	0	+134
Total operating expenses		2,897	5,373	3,411	5,492	-119
Earnings before impairment		392	1,750	-3,247	2,255	-505
Impairment losses		17	42	136	26	+16
Income tax expense		0	-1,819	0	0	-1,819
Net profit		375	3,528	-3,383	2,229	+1,298
Business volumes, EURm	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Deposits from customers		340	340	0	383	-43
Loans (net)		94	94	21	104	-10
Key figures	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		88.1%	75.4%	2080.8%	70.9%	+ 4.5 pp
Net interest margin (NIM)		8.7%	8.4%	2.9%	10.4%	- 2.0 pp

- Loan portfolio increased by 4 EURm. Projects approved by the Credit Committee amounting to 35 EURm. Priority is to increase the number of loan brokers to boost sales
- Deposits increased by 15 EURm. Cooperation with a third deposit platform starting in March
- One-off performance bonus of 0.6 EURm for the previous year included in expenses
- ChatGPT Enterprise deployed for all employees

Increasing second pillar contributions has started at a good pace

Financial results, EURt	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income		688	1,432	1,380	1,461	-30
Total operating expenses		605	1,169	1,080	1,209	-40
EBIT		84	263	301	252	+11
Net financial income		49	11	194	103	-93
Net profit		133	274	495	356	-82
Business volumes	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Assets under management, EURm		1,482	1,482	1,434	1,507	-25
Active customers of PII funds, thous.		121	121	130	122	-1
Key figures	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		82.0%	81.0%	68.6%	77.3%	+ 3.8 pp
Funds average return		0.6%	-0.1%	1.8%	1.2%	- 1.3 pp

- The performance of the largest actively managed funds at the beginning of the year was more modest than expected. The pension fund L increased by 0.3% in a month, value of XL remained at the same level
- Revenues and expenses largely in line with the plan. Net profit and AUM impacted by returns of funds
- The increase of the benchmark index was more modest compared to previous periods, annual growth of 7.8% in February
- By February end, more than 3,000 customers had increased their second pillar contributions

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A month with stable results

Financial results, EURt	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Total net income, incl.		444	744	524	980	-236
Net earned premiums		2,305	4,721	2,848	4,581	+140
Net incurred losses		1,565	3,384	2,054	2,972	+412
Other net income		-296	-594	-270	-628	+35
Total expenses		427	883	686	978	-96
Technical result		17	-139	-162	2	-141
Net investment income		9	112	0	13	+99
Other operating income and expenses		-5	-11	-1	-10	-1
Net profit		21	-38	-163	5	-43
Business volumes, EURt	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Gross written premiums		2,941	8,020	5,592	7,507	+513
No of customers (thous.)		164	164	155	na	na
Key figures	13 months	Feb 24	YTD24	YTD23	FP YTD	Δ YTD FP
Net loss ratio		67.9%	71.7%	72.1%	64.9%	+ 6.8 pp
Net expense ratio		31.5%	31.6%	34.5%	35.3%	- 3.7 pp

- 11,700 insurance contracts with a volume of 2.9 EURm were signed
- Net earned premiums decreased by 5% in monthly comparison
- Expenses decreased by 28 EURt in a month
- Claims were compensated in the amount of 1.6 EURm and 7,750 new insurance cases were registered

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