

LHV Group

February results
12 March 2025

LHV Group

Strong results from LHV Bank

Financial results, EURt	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		25,234	53,831	55,094	51,399	+2,433
Net interest income		19,504	41,032	45,884	41,176	-144
Net fee and commission income		4,364	9,263	9,134	9,769	-506
Total operating expenses		12,313	25,540	22,778	25,310	+230
Earnings before impairment		12,922	28,291	32,316	26,089	+2,202
Impairment losses		-290	4,022	731	1,941	+2,081
Income tax expense		2,486	4,528	4,408	4,337	+191
Net profit, incl.		10,726	19,742	27,177	19,811	-69
attr. to shareholders		10,678	19,494	27,112	19,531	-37
Business volumes, EURm	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Loans (net)		4,610	4,610	3,611	4,620	-10
Deposits from customers		6,610	6,610	5,918	6,829	-219
Assets under management		1,562	1,562	1,482	1,529	+33
Fin. intermediaries' payments, thous. pcs		6,373	13,013	11,297	12,445	+568
Key figures	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		48.8%	47.4%	41.3%	49.2%	- 1.8 pp
Net interest margin (NIM)		3.0%	2.9%	3.9%	2.9%	+ 0.0 pp
pre-tax ROE*		25.0%	21.1%	33.5%	21.1%	+ 0.1 pp
ROE*		20.3%	17.2%	28.9%	17.3%	- 0.1 pp

- Shorter month negatively impacted revenue base, but higher volumes strengthened results
- Loan portfolio increased by 65 EURm, including 19.5 EURm increase in LHV Bank and 45.3 EURm increase in LHV Bank
- Deposits from customers decreased by 285 EURm
- Monthly net profit 10.7 EURm and ROE 20.3%
- Financial plan holds

Shorter month reduced interest income

Financial results, EURt	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		19,414	40,257	46,143	40,111	+146
Net interest income		16,046	33,238	41,006	34,338	-1,100
Net fee and commission income		2,532	5,446	5,057	5,653	-206
Total operating expenses		7,852	16,311	15,480	15,879	+432
Earnings before impairment		11,562	23,945	30,662	24,231	-286
Impairment losses		-420	3,531	689	1,396	+2,135
Income tax expense		2,210	3,741	4,314	4,178	-437
Net profit		9,772	16,673	25,659	18,657	-1,984
Business volumes, EURm	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Loans (net)		4,200	4,200	3,517	4,244	-44
Deposits from customers		5,977	5,977	5,629	6,172	-195
incl. banking services' deposits		1,189	1,189	1,048	1,201	-12
Key figures	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		40.4%	40.5%	33.5%	39.6%	+ 0.9 pp
Net interest margin (NIM)		2.7%	2.6%	3.6%	2.6%	- 0.1 pp

- Number of bank customers increased by 2,700
- Loan portfolio increased by 19.5 EURm, incl. retail loans increased by 27.5 EURm and corporate loans decreased by 8 EURm
- Deposits decreased by 304.9 EURm, incl. regular customers' deposits decreased by 47.7 EURm, financial intermediaries' deposits decreased by 230 EURm. Additionally, we reduced deposit volumes on deposit platform
- Loan impairments were slightly impacted by individual loan repayments from customers

Strong growth of loan portfolio continued

Financial results, EURt	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income, incl.		4,397	10,338	7,123	8,249	+2,088
Net interest income		3,185	7,304	5,268	6,386	+917
Net fee and commission income		751	1,556	1,721	1,863	-307
Other net income		461	1,477	134	0	+1,477
Total operating expenses		3,578	7,352	5,373	7,540	-188
Earnings before impairment		819	2,986	1,750	709	+2,276
Impairment losses		130	491	42	545	-55
Income tax expense		217	669	-1,819	41	+628
Net profit		472	1,826	3,528	123	+1,703
Business volumes, EURm	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Deposits from customers		723	723	340	708	+14
Loans (net)		410	410	94	376	+34
Key figures	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		81.4%	71.1%	75.4%	91.4%	- 20.3 pp
Net interest margin (NIM)		5.3%	5.5%	8.4%	4.9%	+ 0.7 pp

- Loan portfolio increased by 45 EURm. Loans approved by Credit Committee but not yet disbursed amount to 161 EURm
- Platform deposits increased by 26 EURm, in total over 14,800 depositors
- In the retail banking app, cards and card payments were launched for a smaller test group. The plan is to publicly launch fixed-term deposits in March. The recruitment of the entire mobile banking team has been completed, development has been brought in-house
- The payment and deposit volumes in the financial intermediaries' business segment largely met the business plan, although they declined compared to January

Uncertain times in the US markets, European markets continued their growth trend

Financial results, EURt	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Total net income		694	1,440	1,432	1,421	+19
Total operating expenses		565	1,130	1,169	1,161	-31
EBIT		129	310	263	260	+50
Net financial income		30	212	11	92	+120
Income tax expense		0	0	0	0	+0
Net profit		159	522	274	352	+170
Business volumes	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Assets under management, EURm		1,562	1,562	1,482	1,529	+33
Active customers of PII funds, thous.		113	113	121	113	+0
Key figures	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		78.0%	68.4%	81.0%	76.7%	- 8.3 pp
Funds average return		0.3%	3.2%	-0.1%	1.2%	+ 2.0 pp

- Markets in Europe and the US moved in opposite directions, technology stocks that drove growth had weaker month
- M, L and XL increased by 0.5%, 0.7% and 0.8%, respectively. Indeks decreased by 1.7% and Roheline by 1.6%. Conservative funds S and XS grew both by 0.7%
- Expenses and revenues were largely in line with plan, with net profit slightly ahead of expectations
- LHV will discontinue external sales of the second pillar pension fund by the end of March

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Month with higher loss reserves

Financial results, EURt	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Insurance service revenue		3,077	6,323	5,310	6,570	-247
Commissions expense		377	780	674	895	-115
Gross incurred losses		2,149	4,180	3,766	4,221	-41
Operating expenses		426	908	865	929	-20
Insurance result without reinsurance		124	455	5	526	-70
Reinsurance result		156	254	127	142	+112
Total result from insurance activities		-32	201	-122	384	-183
Net other income		68	84	84	-1	+85
Net profit		36	285	-38	383	-98

Business volumes, EURt	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Contract premiums written		3,464	10,017	8,020	10,097	-80
No of customers (thous.)		174	174	164	na	na

Key figures	13 months	Feb 25	YTD25	YTD24	FP YTD	Δ YTD FP
Net loss ratio		73.6%	68.7%	71.7%	65.3%	+ 3.4 pp
Net expense ratio		27.8%	28.3%	31.5%	29.0%	- 0.7 pp

- 14,200 insurance contracts with a volume of 3.4 EURm were signed. Good sales results in home and travel insurance
- Claims paid out totalled 2.2 EURm. Number of incidents increased significantly in travel insurance
- Positive downward trend in cost ratio continues in key indicators
- Volume on signed contracts after first two months in line with financial plan

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