

LHV Group

May results
June 9, 2020



Business volumes back on the rise

Financial results, EURt	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Total revenue, incl.		7,012	37,067	29,867	36,579	+489
Net interest income		5,101	26,683	18,837	26,557	+127
Net fee and commission income		2,078	10,585	10,803	10,190	+395
Total operating expenses		3,670	18,384	15,410	18,454	-70
Earnings before impairment		3,342	18,683	14,457	18,124	+559
Impairment losses on loans		560	7,198	1,308	9,280	-2,082
Income tax		0	2,809	2,768	2,803	+6
Net profit, incl.		2,782	8,677	10,381	6,042	+2,635
attr. to shareholders		2,542	7,898	9,706	5,431	+2,467
Business volumes, EURm	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Deposits from customers		3,197	3,197	1,928	2,973	+224
Loans (net)		1,768	1,768	1,076	1,782	-14
Assets under management		1,418	1,418	1,279	1,371	+47
Key figures	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		52.3%	49.6%	51.6%	50.5%	- 0.9 pp
pre-tax ROE*		14.6%	12.3%	18.8%	9.4%	+ 2.9 pp
ROE*		14.6%	9.3%	14.9%	6.5%	+ 2.9 pp
Net interest margin (NIM)		1.8%	2.1%	2.7%	2.1%	- 0.0 pp
ROA		0.9%	0.7%	1.4%	0.5%	+ 0.2 pp

- Great month in terms of increase in business volumes. Both loan portfolio and deposits are increasing
- In the beginning of June, we announced milestones of two major projects: we issued 250 EURm covered bonds and signed the agreement for the purchase of Danske's corporate- and municipal loan portfolio
- Pension funds performance was very good
- Net income in May was 2.8 EURm, ytd ahead of the financial plan by 2.6 EURm, mainly due to lower provisions










LHV Banking

Business is getting back to normal

Financial results, EURt	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Total revenue, incl.		6,189	33,289	24,167	33,186	+102
Net interest income		5,087	26,569	19,247	26,457	+112
Net fee and commission income		1,362	7,016	4,878	6,646	+370
Total operating expenses		3,033	15,442	12,772	15,623	-182
Earnings before impairment		3,156	17,847	11,395	17,563	+284
Impairment losses on loans		560	7,198	1,308	9,280	-2,082
Income tax		0	1,964	1,796	1,958	+6
Net profit		2,596	8,685	8,291	6,325	+2,360
Business volumes, EURm	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Deposits from customers		3,212	3,212	1,947	2,983	+229
Loans (net)		1,768	1,768	1,076	1,782	-14
Key figures	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		49.0%	46.4%	52.8%	47.1%	- 0.7 pp
Net interest margin (NIM)		1.7%	2.0%	2.6%	2.0%	- 0.0 pp

- In May, results are mainly characterized by improved visibility, which reflected both in the increase of the number of customers by 2,500 and in the recovery of the general customer activity
- Revenue and expenses at usual level, except the 0.3 EURm financial expense from the revaluation of the liquidity portfolio
- Corporate loan portfolio increased by 12 EURm and retail loan portfolio grew by 10 EURm. The quality of the loan portfolio remained good
- Deposits increased by 169 EURm, incl payments intermediaries deposits by 116 EURm and retail deposits by 17 EURm

The stock markets and LHV pension funds continued to rise

Financial results, EURt	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Total revenue		798	3,642	6,078	3,271	+371
Total expenses		526	2,591	2,437	2,509	+82
Earnings before taxes		272	1,052	3,641	762	+290
Income tax		0	844	972	844	+0
Net profit		272	207	2,669	-82	+290
Business volumes	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Assets under management, EURm		1,418	1,418	1,279	1,371	+47
Active customers of PII funds, thous.		178	178	177	176	+2
Key figures	13 months	May-20	YTD20	YTD19	FP YTD	Δ YTD FP
Cost / income ratio (C/I)		73.3%	72.6%	41.1%	70.8%	+ 1.8 pp
Funds average return		0.7%	1.0%	2.5%	1.0%	+ 0.0 pp

- Despite the global economic uncertainty, the stock markets continued to rise. MSCI World (EUR) return was 3.2%, S&P500 3%
- The returns of the largest funds L and XL were 0.6% and 1.3% respectively in May. Pension Fund Green showed the best return on the market with 5.4% increase of share value
- The volume of second pillar funds increased by 15 EURm in May, the number of customers increased for the 4th month in a row

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