Company	AS LHV Group
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Attachments:
- LHV Group 2022-04-EN.pdf (http://oam.fi.ee/en/download?id=6465)
- LHV Group 2022-04-ET.pdf (http://oam.fi.ee/en/download?id=6466)

Currency

Title LHV Group results in April 2022

In April, AS LHV Group earned EUR 5.2 million in consolidated net profit. AS LHV Pank earned EUR 6.1 million in net profit, EUR 0.8 million of which was from serving clients associated with the UK branch. AS LHV Varahaldus earned EUR 64,000 in net loss in April, and the net loss of AS LHV Kindlustus was EUR 182,000. The net loss of LHV UK Limited reached EUR 0.7 million in April. Since April, the consolidated results also include the financial results of the new subsidiary EveryPay AS.

In April, the activity of LHV clients increased compared to March and February. The geopolitical situation remained turbulent, but LHV continued to actively implement its plans. The quality of the loan portfolio remains good, resulting in lower provisions than planned.

LHV Group's consolidated loan portfolio grew by EUR 49 million in April, with corporate loans increasing by EUR 28 million and retail loans by EUR 21 million. Consolidated deposits decreased by EUR 126 million in April, mainly due to a decline in deposits of payment intermediaries. The volume of the funds managed by LHV grew by EUR 2 million in April. 2.1 million payments from financial intermediary clients were processed.

The number of bank clients grew by 4,800 in April, and client activity is increasing. The bank's interest income remained strong, while fee and commission income are improving and will be helped in the future by the increase in account management fees for financial intermediary clients. For UK business, the focus remains on recruiting key staff and applying for a credit institution licence. Due to the termination of some client agreements, both the bank's deposits and the number of payments have decreased, but activity is expected to pick up again in the financial intermediary business.

April was a down month for stock markets, which also affected the results of

Varahaldus. Pension funds L and M managed to hold their value, with XL down 0.6% over the month. These continue to be the best-performing funds in Estonia, able to withstand the market crash. The number of active second pillar clients remained at a similar level as before. The number of withdrawals from the second pillar in April was the lowest since the pension reform entered into force.

The growth in business volumes of LHV Kindlustus accelerated in April due to the addition of new intermediaries and an increase in client activity. The number of clients increased by 1,200 and satisfaction with claims handling remained very high. The impact of COVID-19 in travel insurance losses is decreasing.

LHV's financial plan remains unchanged. The difference between the forecasted and actual net profit is decreasing.
In April, the Group included a new subsidiary EveryPay. In addition, AS LHV Group made a EUR 1 million investment in Modular Technologies, the company branded as Tuum. In accordance with the resolutions taken at the AGM on 30 March, LHV Group is preparing a further share issue to raise capital from investors to finance its growth plans, mainly the capitalisation of the bank to be established in the UK.

To access the reports of AS LHV Group, please visit the website 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. The Group employs more than 740 people. As of April, LHV's banking services are being used by 342,000 clients, the pension funds managed by LHV have 135,000 active clients, and LHV Kindlustus protects a total of 148,000 clients. LHV's UK branch offers banking infrastructure to 200 international financial services companies, via which LHV's payment services reach clients around the world.

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