

Company AS LHV Group
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Currency

Title AS LHV Group plans another subordinated bond issue

AS LHV Group is planning a subordinated bond issue within the subordinated bond programme launched in 2018.

The Group plans to issue up to 15,000 subordinated bonds with the nominal value of EUR 1,000 (with a possibility to issue up to 5,000 additional bonds), the maturity date of 28.11.2028, the right of early redemption starting from 28.11.2023 (on each interest payment date), and the interest rate of 6.0% per annum offered to the investors, with quarterly interest payments. Subordinated bonds are offered at a price of EUR 1004.83 per bond with the nominal value of EUR 1,000.

The issue is carried out as the second issue under the base prospectus, registered by the Financial Supervision Authority on 29.10.2018, under which a subordinated bond programme with a total issue size of up to EUR 45 million, was created. The subordinated bonds are to be listed under Baltic bonds on the Nasdaq Tallinn Stock Exchange. The public offering is carried out in Estonia only. The issue has been scheduled for June.

LHV Group intends to use the subordinated capital raised from investors for financing the growth of business volumes as part of own funds.

Comment of Madis Toomsalu, CEO of LHV Group: "In Q1, LHV reached a loan portfolio of EUR 1 billion; while other indicators of business volumes and customer activity also reached new historic highs. In order to secure continued growth, we are making preparations for a subordinated bond offer within the previously approved bond programme. Since this is a further issue of bonds, traded on the market with a maturity date of 28.11.2028, and we want to ensure a 6% rate of return for the subscribers, the issue price will be somewhat different from the nominal price due to the variance between the periods."

LHV Group is the largest domestic financial group and capital provider in Estonia. LHV Group's key subsidiaries are LHV Pank and LHV Varahaldus. LHV employs nearly 400 people. LHV's banking services are used by 171,000 clients,



and the pension funds managed by LHV have more than 177,000 active clients.

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