

Company AS LHV Group
Type Company Release
Category Other corporate action
Disclosure time 14 May 2020 17:00:00 +0300

Currency

Title Issuing additional Tier 1 own funds

AS LHV Group will organise a private placement of additional Tier 1 own funds to financial institutions and proficient investors with a larger investment portfolio at the end of May. Due to the complexity of the AT1 bond, the instrument will not be put on public offer.

Subscription of AT1 bonds will take place from 20 May to 22 May. 100 bonds with a nominal value of 100,000 euros and an interest rate of 9.5% will be offered. LHV has the right to increase the issue size to up to 15 million euros, i.e. issue up to 50 additional AT1 bonds as a result of which the total number of the bonds offered may be up to 150. The AT1 bonds represent an unsecured debt obligation of LHV before the investor. The bonds are perpetual. After receiving permission from the Financial Supervision Authority, LHV will have the right to redeem the AT1 bonds in part or in full as of 26 May 2025. The bonds will be offered at a price of 100,000 euros per one bond.

In order to subscribe for AT1 bonds, the investor notifies AS LHV Group of the amount of AT1 bonds to be subscribed and transfers the issue price of AT1 bonds to the issuer's account no later than 22 May, by which the AT1 bonds are considered subscribed. After receiving the issue price of AT1 bonds to the account of AS LHV Group, the issuer shall transfer the AT1 bonds to the securities account of the AT1 bondholder on or about 26 May.

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 over 460 people. LHV's banking services are used by 219,000 clients, and pension funds managed by LHV have 178,000 active clients.

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