

Company AS LHV Group
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Title Additional information to LHV Group Financial Plan regarding LHV Varahaldus results

As II pillar pension funds actively managed by AS LHV Varahaldus outperformed the benchmark index in 2020, LHV Group earned higher income than forecasted in the Financial Plan.

2020 was a successful year for LHV pension funds, as seven LHV II pillar funds earned clients a combined total return of 65 million euros after all fees. With the amendment to regulations that entered into force in 2019, the state significantly reduced monthly management fees of pension funds and also introduced the possibility to earn performance fee if actively managed pension funds outperform the benchmark index, that is increase in receipt of social tax which also affects indexing of I pillar pension.

Outperforming the benchmark index and growing the assets of pension clients in II pillar allowed LHV to earn a total of EUR 6.2 million performance fee from the results of pension funds L and XL.

The Financial Plan of LHV Group (<https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=959301&messageId=1208704>) disclosed in October did not estimate potential performance fee by asset management. As the performance fee exceeds the 10% deviation rule established in the market regulations, this announcement has been made public. LHV will disclose accurate financial results for Q4 and 12 months on 9 February 2021.

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 500 people. LHV's banking services are used by 247,000 clients, and pension funds managed by LHV have more than 180,000 active clients. LHV's UK branch offers banking infrastructure to 140 international financial services companies, via which LHV's payment services reach clients around the world.



Priit Rum
LHV Communication Manager
Phone: +372 502 0786
Email: priit.rum@lhv.ee (<mailto:priit.rum@lhv.ee>)

