

 Early Warning System

EBRD-55283

AS LHV Group Senior preferred bonds



Quick Facts

Countries	Estonia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-04-24
Borrower	AS LHV Group
Sectors	Energy, Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 23.54 million
Loan Amount (USD)	\$ 23.54 million
Project Cost (USD)	\$ 321.00 million



Project Description

As stated on the project disclosure page, in May 2024, the EBRD invested EUR 22 million in 4NC3 senior preferred bonds issued by AS LHV Group, the largest domestic financial group in Estonia, as part of its EUR 300 million public issuance which was listed on Euronext Dublin.

The project supports the resilience and regulatory compliance of the largest domestically-owned financial group in Estonia and contributes to capital market development. The project also delivers on the Bank's green agenda and national green economy priorities for Estonia.



Early Warning System Project Analysis

The EBRD categorized the project E&S risks as 'FI'.

Any potential renewable energy projects financed through the various issuances will need to follow the E&S Eligibility Criteria for hydro, wind, solar, bioenergy and geothermal projects, as applicable. Any potential solar sub-projects would be managed in line with the EBRD's Management Approach for Solar Supply Chain Risk Management and any subsequent guidance developed under that approach. The partner bank will continue to report on E&S performance of the operation and compliance with the ESP annually to the Bank.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [AS LHV GROUP](#) (Financial Intermediary)



Private Actors Description

As stated by the EBRD, AS LHV Group is the largest domestic financial group in Estonia with total assets of EUR 7.1 billion as of YE2023. AS LHV Group operates as a financial holding company, consolidating several subsidiaries: banking entities in Estonia and the UK as well as asset management, non-life insurance and payment subsidiaries. The Group has been listed on the Tallinn Stock Exchange since 2016 with market capitalisation of EUR 1.1 billion as of March 2024. The Group is rated Baa3 by Moody's.



Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>