Company	AS LHV Group
Type	Company Release
Category	Other corporate action
Disclosure time	19 Jan 2022 16:30:00 +0200
Currency	
Title	Outcome of Supervisory Review and Evaluation Process by the FSA and AS LHV Group’s

In January, the Estonian FSA, Finantsinspektsioon, presented LHV Group with the outcome of Supervisory Review and Evaluation Process (SREP) capital adequacy calculation. In comparison with earlier the Pillar 2 capital requirement and the systemic importance buffer have been raised.

According to the decision of the FSA, an additional requirement for own funds in the amount 2.74% applies to LHV Group, of which at least 1.54% must be covered by Core Tier 1 own funds and at least 2.06% by Tier 1 capital.

The Supervisory Board of LHV Group based on the FSA decision and adding to it internal buffers decided to set total CAD target ratio at 16.50%, Tier 1 ratio at 13.50% and Core Tier 1 ratio to 11.50%.

Underneath is the target split into components:

	Core Tier 1	Tier 1	Total CAD
Base requirement	4.50%	6.00%	8.00%
Pillar 2 capital requirement	1.54%	2.06%	2.74%
Total SREP requirement	6.04%	8.06%	10.74%
Capital conservation buffer	2.50%	2.50%	2.50%
Systemic importance buffer (O-SII)	1.50%	1.50%	1.50%
Systemic risk buffer	0.00%	0.00%	0.00%
Discretionary counter-cyclical buffer	0.00%	0.00%	0.00%
Total combined buffer	4.00%	4.00%	4.00%

Total minimal regulatory requirement	10.04%	12.06%	14.74%
Additional internally decided buffers	1.46%	1.44%	1.76%
Group's internal capitalization targets	11.50%	13.50%	16.50%

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