

Periodic information of capital adequacy and liquidity risks 2019-12-31 Telia Finance AB

Telia Finance AB (org.nr. 556404-6661) is a subsidiary of Telia Company AB publ. (org.nr 556103-4249), registered in Stockholm. The company started their business in 1990. The company has divisions in Denmark, Finland, Norway and Lithuania.

Our main business is financing, packaging and sales of the Group's investments related to specific customer contracts. Our role as an internal finance company is to strengthen and develop the Telia Company's business with finance solutions.

Introduction

The report provides periodic information of capital adequacy and liquidity risks. The information is presents at Telia Finance website regarding 31 March, 30 June, 30 September, 31 December, in accordance with the Swedish Financial Supervisory Authority concerning publication of information, FFFS 2014: 12 regulatory requirements and capital buffers and FFFS 2010: 7 the handling and disclosure of liquidity risks credit institutions and securities companies. Terminology and phrase has been adapted to prudential regulation (575/2013 / EU) and the implementing regulation (1423/2013 / EU). All amounts are presented in thousands of Swedish kronor (SEK) unless otherwise specified.

Capital adequacy

Own funds

Common Equity Tier 1 capital	
Capital instruments	45 000
- of which: share capital	45 000
Previous years retained earnings	679 359
Profit or loss eligible	-42 938
Common Equity Tier 1 capital before regulatory adjustments	636 421
Common Equity Tiera 1 capital: regulatory adjustments	
Other reserves	37 336
Deferred tax assets	-31 913
Intangible assets	-28 335
Foreign exchange forwards	-662
Common Equity Tier 1 capital after regulatory adjustments	657 847
Additional Tier 1 capital	-
Tier 1 capital	657 847
Tier 2 capital	-
Own funds	657 847



Capital ratios

	Capital ratio	Surplus/ Deficit
Common Equity Tier 1 capital ratio	21,65 %	521 096
Tier 1 capital ratio	21,65 %	475 512
Total capital ratio	21,65 %	414 734

Capital buffers

	Buffer value	Buffer
Capital conservation buffer	2,5 %	75 973
Countercyclical buffer	1,42 %	43 043

Risk-weighted exposure amount and capital requirements

	Risk-weighted exposure amount	Capital requirements
Credit risk	2 231 447	178 516
Operational risk	767 739	61 419
Currency risk	39 717	3 177
Total	3 038 903	243 112

Risk-weighted exposure amount and capital requirements for credit risk per exposure

	Exposure	Risk-weighted exposure amount	Capital requirements
Central governments and central banks	94 030	-	-
Regional governments	882 067	-	-
Institutions	17 580	3 516	281
Corporates	560 173	560 173	44 814
Retail	2 089 422	1 567 067	125 365
Exposures in default	8 967	13 450	1 076
Other items	87 241	87 241	6 979
Total	3 739 480	2 231 447	178 516



Liquidity risk and financing

Sources of funding

The company is financed through a bank overdraft facility, owned by the parent company Telia Company AB.

Liquidity stock

The liquidity reserve consists of assets that are available for Telia Finance AB:s disposal. The assets are loanable at the central banks and are not claimed as collaterals. Current liquidity reserve consisting of financial assets in form of Swedish government bonds and the bond is valued at current market value with a risk weight of 0 %.

Liquidity

Liquidity coverage ratio (LCR)	223 %
Leverage ratio	12,7 %

