

Periodic information of capital adequacy and liquidity risks 2019-09-01 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	643 770
Profit or loss eligible	-10 879
Common Equity Tier 1 capital before regulatory adjustments	632 890
Common Equity Tiera 1 capital: regulatory adjustments	
Other reserves	34 306
Deferred tax assets	-23 967
Intangible assets	-27 383
Foreign exchange forwards	-676
Common Equity Tier 1 capital after regulatory adjustments	660 170
Additional Tier 1 capital	-
Tier 1 capital	660 170
Tier 2 capital	-
Own funds	660 170



Capital ratios

	Capital ratio	Surplus/ Deficit
Common Equity Tier 1 capital ratio	18,5 %	499 304
Tier 1 capital ratio	18,5 %	445 682
Total capital ratio	18,5%	374 186

Capital buffers

	Buffer value	Buffer
Capital conservation buffer	2,5 %	89 370
Countercyclical buffer	1,72 %	61 473

Risk-weighted exposure amount and capital requirements

	Risk-weighted exposure amount	Capital requirements
Credit risk	2 729 724	218 378
Operational risk	767 739	61 419
Currency risk	77 331	6 186
Total	3 574 794	285 983

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

	Exposure	Risk-weighted exposure amount	Capital requirements
Central governments and central banks	123 712	-	-
Regional governments	798 969	-	-
Institutions	14 096	2 819	226
Corporates	552 044	552 044	44 163
Retail	1 914 392	1 435 794	114 864
Exposures in default	5 592	8 388	671
Other items	89 662	89 662	7 173
Total	3 498 467	2 088 707	166 871



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)	204 %
Leverage ratio	12,9 %

