

## Periodic information of capital adequacy and liquidity risks 2021-03-31 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 and Norway.*

*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 phrases have 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**

<b>Common Equity Tier 1 capital</b>	
Capital instruments	45 000
- of which: share capital	45 000
Previous years retained earnings	634 052
Other reserves	38 715
Common Equity Tier 1 capital before regulatory adjustments	717 766
<b>Common Equity Tiera 1 capital: regulatory adjustments</b>	
Deferred tax assets	-22 766
Intangible assets	-30 617
Foreign exchange forwards	-546
<b>Common Equity Tier 1 capital after regulatory adjustments</b>	<b>663 838</b>
Additional Tier 1 capital	-
<b>Tier 1 capital</b>	<b>663 838</b>
<b>Tier 2 capital</b>	<b>-</b>
<b>Own funds</b>	<b>663 838</b>



## Capital ratios

	Capital ratio	Surplus/ Deficit
Common Equity Tier 1 capital ratio	20,21 %	516 023
Tier 1 capital ratio	20,21 %	466 752
Total capital ratio	20,21 %	401 056

## Capital buffers

	Buffer value	Buffer
Capital conservation buffer	2,5 %	82 119
Countercyclical buffer	0,34 %	11 182

## Risk-weighted exposure amount and capital requirements

	Risk-weighted exposure amount	Capital requirements
Credit risk	2 504 591	200 367
Operational risk	757 427	60 594
Currency risk	22 755	1 820
<b>Total</b>	<b>3 284 773</b>	<b>262 782</b>

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

	Exposure	Risk-weighted exposure amount	Capital requirements
Central governments and central banks	96 754	-	-
Regional governments	902 744	-	-
Institutions	22 188	4 438	355
Corporates	1 308 139	1 308 139	104 651
Retail	1 502 980	1 127 235	90 179
Exposures in default	18 801	28 201	2 256
Other items	36 578	36 578	2 926
<b>Total</b>	<b>3 888 184</b>	<b>2 504 591</b>	<b>200 367</b>



## ***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)	265 %
Leverage ratio	12,25 %

