

Periodic information of capital adequacy and liquidity risks 2019-03-31 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, 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
Retained earnings	555 732
Common Equity Tier 1 capital before regulatory adjustments	600 732
Common Equity Tiera 1 capital: regulatory adjustments	
Other reserves	119 100
Deferred tax assets	-16 236
Intangible assets	-121 619
Foreign exchange forwards	-1 075
Common Equity Tier 1 capital after regulatory adjustments	590 900
Additional Tier 1 capital	-
Tier 1 capital	590 900
Tier 2 capital	-
Own funds	590 900



Capital ratios

	Capital ratio	Surplus/ Deficit
Common Equity Tier 1 capital ratio	17,8 %	434 073
Tier 1 capital ratio	17,8 %	385 130
Total capital ratio	17,8%	319 874

Capital buffers

	Buffer value	Buffer
Capital conservation buffer	2,5 %	81 571
Countercyclical buffer	1,65 %	53 925

Risk-weighted exposure amount and capital requirements

	Risk-weighted exposure amount	Capital requirements
Credit risk	2 482 140	198 571
Operational risk	767 739	61 419
Currency risk	12 942	1 035
Total	3 262 821	261 025

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

	Exposure	Risk-weighted exposure amount	Capital requirements
Central governments and central banks	124 707	-	-
Regional governments	808 720	-	-
Institutions	21 044	4 209	337
Corporates	1 225 096	661 284	52 903
Retail	2 244 071	1 673 737	133 899
Exposures in default	13 817	19 628	1570
Other items	122 740	122 740	9 862
Total	4 744 428	2 483 340	198 571



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)	243 %
Leverage ratio	11,3 %

