

Periodic information of capital adequacy and liquidity risks 2021-06-30 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

Common Equity Tier 1 capital	
Capital instruments	45 000
- of which: share capital	45 000
Previous years retained earnings	640 153
Other reserves	40 216
Common Equity Tier 1 capital before regulatory adjustments	725 369
Common Equity Tiera 1 capital: regulatory adjustments	
Deferred tax assets	-28 983
Intangible assets	-31 216
Foreign exchange forwards	-543
Common Equity Tier 1 capital after regulatory adjustments	664 628
Additional Tier 1 capital	-
Tier 1 capital	664 628
Tier 2 capital	-
Own funds	664 628



Capital ratios

	Capital ratio	Surplus/ Deficit
Common Equity Tier 1 capital ratio	22,70 %	532 890
Tier 1 capital ratio	22,70 %	488 990
Total capital ratio	22,70 %	430 444
Leverage ratio	12,55 %	

Capital buffers

	Buffer value	Buffer
Capital conservation buffer	2,5 %	73 182
Countercyclical buffer	0,26 %	7 632

Risk-weighted exposure amount and capital requirements

	Risk-weighted exposure amount	Capital requirements
Credit risk	2 043 251	163 460
Operational risk	866 024	69 282
Currency risk	18 014	1 441
Total	2 927 289	234 183

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

	Exposure	Risk-weighted exposure amount	Capital requirements
Central governments and central banks	294 543	-	-
Regional governments	714 132	-	-
Institutions	19 592	3 918	313
Corporates	819 934	819 934	65 595
Retail	1 537 338	1 153 004	92 240
Exposures in default	30 650	45 975	3678
Other items	20 420	20 420	1 634
Total	3 436 609	2 043 251	163 460



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 government bonds and the bond is valued at current market value with a risk weight of 0 %.

Liquidity

Liquidity coverage ratio (LCR)	217 %
Net Stable Funding ratio (NSFR)	111%

