

Toyota Material Handling Commercial Finance AB (org nr 556032-5002)

Capital Adequacy and Risk Management, Periodic report 2017-09-30

Accounting in compliance with FFFS 2014:12.

Development of the Capital Base (100 % Core Capital)

Capital base, MSEK	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
Total	1 369	1 369	1 369	1 592	1 592	1 592
of which core capital:						
Share capital	50	50	50	50	50	50
Contributions	1 319	1 319	1 319	1 542	1 542	1 542
Total Core Capital	1 369	1 369	1 369	1 592	1 592	1 592

Development of risk weighted exposures, capital requirements and buffers

All amounts in MSEK	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
TOTAL RISK EXPOSURE AMOUNT	8 167	8 139	8 213	8 649	8 828	9 042
RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT AND COUNTERPARTY RISKS IN TOTAL, Standardised approach	7 935	7 904	7 982	8 402	8 601	8 796
<i>Institutions</i>	67	58	58	46	56	56
<i>Corporates</i>	6 383	6 281	6 340	6 726	6 791	7 082
<i>Retail (all SME Corporates)</i>	1 485	1 566	1 583	1 630	1 754	1 658
<i>Exposures in default</i>	-	-	-	-	-	-
TOTAL RISK EXPOSURE AMOUNT FOR FOREIGN EXCHANGE RISKS, Standardised Approach	49	53	49	39	19	39
TOTAL RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK, Basic indicator approach	179	179	179	205	205	205
TOTAL RISK EXPOSURE AMOUNT FOR CREDIT VALUATION ADJUSTMENT, Standardised method	4	3	3	3	3	3
Estimated additional capital requirement due to concentration risk in leasing portfolio according to the Company's internal Capital and Liquidity Assessment Process.	51	51	51	54	55	56
Capital conservation buffer, MSEK	204	203	205	218	216	226
Countercyclical capital buffer, MSEK	163	163	164	174	173	181

Development of the Core Capital Ratio

June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
16,76	16,82	16,67	18,40	18,03	17,60

Development of the calculated interest risk

	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
Interest risk, MSEK	± 13	± 10	± 11	± 8	± 13	± 12
As a percentage of the capital base	± 0.96%	± 0.71%	± 0.80%	± 0.60%	± 0.79%	± 0.76%

Liquidity risk management

The Board has adopted an instruction for the management of liquidity risks that, among other things stipulates, that the Company shall hold a liquidity reserve, the minimum value of which corresponds to at least two months of total payments on the leasing portfolio, some 500 MSEK. The funds in the reserve may not be used for investments with average remaining durations exceeding three months. Pre-mature release of funds must be available.

At the 30th September 2017 the liquidity reserve amounted to 524 MSEK equalling more than two months total payments on the leasing portfolio. The liquidity reserve is invested in special deposits with different international banks and government bills (counterparties approved by the Board of Directors).

	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
Liquidity Coverage Ratio, LCR, %	101	95	112	105	130	123