

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

Capital Adequacy and Risk Management, Periodic report 2018-06-30

Accounting in compliance with FFFS 2014:12.

Development of the Capital Base (100 % Core Capital)

Capital base, MSEK	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
Total	1 592	1 592	1 592	1 592	1 826	1 826
of which core capital:						
Share capital	50	50	50	50	50	50
Contributions	1 542	1 542	1 542	1 542	1 776	1 776
Total Core Capital	1 592	1 592	1 592	1 592	1 826	1 826

Development of risk weighted exposures, capital requirements and buffers

All amounts in MSEK	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	Mars 31, 2018	Juni 30, 2018
TOTAL RISK EXPOSURE AMOUNT	8 649	8 828	9 042	9 526	10 180	12 004
RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT AND COUNTERPARTY RISKS IN TOTAL, Standardised approach	8 402	8 601	8 796	9 278	9 897	11 731
<i>Institutions</i>	46	56	56	56	55	55
<i>Corporates</i>	6 726	6 791	7 082	7 625	7 974	9 617
<i>Retail (all SME Corporates)</i>	1 630	1 754	1 658	1 597	1 868	2 034
<i>Other exposures</i>	-	-	-	-	-	25
<i>Exposures in default</i>	-	-	-	-	-	-
TOTAL RISK EXPOSURE AMOUNT FOR FOREIGN EXCHANGE RISKS, Standardised Approach	39	19	39	41	44	34
TOTAL RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK, Basic indicator approach	205	205	205	205	236	236
TOTAL RISK EXPOSURE AMOUNT FOR CREDIT VALUATION ADJUSTMENT, Standardised method	3	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.	54	55	56	59	63	75
Capital conservation buffer, MSEK	218	216	226	238	254	300
Countercyclical capital buffer, MSEK	174	173	181	190	204	240

Development of the Core Capital Ratio

March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
18,40	18,03	17,60	16,71	15,64	15,21

Development of the calculated interest risk

	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
Interest risk, MSEK	± 8	± 13	± 12	± 12	± 10	± 10
As a percentage of the capital base	± 0.60%	± 0.79%	± 0.76%	± 0.78%	± 0.54%	± 0.57%

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 June 2018 the liquidity reserve amounted to 586 MSEK equalling two months total payments on the leasing portfolio. The liquidity reserve is invested in special deposits with different banks and government bills (counterparties approved by the Board of Directors).

	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	Mars 31, 2018	Juni 30, 2018
Liquidity Coverage Ratio, LCR, %	105	130	123	118	111	122