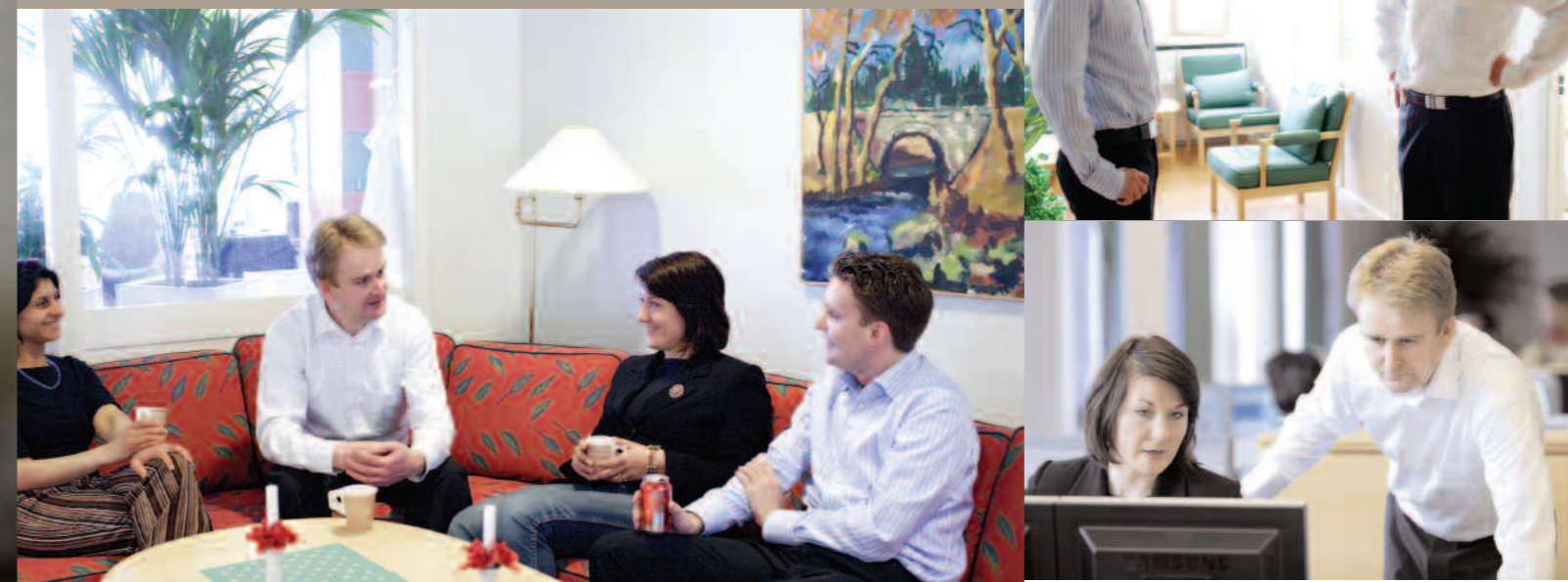




AT A MODERN POWER GENERATOR, "TRANSFORMATION" IS NO LONGER SOMETHING THAT JUST HAPPENS TO THE CURRENT: DEREGULATION AND THE ENERGY MARKETS HAVE CHANGED THE FINANCIAL SIDE OF THE INDUSTRY BEYOND ALL RECOGNITION. AT VATTENFALL, SWEDEN'S STATE ELECTRICITY UTILITY, THOMAS HALLQVIST HAS AN EVER-GROWING PORTFOLIO OF RISK TO MANAGE – FRONT ARENA HELPS HIM KEEP THE SHOCKS TO A MINIMUM



"WE NEED THE BEST POSSIBLE TOOL FOR PRICING, AND TO BE ABLE TO DO IT IN-HOUSE AND NOT RELY ON BANKS"



There are some fixed routines, he says, such as running the daily risk reports, but much of his time is spent developing and improving the risk process – a task that has become increasingly important due to Vattenfall's acquisitions.

GROWTH

Thomas has been at Vattenfall for the last four years, during which time it has made a number of European acquisitions. Now it is the fifth-largest generator of electricity in Europe, with net sales of 12.6

HOME LIFE

FAMILY: "My wife and I have two children: a daughter aged six and a son aged nine."

HOME: "We live on an island in Lake Mälaren in West Stockholm. Fortunately it is close to my work, so it only takes 30 minutes to drive in."

EDUCATION: "I went to university in Stockholm where I studied business administration."

PASTIMES: "These days, many of my hobbies are those of my children – riding horses, soccer and ice hockey, for example – but when I get the chance I love to go sailing or downhill skiing."

VACATION: "We have one week in the beginning of summer when we go away to the Mediterranean with another couple who have kids the same age. It gives my wife and I a chance to socialize with people of our own age for a change! Then I take a few more weeks late in the summer when the Swedish weather, normally, is very pleasant."

ALTERNATIVE CAREER: "I used to think it was a little bit sad working in an office, because it is not particularly exciting for your kids when you show them where you work – not like if you worked as a train driver. When I was younger I wanted to be a pilot, and I may still take some flying lessons if I can find the time."

billion euros and over 33,000 employees. "When I started here Vattenfall was a very Nordic company and everything was simpler because all financial risks were centralized to treasury," says Thomas. "But now we have to consolidate and manage the risks that come from our new international subsidiaries."

Initially, he says, there were a number of cultural differences to overcome. "For example, in Germany there is a lot of red tape, whereas in Sweden there is a general openness. But now that we know each other a little better, we are recognizing where we can learn from one another."

TECHNOLOGY

IT has also helped Vattenfall improve its risk management and attain a level of independence. "We bought SunGard's FRONT ARENA system – mainly to be able to price our borrowing when we, for example, issue bonds. We need the best possible tool for pricing and we wanted to be able to do it in-house and not rely on banks," says Thomas.

Since Vattenfall started to use the system in the front-office back in 1997 it has been developed and integrated into the risk control, back-office and accounting functions. "It is important for us to use a system that can handle a large number of different types of financial instruments," explains Thomas. "We must always be sure that transactions are handled correctly in the whole chain, from front-office to back-office, before we enter into them."

FRONT has also been an integral part of Thomas' aim to constantly improve the company's risk methodology: "In the last three years we have started to measure our market risk with the Value at Risk method. That was a big step forward in the direction of best industry practice."

WORK LIFE

HOURS: "I start work sometime between 8:00 and 8:30 a.m., but half the week I pick up the kids from school, so I finish early at 3:30 p.m. I then make up the time by staying late for the rest of the week, and my wife picks up the kids."

WEEKEND WORK: "I don't work at the weekends – other than driving my kids to their various activities."

LOCATION: "The office is in Räcksta, which is in west Stockholm."

DESK HYGIENE: "It varies a lot. I have periodic waves of tidiness when I attack the mess and clear my desk – which generally leads my colleagues to think that I'm about to quit."

CORPORATE CULTURE

As befits a risk controller, Thomas has his own office within the treasury department's open-plan environment. But he is still able to maintain regular contact with his colleagues, including the executive group management.

"One advantage of working in treasury is that I get chances to meet with these members," says Thomas. "It is very interesting to hear their views and get information about issues important to the group."

As much as Thomas enjoys his work, he does sometimes hanker for a change of scenery – in the literal sense, that is. "We work in a very big complex and the view from my window is of other people's offices. Some people get to have a better view, looking out over the neighborhood. But I do not."

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