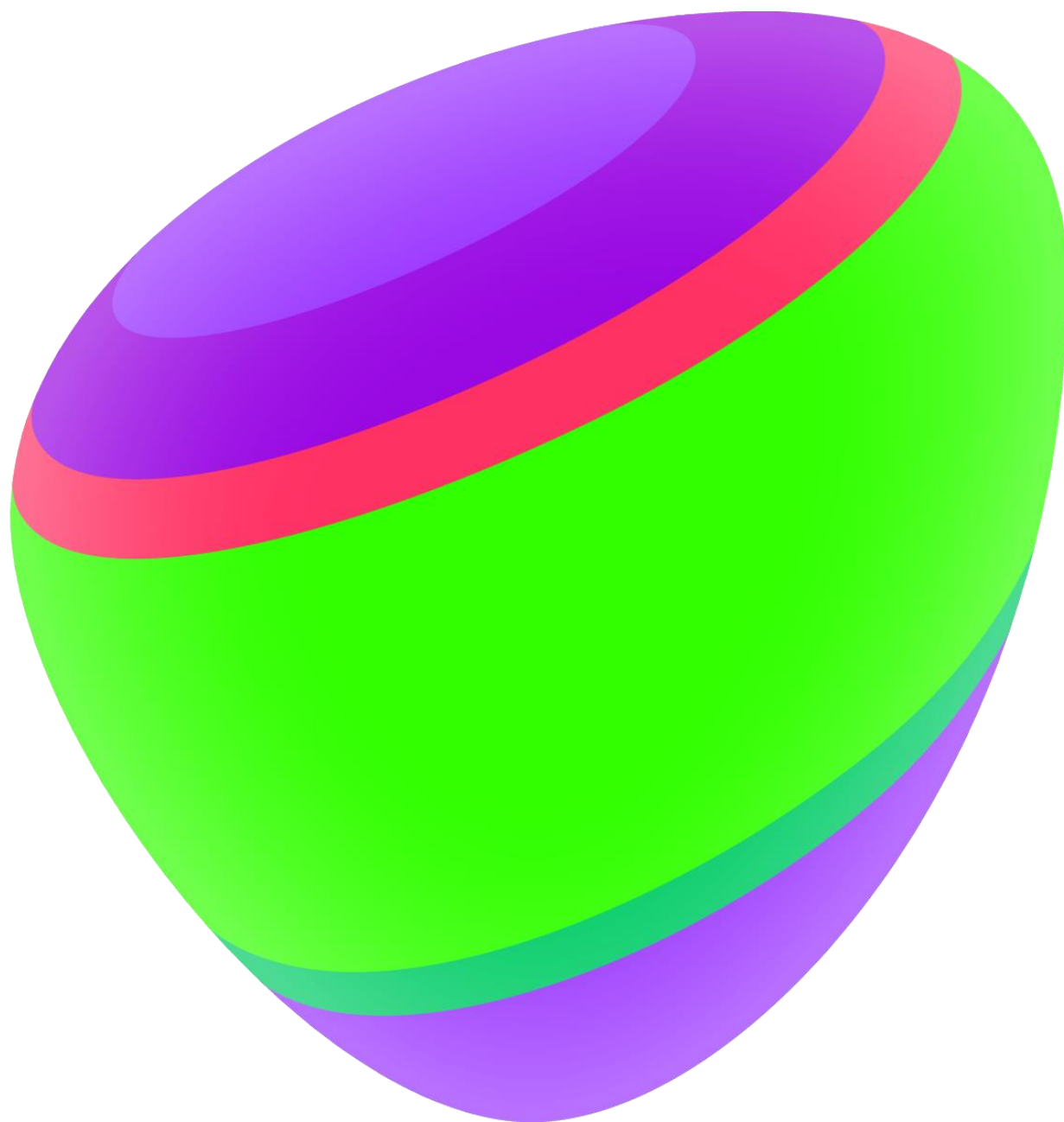


TELIA FÖRSÄKRING AB

ANNUAL REPORT 2019



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ADMINISTRATION REPORT

The Board of Directors and the President and CEO of Telia Försäkring AB hereby present the Annual Report for the period 01/01/2019 - 31/12/2019, the company's twenty-fifth year in business.

The organisation

The Company is wholly-owned by Telia Company AB (corporate registration number 556103-4249, registered office: Stockholm) and has its registered office in Stockholm. The Company's postal address is Stjärntorget 1, SE-169 94 Solna, Sweden, and its corporate registration number is 516401-8490.

The company's operations can be divided into three areas: Captive Operations, Insurance of Telia Försäkring's leasing portfolio and Affinity Transactions where insurance is offered to Telia customers in Scandinavia and the Baltic region.

The company is an insurer in a number of different insurance programmes. The company provides insurance cover for fire and other damage to property, general liability insurance as well as transport. This takes place via both direct insurance and inward reinsurance. The customer base concerning corporate transactions is limited to encompass only Telia Company AB's consolidated subsidiaries. The Company's affinity transaction is subscribed solely to a client base which belongs to Telia Company AB's consolidated subsidiaries.

The Company has in total four existing agreements relating to outward reinsurance. The reinsurers under the contracts all have a financial strength resulting in a credit rating of A or better by Standard & Poor's.

The company has an agreement in place with insurance company Allianz on a fronting arrangement in relation to the USA and Russia. With regard to business from Moldova, a fronting agreement has been signed with a local insurance company.

Developments during 2019

The Company's business operations have increased during the year. To a large extent, this is due to the expansion of the affinity transactions in Estonia, Latvia and Lithuania. The company's leasing business has also increased and the affinity transactions in Sweden are at a stable level

In November 2017, the company started an unstaffed branch in Estonia and another branch was started up in Latvia in Q1 2019. The Latvian branch started an affinity transaction in Q2 2019.

During the year, Tv4 Media AB (Bonnier Broadcasting Holding AB) was acquired by the Telia Group and added as a customer.

In December 2018, the subsidiaries Ucell and Kcell were sold by the Telia Group. The insurance commitments for Ucell and Kcell were completed and closed in January 2019. However, the changes have not resulted in a decrease in premium volume for the 2019 business, as the commercial business was expanded with Tech E&O/Cyber programmes.

New two year reinsurance agreements concerning Property/Business Interruption including Terrorism and Tech/E&O/Cyber were signed on 1st of June 2019. The reinsurance agreement concerning Liability and Crime will be renegotiated 31st May 2020.

In total, outstanding claims have been settled at a settlement loss of SEK 10,141,000.

Overall, this has produced a claims result of SEK -216,310,000 (SEK -163,048,000). The reserve for outstanding claims has increased from 30,578,000 in 2018 to SEK 42,147,000 in 2019.

The Company's corporate transactions business is volatile, which is why it is difficult to determine a "correct" IBNR (incurred but not reported) provision concerning the corporate transactions business from its own claims data; however the IBNR has been calculated at an estimated SEK 7,461,000. With regard to the affinity transactions that are not as volatile, there is wide-ranging claims data to enable determination of the IBNR. This has been calculated to amount to SEK 6,567,000.

Liquidity and capital requirement

The Company has good liquidity and a good financial position and is therefore well-prepared to cover additional risks in the future. The KPIs indicate that the Company has operated a profitable insurance business over the past few years.

The Company has calculated a solvency capital requirement (SCR) during the year; for more details see the section on Solvency II below.

Events after the balance sheet date

The outbreak of the Corona virus has resulted in a number of measures in society to limit the spread of the virus. The total potential impact on Telia Försäkring AB caused by the Corona virus outbreak is not possible to predict given the current uncertain situation. We are monitoring the developments daily and where necessary we take a number of risk mitigation measures in order to try to safeguard our employees' health as well as planning for different possible business scenarios depending on how the pandemic develops.

Personnel

Telia Försäkring AB is a specialist company in insurance and claims handling and does not have any employees of its own but does have access, via Telia Company AB, Corporate Insurance, to a permanent workforce of three people. The staff was increased by one part-time person in April, as the increase in business increased the requirement. Together, these provide broad specialist expertise with experience of both the Swedish and foreign insurance markets. In addition to its access to the Group's own resources, the company contracts specialist resources for assistance with such things as residual value recovery and claims handling.

No remuneration has been paid to the President & CEO or Board members. The salaried employee who is also President & CEO of the Company receives a fixed and a variable remuneration for their employment from their employer Telia Company AB. The remuneration has no direct link to the insurance company's revenue or financial results.

The company's affinity transactions are handled by WTW.

The Company's function for Risk Management has been outsourced to Marsh Management Services AB. The internal audit is outsourced to Transcendent Group and compliance to KPMG.

The company has changed its accounting supplier from Marsh Management Services AB to AON Global Risk Consulting AB with effect from 01/01/2020.

Performance

Written premiums before outward reinsurance amounted to SEK 619,592,000 (SEK 521,302,000). During the year, the Company signed a new deal regarding affinity, after which premium income has increased sharply.

Premiums ceded to reinsurers amounted to SEK -18,718,000 (SEK -12,250,000). The technical financial result from insurance operations was SEK 25,976,000 (SEK 56,152,000).

Financing operations returned a result of SEK 1,686,000 (SEK 2,785,000) before investment return transferred to non-life insurance operations of SEK 0 (SEK 0).

The investment return has been calculated as 0% (0%) of the average technical provisions for own account; see Note 5.

Operating expenses in 2019 amounted to SEK 358,753,000 (SEK 288,785,000), resulting in an expense ratio of 60% (57%). The increase in operating expenses is attributable to commission expenses relating to the affinity transaction.

Earnings before appropriations and taxes amounted to SEK 27,663,000 (SEK 58,936,000).

Solvency II

In 2019, the Company prepared an ORSA report, which showed that the Company had a solvency ratio of 185%. In the first scenario, which was a stress testing base scenario with a total loss in the cyber programme, the ratio exceeded 100% for all years which means that the company's solvency capital exceeds the capital requirements arising from the standard formula. For scenario 1 the company stress tested what happens if the claims ratio regarding affinity increases to 130% during a period of 3 months. The results of the stress test show that the SCR ratio ends up exceeding 100% for all years. In scenario 2, in addition to what was stress tested in scenario 1, there was also a claim of SEK 50 million that is not covered by the reinsurance program. The results of the stress test show that the SCR ratio ends up at 95% at its lowest in 2021 and then recovers during 2022. Scenario 3 was a claims ratio of 110% during the whole of 2020 which was based on the reporting in affinity containing inaccuracies, then the SCR ratio ends up below 100% for 2021 and recovering during 2022.

The company has continued to work on its governing documents and system of governance in order to ensure compliance with the Solvency II Directive. During the year, the company reported SFCR (solvency and financial condition report) and RSR (regular supervisory report) to the Swedish Financial Supervisory Authority.

The Company has also provided quarterly and annual QRT reports to the Swedish Financial Supervisory Authority.

PROPOSED APPROPRIATION OF EARNINGS

The following is at the disposal of the Annual General Meeting:

Retained earnings	SEK 4,507,062
Profit for the year	<u>SEK 0</u>
<i>Total</i>	SEK 4,507,062

The Board of Directors and the CEO propose that the retained earnings be carried forward.

The financial results and financial position of Telia Försäkring AB are shown in the following Income Statement, Balance Sheet and Notes.

A five-year summary and performance analysis, as well as KPIs, are provided below.

FIVE-YEAR SUMMARY AND KPIS

	2019	2018	2017	2016	2015
Results					
Premiums earned, f.o.a.	601 036	507 980	245 816	29 539	34 004
Investment return, net in insurance operations	0	0	63	130	239
Claims incurred, f.o.a.	-216 310	-163 047	-101 434	-12 682	-30 496
Bonuses and discounts	0	0	0	0	0
Technical result from insurance operations	25 976	56 152	23 817	10 578	-2 163
Profit/loss for the year	0	0	-1 590	1	-40
Financial position					
Investment assets at fair value	384 210	339 450	297 860	293 586	244 550
Technical provisions, f.o.a.	56 045	41 667	61 559	30 984	40 821
Consolidation capital	361 563	333 900	273 382	249 544	252 365
Deferred taxes	33 610	28 466	15 494	9 900	10 521
Capital base	-	-	-	-	252 365
Required solvency margin*	-	-	-	-	34 730
Capital base (Solvency II)	337 033	327 316	269 441	248 915	
Additional capital					
Minimum capital requirement	58 276	48 428	42 937	36 501	
Solvency capital requirement	233 102	193 714	171 750	83 407	
Solvency ratio up to and including 2015	-	-	-	-	727 %
Solvency ratio from and including 2016	145 %	169 %	157 %	298 %	
Insurance operations					
Claims ratio, f.o.a.	36 %	32 %	41 %	43 %	90 %
Expense ratio, f.o.a.	60 %	57 %	49 %	22 %	18 %
Combined ratio, f.o.a.	96 %	89 %	90 %	65 %	107 %
Asset management					
Direct return	0,48 %	0,85 %	0,15 %	0,31 %	1,46 %
Total return	0,12 %	0,01 %	0,09 %	0,00 %	1,43 %
Financial position					
Consolidation ratio	60 %	66 %	109 %	1029 %	718 %

Definitions

Claims ratio (f.o.a.)	Claims incurred as a percentage of premiums earned
Expense ratio (f.o.a.)	Operating expenses for insurance operations as a percentage of premiums earned
Combined ratio (f.o.a.)	Sum of the claims ratio and the expense ratio
Direct return	Investment income as a percentage of a weighted average of the investment assets at fair value
Total return	Total investment income plus realised and unrealised changes in value as a percentage of a weighted average of the investment assets at fair value
Consolidation capital	Sum of shareholders' equity, untaxed reserves and the surplus value of investment assets not recognised on the balance sheet
Consolidation ratio f.o.a.	Consolidation capital/(Written premiums - premiums ceded to reinsurers) For own account

PERFORMANCE ANALYSIS

	Note	Direct insurance, Swedish risks			Direct insurance, foreign risks	Inward reinsurance	Total
		Business & property	Liability	Transport			
Earned premiums	(a)	524 383	4 527	475	71 558	93	601 036
Allocated investment return transferred from financing operations		0	0	0	0	0	0
Other technical income (f.o.a.)		3	0	0	0	0	3
Claims incurred (f.o.a.)	(b)	-155 624	-1 135	0	-61 120	1 568	-216 310
Bonuses and discounts (f.o.a.)		0	0	0	0	0	0
Operating expenses		-313 000	-2 702	-284	-42 712	-56	-358 753
Technical result from insurance operations		55 763	690	192	-32 274	1 606	25 976
Settlement result (gross)		-8 201	656	0	-4 224	1 628	-10 141
Technical provisions, before outward reinsurance							
Unearned premium reserve		8 064	3 164	172	9 977	482	21 859
Provisions for outstanding claims		27 413	1 769		12 678	287	42 147
Provisions for bonuses and discounts		0	0	0	0	0	0
Total technical provisions before outward reinsurance		35 477	4 933	172	22 655	769	64 006
Reinsurer's share of technical provisions							
Unearned premium reserve		1 777	2 219		3 965		7 961
Provisions for outstanding claims							0
Total reinsurer's share of technical provisions		1 777	2 219	0	3 965	0	7 961
Notes to the Performance analysis for non-life insurance operations							
Note A – Premiums earned (f.o.a.)							
Written premiums		528 970	7 767	414	83 318	-878	619 592
Premiums ceded to reinsurers		-6 719	-2 490	-133	-9 376		-18 718
Change in provisions for unearned premiums and unexpired risks		694	-1 283	166	-4 668	2 361	-2 731
Reinsurer's share of change in provisions for unearned premiums and unexpired risks		1 438	533	28	2 284	-1 390	2 894
Total premiums earned (f.o.a.)		524 383	4 527	475	71 558	93	601 036
Note B – Claims incurred (f.o.a.)							
<i>Claims paid</i>							
Before outward reinsurance		-152 123	-351		-51 743	-509	-204 727
Reinsurer's share		292	148			2 593	3 032
Total claims paid		-151 831	-204	0	-51 743	2 083	-201 694
<i>Change in provisions for outstanding claims</i>							
Before outward reinsurance		-3 496	-781		-9 377	2 118	-11 536
Reinsurer's share		-297	-150			-2 633	-3 080
Total change in provisions for outstanding claims		-3 792	-932	0	-9 377	-515	-14 616
Total claims incurred (f.o.a.)		-155 624	-1 135	0	-61 120	1 568	-216 310

INCOME STATEMENT

Technical account for non-life insurance operations	Note	2019	2018
Premiums earned (after outward reinsurance)			
Written premiums before outward reinsurance	Note 3	619 592	521 302
Premiums ceded to reinsurers		-18 718	-12 250
Change in provisions for unearned premiums and unexpired risks	Note 13	-2 731	-1 000
Reinsurer's share of Change in provisions for unearned premiums and unexpired risks		2 894	-72
Total premiums earned f.o.a.		601 036	507 980
Allocated investment return transferred from financing operations	Note 4	0	0
Other technical income f.o.a.		3	4
Claims incurred f.o.a.			
<i>Claims paid</i>			
Before outward reinsurance		-204 727	-184 406
Reinsurer's share of claims paid		3 032	240
<i>Change in Provisions for outstanding claims</i>			
Before outward reinsurance		-11 536	21 958
Reinsurer's share of provisions for outstanding claims		-3 080	-840
Total claims incurred f.o.a.	Note 5	-216 310	-163 047
Bonuses and discounts (f.o.a.)		0	0
Operating expenses	Note 6	-358 753	-288 785
Other technical expenses f.o.a.			
Technical result from non-life insurance operations		25 976	56 152
Non-technical account			
Technical result from non-life insurance operations		25 976	56 152
Investment income	Note 7	1 847	2 911
Unrealised gain on investment assets	Note 9	0	0
Investment expenses	Note 8	-160	-126
Unrealised loss on investment assets	Note 9	0	0
Allocated investment return transferred to non-life insurance operations	Note 4	0	0
		1 686	2 785
Profit/loss before appropriations and tax		27 663	58 936
Appropriations	Note 9	-27 663	-58 936
Income before taxes		0	0
Tax on profit/loss for the year	Note 10	0	0
PROFIT/LOSS FOR THE YEAR		0	0
		2019	2018
Profit/loss for the year		0	0
Other comprehensive income			
Total comprehensive income		0	0

BALANCE SHEET, ASSETS

Assets	Note	2019-12-31	2018-12-31
Investment assets			
<i>Investments in Group companies and associates</i>			
Total interest-bearing loans to Group companies	Note 11	384 210	339 450
Total investment assets		384 210	339 450
Reinsurer's share of technical provisions			
Unearned premiums and unexpired risks		7 961	5 068
Outstanding claims		0	3 080
Total reinsurer's share of technical provisions		7 961	8 147
Receivables			
Receivables relating to direct insurance		30 709	35 046
Reinsurance receivables		917	0
Other receivables	Note 12	1 495	1 526
Total receivables		33 121	36 572
Other assets			
Cash at bank and in hand		3 900	4 013
Total other assets		3 900	4 013
Prepaid expenses and accrued income			
Prepaid acquisition costs		0	442
Other prepaid expenses and accrued income		118	119
Total prepaid expenses and accrued income		118	561
TOTAL ASSETS		429 311	388 742

BALANCE SHEET, SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES

Shareholders' equity, provisions and liabilities	Note	2019-12-31	2018-12-31
Shareholders' equity			
<i>Restricted equity</i>			
Share capital, 2,000,000 shares with a par value of SEK 100 per share		200 000	200 000
Retained earnings		4 507	4 507
Profit/loss for the year		0	0
Total shareholders' equity		204 507	204 507
Untaxed reserves			
Security reserve		157 056	129 393
Total untaxed reserves		157 056	129 393
Technical provisions (before outward reinsurance)			
Unearned premiums and unexpired risks	Note 13	21 859	19 237
Outstanding claims	Note 14	42 147	30 578
Bonuses and discounts		0	0
Total technical provisions (before outward reinsurance)		64 006	49 815
Liabilities			
Other provisions			
Pensions and similar obligations		2 781	2 785
Total other provisions		2 781	2 785
Liabilities			
Reinsurance payables		0	629
Other liabilities	Note 15	544	117
Total liabilities		544	746
Accrued expenses and prepaid income			
Reinsurer's share of prepaid acquisition costs		139	249
Other accrued expenses and prepaid income	Note 16	278	1 247
Total accrued expenses and prepaid income		417	1 497
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		429 311	388 742

CHANGES IN SHAREHOLDERS' EQUITY

	Budget	Non-	Profit for the	Total
	shareholders	restricted		
	' equity	equity	year	' equity
	Share capital	Retained		
		earnings		
2018				
Opening balance as at 1 January 2018	200 000	4 544	-1 590	202 954
Group contributions received			0	0
Tax effect of Group contributions				0
Total transactions recognised in shareholders' equity	200 000	4 544	-1 590	202 954
Profit for the year			0	0
Total income and expenses reported for 2018	200 000	4 544	-1 590	202 954
Appropriation of earnings for 2017		-37	37	0
Closing balance as at 31 December 2018	200 000	4 507	-1 553	202 954
	Budget	Non-	Profit for the	Total
	shareholders	restricted		
	' equity	equity	year	' equity
	Share capital	Retained		
		earnings/loss		
2019				
Opening balance as at 1 January 2019	200 000	4 507	0	204 507
Group contributions received			0	0
Tax effect of Group contributions				0
Total transactions recognised in shareholders' equity	200 000	4 507	0	204 507
Profit for the year			0	0
Total income and expenses reported for 2019	200 000	4 507	0	204 507
Appropriation of earnings for 2018		0	0	0
Closing balance as at 31 December 2019	200 000	4 507	0	204 507

Telia Försäkring AB is a wholly-owned subsidiary of Telia Company AB.

CASH FLOW STATEMENT

	2019	2018
Current operations		
<i>Insurance operations</i>		
Premiums paid in	619 592	521 302
Claims paid	-201 694	-184 166
Payments relating to operating expenses (commission)	-358 753	-288 785
Commission received	3	4
Total	59 147	48 355
<i>Reinsurer's share of</i>		
Premiums paid in	-18 718	-12 250
Claims paid	3 032	240
<i>Investing activities</i>		
Realised gains on investment assets (net)	477	19
Net investments in investing activities, interest- bearing	-44 760	-41 589
Other cash flow from operating activities	47 007	53 172
Cash flow from operating activities	46 186	47 948
Financing activities		
Group contributions	0	29
Cash flow from financing activities	0	29
Interest paid	-160	-126
Cash flow for the year	46 025	47 851
Cash and cash equivalents at beginning of year	343 463	298 595
Exchange differences in cash at bank and in hand	-1 377	-2 984
Cash and cash equivalents at end of year	388 110	343 463
Change in cash and short-term investments	46 025	47 851

Cash and cash equivalents are defined as cash pool balances as well as cash at bank and in hand. The cash flow statement has been prepared in accordance with the direct method.

OVERVIEW OF NOTES

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ACCOUNTING POLICIES AND RISKS

Note 1. Accounting policies

Fundamental accounting policies

The Annual Report has been prepared in accordance with the Swedish Annual Accounts for Insurance Companies Act and the Swedish Financial Supervisory Authority's regulations and general guidelines FFFS 2015:12 and RFR 2 Accounting for Legal Entities.

The Annual Report was approved for publication by the Board on x May 2020. The income statement and balance sheet will be put forward for adoption at the Annual General Meeting on x May 2020.

Compliance with standards and regulations

The Annual Report has been prepared in accordance with the Swedish Annual Accounts for Insurance Companies Act and the Swedish Financial Supervisory Authority's regulations and general guidelines FFFS 2015:12 and RFR 2 Accounting for Legal Entities. The insurance company applies what is referred to as statutory IFRS, meaning International Accounting Standards which have been adopted for application with the restrictions arising from RFR 2 and FFFS 2015:12. This means that all EU-approved IFRSs are applied, to the extent feasible, within the framework of Swedish law and with regard to the relationship between recognition and taxation.

New IFRS and interpretation that entered into force during the year

No new standards, which entered into force during the year have had a material effect on the company's financial reports

New IFRS and interpretations that have not yet been applied

A number of new international accounting standards, changes in standards and interpretative statements that will enter into force in the coming financial years have not been applied in the preparation of these financial statements. No new standards or changes with future application are planned to be applied in advance.

IFRS 17

New standard for reporting insurance contracts IFRS 4 is being replaced by IFRS 17. The new standard is due to take effect in 2023 and aims to create a uniform accounting method for reporting all types of insurance contracts. The building

model (Building Block) is the basic model of IFRS 17. The Company applies the exception in IFRS 4 to applying IFRS 9 until IFRS 17 is applied and the Company applies IAS 39 until IFRS 17 enters into force.

Currently an accrual accounting as well as payment of claims is made. The new building model is based on an appreciation of discounted expected cash flow with an addition of risk margins for profit margins. The model shall apply to all insurance contracts as well as reinsurance contracts.

There is uncertainty as to whether the principles of IFRS 17 will be possible or mandatory to apply to a legal person. The Financial Supervision Authority is currently conducting an investigation to produce a decision basis on the matter.

Assessments and estimates in the financial reports

To establish the financial reports in accordance with IFRS requires the company management to make judgements, estimates and assumptions that affect application of the accounting principles and the amounts recognised for assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assessments. Estimates and assumptions are reviewed regularly.

Changes in estimates are reported in the period during which the change is made only if the change affected this period, or in the period the change is made and in future periods if the change affects the current period and future periods.

Bases of valuation applied in preparing the financial statements

All amounts are rounded to the nearest thousand, unless stated otherwise. Assets and liabilities are reported at acquisition value.

Currency

The Company's functional currency is Swedish kronor and the financial statements are presented in current income and expenses in foreign currency, which are translated at the exchange rates prevailing on the date each was recognised in the accounts. All assets and liabilities have been translated at the exchange rate on the close of the reporting period.

Insurance contracts

The insurance contracts have been analysed in order to classify them in accordance with IFRS 4 Insurance Contracts. An insurance contract is a contract under which the Company accepts significant insurance risk by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. A financial contract is a contract that does not transfer any significant insurance risk. All contracts in the Company are classified as insurance contracts.

Related party transactions

The Company classifies related parties as follows:

- * Group companies
- * Key persons in senior positions
- * Other related parties

Group companies comprise the parent company Telia Company AB and all subsidiaries of Telia Company AB. Key persons in senior positions comprise the President & CEO. No other related parties have been identified.

Policies applied to items on the Balance Sheet

Prepaid acquisition costs

Costs that have a clear link to the signing of insurance contracts are recognised as an asset under the heading prepaid acquisition costs.

Commissions are accrued in line with the accrual of unearned premiums.

The company does not currently have any selling expenses with a direct link to insurance contracts.

Cash and cash equivalents

Cash and cash equivalents consist of the Company's bank balances on accounts that form part of Telia Company AB's cash pool structure, as well as cash at bank and in hand. Bank accounts are listed on the Balance Sheet under the item Investments in Group companies. Cash at bank and in hand includes short-term investments of up to three months.

Technical provisions

Technical provisions consist of Provisions for unearned premiums and unexpired risks and Provisions for outstanding claims.

Provisions for unearned premiums are made pro rata temporis. Provisions for unearned premiums and unexpired risks are intended to cover anticipated claims expenses and operating expenses during the remaining contractual life of the insurance contract entered into. If the premium level is deemed inadequate to cover

future claims expenses and operating expenses, a provision is made for unexpired risks.

Provisions for outstanding claims are made according to the policyholder's requirements, less deductible. Provisions for outstanding claims must cover the anticipated future payments to be made for all claims incurred. Provisions for outstanding claims also include those claims that have not yet been reported. For these claims, what is referred to as the "IBNR provision" (incurred but not reported) is made. The IBNR provision is generally calculated using statistical methods.

The changes for the period resulting from the translation of items at the exchange rate on the close of the reporting period are recognised in the Income Statement as net exchange difference under the item Investment return.

Reinsurance

For outward reinsurance, the benefits to which the Company is entitled under the contract are recognised as an asset under the heading Reinsurer's share of technical provisions.

Financial assets and liabilities

Financial instruments reported on the assets side on the Balance Sheet include accounts receivable and loan receivables. The liabilities include other payables and accrued expenses and prepaid income.

Classification and rating of financial assets and liabilities

Financial instruments are initially reported at acquisition value corresponding to the fair value of the instrument with an addition for transaction costs. A financial instrument is classified based on the purpose for which it has been acquired. A financial instrument's classification determines how it is rated.

1) Loan receivables and accounts receivable

Loan and accounts receivable are financial instruments with fixed payments that are not quoted on an active market and are not held for trading. They are recognised at amortised cost. This category includes receivables, accounts receivable, cash at bank and in hand and internal accrued interest income and loans to Group companies. Loans to Group companies consist of promissory notes issued by Telia Company AB and cash and cash equivalents comprising bank accounts that form part of the cash pool structure and have Telia Company AB as the counterparty.

II) Financial liabilities

Trade payables, Intragroup derivatives and liabilities relating to Group contributions are included in this category.

Policies applied to items in the Income Statement

In the Income Statement, the results from insurance operations are divided into a technical result and a non-technical result, which is attributable primarily to asset management. The items included in the technical result relate to operations as an insurance provider; in other words the transfer of insurance risk as defined in IFRS 4 Insurance Contracts.

Recognition in the Income Statement follows the principle of gross recognition of inward and outward insurance.

Written premiums

A premium means the remuneration that an insurance Company receives from the policyholder in order to accept the transfer of insurance risk. Written premiums are recognised in the Income Statement when the premium falls due.

Premiums earned

The portion of written premiums that is attributable to the reporting period is recognised as premiums earned. The portion of written premiums that relates to periods after the close of the reporting period is allocated to a premium reserve on the Balance Sheet.

Allocated investment return transferred from financing operations

The total investment return is recognised in the non-technical result. A portion of the investment return is transferred to the technical result. This portion is 0% (0%) of the average technical provisions for own account, see Note 5. The required rate of return is equivalent to the average return on the financial assets.

Other technical income

In 2019, this item contains only commission income on old pension insurance policies.

Claims incurred

Claims incurred comprise claims paid and changes in the balance of Technical provisions. Payments made to policyholders during the financial year on the basis of insurance contracts or claims incurred, irrespective of when the claim

was incurred, are recognised as claims paid. Changes in the balance of *Technical provisions* are recognised exclusive of exchange rate fluctuations, which are recognised as investment return.

Operating expenses

The operating expenses for the period are recognised in the technical result in the Income Statement. Expenses for claims handling form part of the administrative expenses of insurance operations but are recognised under claims incurred in the Income Statement. Any acquisition costs and accrual of these are also included in the operating expenses. The operating costs of asset management are recognised in the non-technical result. Operating expenses are recognised as they are incurred, with the exception of acquisition costs, which are recognised as an asset and accrued over the life of the insurance contract.

Financial results from asset management

The item *Investment income* refers to the investment return on investment assets. This item includes interest income on loans to Group companies and other financial investment assets and any foreign exchange gains (net). Under *Investment expenses*, expenses relating to investment assets are recognised, such as asset management expenses, interest expenses and any foreign exchange losses (net).

Important estimates and assumptions for reporting purposes

The insurance company makes estimates and assumptions regarding the future. The accounting estimates that derive from these will, by definition, rarely correspond to the actual outcome. It is primarily the calculation of technical provisions and the valuation of investment assets that involve a significant risk of essential adjustments to the carrying amounts of assets and liabilities over the next financial year and these are outlined below.

Technical provisions

Technical provisions are calculated using methods that involve making various assumptions. There is particular uncertainty with regard to the actual outcome for the portion of provisions that relates to claims incurred but not reported; see risks below.

Policies applied to the cash flow statement

The cash flow statement has been prepared in accordance with the direct method.

Note 2. Risks

General information about risks

The Company manages risks using internal rules in the form of governance documents (e.g. authorisation instructions, financial management guidelines, underwriting guidelines, claims reserve guidelines) and internal monitoring in the form of procedures to ensure good internal control. The Board of Directors has ultimate responsibility for effective risk control within the Company and decides annually on whether any updates to the governance documents are required. They have also assigned Internal Audit with the task of examining the Company annually on the basis of the written governance documents and presenting the results to the Board of Directors. Together with the Company, the risk manager has updated the risk document containing known risks. The risks are evaluated from two perspectives: partly in terms of the probability of the event occurring and partly in terms of its impact. The two perspectives are balanced and assessed using a special model.

Due to that the Company's corporate transactions only insures consolidated subsidiaries of the Telia Group, the Company's insurance risks are limited to those risks of the Telia Group that are assumed via insurance contracts. The Company is reinsured for both individual disaster claims and an unfavourable cumulative claims outcome over time. The Company's affinity transaction is subscribed solely to a client base which belongs to Telia Company AB's consolidated subsidiaries.

During the year, the Company has agreed both direct insurance and inward reinsurance within property, transport, interruption, property crime and liability.

The Company is exposed to underwriting risk, claims reserve risk, claims outcome risk, liquidity risk, market risk, credit risk and operational risk. These risks can be grouped under the headings Insurance-related risks, Investment risks and Operational risks. The main risks at the Company are underwriting risk, provisions risk and claims outcome risk.

Underwriting risk relates to the pricing, i.e. that the premium does not cover the cost of insurance compensation of insurance contracts and the inherent uncertainty associated with these contracts.

Claims reserve risk means the risk of the value of the technical provisions being too low.

Claims outcome risk means the risk of the claims outcome in the Company's insurance portfolio being unfavourable, in other words higher than the anticipated value.

Market risk refers to the risk of the factors that influence the value of financial assets developing in what is a negative way for the Company.

Liquidity risks in this sense concern access to financing. If there is a liquidity shortfall, this can have a negative impact on ordinary business operations and put the Company at risk of being unable to fulfil its day-to-day payment obligations.

Credit risk means the risk of a counterparty failing to fulfil its payment obligations.

Operational risk is defined as the risk of losses as a result of inappropriate or ineffective internal processes or procedures, human error, defective systems or external events. This definition also includes legal risk and reputational risk.

Handling insurance-related risks

Underwriting risk

The Company follows internal guidelines in order to ensure the correct evaluation and quantifying of the risk underwritten. The guidelines also specify which sums insured and categories of risk can be accepted. Where possible, the evaluations are also based on actuarial calculations.

Claims reserve risk

The Company manages the claims reserve risk by following the Company's claims reserve instructions when determining the technical provisions. The provisions are regularly reviewed by the Company's actuary.

Reinsurance risk

The Company has a reinsurance programme that aims to provide protection against both larger individual claims and a high frequency of smaller claims and thereby avoid major negative impacts on financial results.

Claims outcome risk

With regard to corporate transactions, the Company has a relatively unbalanced insurance portfolio, which contains large individual risks in relation to the overall size of the portfolio. The insured portfolio is therefore characterised by a risk of a high degree of volatility, which means that a single insurance claim may have a highly noticeable impact on the Company's financial results. The Company manages the volatility in the claims outcome through reinsurance, by having sufficient reserves and by having an adequate capital base. The company's affinity transaction is more stable in nature.

Sensitivity analysis insurance risks

The maximum liability for the Company expressed in SEK thousand is:

Fire and other damage to property

Per claim	15,000
Per 12-month period	30,000

The following are in addition to the above:

1. The difference between the deductible for the claims and the limit for reinsurance aggregate cover is SEK 50,000–280,000. The reinsurance aggregate cover is for the amount in excess of a supposed deductible of SEK 300,000. In a normal year, there are 40–50 claims.
2. The company's share in the Norwegian Natural Perils Pool, which can result in a maximum claims expense of approximately SEK 288,000 (SEK 175,000) per insurance event.

*General liability and other property damage**

Per claim	15,000
Per 12-month period	30,000

The following are in addition to the above:

The difference between the deductible for the claims and the limit for reinsurance aggregate cover. The policyholder's deductible is SEK 50,000. The reinsurance aggregate cover is for the amount in excess of a supposed deductible of SEK 300,000. In a normal year, there are 2–4 claims.

*The company purchases outward reinsurance as a joint contract for General liability and Other property damage.

*Cyber**

Per claim	15,000
Per 12-month period	30,000

The following are in addition to the above:

The difference between the deductible for the claims and the limit for reinsurance aggregate

cover. The policyholder's deductible is SEK 50,000. The reinsurance aggregate cover is for the amount in excess of a supposed deductible of SEK 300,000. In a normal year, there are 2–4 claims.

*The company purchases outward reinsurance as a joint contract for General liability and Other property damage.

In the sensitivity analysis performed for the Company's insurance portfolio, the sensitivity has been calculated with regard to point risks, distribution risks and so-called real disaster risks. Point risks refer to the risk of the consequence of a given outcome changing. Distribution risks refer to the risk of an unfavourable outcome, in excess of the expected outcome. Real disaster risks refer to natural disasters or cumulative risks. The analysis has been performed using a stress test, where a given percentage change in the relevant parameter has been assumed or a probability expressed as a percentage has been calculated.

The impact this has on the financial results and on shareholders' equity is shown below.

Point Risks

(SEK thousand)	Increase as a percentage	Impact on financial results and shareholders' equity
Claim frequency	10.0%	-6.401
Average claim amount	10.0%	-6.401
Claim inflation	1.0 %	-832

Parameter risk refers to the risk of incorrect assessment of the claims outcome for the remaining contract period as a result of incorrect assumptions.

Claim inflation means the indexation of a claim amount.

Separate reporting of market risks

A change in the market interest rate of 1% would have the following effect on results and shareholders' equity.

Distribution risks

The probability of more than 50 per cent of the capital base being eroded as a result of an unfavourable claims outcome during the reporting period has been deemed negligible following actuarial calculations. The probability of more than the opening premium reserve being used to cover claims during the remainder of the contractual period for current contracts is 1.5 per cent.

Real Disaster Risks

The Company is exposed to real disaster risks. The reinsurance is tailored to this, however, and the Company's net exposure per individual event is limited to a retention.

Concentration of Insurance Risk

The Company's underwriting risks are widely spread geographically. Customers are located in several European countries and to a smaller extent in the rest of the world.

For example, the largest single insured asset in the property portfolio represents less than 2 per cent of the total insured asset volume. As all of

the Company's customers are consolidated subsidiaries of Telia Company AB, there is a considerable cumulative risk in many cases. The cumulative risk is managed using the internal insurance system. The reinsurance is also fully especially designed to bear the cumulative risk. The Company's affinity transaction has not resulted in any increase in insurance value or concentration risk. However, an increased claims cost in the entire insurance portfolio has a greater impact than before. The risks are limited, in that Telia Försäkring AB has the possibility to adjust the premium every three months if this becomes if necessary.

This claims triangle shows gross figures for all the branches of insurance combined.

<u>Claims year (SEK thousand)</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Estimated final claims expense at the end of the claims year (Gross)	16 357	25 957	44 517	22 915	14 066	18 788	8 235	66 488	14 678	108 477	180 974	206 192	727 644
One year later	9 916	22 090	15 846	12 397	17 548	12 941	15 735	62 795	13 761	97 667	193 165		473 862
Two years later	8 372	21 586	13 938	9 897	15 678	10 838	14 113	61 260	7 727	96 082			259 490
Three years later	4 706	8 716	12 614	9 497	11 946	10 419	10 400	61 320	7 225				136 843
Four years later	5 870	7 697	12 261	9 390	11 560	10 234	9 233	61 320					127 564
Five years later	4 284	7 352	12 102	9 244	11 196	10 067	9 233						63 478
Six years later	4 278	7 352	12 102	9 232	10 824	10 067							53 855
Seven years later	4 278	7 352	12 102	9 232	10 824								43 788
Eight years later	4 278	7 352	12 102	9 232									32 964
Nine years later	4 278	7 352	12 102										23 732
Ten years later	4 278	7 352											11 630
Eleven years later	4 278												4 278
Estimated final claims expense at 31/12/2019	4 278	7 352	12 102	9 232	10 824	10 067	9 233	61 320	7 225	96 082	193 165	206 192	627 072
Acc. claims paid	4 278	7 352	12 102	9 232	10 824	10 067	9 233	61 320	6 937	77 009	190 942	185 628	584 925
Provisions for outstanding claims	0	0	0	0	0	0	0	0	287	19 073	2 223	20 564	42 147
Accumulated surplus/deficit (settlement result)	12 078	18 606	32 415	13 684	3 241	8 721	-998	5 168	7 453	12 395	-12 191		100 572
Ditto as a % of initial claims expense	73,8%	71,7%	72,8%	59,7%	23,0%	46,4%	-12,1%	7,8%	50,8%	11,4%	-6,7%		13,8%

Liquidity risk in relation to insurance operations

The Company's liquidity risks are limited as the Company's assets are largely invested in the cash pool. The cash flow is monitored and reviewed monthly.

The reinsurance premiums are paid three months after the majority of the Company's premium invoices have been sent to the customers. This means that liquidity is well adapted to the payment terms of the reinsurance premiums. As all ceding is to large, well-consolidated, international reinsurance companies with a high rating, the liquidity risk is considered to be limited. The Company's financial assets are primarily in cash and cash equivalents.

Credit risks in insurance operations

Exposure to credit risks relates primarily to reinsurers, partly in the form of reinsurance receivables and partly through the reinsurers' share of outstanding claims. The credit risk is nevertheless deemed insignificant, as all outward reinsurance is with reinsurance companies with a high and stable credit rating and a good ability to pay claims. The creditworthiness of all reinsurers is assessed and the results reported to the Board of Directors at each Board meeting. The credit risk in relation to premium receivables from policyholders is limited, as the insurance contract can be cancelled if payment is not made.

Investment-related risks

The Company has invested all liquid funds (cash and cash equivalents) in the Group account at Telia Company AB

Credit risks in relation to investments

The Company manages the interest rate risk and the price risk for its investments by following internal investment guidelines and continuously monitoring investment activities. It must be possible for a minimum of SEK 10 million to be made available as liquid funds within 30 days.

Currency risks in relation to investments

The Company applies currency matching between technical provisions and investments. Those investments that are not matched by a provision in another currency are made in Swedish kronor.

Sensitivity analysis in relation to investment risks

In the sensitivity analysis performed for Telia Försäkring, the sensitivity has been calculated with regard to a change in the market interest rate and the general credit risk. The analysis has been performed using a stress test, where a given percentage change in the relevant parameter has been assumed.

The impact these changes have on the financial results and on shareholders' equity is shown in the table below.

SEK thousand	Increase/decrease in %	Change in Income Statement & shareholders' equity
Change as a result of:		
- Increased market interest rates	+1%	-39
- General credit risk (change in spread)	+0.5 %	-785
- Exchange rates	-10%	-13.695

The table below shows how the Company is exposed to interest rate risk in relation to the due dates for expected settlement.

Liabilities

(SEK thousand)	0-2 years	2-5 years	5- years	Total
Provisions for claims (undiscounted)	28,119	-14,028	0	42,147

Operational risks

Operational risks include administrative risks. These constitute access to competent personnel and to adequate IT support. The Company is operated by personnel contracted from Telia Company AB, Corporate Insurance. The staff have many years of experience in insurance and experience of running the Company's operations. There is a risk in terms of the extremely limited number of people involved. On the insurance side, there are three people who know the business. As of July 2012, the finance function is outsourced to an external specialist supplier. This supplier has organised the work so that there is always access to backup resources. The management of the company's affinity transaction is outsourced to Willis Towers Watson, where there are two people who are principally responsible for the transaction. The company's IT support is a system specially developed for the insurance industry by an external IT supplier. All of the company's databases are stored through the parent company's IT system, with backups made automatically every evening.

The quality of accounting is ensured by developed control functions in existing working documents.

The company's control over processes, procedures and governance documents is subject to continuous review internally and in conjunction with both the internal and the external auditors. The internal auditors perform an annual audit based on the governance documents and present this to the Board of Directors, while the external auditors carry out two reviews per year. One is of the annual report and underlying accounting records and the other is of various processes.

Capital management

The company management assesses the Company's capital requirement in relation to the risk the Company has in its operations as an insurance provider. The Company must always have sufficient capital to be able to compensate the Company's policyholders if any insurance event occurs. The Company has reserved capital in the form of a security reserve in accordance with FFFS 2013:8 (as amended). The insurance company allocates profits to this reserve in order to be able to release funds if subsequently required to address any negative result in the insurance operations.

The insurance business is a strictly-regulated industry, with formal rules on capital requirements and capital structure. The Company reports its capital base and solvency to the Swedish Financial Supervisory Authority. Telia Försäkring AB fulfils the regulatory capital requirements.

In accordance with the Swedish Insurance Business Act, Telia Försäkring AB must have assets in an amount corresponding to its technical provisions for own account. The Company prepares a priority register that is updated monthly, or more frequently where this is deemed necessary.

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

Note 3. Written premiums before outward reinsurance

	2019	2018
Direct insurance contracts signed in:		
Sweden	537 151	489 275
Other EEA countries	83 891	25 156
Inward reinsurance	-1 450	6 871
Total written premiums	619 592	521 302

Note 4. Allocated investment return transferred from financing operations

The investment return from insurance operations has been calculated as 0.00% (0.00%) of the average technical provisions for own account. The required rate of return has been calculated as interest income received during the year relative to the average fair value of investment assets and cash at bank and in hand.

Note 5. Claims incurred (f.o.a.)

<i>Claims paid</i>	2019	2018
Insurance losses paid	-200 991	-182 110
Claims handling expenses	-3 735	-2 296
Reinsurer's share of insurance losses paid	3 032	240
Total	-201 694	-184 166
<i>Change in technical provisions</i>		
Change in provisions for outstanding claims		
Change for the year	-11 536	21 958
Reinsurer's share of change for the year	-3 080	-840
Total	-14 616	21 118
Total claims incurred f.o.a.	-216 310	-163 047

The settlement result is SEK 10,141,000, of which SEK 5,916,000 relates to direct Swedish risks, SEK 4,224,000 relates to direct foreign risks and SEK -1,628,000 to inward reinsurance.

Note 6. Operating expenses

	2019	2018
Acquisition costs	-349 968	-281 081
Change in prepaid acquisition costs (+/-)	-327	-320
Administration expenses	-8 458	-7 383
Total	-358 753	-288 785
Specification of total operating expenses		
Operating expenses for insurance operations as above	-358 753	-288 785
Claims paid, claims settlement as in note 5	-3 735	-2 296
Total operating expenses	-362 488	-291 081
Of which:		
Personnel expenses 1)	-67	-143
Net commission	-350 296	-281 402
Audit expenses 2)	-240	-176
Other	-8 150	-7 064
Total operating expenses	-358 753	-288 785

1) The Company has no employees. SEK -67,000 (SEK 143,000) relates to pension expenses. The pension expenses are attributable to the period when the Company's personnel were employed at the insurance company. No remuneration has been paid to the President & CEO or Board members. The salaried employee who is also President & CEO of the Company receives a fixed and a variable remuneration for their employment from their employer Telia Company AB. The level of remuneration is not linked to the insurance company's revenue or financial results; in other words there is no connection with the insurance company's risk-taking. The variable remuneration is linked to Telia Company AB's overall financial targets. There is also a smaller amount of variable remuneration linked to the insurance company's operational goals.

2) Audit expenses

	2019	2018
2) Audit expenses		
Audit fees, Deloitte	-240	-176
Total	-240	-176

Note 7. Investment income

	2019	2018
Interest income, group companies	477	19
Exchange gains, net	1 370	2 891
Total investment income	1 847	2 911

Note 8. Investment expenses

	2019	2018
Other interest expenses, misc.	-160	-126
Total investment expenses	-160	-126

Note 9. Appropriations

	2019	2018
Group contributions received	0	29
Provision of security reserve	-27 663	-58 965
Total	-27 663	-58 936

Note 10. Tax on profit for the year

	2019	2018
Tax on profit for the year	0	0
Tax in respect of prior years	0	0
Tax expense for the year	0	0
	2019	2018
Reported income before taxes	0	0
Tax effect of non-deductible expenses	0	0
Tax on profit for the year according to the income statement	0	0

Note 11. Interest-bearing securities, issued and loans from Group companies

	2019	2018
<i>Receivables at Telia Company AB, Treasury.</i>		
<i>Cash pool:</i>		
Handelsbanken	384 210	339 450
Total interest-bearing, Group companies	384 210	339 450

Note 12. Other receivables

	2019	2018
Tax assets	1 395	1 411
Receivables from Group contributions	0	29
Other receivables, external	101	86
Total	1 495	1 526

Note 13. Unearned premium reserve

	2019	2018
Change for the year		
Opening balance, premium reserve	10 197	16 566
Closing balance, premium reserve	-15 140	-14 717
Change in premium reserve	-4 943	1 849
Opening provision for unexpired risks	4 520	1 553
Closing provision for unexpired risks	-6 719	-4 520
Change in provision for unexpired risks	-2 199	-2 967
Exchange effect on premium reserve	2 212	-2 849
Change in premium reserve, excluding foreign exchange differences	-2 731	-1 000

Note 14. Provisions for outstanding claims

	2019	2018
Claims incurred and reported	28 119	20 047
Claims incurred but not reported	13 896	10 399
Provisions for claims handling expenses	132	132
Total	42 147	30 578

Note 15. Other liabilities

	2019	2018
Trade accounts payable	534	110
Other liabilities, external	10	8
Total	544	117

Note 16. Accrued expenses and deferred income

	2019	2018
Special employer's contribution	46	40
Accrued premium taxes	233	395
Accrued expenses and prepaid income, external	0	812
Total	278	1 247

Note 17. Assets pledged as security, contingent liabilities and other commitments

	2019	2018
Interest-bearing securities issued by, and loans to, Group companies	61 649	42 569
Total	61 649	42 569

The amounts above form part of the Company's priority register. The investments are measured at fair value.

Note 18. Information about agreements with related parties

Board members and senior executives are defined as related natural persons. Telia Försäkring AB is an internal insurance company, which means that the company sells insurance to the subsidiaries within the group and to a customer base belonging to Telia Company AB's consolidated subsidiaries. The company invests funds at Telia Company AB, Treasury. Transactions with related parties are priced on market terms. The Company purchases administrative services from Telia Company AB and over the course of the year the cost of these was SEK 4,500,000 (SEK 3,817,000). The commissions to Telia Company for the affinity transactions were distributed as follows.

Affinity Sweden	SEK 311,932,000
Affinity Estonia	SEK 1,095,000
Affinity Latvia	SEK 211,000
Affinity Lithuania	SEK 795,000

Group companies comprise companies within the Telia group. Key persons in senior positions comprise the CEO and board. No other related parties have been identified.

Note 19. Financial instruments by category

2019-12-31

Assets	Loan and trade receivables incl. items related to insurance contracts	Financial assets at fair value through profit or loss Via identification	Total fair value	Total acquisition value
Financial investment assets	384 210	0	384 210	384 210
Other receivables	1 495		1 495	1 495
Cash and bank deposits	2 747		2 747	2 747
Total	388 452	0	388 452	388 452

Liabilities	Other financial liabilities, incl. liabilities related to insurance contracts	Total fair value	adjusted acquisition cost
Other current liabilities	544	544	544
Total	544	0	544

2018-12-31

Assets	Loan and trade receivables incl. items related to insurance contracts	Financial assets at fair value through profit or loss Via identification	Total fair value	adjusted acquisition cost
Financial investment assets	339 450	0	339 450	339 450
Other receivables	1 526		1 526	1 526
Cash and bank deposits	2 778		2 778	2 778
Total	343 754	0	343 754	343 754

Liabilities	Other financial liabilities, incl. liabilities related to insurance contracts	Total fair value	Total acquisition value
Other current liabilities	117	117	117
Total	117	0	117

Note 20. Information about items in the Income Statement

Total non-life insurance	2019	2018
Gross written premiums	619 592	521 302
Gross earned premiums	616 860	520 302
Gross claims incurred	-216 263	-162 448
Gross operating expenses	-358 753	-288 785
Result of outward reinsurance	-15 871	-12 922
<i>Broken down by insurance category</i>		
Transport	2019	2018
Gross written premiums	414	1 481
Gross earned premiums	579	1 470
Gross claims incurred	0	0
Gross operating expenses	-284	-180
Result of outward reinsurance	-370	-301
Fire and other damage to property	2019	2018
Gross written premiums	612 289	505 239
Gross earned premiums	608 314	502 105
Gross claims incurred	-216 696	-162 283
Gross operating expenses	-355 712	-286 735
Result of outward reinsurance	-8 912	-7 255
General liability	2019	2018
Gross written premiums	7 767	7 712
Gross earned premiums	6 484	7 668
Gross claims incurred	-1 135	2 349
Gross operating expenses	-2 702	-719
Result of outward reinsurance	-1 927	-1 569
Inward reinsurance	2019	2018
Gross written premiums	-878	6 871
Gross earned premiums	1 483	9 059
Gross claims incurred	1 568	-2 514
Gross operating expenses	-56	-1 151
Result of outward reinsurance	-4 663	-3 796

Note 21. Events after the balance sheet date

The outbreak of the Corona virus has resulted in a number of measures in society to limit the spread of the virus. The total potential impact on Telia Försäkring AB caused by the Corona virus outbreak is not possible to predict given the current uncertain situation. We are monitoring the developments daily and where necessary we take a number of risk mitigation measures in order to try to safeguard our employees' health as well as planning for different possible business scenarios depending on how the pandemic develops.

SIGNATURES

Telia Försäkring AB:

Agneta Wallmark
Chairman of the Board of Directors

Peter Lav
Board member

Håkan Kvarnström
Board member

Mats Nelson
Board member

Patrik Höljö
Board member

Ann-Katrin Begler
CEO

Our auditor's report has been submitted on -/06/2020

Deloitte AB

Henrik Persson
Authorised Public Accountant