



OSLO PENSJONSFORSIKRING

Results. Second quarter. 2018

16 August 2018

Oslo Pensjonsforsikring AS and Oslo Forsikring AS

About the group



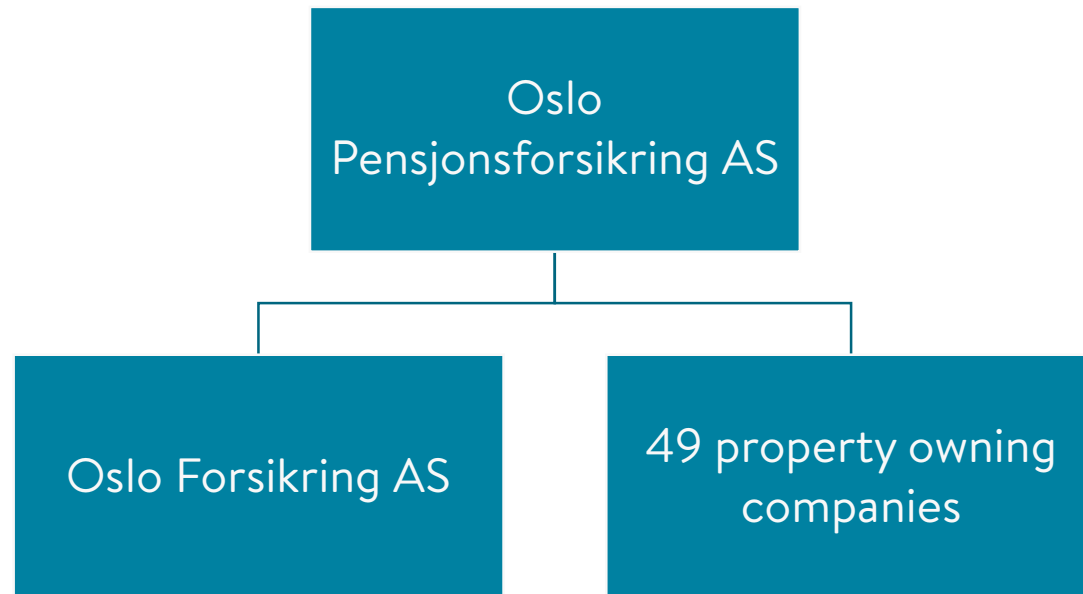
OSLO PENSJONSFORSIKRING

- Oslo Pensjonsforsikring AS is a life insurance company owned by the City of Oslo. Oslo Forsikring AS is wholly owned subsidiary of OPF.
- The OPF group offers
 - Public pension defined benefit schemes.
 - Group life and
 - Occupational injury insurance. all through OPF. and
 - Non-life insurance through Oslo Forsikring ASto the City of Oslo and associated entities. State-owned hospital corporations in Oslo are also pension customers of OPF.
- Assets corresponding to policy holders' funds are managed in the Common Portfolio while equity and capital are managed in the Corporate Portfolio.
- The company is regulated by the Norwegian FSA.

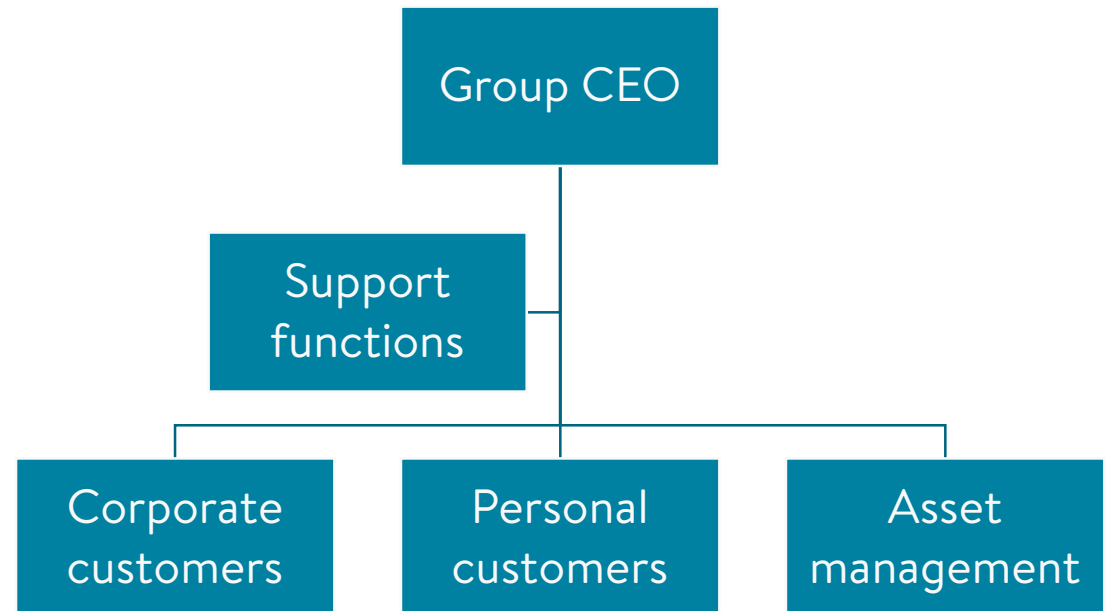


Legal and organizational structure

Group legal structure



Organizational structure



Good return on investments. Weak insurance profits in Q2



- The group's result was NOK 198m (NOK 249m) in the second quarter of 2018.
 - Lower result from pension insurance due to reduced disability premiums and reduced interest guarantee premiums.
 - Deficit in Oslo Forsikring AS due to large insurance claims.
- Value-adjusted return on customer funds was 2.2 (5.2) per cent.
- Solvency capital ratio was 533 per cent for the parent company and 433 per cent for the group (standard model, calculated without transitional measures).

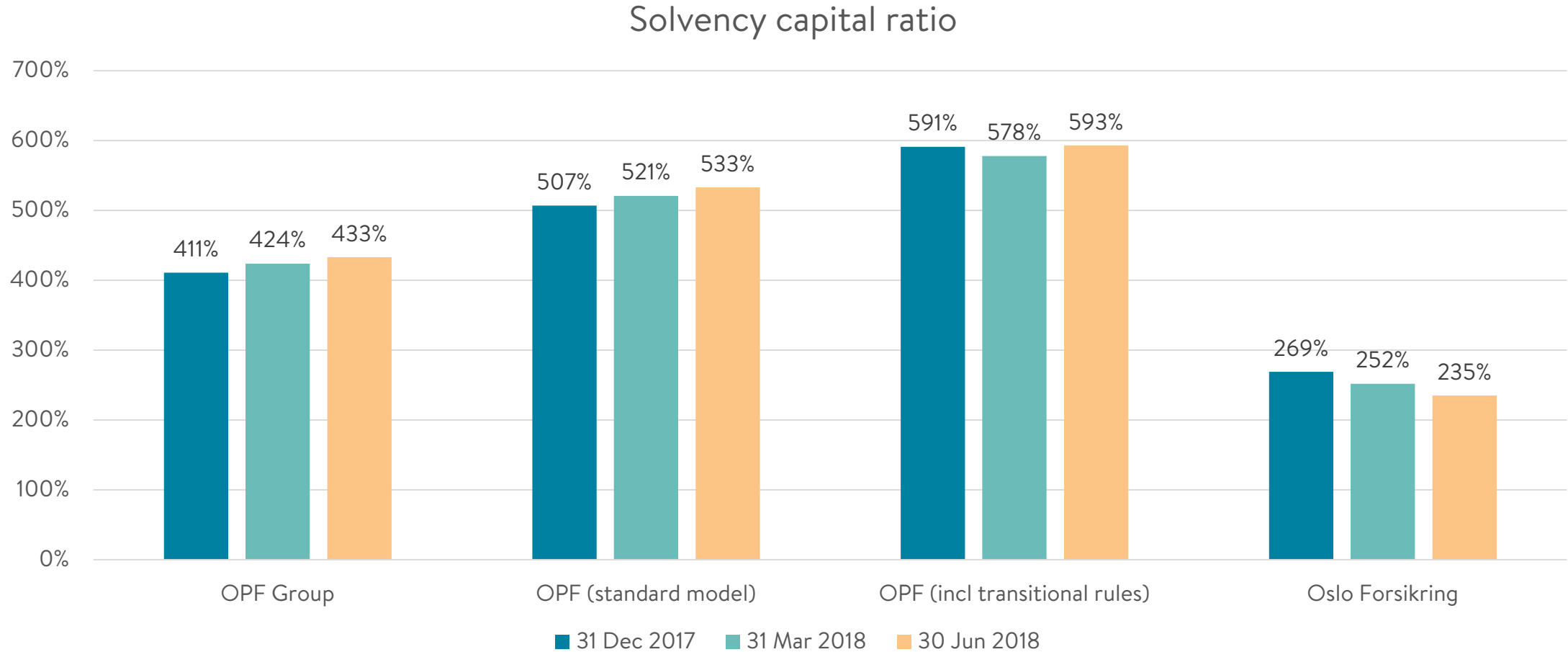


Oslo Pensjonsforsikring Group. Quarterly results by business line.

NOK million	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	2017
Result from Pension insurance	92	6	101	143	146	525
The company's share of the risk result	11	22	16	54	57	179
Administration result	18	10	9	12	13	39
Guarantee premiums and risk margin	63	64	76	77	76	306
Coverage of loss in customer income	-	-	-	-	-	-
Result from life and non-life insurance	-1	20	78	36	5	149
Personal risk products (OPF)	13	14	64	20	19	119
Non-life insurance (Oslo Forsikring AS)	-13	6	14	16	-14	30
Financial income on capital	107	24	178	91	97	492
Group result before tax	198	140	357	270	249	1 166



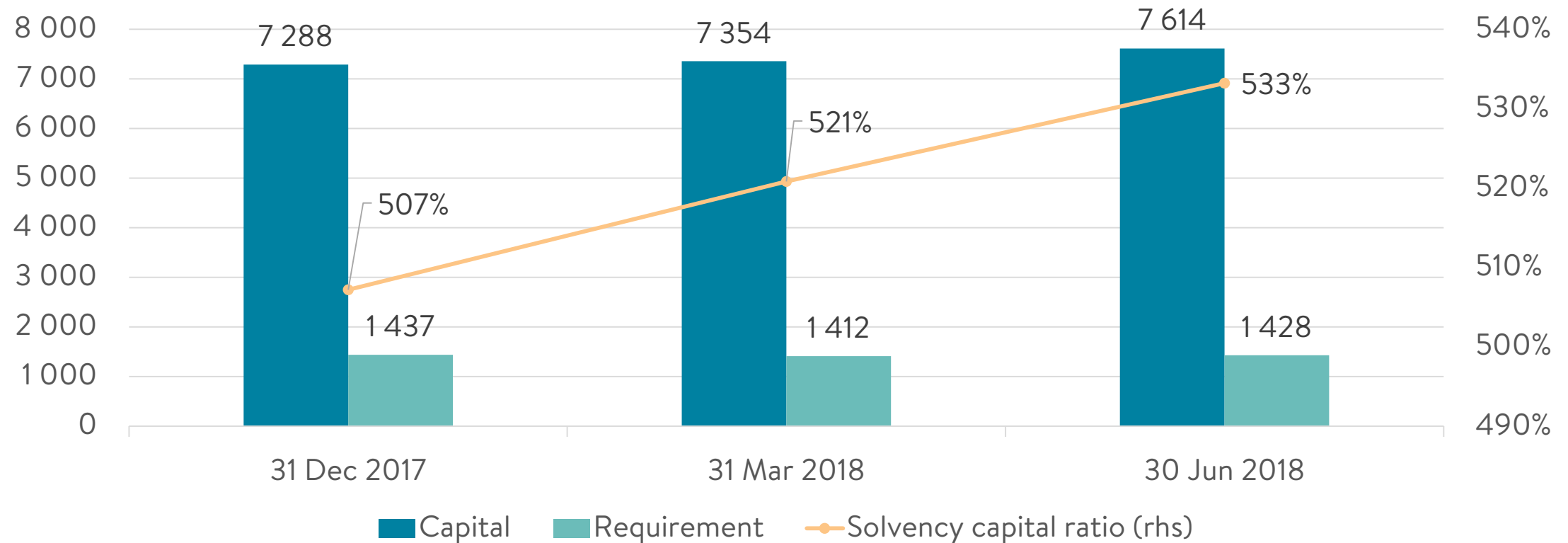
The group's solvency capital ratio (standard model) was 433 per cent as of 30 June 2018





Solvency capital and capital requirement stable in the second quarter

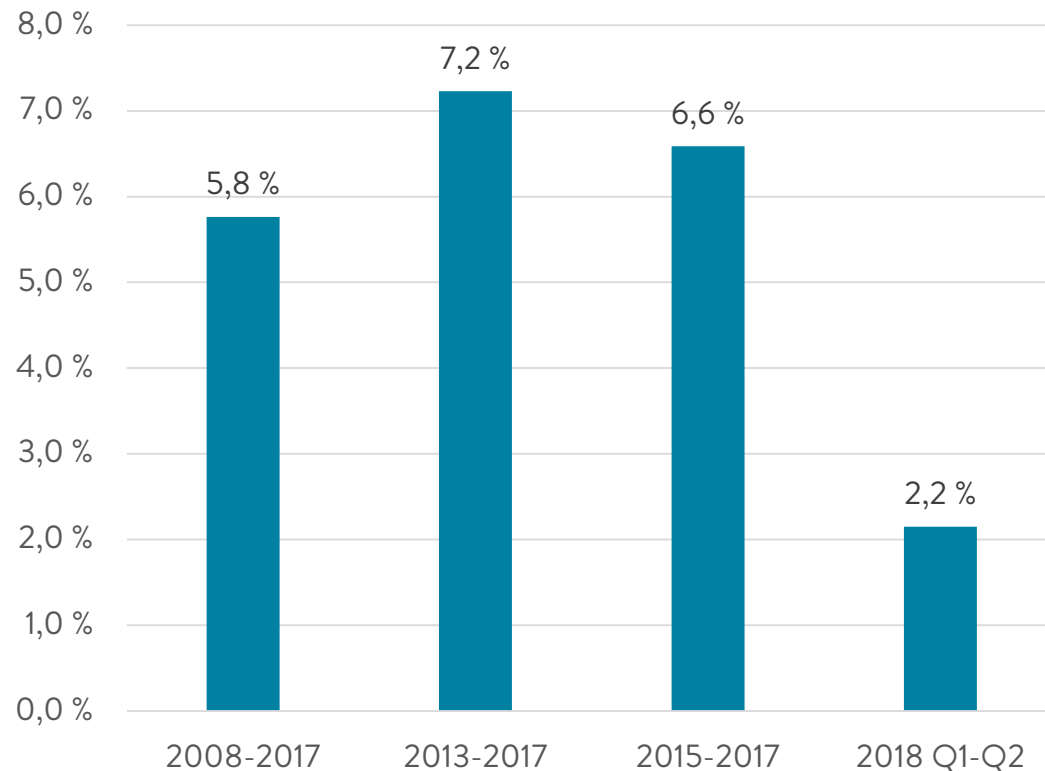
OPF. Solvency capital. capital requirement and coverage ratio. NOK million and per cent. Standard model





Pension insurance: 1.5 per cent value adjusted return in the Common Portfolio in the second quarter

Value adjusted return. Annual average.
Common Portfolio.



Value adjusted return. 12 months avg.
last ten years. Common Portfolio.





Pension insurance: Stable allocation in the Common Portfolio

Allocation and returns in per cent	Allocation 30 Jun 2018	Return H1 2018	Allocation 31 Dec 2017
Hedging assets	65.3	2.3	66.7
Money market	5.1	0.6	6.7
Mortgage loans	3.7	1.1	3.8
Domestic bonds	7.2	0.6	7.3
International bonds	4.8	-0.6	5.0
Bonds held to maturity	22.2	2.0	21.1
Real interest rate bonds	1.6	2.1	1.9
Hedge funds	4.1	2.4	4.0
Property and infrastructure	16.5	5.3	16.9
Return assets	34.5	1.9	32.9
Convertible bonds	2.8	-0.2	2.9
High yield bonds	1.5	2.2	1.5
Private Equity	2.2	6.6	2.0
Equities	20.4	1.4	20.2
Other financial assets	7.6	2.8	6.3
Other assets	0.2	-	0.4
Total	100.0	2.2	100.0



Pension insurance Common Portfolio: Financial income of NOK 1 724m in the first half year

NOK million	H1 2018	H1 2017
Financial result	1 049	1 265
Financial income Common portfolio	1 724	3 853
Guaranteed interest on reserves	-857	-838
To (-)/from (+) Market value adjustment reserve	181	-1 750
To (-)/from (+) Additional allocations	0	0
Customers' share of the Risk result	33	109
Contribution from OPF	-	-
Unallocated surplus funds to pension customers	1 081	1 374



Life and non-life insurance: Combined ratio of 94 per cent in the first half year

NOK million	H1 2018			2017
	Total	Personal risk products	Non-life	Total
Insurance result	5.8	19.7	-13.9	20.1
Insurance premiums	100.1	56.0	44.1	51.1
Total claims	-89.9	-32.6	-57.3	-20.5
- Claims paid	-38.3	-25.2	-13.1	-21.3
- Changes in technical reserves	-51.6	-7.4	-44.2	0.8
Operating expenses	-12.9	-2.8	-10.1	-5.6
Net reinsurance result	8.5	-0.9	-9.4	-4.8
Financial income and other items	13.5	6.8	6,7	9.8
Business area result	19.3	26.5	-7.2	29.8
<i>Combined ratio net of reinsurance</i>	<i>94 %</i>	<i>64 %</i>	<i>139 %</i>	<i>56 %</i>



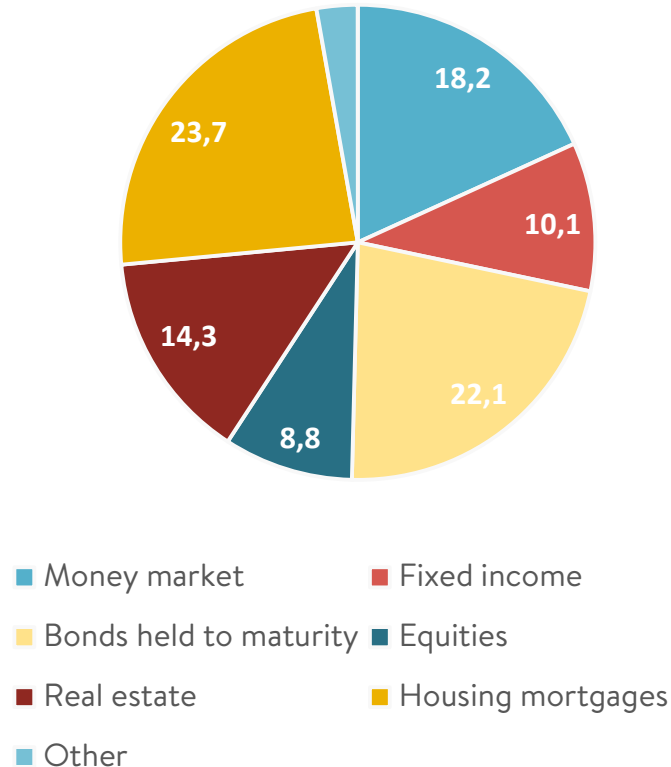
Non-life insurance: Oslo Forsikring's result was negative NOK 13m in the second quarter

NOK million	Q2 2018	Q1 2017	Q4 2017	Q3 2017	Q2 2017	2017
Insurance result	-19.9	6.1	7.3	12.0	-19.6	7.9
Premium income. gross	21.9	22.2	22.0	22.0	21.8	87.4
Claims paid. gross	-51.3	-6.0	-30.2	-2.8	-46.8	-84.3
Reinsurance result	13.8	-4.4	16.8	-4.2	8.5	16.8
Operating expenses. gross	-4.3	-5.7	-1.3	-3.0	-3.1	-12.0
Net financial income	6.3	-0.5	6.4	4.3	4.9	20.5
Other income and expenses	0.3	0.5	0.2	0.2	0.3	1.8
Result before tax	-13.3	6.1	13.9	16.5	-14.4	30.2
<i>Combined ratio gross</i>	<i>153 %</i>	<i>53 %</i>	<i>143 %</i>	<i>26 %</i>	<i>229 %</i>	<i>110 %</i>
<i>Combined ratio net of reinsurance</i>	<i>139 %</i>	<i>66 %</i>	<i>60 %</i>	<i>73 %</i>	<i>171 %</i>	<i>89 %</i>



The Corporate Portfolio returned 1.7 (3.0) per cent in the first half year

Corporate Portfolio. Asset allocation in per cent. 30 June 2018



Financial income on capital.

NOK million	H1 2018	2017
Financial income Corporate Portfolio	130	497
Other income	4	7
Paid interests	-38	-75
Financial Income Risk adj. fund	27	93
Correction Oslo Forsikring AS	7	-30
Financial income on capital	131	492



Total assets of NOK 94bn and equity of NOK 8.2bn per 30 June 2018

OPF AS. NOK million	30 Jun 2018	31 Dec 2017
Assets	93 703	91 349
Corporate Portfolio	9 942	9 319
Common Portfolio	83 761	82 030
Liabilities and Own funds	93 703	91 349
Pension premium reserve	61 311	60 336
Additional allocations	7 101	7 101
Market value adjustment reserve	10 751	10 933
Premium fund	2 159	2 303
Insurance fund personal risk products	449	385
Unallocated surplus funds to pension customers	1 081	-
Other debt and Deferred taxes	1 422	1 131
Subordinated debt	1 240	1 240
Equity	8 188	7 920



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