



OSLO PENSJONSFORSIKRING

Results. Fourth quarter. 2018

14 February 2019

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 AS

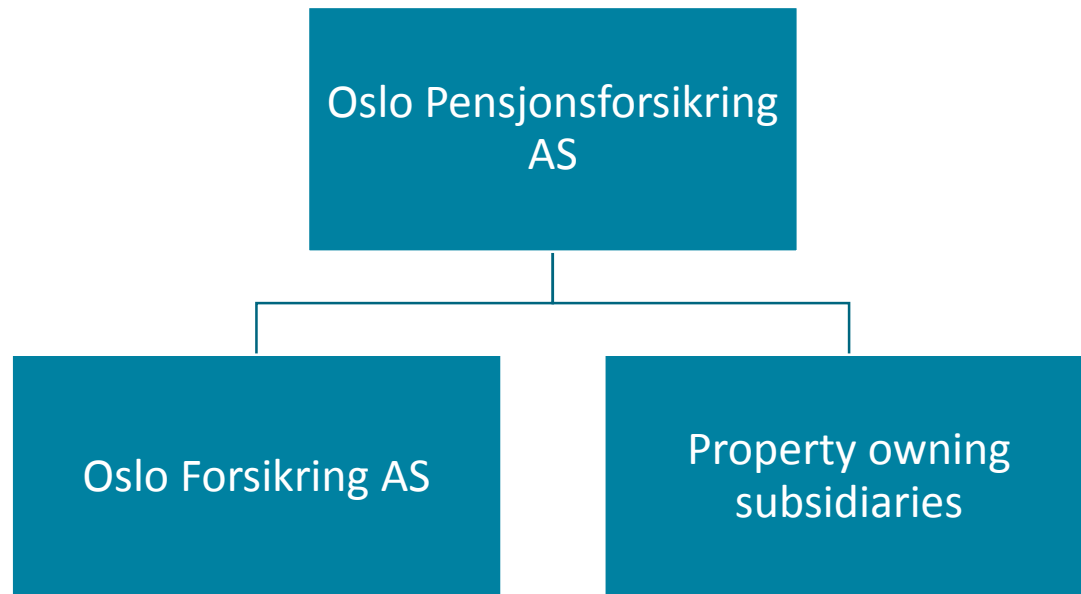
to the City of Oslo and associated entities. State-owned hospital corporations in Oslo are also pension customers of OPF.

- Assets corresponding to policy holders' funds are managed in the Common Portfolio while equity, subordinated debt and non-pension insurance reserves are managed in the Corporate Portfolio.
- The company is regulated by the Norwegian FSA.

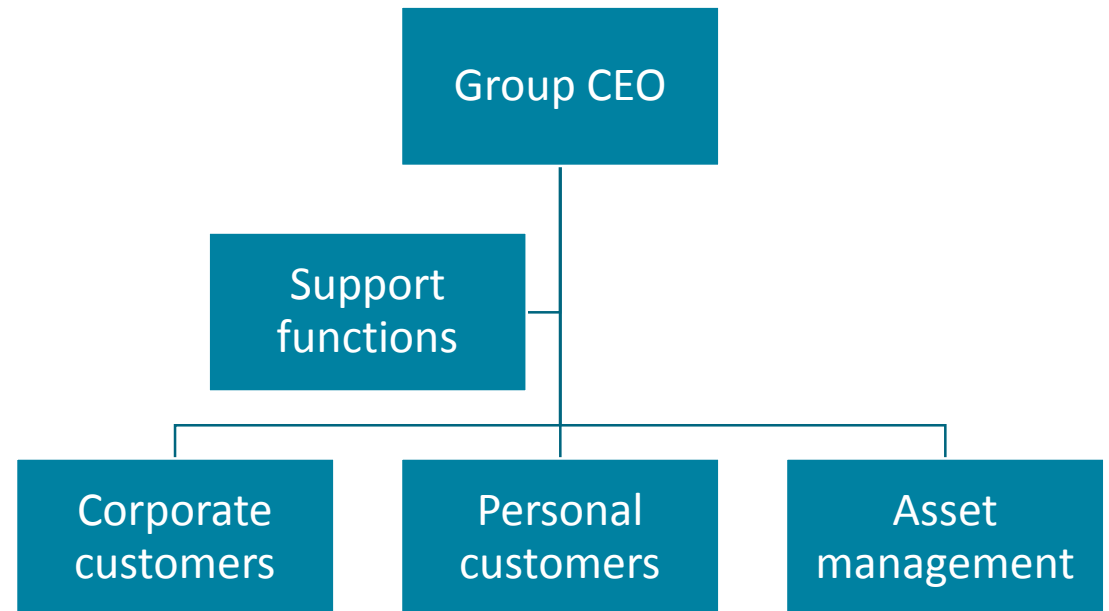
Legal and organizational structure



Group legal structure



Organizational structure



Low investment returns in the fourth quarter



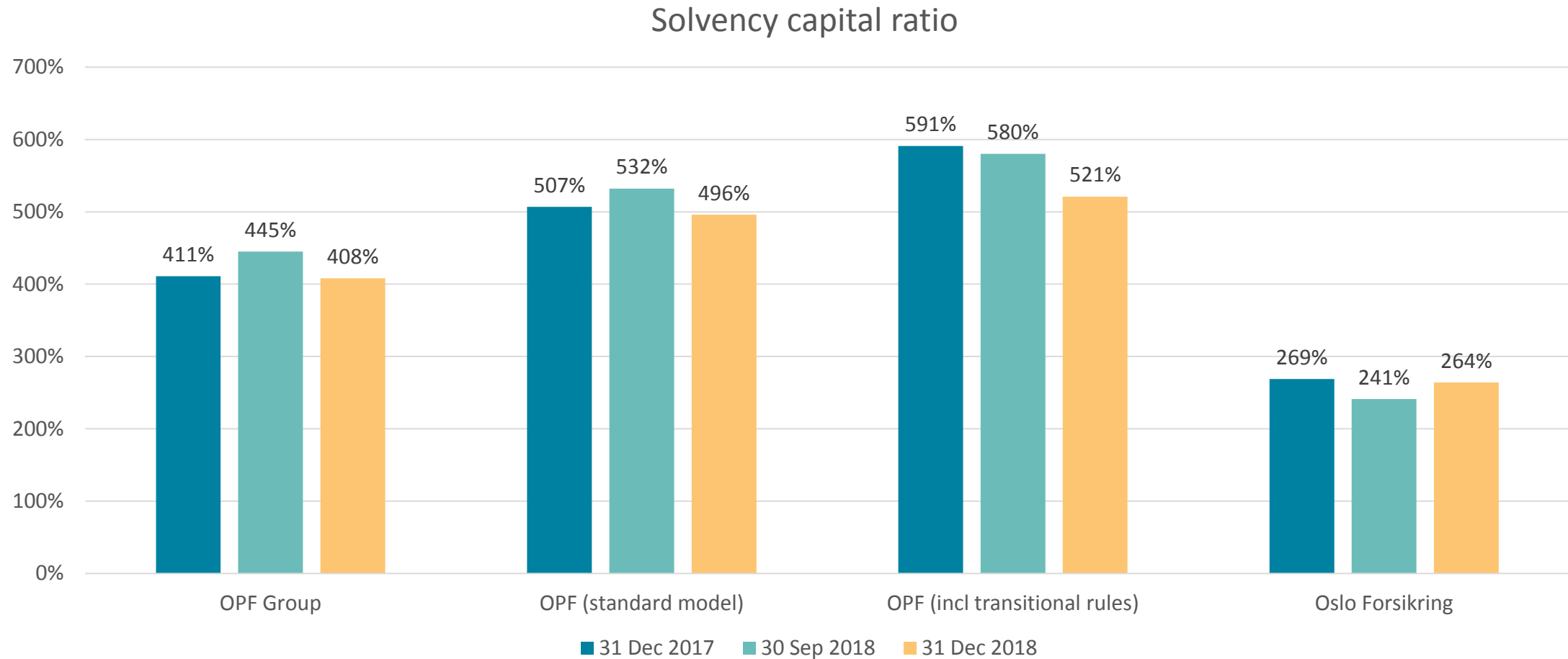
- The group's result was NOK 177m (NOK 357m) in the fourth quarter of 2018. The result for 2018 was NOK 791m (NOK 1 166m). Return on equity before tax was 9.5 per cent.
- Value-adjusted return on customer funds was 2.0 (9.2) per cent in 2018.
- Solvency capital ratio was 496 per cent for the parent company (standard model, calculated without transitional measures).

Oslo Pensjonsforsikring Group. Quarterly results by business line.



NOK million	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	2018	2017
Result from Pension insurance	173	144	92	96	101	505	525
The company's share of the risk result	102	66	11	22	16	201	179
Administration result	8	11	18	10	9	47	39
Guarantee premiums and risk margin	63	67	63	64	76	257	306
Coverage of loss in customer income	-	-	-	-	-	-	-
Result from life and non-life insurance	44	35	-1	20	78	99	149
Personal risk products (OPF)	40	19	13	14	64	86	119
Non-life insurance (Oslo Forsikring AS)	4	16	-14	6	14	12	30
Financial income on capital	-40	97	107	24	178	187	492
Group result before tax	177	276	198	140	357	791	1 166

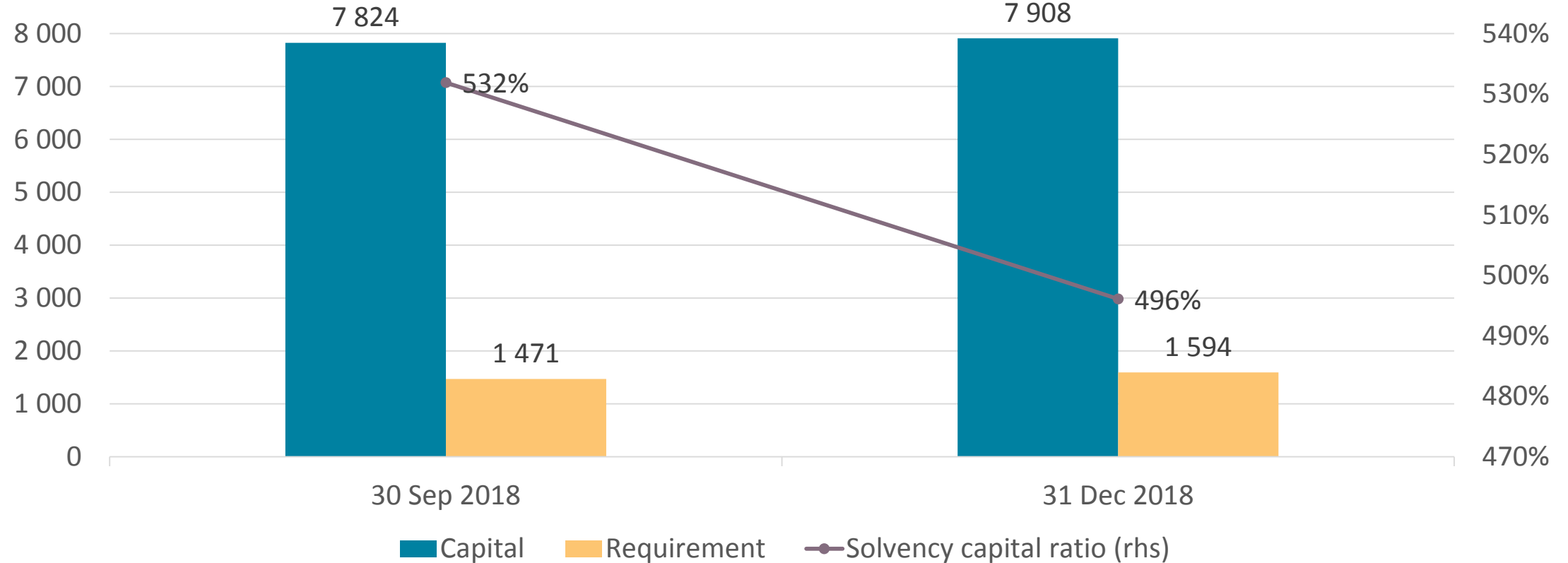
OPF's solvency capital ratio (standard model) was 496 per cent as of 31 December 2018



Solvency capital and capital requirement stable in the fourth quarter



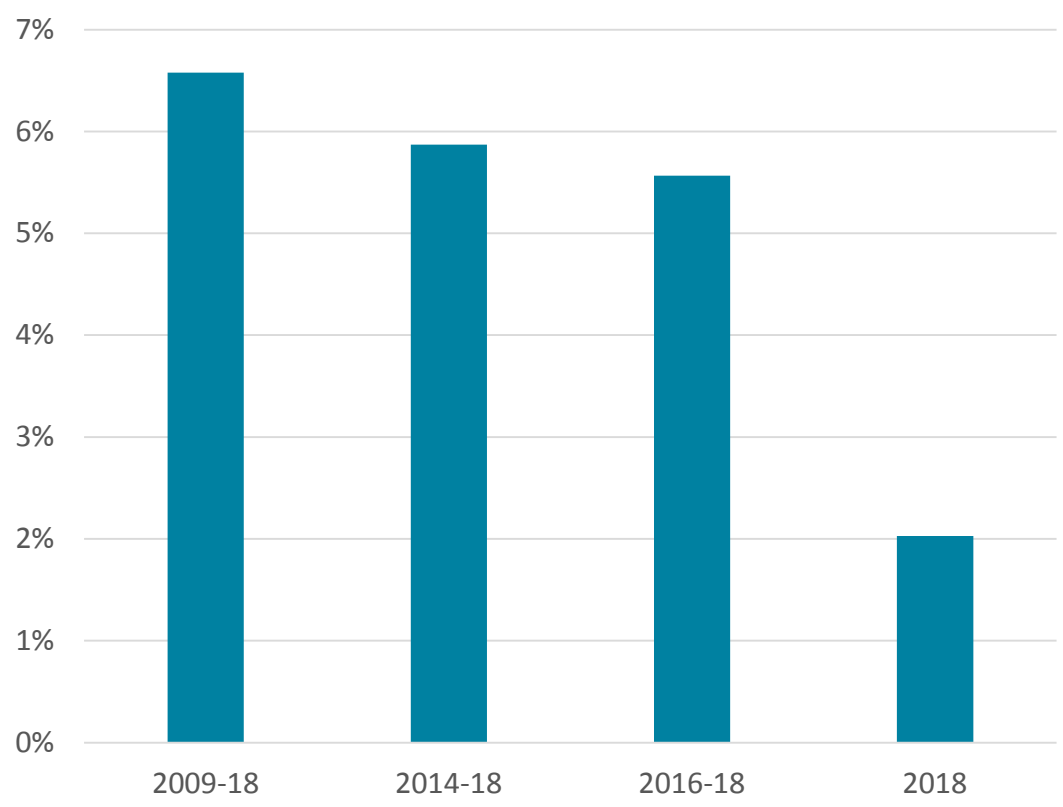
OPF. Solvency capital, capital requirement and coverage ratio.
NOK million and per cent. Standard model



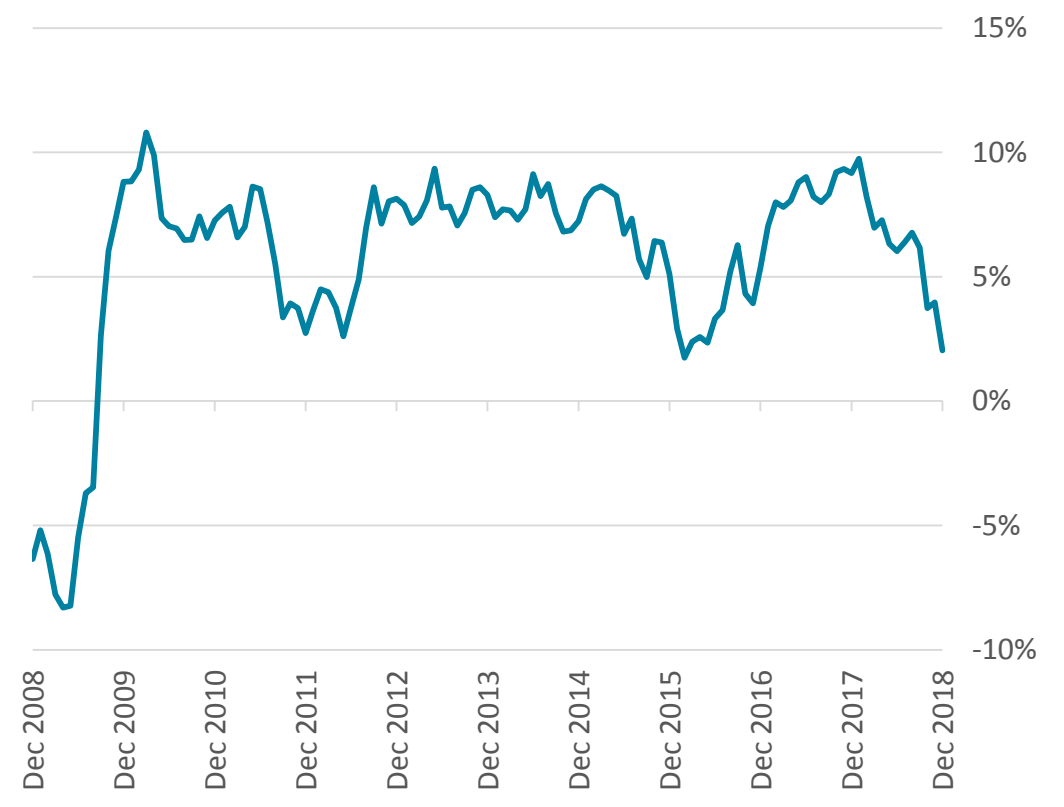


Pension insurance: -1.8 per cent value adjusted return in the Common Portfolio in the fourth quarter and 2 per cent in 2018

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 31 Dec 2018	Return 2018	Allocation 31 Dec 2017
Hedging assets	66.5	4.3	66.7
Money market	6.0	1.1	6.6
Mortgage loans	3.7	2.2	3.8
Domestic bonds	7.1	1.1	7.3
International bonds	4.8	-0.4	5.0
Bonds held to maturity	23.0	4.0	21.1
Real interest rate bonds	1.6	4.8	1.9
Hedge funds	3.6	-1.2	4.0
Property and infrastructure	16.7	10.7	16.9
Return assets	33.4	-2.2	32.9
Convertible bonds	2.7	-5.4	2.9
High yield bonds	1.4	3.3	1.5
Private Equity	2.5	15.4	2.0
Equities	18.8	-8.3	20.2
Other financial assets	7.9	9.7	6.3
Other assets	0.2	-	0.4
Total	100.0	2.0	100.0



Pension insurance Common Portfolio: Additional statutory reserve has reached the maximum limit (12 per cent of premium reserve)

NOK million	2018	2017
Net financial result	1 441	3 334
Financial income Common portfolio	1 550	6 713
Guaranteed interest on reserves	-1 737	- 1 717
From (+)/to (-) Market value adjustment reserve	1 628	-1 662
Customers' share of the Risk result	201	179
Customers surplus before contributions	1 642	3 513
Contributions from OPF	0	0
From (+)/to (-) Additional statutory reserve	- 377	-3 033
Surplus funds to pension customers	1 265	480

Life and non-life insurance: Combined ratio of 55 per cent in 2018



NOK million	2018			2017
	Total	Personal risk products	Non-life	Total
Insurance result	81.3	73.7	7.7	111.1
Insurance premiums	199.6	109.2	90.4	206.7
Total claims	-120.5	-30.1	-90.4	-94.9
- Claims paid	-77.6	-51.2	-26.4	-74.7
- Changes in technical reserves	-42.9	21.1	-64.0	-20.2
Operating expenses	-21.1	-3.8	-17.4	-15.8
Net reinsurance result	23.3	-1.7	25.1	15.1
Financial income and other items	17.5	12.4	5,1	38.2
Business area result	98.8	86.1	12.7	149.3
<i>Combined ratio net of reinsurance</i>	<i>55 %</i>	<i>31 %</i>	<i>89 %</i>	<i>54 %</i>



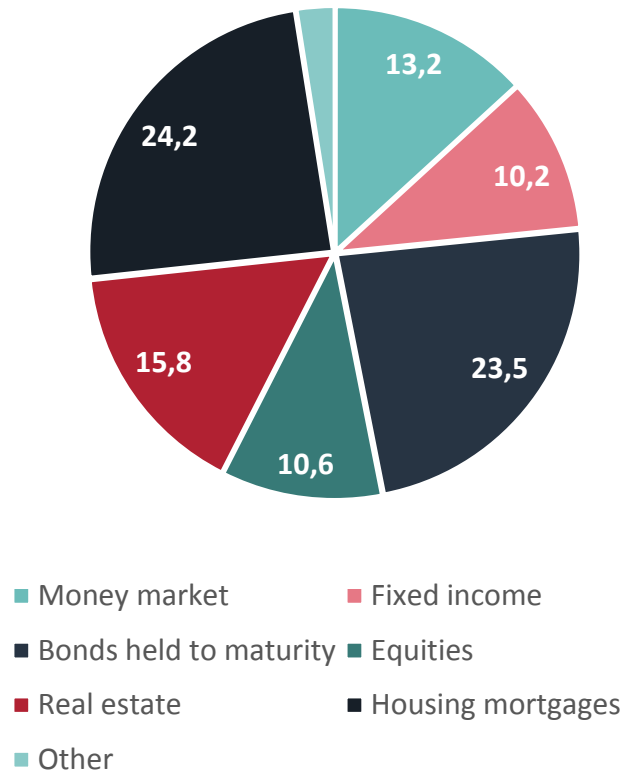
Non-life insurance: Oslo Forsikring's result was NOK 3.2m in the fourth quarter

NOK million	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	2018	2017
Insurance result	9.9	11.7	-19.9	6.0	7.3	7.7	7.9
Premium income. gross	23.5	22.8	21.9	22.2	22.0	90.4	87.4
Claims paid. gross	-5.2	-27.9	-51.4	-5.9	-30.2	-90.4	-84.3
Reinsurance result	-4.6	20.3	13.9	-4.5	16.8	25.1	16.8
Operating expenses. gross	-3.8	-3.5	-4.3	-5.8	-1.3	-17.4	-12.0
Net financial income	-7.5	5.5	6.3	-0.7	6.4	3.6	20.5
Other income and expenses	0.8	-0.5	0.3	0.8	0.2	1.4	1.8
Result before tax	3.2	16.7	-13.3	6.1	13.9	12.7	30.2
<i>Combined ratio gross</i>	<i>38 %</i>	<i>137 %</i>	<i>254 %</i>	<i>53 %</i>	<i>143 %</i>	<i>119 %</i>	<i>110 %</i>
<i>Combined ratio net of reinsurance</i>	<i>48 %</i>	<i>36 %</i>	<i>214 %</i>	<i>66 %</i>	<i>60 %</i>	<i>89 %</i>	<i>89 %</i>



The Corporate Portfolio returned -0.5 per cent in the fourth quarter of 2018, and 2.4 per cent in 2018

Corporate Portfolio. Asset allocation in per cent. 31 December 2018



Financial income on capital

NOK million	2018	2017
Financial income Corporate Portfolio	203	497
Other income	7	7
Paid interests	-75	-75
Financial Income Risk adj. fund	65	93
Correction Oslo Forsikring AS	-13	-30
Financial income on capital	187	492

Total assets of NOK 95.1 bn and equity of NOK 8.7bn



OPF AS. NOK million	31 Dec 2018	31 Dec 2017
Assets	95 159	91 349
Corporate Portfolio	9 903	9 319
Common Portfolio	85 256	82 030
Liabilities and Own funds	95 159	91 349
Pension premium reserve	63 589	60 336
Additional allocations	7 492	7 101
Market value adjustment reserve	9 304	10 933
Premium fund	3 249	2 303
Insurance fund personal risk products	364	385
Unallocated surplus funds to pension customers	0	0
Other debt and Deferred taxes	1 252	1 131
Subordinated debt	1 240	1 240
Equity	8 669	7 920



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