



OSLO PENSJONSFORSIKRING

# Results. Fourth quarter. 2019

12 February 2020

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

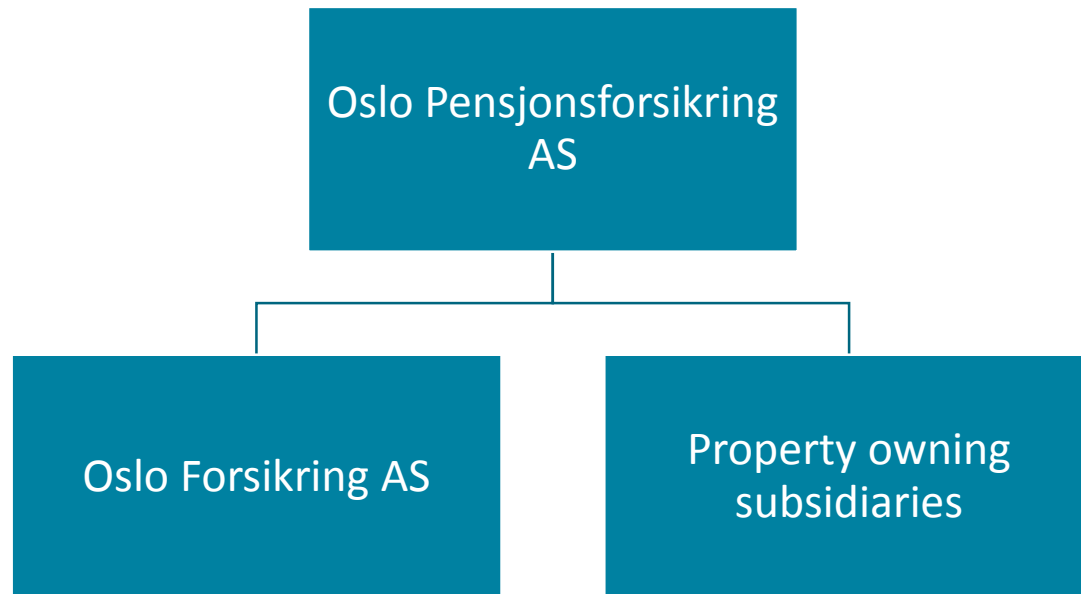
to the City of Oslo and associated entities. State-owned hospital corporations in Oslo are also pension customers of OPF.

- 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.

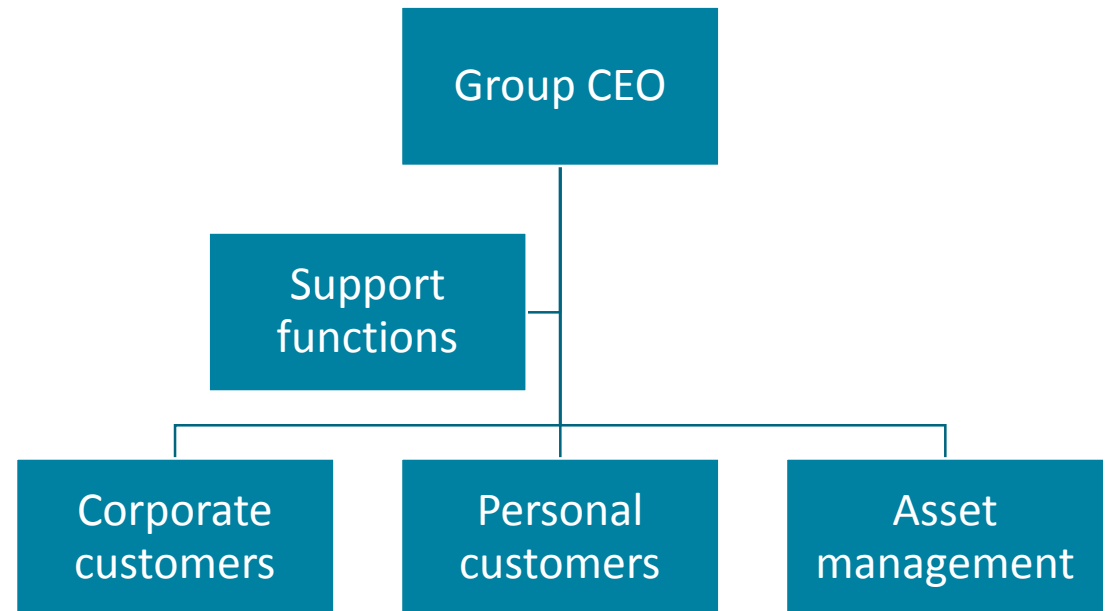
# Legal and organizational structure



## Group legal structure



## Organizational structure





# Strong results in the fourth quarter



- The group's result was NOK 209m (NOK 176m) in the fourth quarter of 2019.
- Value-adjusted return on customer funds was 10.3 (2.0) per cent in 2019.
- Solvency capital ratio was 400 per cent for the parent company (standard model, calculated without transitional measures).

# Oslo Pensjonsforsikring Group: Result NOK 209m in the fourth quarter

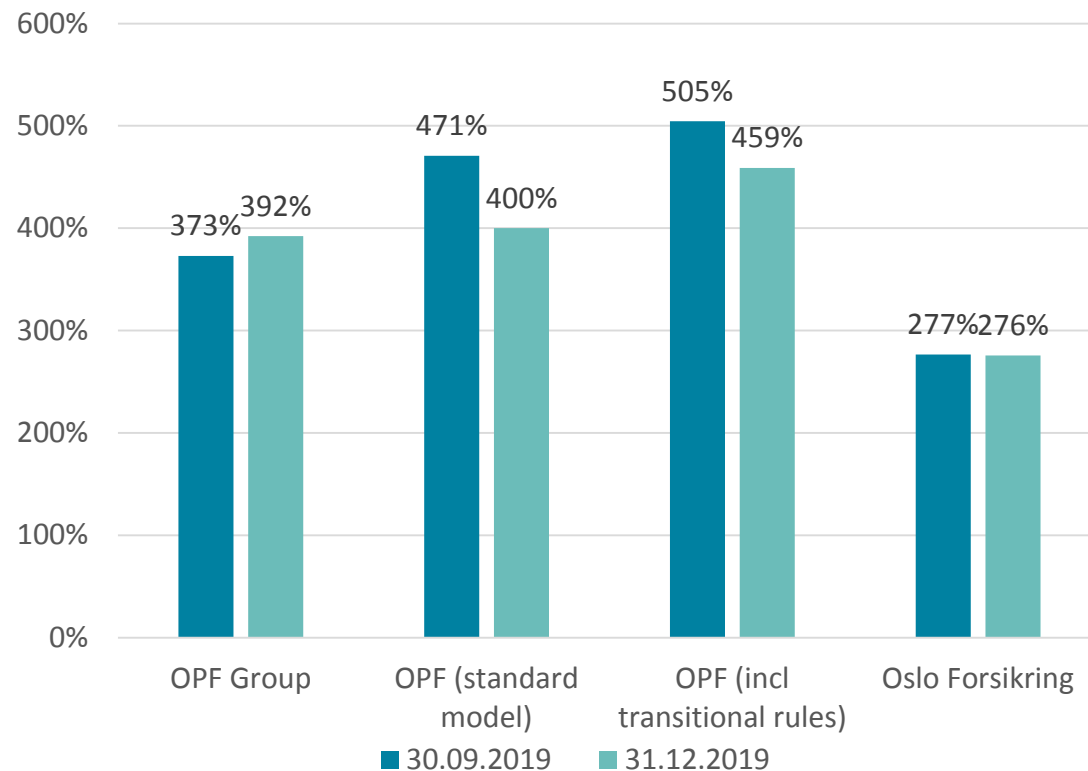


Quarterly results by business line.							
NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	2019	2018
<b>Result from Pension insurance</b>	<b>34</b>	<b>147</b>	<b>90</b>	<b>90</b>	<b>173</b>	<b>361</b>	<b>505</b>
The company's share of the risk result	0	0	0	0	102	0	201
Administration result	-41	68	14	13	8	55	47
Guarantee premiums and risk margin	75	79	76	77	63	306	257
<b>Result from life and non-life insurance</b>	<b>44</b>	<b>33</b>	<b>26</b>	<b>30</b>	<b>44</b>	<b>133</b>	<b>99</b>
Personal risk products (OPF)	36	19	12	11	40	78	86
Non-life insurance (Oslo Forsikring AS)	19	14	14	19	4	55	13
<b>Financial income on capital</b>	<b>131</b>	<b>71</b>	<b>131</b>	<b>192</b>	<b>-40</b>	<b>525</b>	<b>187</b>
<b>Group result before tax</b>	<b>209</b>	<b>251</b>	<b>247</b>	<b>312</b>	<b>176</b>	<b>1 019</b>	<b>791</b>

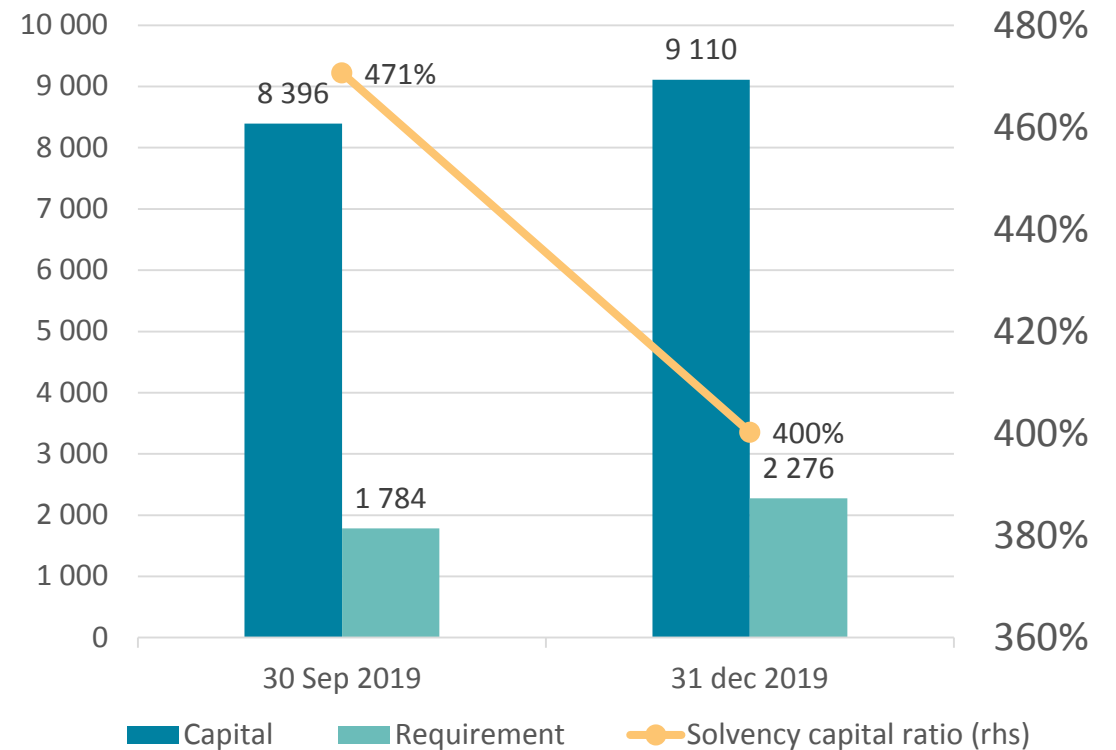
# OPF's solvency capital ratio (standard model) was 400 per cent as of 31 December 2019



Solvency capital ratio



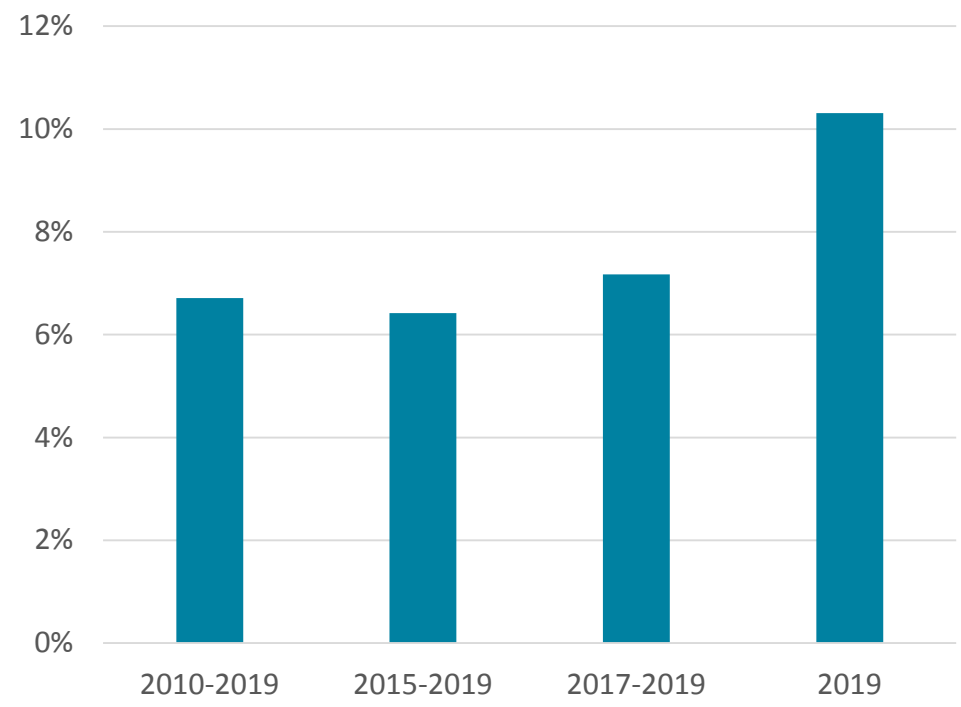
OPF solvency capital, capital requirement and coverage ratio.  
NOK million and per cent.



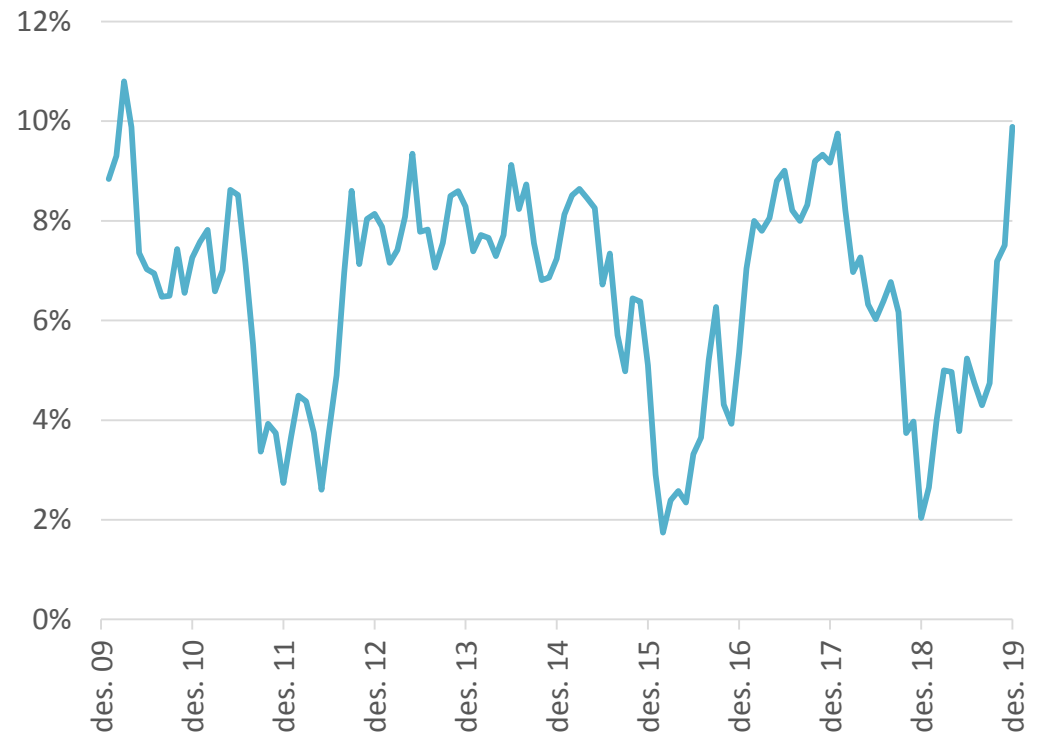


# Pension insurance: 10.3 per cent value adjusted return in the Common Portfolio in 2019

Value adjusted return. Annual average.  
Common Portfolio.



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



# Pension insurance: High investment returns to customers in 2019



Allocation and returns in per cent	Allocation 31 Dec 2019	Return 2019	Allocation 31 Dec 2018
<b>Hedging assets</b>	<b>57.6</b>	<b>4.9</b>	<b>66.5</b>
Money market	2.9	1.6	6.0
Mortgage loans	3.4	2.5	3.7
Domestic bonds	6.7	2.9	7.1
International bonds	4.7	8.0	4.8
Bonds held to maturity	19.5	3.9	23.0
Real interest rate bonds	1.6	6.0	1.6
Hedge funds	3.1	2.3	3.6
Property and infrastructure	15.7	8.3	16.7
<b>Return assets</b>	<b>42.1</b>	<b>20.1</b>	<b>33.3</b>
Convertible bonds	2.8	9.8	2.7
High yield bonds	1.8	10.4	1.4
Private Equity	3.2	13.9	2.5
Equities	23.5	26.9	18.8
Other financial assets	10.8	12.0	7.9
<b>Other assets</b>	<b>0.3</b>	<b>-</b>	<b>0.2</b>
<b>Total</b>	<b>100.0</b>	<b>10.3</b>	<b>100.0</b>



# Pension insurance Common Portfolio: Financial income NOK 8.7bn in 2019 vs NOK 1.6bn in 2018



NOK million	2019	2018
<b>Net financial result</b>	<b>0</b>	<b>1 064</b>
Financial income Common portfolio	8 738	1 550
Guaranteed interest on reserves	-1 782	- 1 737
From (+)/to (-) Market value adjustment reserve	-7 218	-1 628
From (+)/to (-) Additional statutory reserve	262	-377
<b>Customers' share of the risk result</b>	<b>309</b>	<b>201</b>
<b>Surplus funds to pension customers</b>	<b>309</b>	<b>1 265</b>

# Non-life insurance: Combined ratio of 56 per cent



NOK million	2019			2018
	Total	Personal risk products	Non-life	Total
<b>Insurance result</b>	<b>80.6</b>	<b>55.3</b>	<b>25.3</b>	<b>81.3</b>
Insurance premiums	204.7	105.1	99.6	199.6
Total claims	-61.6	-44.6	-17.0	-120.5
- Claims paid	-84.9	-58.5	-26.4	-77.6
- Changes in technical reserves	23.3	13.9	9.4	-42.9
Operating expenses	-20.2	-3.5	-16.7	-21.1
Net reinsurance result	-42.3	-1.7	-40.6	23.3
<b>Financial income and other items</b>	<b>52.6</b>	<b>22.5</b>	<b>30.1</b>	<b>17.5</b>
<b>Business area result</b>	<b>133.2</b>	<b>77.8</b>	<b>55.4</b>	<b>98.8</b>
<i>Combined ratio (net of reinsurance)</i>	<i>56 %</i>	<i>46 %</i>	<i>69 %</i>	<i>55%</i>

# Non-life insurance: Oslo Forsikring AS's result was NOK 7.2m in the fourth quarter

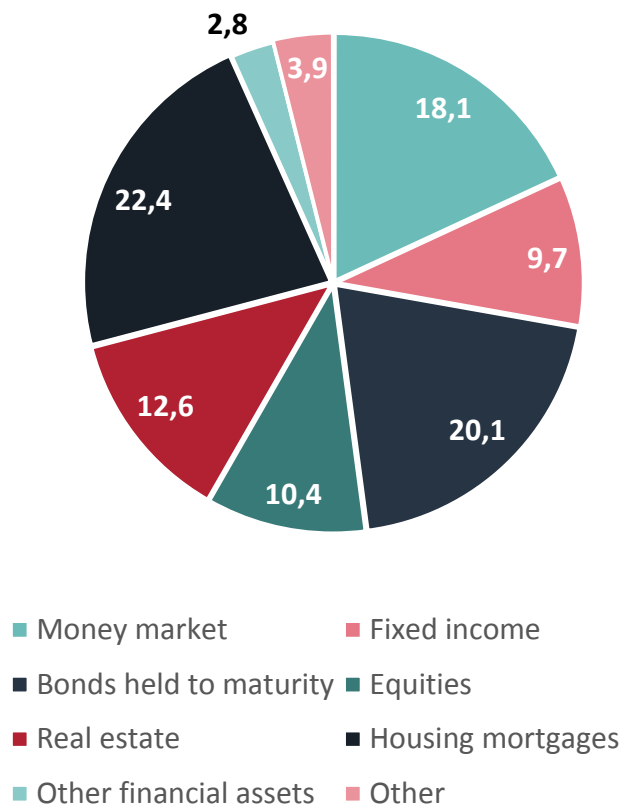


NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2018	Q4 2018	2019	2018
<b>Insurance result</b>	<b>-1.5</b>	<b>10.7</b>	<b>7.9</b>	<b>7.4</b>	<b>9.9</b>	<b>24.5</b>	<b>7.7</b>
Premium income. gross	25.4	25.1	24.6	24.4	23.5	99.5	90.4
Claims paid. gross	2.0	-5.9	-8.4	-5.6	-5.2	-17.9	-90.4
Reinsurance result	-25.8	-4.8	-4.7	-5.4	-4.6	-40.7	25.1
Operating expenses. gross	-3.2	-3.7	-3.7	-6.0	-3.8	-16.6	-17.4
<b>Net financial income</b>	<b>8.5</b>	<b>3.6</b>	<b>5.9</b>	<b>10.5</b>	<b>-7.5</b>	<b>28.5</b>	<b>3.6</b>
<b>Other income and expenses</b>	<b>0.2</b>	<b>-0.1</b>	<b>0.1</b>	<b>1.3</b>	<b>0.8</b>	<b>1.5</b>	<b>1.4</b>
<b>Result before tax</b>	<b>7.2</b>	<b>14.2</b>	<b>13.9</b>	<b>19.2</b>	<b>3.2</b>	<b>54.5</b>	<b>12.7</b>
<i>Combined ratio gross</i>	<i>5 %</i>	<i>38 %</i>	<i>49 %</i>	<i>48 %</i>	<i>38 %</i>	<i>35 %</i>	<i>119 %</i>
<i>Combined ratio net of reinsurance</i>	<i>107 %</i>	<i>47 %</i>	<i>61 %</i>	<i>61 %</i>	<i>48 %</i>	<i>69 %</i>	<i>89 %</i>

# The Corporate Portfolio returned 6.3 per cent in 2018



## Corporate Portfolio. Asset allocation in per cent. 31 December 2019



## Financial income on capital

NOK million	2019	2018
Financial income Corporate Portfolio	612	203
Other income	10	7
Paid interests	-75	-75
Financial Income Risk adj. fund	33	65
Correction Oslo Forsikring AS	-55	-13
<b>Financial income on capital</b>	<b>525</b>	<b>187</b>

# Total assets of NOK 104.6bn and equity of NOK 9.6bn



OPF AS. NOK million	31 Dec 2019	31 Dec 2018
<b>Assets</b>	<b>104 581</b>	<b>95 170</b>
Corporate Portfolio	10 687	9 914
Common Portfolio	93 895	85 256
<b>Liabilities and Own funds</b>	<b>104 581</b>	<b>95 170</b>
Pension premium reserve	66 898	63 589
Additional allocations	7 241	7 492
Market value adjustment reserve	16 522	9 304
Premium fund	1 578	3 249
Insurance fund personal risk products	350	364
Unallocated surplus funds to pension customers	0	0
Other debt and Deferred taxes	1 203	1 241
Subordinated debt	1 240	1 240
Equity	9 549	8 691



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