



ANNUAL REPORT 2017



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2017 in brief

→ The Pension Scheme for the Pharmacy Sector strengthened its financial position during 2017.

Improved solidity

Investment management delivered a solid result in 2017. There was a 5.12 per cent (value-adjusted) overall return on the pension scheme's funds for 2017. All asset classes contributed positively to the return, and shares and real estate investments in particular made a solid contribution to total income. For more information on this, see page 30.

The premium level is set to balance the scheme over a long period, and the premium rate remained unchanged in 2017.

At the end of the year, buffer capital satisfied the capital requirement based on the Financial Supervisory Authority of Norway's stress test using both moderate stress factors and extreme stress factors. The financial position, measured against the stress test requirement, has significantly improved through the year and at the end of 2017, the scheme satisfies solvency-based capital requirements without the use of transitional arrangements.

Increased life expectancy, wage inflation and stricter statutory capital requirements for pension schemes have

all played a part in increasing cost levels for the scheme. At the same time, expectations for the return on investments going forward are moderate. On page 32, you can read more about the assessment of future prospects.

Increased pension liabilities

Total pension liabilities increased by NOK 286 million in 2017. One year of pension entitlements for active members, a small growth in numbers, both of active members and pensioners, coupled with wage increases and the regulation of pensions being paid contributed to the increase. Read more about the development of pension liabilities on page 29.

In 2017, the Pension Scheme for the Pharmacy Sector paid out NOK 301 million in pensions. Pensions were adjusted based on a wage inflation factor of 1.14 per cent.



About the Pension Scheme

→ The Pension Scheme for the Pharmacy Sector manages the pension entitlements of employees in pharmacies in Norway.

The Pension Scheme for the Pharmacy Sector was established in 1953 and is a statutory collective pension scheme. This means that dispensing pharmacists and permanent employees in pharmacies are both entitled to and obliged to become members of the pension scheme.

In addition to the employees at 899 pharmacies the scheme has members from other businesses which are closely associated with the pharmacy sector, and where employers have applied for membership.

The Pension Scheme for the Pharmacy Sector comprises retirement pensions, contractual pensions (AFP), and disability pensions. Upon the death of a member, dependents may be entitled to dependents' pensions. Members can also apply for housing loans. Read more about what the scheme comprises on www.spk.no/apotekordningen.

Administration

The Act on the Pension Scheme for the Pharmacy Sector stipulates that the scheme shall be managed by the Norwegian Public Service Pension Fund in accordance with regulations issued by the Ministry of Labour and Social Affairs. The Board of Directors of the Pension Scheme for the Pharmacy Sector is the scheme's decision-making body.

The Board is headed by the CEO of the Norwegian Public Service Pension Fund and has four additional members, each with a personal deputy.

The Board is appointed by the Ministry of Labour and Social Affairs with a four-year mandate following nominations from the employers' associations and the employee unions. Two of the appointed members shall represent employers, while pharmacists and technical staff are each represented by one Board member.

Board of Directors 2017

- **Finn Melbø** (chairman)
CEO of the Norwegian Public Service Pension Fund
- **Stein Gjerding**
Chief Economist, The Employers' Association Spekter
- **Trond Teisberg**
Chief Negotiator, Virke /the Enterprise Federation of Norway
- **Renate Messel Hegre**
Negotiator, Parat/Norwegian Association of Pharmacy Technicians
- **Greta Torbergesen**
Secretary General of the Norwegian Association of Pharmacists

Key figures

Key figures 2017

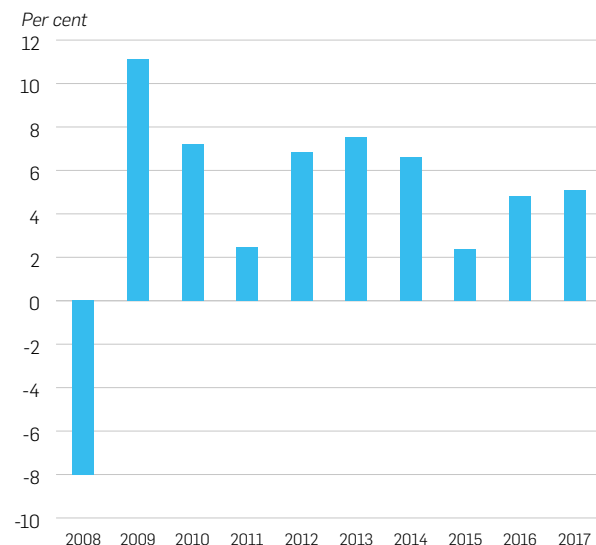
		2017	2016	2015
Customers and members				
Pharmacies in the pension scheme	Number	899	868	834
Members	Number	20 967	20 288	19 711
Actively-employed member*	Number	7 704	7 645	7 585
Pensioners*	Number	5 338	5 121	4 951
Persons with entitlements from previous positions**	Number	7 925	7 522	7 175
Occupational pensions				
Accrued pension entitlements	Thousand NOK	7 275 090	6 989 457	6 644 037
Pension premium	Thousand NOK	663 758	648 336	639 870
Pensions paid	Thousand NOK	301 205	290 277	279 046
Investment management				
Funds in the Pharmacy scheme	Million NOK	9 300	8 500	7 800
Annual return	Per cent	5.1	4.8	2.4

* The number stated is the number of policies. A member can have more than one policy. For example, a member who receives a partial disability pension from the pension scheme and works partly in an active position will have two policies which correspond to the two positions respectively.

** Members who no longer work in an organisation linked to the Pension Scheme for the Pharmacy Sector, but who have pension entitlements in the scheme (also called deferred pensions).

Investment management

Annual return



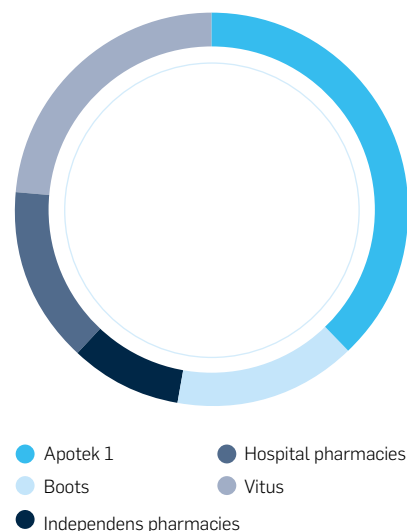
The assets of the Pension Scheme for the Pharmacy Sector are invested in available-for-sale and hold-to-maturity bonds, Norwegian shares, real estate, foreign equity funds, alternative investments funds and loans to members.

Investment management resulted in a value-adjusted return of 5.1 per cent in 2017. The average return for the 10-year period has been 4.6 per cent.

[Read more on page 30.](#)

Actively-employed members

Actively-employed members by employers



Actively-employed members by employers

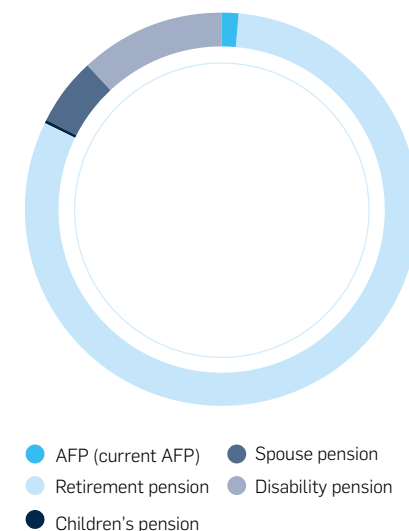
Active	Apotek 1	Boots	Independens pharmacies	Hospital pharmacies	Vitus
Women	2 635	1 022	577	989	1 580
Men	288	124	131	132	226
Total	2 923	1 146	708	1 121	1 806
Changes from 2016	111	-55	-92	19	76

The table shows active members employment by pharmacy retailer, and in total for the independent pharmacies, specified by gender.

[More statistics: see page 35.](#)

Pension

Accrued pension entitlements



The Pension Scheme for the Pharmacy Sector comprises retirement pensions, contractual pensions (AFP), disability pensions and dependents' pension (children's pension and spouse pension).

Accrued pension entitlements ((in NOK thousand)

AFP (current AFP)	120 625
Retirement pension	5 866 183
Children's pension	15 625
Spouse pension	419 990
Disability pension	852 667
Total	7 275 090

Accrued pension entitlements in the scheme increased by NOK 286 million from 31.12.2016 to 31.12.2017. Retirement pensions comprise 80 per cent of the total accrued entitlements of NOK 7,275 million.

[Read more on page 25.](#)

Calendar 2017



Contacts at the employers receive information about financial deliveries, changes in regulations and practical information about pensions, courses, etc. in our e-mail newsletter (customer letter). Five newsletters were sent by e-mail in 2017.

JANUARY

- Six companies that were specially incorporated in the pension scheme withdrew with effect from 01.01.2017.
- We sent a newsletter by e-mail (customer letter) to contacts at the employers informing them that financial deliveries are now distributed digitally, and no longer by letter.
- The Ministry of Labour and Social Affairs commissioned the Norwegian Research Council to evaluate the pension reform that was implemented in 2011. The evaluation (EVAPEN) will last until 2018.

FEBRUARY

- The hard copy application form for AFP (lifelong contractual pension scheme) was replaced by a digital form. Members should now apply for AFP together with their employer in an expanded pension application form.
- We provided information about the new application form for AFP and a course list for 2017 in the customer letter to the contacts at the employers.
- The report of the the National Insurance Scheme's Social Security benefits for dependants was presented for consultation.

MARCH

- The perspective report (Long-term Perspectives on the Norwegian Economy) was presented to the Storting. The report illuminates the important challenges for the continuation of the Norwegian welfare schemes.

MAY

- The National Insurance Scheme's basic amount (G) increased from NOK 92,576 to 93,634 from 01.05.2017. This is an increase of NOK 1,058, equivalent to 1.14 percent.
- POA pensions were regulated with effect from 01.05.2017. The regulation was based on the increase in the National Insurance Scheme's basic amount.
- The annual report for 2016 was published on POA's website.

JUNE

- We sent a customer letter to the contacts at the employers containing information about, among other things, the pension regulation and practical advice when changing payroll systems.
- New rules for work clarification benefit (AAP) from the National Insurance Scheme were adopted. The rules came into force on 01.01.2018.
- The first report from the Research Council's evaluation of the pension reform (EVAPEN) came to the conclusion that the reform was working in the way that the politicians intended.

Calendar 2017



The book "The Pension Initiative" was published in November 2017 on the occasion of 100-year anniversary of the Public Service Pension Fund. The book is the result of a research project by BI, which has taken aim at describing the establishment and development of the public sector pension and its significance. The Pension Scheme for the Pharmacy Sector, which was established in 1953 in the interface between the government and the private sector, is also discussed in the book.

JULY

- 1 July marked 100 years since the establishment of the Norwegian Public Service Pension Fund. The Public Service Pension Fund has administered the Pension Scheme for the Pharmacy Sector since its establishment in 1963.
- The pan-European regulations, European Market Infrastructure regulation (EMIR), came into force in Norway on 01.07.2017. The regulations affect all companies trading in derivative contracts.

SEPTEMBER

- The Ministry of Labour and Social Affairs presented proposals for new coordination rules for public service pensions for consultation. The consultation documents also include pensions from POA for those who are born in 1954 or after.

OCTOBER

- We conducted a deferred settlement for those members who received a disability pension in the financial year 2016. As with the deferred settlement for AFP pensioners, which was completed in the spring, this created a lot of enquiries to the customer centre.

NOVEMBER

- The book "The Pension Initiative. Public Sector Occupational Pensions over 100 years" was launched. The book is the result of a research project undertaken by the Public Service Pension Fund and BI Norwegian Business School on the occasion of the 100-year anniversary of the pension scheme. POA's history is also mentioned in the book.
- Our customers received their premium forecast for 2018.
- The customer letter to the contacts at the employers provided information about, among other things, a new and improved functionality in the service "My company".

DECEMBER

- The Ministry of Labour and Social Affairs and the employers' and employees association agreed to start the process for the final establishment of a pension scheme for public sector employees born in 1963 and later.
- The Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO) presented an evaluation report concerning contractual pensions (AFP) in the private sector.
- We issued invoices for the 4th period of 2017, including the settlement for 2017. Based on feedback previously received from our customers, we changed our practice, so that the settlement for the current year was included on the December invoice.



Board of Directors' Report

Board of Directors' Report 2017

for the Pension Scheme for the Pharmacy Sector

→ **In 2017 the Pension Scheme for the Pharmacy Sector achieved a result of NOK 286 million. The time-weighted return for the whole portfolio was 5.1 per cent. The solidity of the Pension Scheme for the Pharmacy Sector strengthened during 2017.**

The Pension Scheme for the Pharmacy Sector is managed by the Norwegian Public Service Pension Fund, Oslo. At the end of 2017, the pension scheme had three male employees. All the employees are investment managers. Ongoing follow-up of the employees is carried out by the Norwegian Public Service Pension Fund.

No discrimination shall occur on the grounds of gender, race, age or ethnic background in the Pension Scheme for Pharmacy Businesses.

The pension scheme has guidelines for ethically responsible investments. These guidelines are based on the guidelines for the Folketrygdfondet (Government Pension Fund - domestic). In addition, the pension scheme has also resolved to use KLP's list of excluded companies as the basis for determining companies in which the pension scheme shall not invest.

As of 31 December 2017 the board of directors had five members. The Board of Directors is headed by the CEO of the Norwegian Public Service Pension Fund. The other board members represent the Hovedorganisasjonen Virke, the Spekter Employers' Association, the Norwegian Association of Pharmacists and the Norwegian Association of Pharmacy Technicians. During the year the board of the pension scheme held six board meetings and dealt with 50 items of business.

The pension scheme's operations do not affect the external environment.

Members, contributions and benefit payments

At year's end 2017, employees at 899 pharmacies were members of the pension scheme. This is an increase of 31 pharmacies from 2016. The pension scheme also includes members who are not pharmacy employees, but who work in other positions associated with the pharmacy sector. The fund had a total of 7,704 actively contributing members, as well as 5,338 current pensioners. In 2017, NOK 659 million was paid in premiums, compared to NOK 628 million in 2016. Furthermore, NOK 301 million was paid in pensions, compared to NOK 290 million in 2016. Invoiced but not paid premiums constituted a total of NOK 177 million at the turn of the year.

In 2017, NOK 53 million was paid in premiums by companies that withdrew from the pension scheme with effect from 1 January 2017. The payment concerns a calculated one-off settlement for future regulation of members' rights, with a deduction for the companies' share of the overfunding of the pension scheme.

The premium rate was 18.1 per cent in 2017. The premium is divided between employees and employers. Employees paid a premium of 3.4 per cent of the contribution base, while employers paid a premium of 14.7 per cent.

In 2017 the pensions were adjusted based on a factor of 1.14 per cent. In the same way as for National Insurance, a fixed factor of 0.75 per cent is deducted from the adjustment of the majority of pensions. This resulted in a minimum increase of the total pension of 0.38 per cent.

Financial risk

The Board has adopted an investment strategy that clearly delineates which risks may be taken and which investments may be made. The strategy outlines that capital should be invested with a long-term perspective and with a moderate level of risk. As of 31 December 2017, the proportion of shares, equity funds and hedge funds comprised 12 per cent of total assets. This is the

same share as in 2016. In the opinion of the Board, the scheme's investment strategy and authorization structure provide a good level of control over the management of the scheme's assets.

Some bonds classified as hold-to-maturity matured in 2017. At year-end, the portfolio of hold-to-maturity bonds represents 17 per cent of total assets. This proportion has increased by 2 percentage points compared with the previous year. Current returns from this portfolio are around 4.2 per cent.

Insurance risk

Risk management on the investment side and risk management in relation to the actuarial provisions reserves are viewed together. The actuarial provisions are commitments with a long timeframe. Generally speaking, therefore, capital should be invested with a long-term perspective.

The technical settlement for 2017 is based on the K2005 life expectancy tariff with a basic interest rate of 3 per cent. A 15 per cent safety margin supplement for mortality related to the K2005 tariff is included. The assumption for rates of disability was based on K1963, boosted by a factor of 2.5.

Result

The result for the year shows a profit of NOK 286 million. Net profits related to financial assets stood at NOK 445 million. This includes changes in unrealized gains and losses. All asset classes have contributed positively to the return for 2017 as a whole.

Provisions have been made for unrealized price gains of NOK 203 million to the securities adjustment reserve in 2017. This has reduced the profit for 2017 accordingly.

In 2017 a total increase in pension liabilities (the premium reserve) of NOK 286 million was recorded. Growth in the number of active members, pensioners and members with deferred rights, as well as salary increases and the regulation of current pensions, all contribute to the rise in liabilities.

This year's profit of NOK 286 million will be allocated to other retained earnings.

Financial position

As at 31.12.2017 the Pension Scheme for Pharmacy Businesses had total capital of NOK 9,562 million. Approximately 73 per cent of total capital was placed in bonds, 12 per cent in shares, equity funds, hedge funds and special funds, 11 per cent in property and real estate, 1 per cent in loans and 1 per cent in bank deposits, while other items account for 2 per cent of the total.

As of 31.12.2017 other retained earnings totalled NOK 1,554 million. This is an increase of NOK 252 million from 2016. The pension scheme calculates the solvency margin requirement based on the rules that apply to private pension funds. As of 31.12.2017, the calculated solvency margin requirement totalled NOK 255 million. The solvency margin requirement must be covered by other retained earnings.

The scheme's free equity consists of other retained earnings in excess of the solvency margin requirement. Free equity totalled NOK 1,299 million at the end of the year. This is buffer capital necessary to cover random risks that are not covered by the premium. The buffer capital is equivalent to 13.6 per cent of total capital. Free equity totalled NOK 1,058 million at the end of 2016. This is equivalent to 12.1 per cent of total capital.

As of 31.12.2017, NOK 553 million in net unrealized price gains was allocated to the securities adjustment reserve. The securities adjustment reserve operates as a buffer against possible future falls in market prices.

The pension scheme calculates capital requirements based on the Financial Supervisory Authority of Norway's stress tests in accordance with similar rules which apply to private pension funds. The stress tests demonstrate the scheme's ability to bear losses without this threatening the ordinary operations of the scheme.

Buffer capital was strengthened during 2017. Together with the premiums paid, the return on the securities portfolio contributed to this strengthening. The return (time-weighted) of 5.1 per cent in 2017 is better than the comparable reference index, and also better than the assumptions at the beginning of the year.

Summary

The annual financial statements have been prepared under the going-concern assumption. As of 31.12.2017, the pension scheme had set aside technical reserves in accordance with the provisions of Act no. 11 of 26 June 1953 concerning the Pension Scheme For The Pharmacy Sector.

In the opinion of the board, the annual financial statements for the Pension Scheme for the Pharmacy Sector provide a satisfactory basis for assessing the results of the pension scheme's operations during 2017 and the scheme's financial position at year-end.

The buffer capital was strengthened during the year and as at 31.12.2017 meets capital requirements based on the Financial Supervisory Authority of Norway's stress tests with moderate stress factors. The test, whereby buffer capital is measured against extreme stress factors, also showed a satisfactory financial position. Low interest rates, together with the growth in pension liabilities create, how-

ever, a challenge for the Pension Scheme for the Pharmacy Sector and for the industry in general.

The Board is of the opinion that the financial position at the end of the year is satisfactory. Together with the adopted investment strategy, the Board is of the opinion that this provides a satisfactory basis for meeting the challenges facing the industry. The requirements for the going-concern assumption are accordingly satisfied.

Oslo, 23 March 2018

Finn Melbø (Chairman)

Stein Gjerding

Greta Torbergson

Trond Teisberg

Renate Messel Hegre



Annual financial statements

Income statement 2017

	Note	2017	2016
TECHNICAL ACCOUNT			
Premium income			
Premium income	16	663 757 581	648 380 407
Net income from investments in the collective portfolio			
Interest income and dividends, etc. from financial assets		186 851 908	161 413 082
Net operating income from real estate fund		7 694 566	46 844 245
Value adjustments on investments		202 875 276	-144 223 417
Realized profit and loss on investments		26 450 682	304 895 222
Total net income from investments in the collective portfolio	20	423 872 432	368 929 133
Insurance benefits			
Pensions paid	17	301 205 259	290 277 056
Recognized changes in insurance liabilities			
Change in premium reserve	11	285 633 000	345 419 000
Change in exceptional liabilities		-8 788 372	0
Change in securities adjustment reserve		202 730 668	-143 026 860
Total recognized changes in insurance liabilities	21	479 575 296	202 392 140
Insurance-related operating costs			
Administrative costs	18	23 944 651	23 843 031
Insurance-related administrative costs	19	17 165 605	16 378 856
Total insurance-related operating costs		41 110 257	40 221 887
Technical result		265 739 202	484 418 457

	Note	2017	2016
NON-TECHNICAL ACCOUNT			
Net income from investments in company portfolio			
Interest income and dividends, etc. from financial assets		9 488 794	7 580 474
Net operating income from real estate fund		390 749	2 199 956
Value adjustments on investments		10 302 499	-6 773 193
Realized profit and loss on investments		1 343 230	14 318 854
Total net income from investments in the company portfolio	20	21 525 272	17 326 092
Other income			
Interest income on bank deposits, operations		213 300	982 490
Administrative costs and other costs linked to the company portfolio			
Administrative costs	18	1 222 624	1 037 383
Non-technical result		20 515 948	17 271 199
Comprehensive income		286 255 150	501 689 656
Transfers and allocations			
Allocated to/transferred from(-) other retained earnings	13, 14, 21	286 255 150	501 689 656
Total allocations		286 255 150	501 689 656

Balance sheet / Assets

	Note	31.12.2017	31.12.2016
ASSETS IN COMPANY PORTFOLIO			
INVESTMENTS			
Financial assets valued at amortized cost			
Bonds classified as hold-to-maturity	2	62 132 533	31 640 070
Housing and business loans	3	3 597 442	2 722 644
Total financial assets valued at amortized cost		65 729 975	34 362 714
Financial assets at fair value			
Shares and mutual funds	4, 7	83 961 281	46 217 284
Bonds	5, 7	201 661 670	119 685 130
Financial derivatives	6, 7	0	0
Bank deposits		2 738 128	7 298 873
Total financial assets at fair value		288 361 078	173 201 288
Total investments in company portfolio		354 091 053	207 564 001
Receivables			
Account receivables	9	177 709 204	173 112 502
Receivables from brokers		6 344 221	172 858 000
Total receivables		184 053 425	345 970 502
Other assets			
Bank deposits, operations	8	14 982 954	8 918 698
Prepaid expenses and accrued income			
Accrued non-invoiced premiums		5 550 000	5 550 000
Accrued dividends		4 005 395	4 395 702
Prepaid expenses		50 593	48 960
Total prepaid expenses and accrued income		9 605 988	9 994 662
Total assets in company portfolio		562 733 420	572 447 864

	Note	31.12.2017	31.12.2016
ASSETS IN CLIENT PORTFOLIOS			
INVESTMENTS IN COLLECTIVE PORTFOLIO			
Financial assets valued at amortized cost			
Bonds classified as hold-to-maturity	2	1 579 063 298	1 247 395 954
Housing and business loans	3	91 426 950	107 339 053
Total financial assets valued at amortized cost		1 670 490 249	1 354 735 007
Financial assets at fair value			
Shares and mutual funds	4, 7	2 133 828 608	1 822 096 282
Bonds	5, 7	5 125 117 649	4 718 534 050
Financial derivatives	6, 7	0	0
Bank deposits		69 587 977	287 754 893
Total financial assets at fair value		7 328 534 234	6 828 385 225
Total investments in collective portfolio		8 999 024 483	8 183 120 231
Total assets in client portfolios		8 999 024 483	8 183 120 231
Total assets		9 561 757 903	8 755 568 095

Balance sheet / Equity and liabilities

	Note	31.12.2017	31.12.2016
Retained earnings			
Other accrued dividends	10, 13	1 553 693 974	1 302 333 398
Total accrued dividends	10, 14, 15	1 553 693 974	1 302 333 398
Insurance liabilities			
Premium reserve	11	7 275 090 000	6 989 457 000
Special liability - for regulation of pensions	12	79 095 348	0
Securities adjustment reserve		553 349 680	350 619 013
Total insurance liabilities		7 907 535 028	7 340 076 013
LIABILITIES IN COMPANY PORTFOLIO			
Financial liabilities measured at fair value			
Financial derivatives	6	117 831	513 748
Expenses and income accrued			
Accrued expenses		2 700 055	2 639 957
Other short-term liabilities			
Liabilities to broker		85 000 000	80 000 000
LIABILITIES IN CLIENT PORTFOLIOS			
Financial liabilities measured at fair value			
Financial derivatives	6	2 994 617	20 254 275
Expenses and income accrued			
Accrued expenses		9 716 396	9 750 705
Total equity and liabilities		9 561 757 902	8 755 568 095

Oslo, 23 March 2018

Finn Melbø (Chairman)

Stein Gjerding

Greta Torbergsen

Trond Teisberg

Renate Messel Hegre

Cash flow statement

(Figures in whole NOK)

	2017	2016
Cash flow from operations		
Member contributions	746 737 970	628 176 577
Bank interest	708 835	1 209 577
Interest income on loans	2 266 597	2 855 148
Interest on bonds/certificates	176 999 994	152 444 528
Dividends	16 528 309	13 406 789
Other income	1 099 317	255 083
Total	944 341 023	798 347 702
Financial expenses paid	-1 572 135	-4 486 687
Pensions paid	-301 205 259	-290 277 056
Administrative expenses	-41 641 557	-38 930 948
Change in accounts payable	83 339	46 270
Changes in other liabilities	4 942 450	79 373 121
Total	-339 393 162	-254 275 300
Total cash flow from operations	604 947 860	544 072 403
Cash flow from investments		
Net realized losses/gains on shares/derivatives/hedge funds	21 833 963	319 876 201
Net realized losses/gains on bonds/certificates	5 959 949	-662 124
Net realized returns on real estate fund	8 085 315	49 044 201
Net change in loans	15 050 550	25 239 924
Net losses on loans	0	0
Net change in real estate fund	-199 563 683	138 140 122
Net change in securities	-796 844 132	-683 828 443
Net change in other receivables	158 761 347	-172 052 562
Total cash flow from investments	-786 716 692	-324 242 682

(Figures in whole NOK)

	2017	2016
Cash flow from financing activities		
Paid in capital	-34 894 574	0
Total cash flow from financing activities	-34 894 574	0
Net cash flow for the period	-216 663 405	219 829 721
Cash and cash equivalents 01.01.	303 972 464	84 142 743
Cash and cash equivalents 31.12.	87 309 059	303 972 464
Net change cash and cash equivalents	-216 663 405	219 829 721

Notes

Note 1 | Accounting principles

Wherever possible the annual financial statements have been prepared in accordance with the Regulation of 20.12.2011 on annual financial statements etc. for pension companies and with the Norwegian Accounting Act that came into force on 01.01.1999.

Pension premiums

Pension premiums are recorded as income as they accrue. Pension premiums are paid quarterly in arrears.

Interest income

Interest is recorded as income as it accrues.

Financial assets valued at amortized cost

Bonds classified as held-to-maturity are valued at cost price, adjusted for recognized premium/discount. The premium/discount at the acquisition date is recognized in the income statement spread over the bond's remaining life.

Housing and business loans are recorded at par value as of 31.12.2017.

Financial assets at fair value

Shares and mutual funds

Investments in shares and mutual funds are booked at fair value as of 31.12.2017. Changes in value are recognized in the income statement. Fair value is equivalent to the market value as of 31.12.2017. Market value is based on the last official trade in 2017.

Shares in the real estate fund are included in shares and mutual funds. Shares are valued at the market value as

of 31.12.2017. The market value is based on independent valuations of the properties.

Shares in the infrastructure fund and hedge fund are also included in shares and mutual funds. The Pension Scheme for the Pharmacy Sector has calculated the value of the shares as at 31.12.2017. as per the industry standard.

Bonds

Investments in bonds are booked at fair value as of 31.12.2017. Changes in value are recognized in the income statement. Fair value is equivalent to the market value as of 31.12.2017. Market value is equivalent to the tax assessment value for 2017.

Financial derivatives

Foreign currency forward contracts and options are booked at fair value as of 31.12.2017. Fair value is equivalent to the market value as of 31.12.2017.

Securities valued at fair value are considered a single portfolio. The unrealized gain or loss in the portfolio is designated as the difference between the total acquisition cost and the total market value. Any net unrealized gain in the portfolio is allocated to the securities adjustment reserve. Any net unrealized loss in the portfolio is recognized as an expense in the income statement.

Foreign currency

Bank deposits together with receivables and liabilities designated in foreign currencies are recorded using exchange rates as of 31.12.2017.

Insurance liabilities

The calculations are based on the assumption that the pension scheme will continue to operate as long as obligations exist towards its members as of 31.12.2017. Accordingly, account has been taken of all potential pension benefits provided for in the Act on The Pension Scheme for the Pharmacy Sector, both current benefits and benefits that may be relevant in the future. Account has also been taken of the contractual pension scheme (AFP) that allows the drawing of a pension from the age of 62, subject to certain criteria.

The cash value of all scheme members' pensions has been calculated on the basis of membership status as per the balance sheet date (31.12.2017). This calculation has been carried out using standardized actuarial principles, and allowance has been made for discounting and calculation of risk. The calculations are based on a linear accrual of pension benefits from initial employment until retirement, subject to adjustment for any additional periods during which the member may previously have accrued pension entitlements.

The actuarial assumptions of mortality in the case of longevity risk and mortality for mortality risk are based on the basis elements in K2005. Mortality in the case of longevity risk was also strengthened with a 15 per cent safety margin for both genders.

The assumption for rates of disability was based on K1963, boosted by a factor of 2.5.

Retained earnings

Retained earnings consist of Other retained earnings. Other retained earnings comprise the pension scheme's excess capital in relation to the pension scheme's commitments. As

a minimum the equity must cover the estimated solvency margin requirement. The solvency margin requirement is described in more detail in Note 15. Other retained earnings in excess of the solvency margin requirement/minimum capital requirement are defined as free equity. There are no guidelines limiting the application of free equity in the Pension Scheme for Pharmacy Businesses.

Note 2 | Bonds classified as hold-to-maturity

Figures in NOK 1 000					
Issuer	Par value	Cost price	Book value	Market value	Difference between book and par value
Government/guaranteed	100 000	90 490	98 384	105 350	1 616
Banking/finance	225 000	224 573	224 824	232 995	176
Municipality/county	25 000	23 835	24 013	24 508	987
Industry	999 030	1 000 423	1 000 145	1 033 815	-1 115
Energy	265 000	267 238	266 712	278 130	-1 712
Total bonds classified as hold-to-maturity	1 614 030	1 606 559	1 614 078	1 674 798	-48
Interest earned			27 118	27 118	
Total book value	1 614 030	1 606 559	1 641 196	1 701 916	-48
Book value 1.1.2017:			1 279 036		
Additions 2017:			408 000		
Disposals 2017:			-51 833		
Accrued premium/discount for the year:			-2 414		
Change in accrued interest 2017:			8 407		
Book value 31.12.2017:			1 641 196		
Proportion of above in the collective portfolio			1 579 063		
Proportion of above in the company portfolio			62 133		

All bonds classified as hold-to-maturity are listed on regulated marketplaces. All bonds are issued in NOK. The weighted average yield on bonds classified as hold-to-maturity is 4.2%. The average yield is calculated on the basis of cost price. The average yield is weighted in relation to the relevant security's par value and totalled. The difference between book and par value is recognized in the income statement over the remaining life of the bond.

Note 3 | Housing and business loans

The pension scheme provides loans to its members. Housing and business loans are recorded at par value as of 31.12.2017. Past lending losses have been extremely small. Hence, no allowances are made for possible loan losses.

Borrowers with housing loans are partially covered by credit insurance for which the pension scheme has self-insurance arrangements. No provisions have been made for potential claims as of 31.12.2017, since the number of claims and the sums relating to them have been low in recent years.

Specification of the loan portfolio:

	Housing loans	Government-guaranteed debenture loans	Total
Number	154	2	156
Amount	94 406 325	618 067	95 024 392
Proportion of above in the collective portfolio:	91 426 950		
Proportion of above in the company portfolio:	3 597 442		

The interest rate has remained unchanged throughout 2017. The interest rate for housing loans was 2.20 per cent as of 31.12.2017. For Government-guaranteed debenture loans the interest rate was 2.70%.

Losses etc. on loans	2017	2016	2015	2014	2013
Principal written off	0	0	0	354	0
Principal written off, credit insurance	0	0	0	0	27 290
Interest written off	0	0	0	0	0
Interest written off, credit insurance	0	0	0	0	152
Previous payments written off	0	0	0	0	0
Total	0	0	0	354	27 442

Note 4 | Shares/fund shares

Shares listed on the Oslo Stock Exchange

Company	Cost price	Book value
Af Gruppen Ord	8 460 832	13 350 000
Aker	11 236 990	22 165 000
Autoliv Inc	14 622 959	15 763 109
Borregaard Asa	9 231 660	16 300 000
Dnb Asa	5 316 300	11 523 096
Ekornes Asa	13 298 431	17 744 546
Europris Asa	18 175 152	14 362 000
Fjord1 As	9 586 196	14 366 400
Helgeland Sparebank	5 591 160	5 280 000
Hexagon Composites	14 379 815	16 141 235
Kongsberg Gruppen Asa	14 423 016	17 490 330
Pioneer Property Group Asa	12 500 000	12 500 000
Ringerike Sparebank	7 709 172	9 099 813
Skandiabanken Asa	9 061 226	16 200 000
Softox As	3 000 000	3 000 000
Sparebank 1 Sr Bank	6 640 489	8 700 000
Sparebank 1 Østlandet	8 729 925	9 050 000
Xxl Asa	17 704 724	18 275 000
Yara International	13 075 098	13 184 500
Total Norwegian shares	202 743 143	254 495 028
Abb Ltd	10 552 142	11 055 756
Asetek As	1 100 000	11 550 000
Huhtamaki Oyj	12 528 210	13 091 456
Kone Oyj-B	9 550 494	11 019 462
Novo Nordisk As-B	22 856 829	24 315 976
Sandvik Ab	11 472 357	13 125 084
Subsea 7 S.A (Tidli Acergy S.A.)	18 984 114	20 910 000
Volvo Ab-B	14 920 709	16 475 986
Vws As	16 425 636	15 018 741
Total foreign shares	118 390 491	136 562 461
Total individual shares listed on the Oslo Stock Exchange/ VINX	321 133 634	391 057 489

Equity funds

Fund	Cost price	Book value
BlackRock World Index Fund	262 350 878	606 331 558
Total foreign equity funds	262 350 878	606 331 558

Hedgefond/Spesialfond

Fund	Cost price	Book value
Archmore Infrastructure Debt Platform SCA	64 657 844	70 459 584
Gottex Market Neutral Fund	25 364	24 950
QVT Offshore Ltd. 1	145 964	152 397
QVT Roiv Hldgs Offshore Ltd. A	764 298	733 298
Sector Healthcare Fund Class A	20 402 707	42 710 905
Waterfall Eden C2	4 067 251	4 565 127
Total foreign hedge funds/special funds	90 063 428	118 646 261

Real estate funds

Fund	Cost price	Book value
Aberdeen Eiendomsfond Norge I AS	3 175 833	3 369 726
Aberdeen Eiendomsfond Norge I IS	306 296 790	333 629 628
Pareto Eiendomsfelleskap AS/IS	427 763 408	537 647 690
Union Core Real Estate Fund AS	2 256 227	2 268 536
Union Core Real Estate Fund IS	223 366 550	224 839 000
Total real estate funds	962 858 808	1 101 754 580

Total shares and mutual funds	1 636 406 748	2 217 789 888
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Proportion of above in collective portfolio	1 574 455 520	2 133 828 608
Proportion of above in company portfolio	61 951 228	83 961 281

The portfolio of individual shares consists of shares listed on the Oslo Stock Exchange, or which are expected to list within six months, as well as Nordic shares listed on the Copenhagen-, Stockholm- or Helsinki stock exchanges and which are included in the VINX benchmark index. Limits have been imposed on the proportion of total capital that can be invested in shares in a single company, as well as for the overall maximum risk for the management of individual shares.

The Black Rock World Index Subfund reflects the MSCI World Index and accordingly has approximately the same risk profile as this.

Investments in hedge funds consisted of 5 different funds at the beginning of the year. Hedge fund exposure has been significantly reduced during the year after the management agreement with Gottex Fund Management was concluded in July. The reference index for the hedge fund investments for 2017 has been the Global Hedge Fund Index as for previous years. The overall risk profile for hedge fund investments is expected to remain significantly lower than the risk profile for investments in shares.

From January 2015 the Pension Scheme for the Pharmacy Sector has invested a small proportion of capital in Archmore Infrastructure Debt Platform. This fund invests in infrastructure. The investment is classified as a special fund.

Real estate investments consist of interests in Aberdeen Eiendomsfond Norge I IS/AS, Pareto Eiendomsfond Norge AS/IS and Union Core Real Estate Fund IS/AS. These investments are recorded at market value as of 31.12.2017. Market value of the investments is based on independent valuations of the properties.

Book value of real estate investments as of 31.12.2017 (in NOK 1,000):

	2017	2016	2015	2014	2013
Opening balance	826 565	937 384	858 515	609 043	514 961
Purchases during the year at acquisition cost	225 623	0	62 019	237 349	120 679
Disposals during the year at disposal cost	-26 059	-138 140	0	0	-23 179
Adjustments in value during the financial year	75 626	27 321	16 850	12 123	-3 418
Closing balance	1 101 755	826 565	937 384	858 515	609 043
Proportion of above in the collective portfolio	1 060 044	806 118	904 522	826 073	582 236
Proportion of above in the company portfolio	41 711	20 447	32 862	32 442	26 807

Pareto Eiendomsfelleskap AS/IS is structured as two companies – Pareto Eiendomsfelleskap IS and Pareto Eiendomsfelleskap AS – with the latter company being the principal shareholder in the former. The investment in Pareto Eiendomsfelleskap AS/IS is viewed as a direct investment in real estate. Investments have only been made in properties in Norway.

Of the total investments made by Pareto Eiendomsfelleskap, 79 per cent comprise real estate in Greater Oslo, 12 per cent comprise real estate in other parts of eastern Norway while 9 per cent comprise real estate in Vestfold. 67 per cent of the total investments is in buildings relating to warehousing/logistics, 19 per cent is in buildings related terminals/logistics while the remaining investments are in buildings relating to trade. The average time remaining on lease agreements for properties in the portfolio increased during 2017 from 8.7 years to 10.3 years. At year-end 2017 gross rents for properties in the portfolio amounted to NOK 159.7 million.

Aberdeen Eiendomsfond Norge I IS/AS is structured as two companies – Aberdeen Eiendomsfond Norge I IS and Aberdeen Eiendomsfond Norge I AS – with the latter company being the principal shareholder in the former. The investment in Aberdeen Eiendomsfond Norge I IS/AS is viewed as a direct investment in real estate. Investments have only been made in properties in Norway. Of Aberdeen Eiendomsfond Norge I IS/AS' total investments, 52 per cent comprise real estate in Oslo, 13 per cent in Trondheim, 10 per cent in Bergen, 2 per cent in Stavanger and 23 per cent in other municipalities. The portfolio comprises of 30 properties. The average time remaining on lease agreements for properties in the portfolio at the end of 2017 is 5.2 years, a slight decrease compared with the end of 2016. In 2017 gross rents for properties in the portfolio amounted to NOK 463 million.

The company structure in the Union Core Real Estate Fund IS/AS consists of two companies - Union Core Real Estate Fund IS and Union Core Real Estate Fund AS, in which the AS is the principal for the IS. The investment in Union Core Real Estate Fund IS/AS is viewed as a direct investment in real estate. Investments have only been made in properties in Norway. Union Core Real Estate is in its start-up phase and has so far invested in 3 commercial properties, all in the Oslo area.

None of the premises are occupied by the Pension Scheme for Pharmacy Businesses.

Note 5 | Bonds

Issuer	Cost price	Market value	Unrealized gains
Banking and finance	1 751 660 173	1 762 375 978	10 715 805
Municipality/county	1 761 190 330	1 769 761 621	8 571 291
Government-guaranteed	305 604 944	307 539 150	1 934 206
Industry	960 512 352	933 499 927	-27 012 426
Energy	302 565 750	309 399 372	6 833 622
Subordinated loans	220 316 000	223 690 722	3 374 722
Total interest-bearing securities classified as financial current assets	5 301 849 550	5 306 266 770	4 417 220
Interest earned		20 512 549	
Total	5 301 849 550	5 326 779 319	
Proportion of above in the collective portfolio		5 125 117 649	
Proportion of above in the company portfolio		201 661 670	

The interest-bearing securities portfolio is classified as a financial current asset and consists of interest-bearing securities listed on the Oslo Stock Exchange, Oslo ABM and Nordic Nasdaq (Stockholm) as well as unlisted securities. All interest-bearing securities classified as financial current assets are nominated in NOK, with the exception of seven securities nominated in USD, two nominated in SEK and four securities nominated in EUR. The current effective rate of interest for variable interest securities is approximately 1.5 per cent and for fixed interest securities is currently approximately 2.0 per cent. The average effective rate of interest is calculated on the basis of the securities' effective rate of interest in relation to their market value.

Note 6 | Financial derivatives

The purpose of employing derivatives is to increase the effectiveness of the management of fund assets, including the potential to hedge investments. In principle the pension scheme can only invest in listed (standardized) derivatives. The underlying securities must be securities in which the scheme can invest in accordance with applicable guidelines. Non-standardized derivatives ("over-the-counter derivatives"/"OTC derivatives") may only be employed for hedging purposes. However this does not apply to Norwegian FRA.

As of 31.12.2017, investments were held in the following derivatives:

Currency purchased	Currency sold	Nominal amount in NOK	Fair value in NOK
NOK	EUR	294 574 300	-1 215 321
NOK	USD	458 375 175	-603 965
NOK	SEK	92 968 691	-1 344 660
NOK	DKK	38 368 035	-48 903
Total forward currency contracts		884 286 201	-3 212 849

Equity derivatives:

Euro Stoxx's call options	1 791 881	100 401
Total equity derivatives	1 791 881	100 401

Total derivatives recognized in the balance sheet	886 078 082	-3 112 449
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Proportion of above in the collective portfolio (liabilities)	-2 994 617
Proportion of above in the company portfolio (liabilities)	-117 831

During 2017 investments in foreign shares have been hedged for periods of three to six months through the use of options. Hedging arrangements have been recognized in the financial statements for 2017 at around NOK 11 million net. In 2017, share options were also traded. Derivatives have been used in an effective manner to adjust equity exposure.

Note 7 | Financial instruments valued at fair value

In accordance with the Act relating to annual accounts for pension companies, financial instruments valued at fair value must be classified with regard to how fair value is measured. Such classification gives an indication of the relative uncertainty related to measurement of the different levels.

The Act defines three calculation levels for how fair value is measured:

1. Fair value is measured using listed prices in active markets for identical financial instruments. No adjustment is carried out of these prices.
2. Fair value is measured using another observable input than the listed prices used in level 1, either directly (prices) or indirectly (derived from prices).
3. Fair value is measured using an input which is not based on observable market data (non-observable input).

Fair value hierarchy of financial instruments measured at fair value:

	31.12.2017	Level 1	Level 2	Level 3
Shares and mutual funds	2 217 789 888	391 057 489	606 331 558	1 220 400 841
Bonds	5 326 779 319		5 326 779 319	
Financial derivatives	-3 112 449		-3 112 449	
Total	7 541 456 758	391 057 489	5 929 998 428	1 220 400 841

Note 8 | Bank deposits

Of bank deposits related to operations of NOK 14,982,954 as of 31.12.2017, NOK 314,810 are restricted tax deduction funds.

As security for various derivative positions, the pension scheme is obliged to provide collateral in the form of locked-in bank deposits held in margin accounts. As of 31.12.2017 there are no such locked-in bank deposits.

Note 9 | Accounts receivables - losses on accounts receivables

Accounts receivables had a book value of NOK 177,709,204 and consisted of:

	31.12.2017	31.12.2016
Accounts receivables related to premium income:	177 240 789	172 337 458
Accounts receivables related to loans:	728 658	775 044
Other accounts receivables	398	0
Provision for potential loss:	- 260 641	0
Total accounts receivables:	177 709 204	173 112 502

Accounts receivables are recorded at par value as at 31.12.2017. Provisions for potential losses in accounts receivables have been made as at 31.12.2017.

Recorded losses on receivables were as follows

	2017	2016
Realized loss on receivables:	0	0
Change in provision for potential loss:	260 641	0
Recorded loss on receivables:	260 641	0

Note 10 | Other retained earnings

As at 31.12.2017, other retained earnings totalled NOK 1,553,693,974. Other retained earnings with the addition of the securities adjustment fund of NOK 553,349,680 together make up the overfunding of the scheme.

The pension scheme has calculated the solvency margin requirement using rules similar to those applicable to private pension funds in accordance with the new administrative regulations from the Ministry of Labour and Social Affairs with effect from 2011. The solvency margin requirement calculated as of 31.12.2017 is NOK 254,760,021 (see calculation in note 15 below).

The solvency margin requirement must be covered by other retained earnings. Other retained earnings less the solvency margin requirement, but with the addition of the securities adjustment fund, total NOK 1,852,283,634. This constitutes the scheme's buffer capital.

Note 11 | Premium reserve

The Pension Scheme for Pharmacy Businesses is only obliged to perform a technical calculation of future insurance liabilities every five years. The board has nonetheless decided to perform such technical calculations annually. The results of these calculations are also used for accounting purposes.

The premium reserve is calculated as the present value of accrued pension rights as of 31.12.2017. These reserves must cover future pension entitlements accrued at the balance sheet date by the scheme's members. For the pension recipients, the premium reserve is the current value of remaining pension payments. Wherever possible the amount of provision has been calculated in accordance with the guidelines applicable to private sector pension funds.

The basis for the calculation is the industry tariff K2005 with a calculation rate of 3 per cent. Mortality in the case of longevity risk is strengthened with a 15 per cent safety margin for both genders.

The assumption for rates of disability is based on K1963, boosted by a factor of 2.5.

The administration reserve allows for expected future costs associated with the payment of pensions. The administration reserve is not calculated individually, but forms part of the premium reserve. The Pension Scheme for the Pharmacy Sector has opted to make provision for these future costs in the order of 4 per cent of calculated pension liabilities. Provision has been made in respect of current pensioners, actively contributing members and former employees with deferred pensions (i.e. employees who have left member-qualifying positions and have earned pension rights).

Note 12 | Special liability – for regulation of pensions

A one-off settlement was performed for the calculated costs of future regulation of pensions for companies that withdrew from the pension scheme with effect from 1/1/2017. The one-off settlement consisted of NOK 87,883,720, and was allocated as a special liability in the Balance Sheet.

The actual cost for the regulation of pensions each year is reflected in the premium reserve. The special allocation for the calculated regulation cost is, therefore, reduced annually by 1/10 of the original amount. Remainder of special liability as at 31.12.2017 totalled NOK 79,095,348.

Note 13 | Allocation of the result for the year

This year's profit of NOK 286,255,150 will be allocated to other retained earnings.

Other retained earnings totalled NOK 1,553,693,974 as at 31.12.2017. Other retained earnings and the securities adjustment fund together constitute the scheme's overfunding.

Note 14 | Specification of changes in retained earnings

As of 31.12.2017, retained earnings totalled NOK 1,553,693,974.

Companies that withdrew from the pension scheme with effect from 1/1/2017 were given a calculated share of the overfunding in the pension scheme. This reduces retained earnings by NOK 34,894,574 in 2017

The change in retained earnings in 2017 may be specified as follows:

Retained earnings as at 31.12.2016	1 302 333 398
- Calculated share of equity in connection with withdrawal	-34 894 574
+ Net profit for the year allocated to other retained earnings	286 255 150
= Retained earnings as at 31.12.2017	1 553 693 974

Note 15 | Calculation of the solvency margin requirement

As of 31.12.2017 the solvency margin requirement was calculated to total NOK 254,760,021.

The basis for the calculation of the solvency margin requirement as of 31.12.2017 was as follows:

	Calculation basis	Calculation factor	Calculated solvency margin requirement
Premium reserve old age pension	5 986 808 415	4.00%	239 472 337
Mortality risk (uncovered risk, gross)	194 640 818	0.30%	583 922
Disability pension and premium exemptions (average gross compensation costs 2014– 2016)	56 552 932	26.00%	14 703 762
Total solvency margin requirement as of 31.12.2017			254 760 021

Note 16 | Premium contributions

Members contributed premium income totalling NOK 658,854,250 in 2017. By comparison, the book value of premium income was NOK 663,757,581. In 2016 members contributed NOK 628,176,577 in premiums, while the book value of premium income was NOK 648,380,407. The differential between premium income and premium contributions is attributable to the change in invoiced but unpaid premiums and the application of accrual accounting to premium income.

Note 17 | Pensions

Of the pension costs within the profit and loss account, NOK 679,074 represents write-offs of pension benefit overpayments. The corresponding figure for 2016 was NOK 609,486.

Note 18 | Administrative costs

Total administration costs came to NOK 25,167,275. The pension scheme has had three employees throughout 2017. Pay and social expenses for these three investment managers totalled NOK 9,462,397 in 2017 and are included in administrative costs.

Note 19 | Insurance-related administrative expenses

The pension scheme is managed by the Norwegian Public Service Pension Fund. In 2017, NOK 15,486,074 was charged against income in respect of the purchase of administrative services for the pension scheme, including costs relating to bookkeeping, actuarial services and pensions management. Furthermore, NOK 326,250 was charged against income for audit services including value added tax. The entire amount was related to standard audit services. NOK 329,776 was charged against income for remuneration to board members. The costs of carrying out payments amount to NOK 827,654, while various other costs and cost reimbursements amount to NOK 195,851. The total insurance-related administrative costs comprise NOK 17,165,605.

In 2017 the following remuneration was paid to the Board members of the scheme:

Finn Melbø (chairman)	66 292
Stein Gjerding	62 922
Renate Messel Hegre	61 236
Trond Teisberg	66 292
Greta Torbergsen	64 607
Kjell Morten Aune (deputy)	5 056
Kristin Juliussen (deputy)	3 371
Total	329 776

Note 20 | Return on capital

The estimated yield for the portfolio as a whole is as follows:

Year:	2017	2016	2015	2014	2013
Return stated as % (value-adjusted):	5.12	4.83	2.37	6.61	7.55
Return stated as % (recorded):	2.63	6.48	1.38	4.47*	4.63

* Corrected in connection with the 2015 annual financial statements

Kapitalavkastningen over er beregnet for den samlede porteføljen; kollektivporteføljen og selskapsporteføljen. For private pensjonskasser var det fra 2009 et krav at kapitalavkastningen beregnes for kollektivporteføljen under ett.

Note 21 | Analysis of result

Changes in pension plan	0.00 MNOK
Yield result ¹⁾	214.20 MNOK
Risk result ²⁾	-10.05 MNOK
Other result ³⁾	249.94 MNOK
Administration result	0.00 MNOK
Insurance result	454.09 MNOK

1) The interest result is the difference between the actual return and the calculation rate in the premium reserve.

2) The risk result is a comparison of risk income less risk expenses. Risk income comprises received and technically estimated risk premiums for mortality and disability, as well as mortality cross-subsidy. Risk expenses are supplemented by provisions for risk events.

3) Recognized difference between invoiced and actual calculated premium. A negative result indicates the receipt of insufficient premium income.



Auditor's report

Auditor's report



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Pension Scheme for the Pharmacy Sector

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Pension Scheme for the Pharmacy Sector, which comprise the balance sheet as at 31 December 2017, the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Pension fund as at 31 December 2017 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Pension fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Pension fund's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) is responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Pension fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Pension fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material

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misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pension fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Pension fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Pension fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Pension fund's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 9 April 2018
ERNST & YOUNG AS

Knut Aker
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

Independent auditor's report - The Pension Scheme for the Pharmacy Sector
A member firm of Ernst & Young Global Limited



Insight

Pension liabilities

→ **The actuarial provisions in the Pension Scheme for the Pharmacy Sector increased by NOK 286 million in 2017. As of 31.12.2017, the premium reserve was estimated to be NOK 7,275 million.**

The premium reserve is defined as the present value of accrued pension rights at the balance sheet date. The present value is obtained by discounting the expected future pension payments using a calculation rate of 3 per cent.

In addition, calculations are made based upon

- (i) probability of survival and receiving a retirement pension,
- (ii) probability of becoming incapacitated for work and receiving a disability pension, and
- (iii) probability of dying and leaving family members who are entitled to a spouse or children's pension.

In 2017, no changes have been made to the actuarial requirements. This means that the calculations have been carried out using the mortality tariff K2005, strengthened with a 15 per cent safety margin for both genders, and the K1963 disability tariff strengthened by 250 per cent.

The calculation rate, one year's earnings for active and regulation of the pension basis or pension benefits, all con-

tribute to build up the premium reserve. On the other hand, pension payments reduce the premium reserve.

Insurance result

The insurance result is positive and may be split into three different results: investment result, risk result and other result.

Interest result - NOK 214 million

Interest income is significantly positive, which means that the return (5.1 per cent) on the pension assets is clearly higher than the calculation rate (3.0 per cent) in the premium reserve. Total assets are currently also significantly higher than the premium reserve.

Risk result - NOK -10 million

The risk result is negative to the tune of NOK 10 million. This means that the calculated risk premium throughout the year was less than the net increase in premium reserve as a result of actual risk events during the period.

Other result - NOK 250 million

The other result is positive. This is the difference between the premiums charged to the pension scheme throughout the year and the calculated premium calculated in the Norwegian Public Service Pension Fund insurance system. The invoiced premium is calculated on the basis of a fixed percentage (18.1 per cent) of the pension basis. Actuarially

calculated premiums are updated continuously throughout the year as a result of changes to members' pension rights.

Assessment of the pension scheme's financial position

In a pension scheme such as the Pension Scheme for the Pharmacy Sector, where the liabilities as a whole are to be secured through the accumulation of funds, the value of the funds allocated to pensions (assets) should at least correspond to the size of the insurance provisions in order to ensure a reasonable level of coverage in the scheme. This is in line with the requirements of similar private schemes that are regulated by the Insurance Activities Act.

The overfunding of the scheme continues to increase. At year-end 2015, it was NOK 1.3 billion, and at the end of 2016 it amounted to NOK 1.7 billion. At the end of 2017, the overfunding reached NOK 2.1 billion. The primary contributors to solid overfunding are rising premium income and a good return on investments (ROI). The premium income is considered to be a reliable income, while the ROI is more uncertain. The premium rate of 18.1 per cent will help the pension fund to continue building the necessary buffer so that it is better able to meet new capital requirements for pension funds.

The financial situation in the pension scheme is considered to be satisfactory given the current overfunding, premium rate and solvency rules.

Investment management

→ **Investment management delivered a value-adjusted return of 5.1% in 2017. Funds under management increased by more than NOK 800 million during the year, and totalled NOK 9.3 billion at the end of December.**

The investment management activities of the Pension Scheme for the Pharmacy Sector are intended to help the scheme meet its long-term commitments without incurring excessive fluctuations in the premium. The aim is achieving the highest possible return within the scheme's available risk capacity.

The Pension Scheme for the Pharmacy Sector's investment strategy has been adopted by the Board of Directors. The chosen investment portfolio must have a risk profile for which there is at least a 99 per cent probability of meeting the mandatory equity requirement.

Results

Investment management delivered a solid result in 2017, as in previous years. The overall return on the pension scheme's funds for 2017 was 5.12 per cent (value-adjusted). The time-weighted return was 5.10 per cent.

All asset classes in which the Pension Scheme for the Pharmacy Sector has been invested throughout the year

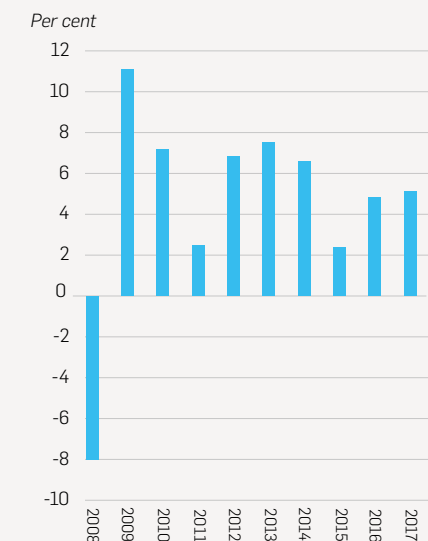
contributed positively to profits. In particular, shares and property gave a good ROI (Return on Investments) in the past year, and the scheme's share and property investments contributed in total to almost 60 percent of the result. Interest-bearing investments also gave a good ROI.

Asset class:	Weight 31.12.2017	Rate of return
Interest-bearing investments – available-for-sale	57.3%	3.3%
Interest-bearing investments – hold-to-maturity	16.7%	4.0%
Shares	10.8%	17.5%
Real estate	11.9%	9.4%
Hedge funds/Special funds	1.3%	1.0%
Loans to members	1.1%	2.0
Bank deposits	0.9%	

Fluctuations in returns are entirely normal and to be expected for an investment portfolio with a moderate level of risk, such as the Pension Scheme for the Pharmacy Sector.

The figure to the right shows the annual time-weighted return for the pension scheme's funds for the last 10 years. As shown in the figure, the Pension Scheme for the Pharmacy Sector has only experienced one single year with a negative return during this period, at the start of the financial crisis in 2008. The average return for the 10-year

Annual return POA



period is 4.6 per cent. The average return for the past five years has been 5.3 per cent.

At the end of 2017, the pension scheme managed funds totalling NOK 9,293 million. This is an increase of NOK 812 million throughout the year. Assets under management are expected to continue to grow throughout 2018 as a result of excess liquidity in the scheme.

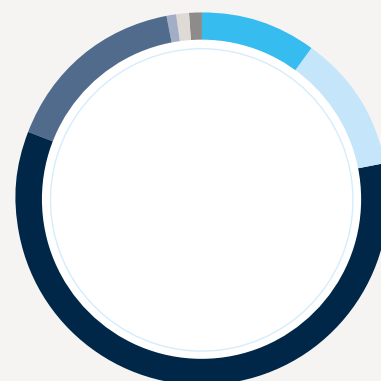
Asset allocation

Investment management has a continuous focus on identifying the investment opportunities offering optimum utilization of the risk capacity of the Pension Scheme for the Pharmacy Sector. Throughout 2017 investments in hold-to-maturity bonds and real estate were increased.

At the beginning of 2017, the risk level for the scheme was somewhat reduced relative to previous years. As a result of this, the scheme's share exposure has been reduced.

In the 2018 investment plan, the Board, in accordance with management's recommendation, decided to continue the risk level from 2017. The reason for the proposal was that management found that there still seems to be only a moderate upside in taking financial risk. The risk level in 2018 provides enough scope to maintain diversification over a wide range of asset classes.

Strategic allocation in tvarious asset classes



- Shares 10%
- Real Estate 12%
- Bonds (available-for-sale) 59%
- Bonds (hold-to-maturity) 16%
- Loans 1%
- Hedge funds/special funds 1%
- Cash 1%

The figure above shows strategic allocations in the various asset classes at the beginning of 2018.

Evaluation of future prospects

→ **As a result of implementation of the new EU-based regulations for pension schemes, expectations of moderate returns on assets, and increased longevity of the population, Norwegian pension funds are facing a challenging period.**

Management of the Pension Scheme for the Pharmacy Sector is carried out in accordance with the Act on the Pension Scheme for the Pharmacy Sector with related administrative regulations. The regulations applicable for 2017 are dated back to 2011, and stipulate that as far as possible the management of the Pension Scheme for the Pharmacy Sector shall follow the same rules as equivalent pension schemes. The rules for insurance and pensions are bound by EU regulations relating to this area and are currently undergoing changes.

POA's financial position has strengthened in recent years, and POA is well capitalised at the beginning of 2018.

Different rules for insurance companies and pension funds

In Norway, life insurance companies and pension funds have historically been subject to similar business rules. After the Financial Undertakings Act came into force on 01.01.2016,

the rules on capital requirements and the detailed regulation of investments diverged. The Financial Undertakings Act incorporated the Solvency II rules for insurance companies. In this context, risk-based capital requirements were introduced, while the capital adequacy rules¹ and the detailed investment constraints previously contained in the capital management regulations were withdrawn.

Pension funds are not subject to the Solvency II regulations, but have a separate set of rules (IORP). A draft new directive (IORP II) was adopted by the EU in November 2016. The rules introduce significantly stricter qualitative requirements for management, control and risk assessment, while instructing the member states to loosen detailed regulation regarding investment activities. The IORP II regulatory framework does not contain specific capital requirements for pension funds beyond the Solvency I Rules, but allows the Member States to choose to introduce stricter capital requirements. The IORP II regulations will be implemented in Norway by 01.01.2019.

In 2016, the Ministry of Finance submitted a proposal for consultation that the pension funds in Norway – in line with the insurance companies – should also be subject to Solvency-based capital requirements from 01.01.2018. The proposed capital requirements are very close to the current stress test requirements (Stress Test 1). This matter is being processed at the Ministry of Finance.

The Pension Scheme for the Pharmacy Sector: Comprehensive risk consideration

Back in 2009 the Pension Scheme for the Pharmacy Sector adopted an investment strategy based on uniform consideration of risk, where the risk level for investments is set based on financial goals for the scheme as a whole. Moreover, for several years the Pension Scheme for the Pharmacy Sector has emphasized that capital management should, as far as possible, comply with government-imposed requirements for management and control. Amongst other things, we have conducted stress tests that are based on the Norwegian Financial Supervisory Authority's methodology.

Norwegian pension schemes regularly report their stress tests to the Financial Supervisory Authority. Under the Authority's current practice, pension schemes that have buffer capital utilization of over 200 percent in Stress Test I must consider appropriate action. At the end of 2017, the Pension Scheme for the Pharmacy Sector had a buffer capital utilisation rate of 76 per cent based on the Financial Supervisory Authority of Norway's Stress Test I. Thus, based on the situation at the end of last year, the scheme is well-capitalised, even without current hedging of equity exposure.

¹ The capital adequacy rules prescribed minimum capital requirements based on the composition of the investments.

Increased reporting and collateral requirements for securities trading

An ongoing flow of new regulations for securities trading leads to increased trading and administration costs for the pension schemes. The European Market Infrastructure Regulation (EMIR), which deals primarily with requirements for reconciliation, reporting and collateral for trading of unlisted derivatives, came into force in Norway on 01.06.2017.

From 03.01.2018, the new MIFID (Markets in Financial Instruments Directive) rules come into force, containing a further increase in reporting and transparency requirements for securities trading. The rules also introduce new requirements to the fee structure for securities trading and associated services.

Norway also undertakes, through the OECD treaties, comprehensive reporting that particularly affects financial undertakings. The purpose of the treaties is, among other things, to prevent tax evasion, finance for terrorism and financial crimes. One example of this is the CRS (Common Reporting Standard) which came into force in 2017.

Challenges facing the pension funds

Recent years have been challenging for providers of defined benefit pension schemes. Norwegian interest rates have remained low since the financial crisis of 2008.

In addition, Norwegian wage inflation has been high for several years compared with other countries. This has resulted in a strong growth in pension commitments. Persistently low interest rate levels mean that expectations for return on assets in the future are moderate.

In assessing the recognised insurance liabilities, it is assumed that the pension scheme remains operational as long as there are liabilities related to the members registered at the balance sheet date. In a pension scheme such as the Pension Scheme for the Pharmacy Sector, where the liabilities as a whole are to be secured through the accumulation of funds, the value of the funds allocated to pensions (assets) should at least correspond to the size of the insurance provisions in order to ensure a reasonable level of coverage in the scheme. This is in line with the requirements of similar private schemes that are regulated by the Insurance Activities Act.

In recent years the calculated Norwegian interest rate curve for the 16-17-year perspective has been well under 3 per cent, which is the basis interest rate used by the Pension Scheme for the Pharmacy Sector. This has a significant impact on the market valuation of insurance liabilities, because the market value of liabilities is much higher than the book value. Available equity is thus reduced in Solvency II-based stress tests.

Due to the increased life expectancy in Norway, the Financial Supervisory Authority of Norway has decided that, from 2014, new mortality rates (K2013) for collective pension insurance schemes in life insurance companies and pension funds should be applied. The financial services industry has been granted 7 years to increase provisions, starting in 2014.

Continuous assessments are made as to whether the Pension Scheme for the Pharmacy Sector should make provisions in accordance with K2013, even though the pension fund is not directly subject to the Financial Supervisory Authority of Norway, and the effect depends on a regulatory framework for life expectancy adjustment of the younger age groups, which is currently unknown. Calculations carried out on the current member base, however, show very small changes by introducing K2013 while also making adjustments to life expectancy for younger age groups according to the forecasts from the National Insurance Scheme (NAV). Nevertheless, actuaries have considered it appropriate to use provisions released after changing to the new disability pension in 2015 to cover an expected increased life expectancy in the pension scheme.



Statistics

Statistics

Members

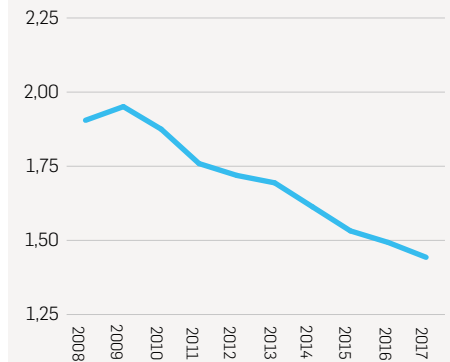
Members	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actively-employed	6 308	6 515	6 561	6 689	7 125	7 274	7 422	7 585	7 645	7 704
Deferred*	5 673	5 783	6 093	6 245	6 386	6 564	6 767	7 175	7 522	7 925
Pensioners	3 312	3 339	3 499	3 803	4 144	4 295	4 600	4 951	5 121	5 338
AFP	201	191	267	282	295	312	310	293	269	264
Retirement pension	1 601	1 611	1 668	1 825	2 088	2 202	2 513	2 955	3 165	3 368
Disability pension	1 163	1 185	1 217	1 367	1 401	1 422	1 415	1 335	1 309	1 329
Spouse pension	323	325	323	306	336	338	343	342	352	348
Children's pension	24	27	24	23	24	21	19	26	26	29
Ratio actively-employed/pensioners	1,905	1,951	1,875	1,759	1,719	1,694	1,613	1,532	1,493	1,443

* If you previously have been employed by an employer with an occupational pension in the Pension Scheme for the Pharmacy Sector, you may have accrued pension entitlements for a future pension. This is called a deferred pension. In the private sector, the term "paid-up policy" is used.

The figures given are number of policies. A person can have more than one policy. For example, a person can receive partial disability pension and work partly in an active position. The person will then have two policies which correspond to the two positions.

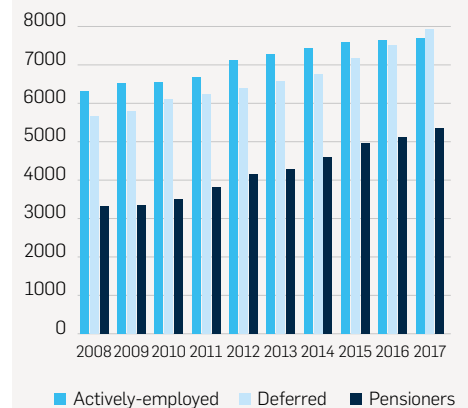
The graph above to the right shows the development of the ratio of active members to pensioners in the scheme from 2008 to 2017. In 2008 there close to 2 active members per pensioner in the scheme, while at the end of 2017 the ratio is about 1.5 active members per pensioner. A declining trend, as evidenced elsewhere in society where life expectancy is increasing and there are fewer active members to finance future pension costs. For the pension scheme, such a trend where the number of pensioners is increasing at a rate greater than the number of active-employed members, means increasing future costs to finance the coming pensioners.

Ratio actively-employed/pensioners



The graph shows the development of the ratio of active members to pensioners in the scheme over the last decade.

Development in number of members



Active members

Active members by position

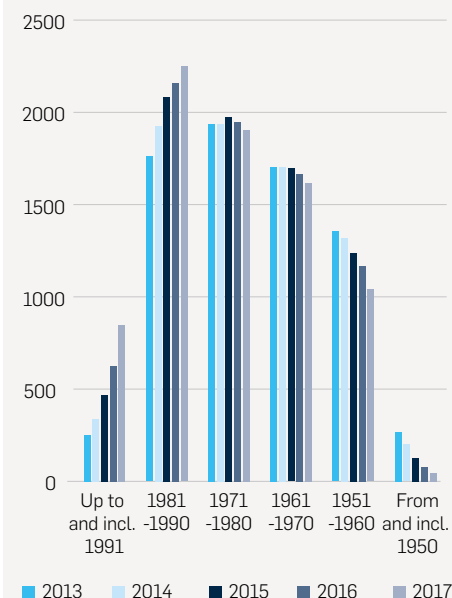
Members	2013	2014	2015	2016	2017		Total	Change (2016–2017)
					Women	Men		
Dispensing pharmacist	243	295	305	331	213	126	339	8
Pharmacy manager	871	928	988	1 002	795	193	988	-14
Pharmacist	223	206	222	230	237	27	264	34
Prescriptionist	1 293	1 308	1 374	1 429	1 295	180	1 475	46
Laboratory assistant	6	6	6	6	2	-	2	-4
Pharmacy technician	3 841	3 844	3 892	3 798	3 754	151	3 905	107
Office employee	220	194	192	211	87	41	128	-83
Messenger, driver	11	11	11	6	1	7	8	2
Cleaner	40	32	24	27	20	3	23	-4
Manager	108	133	124	129	107	34	141	12
Operating concession holder	399	376	408	417	275	138	413	-4
Miscellaneous	19	89	39	59	17	1	18	-41
Total	7 274	7 422	7 585	7 645	6 803	901	7 704	59

The table shows active members in different positions, specified by gender. The last column shows the change from 2016 to 2017.

Active members by year of birth

Members	2013	2014	2015	2016	2017		Total	Change (2016–2017)
					Men	Women		
Up to and incl. 1991	252	337	467	626	754	94	848	222
1981-1990	1 760	1 926	2 083	2 159	1 888	361	2 249	90
1971-1980	1 938	1 936	1 975	1 949	1 673	233	1 906	-43
1961-1970	1 704	1 703	1 696	1 667	1 498	118	1 616	-51
1951-1960	1 354	1 320	1 237	1 167	954	86	1 040	-127
From and incl. 1950	266	200	127	77	36	9	45	-32
Total	7 274	7 422	7 585	7 645	6 803	901	7 704	59

Active members by year of birth



The table shows the last five years development in the number of actively-employed members of the pension scheme by year of birth. The older age groups move out of the scheme, while the younger ones enter.

Pensioners

Type of pension	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AFP (contractual pension)	175	201	191	267	282	295	312	310	293	269	264
Retirement pension	1 518	1 601	1 611	1 668	1 825	2 088	2 202	2 513	2 955	3 165	3 368
Disability pension	1 135	1 163	1 185	1 217	1 367	1 401	1 422	1 415	1 335	1 309	1 329
Spous pension	294	323	325	323	306	336	338	343	342	352	348
Children's pension	30	24	27	24	23	24	21	19	26	26	29
Total	3 152	3 312	3 339	3 499	3 803	4 144	4 295	4 600	4 951	5 121	5 338

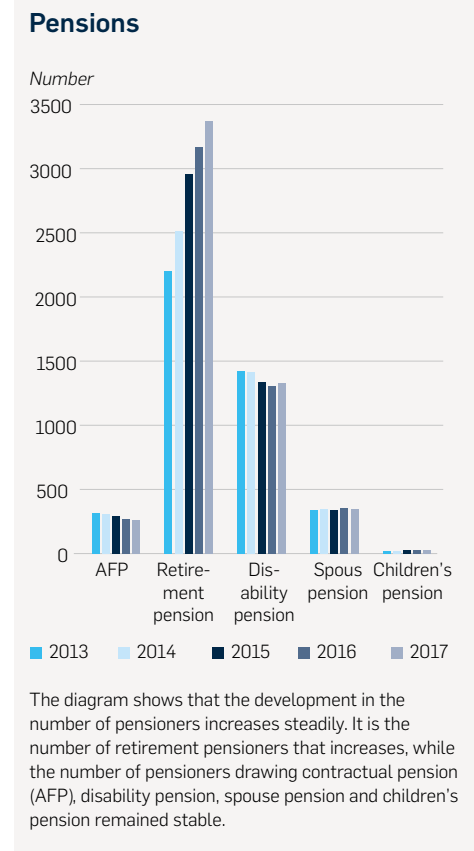
The table shows the development in the number of pensioners from 2007 until today.

Retirement pensioners by age limit upon drawing of pensions

Age limit	2013			2014			2015			2016			2017		
	Men	Women	SUM	Men	Women	SUM	Men	Women	SUM	Men	Women	SUM	Men	Women	SUM
65 years	1	229	230	1	208	209	1	200	201	0	181	181	0	169	169
68 years	106	1 491	1 597	123	1 697	1 820	140	1 979	2 119	173	2 125	2 298	126	1 957	2 083
70 years	143	544	687	157	637	794	176	752	928	155	800	955	205	1 176	1 381
Total	250	2 264	2 514	281	2 542	2 823	317	2 931	3 248	328	3 106	3 434	331	3 302	3 633

The table shows the number of early retirement pensioners and old-age pensioners given the age at which they drew their retirement pension, specified by gender.

The age limit is the time at which you must leave your position and you will normally be entitled to a retirement pension. Over time the number of pensioners with an age limit of 65 will be phased out. This follows changes to the legislation, in which the age limit for retirement was gradually increased to 70 for all groups. The last change was made in 2007.



Disability pensioner's degree of disability

Degree of disability	2013	2014	2015	2016	2017
<=25%	72	106	132	91	95
26–50%	184	244	363	219	277
51–75%	23	27	82	14	25
76–99%	7	1	32	0	0
100%	1 136	1 037	726	985	932
Total	1 422	1 415	1 335	1 309	1 329

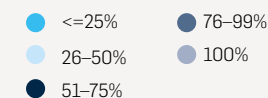
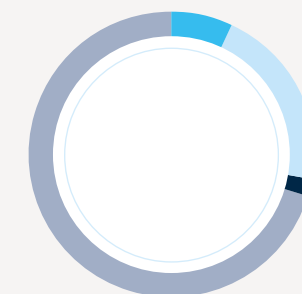
The table shows the total number of disability pensioners by degree of disability for the years 2013–2017.

Pensions paid 2017

Type of pension		Gross paid	%	Coordination deduction	%	Net paid	%
Retirement and AFP pension	Men	81 024 420	12,73%	51 101 081	15,24%	29 923 339	9,93%
	Women	462 856 164	72,71%	267 834 962	79,86%	195 021 207	64,75%
	Total	543 880 584	85,44%	318 936 043	95,09%	224 944 541	74,68%
Disability pension	Men	3 446 640	0,54%	93 768	0,03%	3 352 872	1,11%
	Women	54 934 920	8,63%	431 634	0,13%	54 503 286	18,10%
	Total	58 381 560	9,17%	525 401	0,16%	57 856 159	19,21%
Spouse pension	Men	14 846 568	2,33%	7 003 036	2,09%	7 843 532	2,60%
	Women	18 195 828	2,86%	8 844 534	2,64%	9 351 294	3,10%
	Total	33 042 396	5,19%	15 847 570	4,72%	17 194 826	5,71%
Children's pension	Men	704 836	0,11%	-	0,00%	704 836	0,23%
	Women	595 488	0,09%	90 591	0,03%	504 897	0,17%
	Total	1 300 325	0,20%	90 591	0,03%	1 209 733	0,40%
All pensions	Men	100 022 464	15,71%	58 197 885	17,35%	41 824 579	13,89%
	Women	536 582 400	84,29%	277 201 721	82,65%	259 380 680	86,11%
	Total	636 604 865	100,00%	335 399 606	100,00%	301 205 259	100,00%

The table shows the amount of pension benefit payments made in 2017, grouped by type of pension benefit and specified by gender. All amounts are given in NOK. The gross total shows the total amount paid by the National Insurance and the Pension Scheme for the Pharmacy Sector. The net total amount shows the pensions scheme's share, i.e. how much more the members have received than if they had only received their pension from the National Insurance scheme.

Degree of disability



The figure shows the disability pensioners' various degrees of disability as a percentage of all disability pensioners. Almost 3 out of 4 who receive disability pension from the scheme, is 100 per cent disabled.

