



**FINANCIAL STATEMENTS 2018**

# FINANCIAL STATEMENTS CONTENTS

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Mynd í opnunni á undan:

*Svavar Jón Bjarnason kennari í Tækniskólanum t.v. og nemar hans í rafíðn,  
Helgi Andrésson og Kristinn Heimisson.*

# ENDORSEMENT AND STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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## **Operations of the Fund**

Birta Pension Fund operates pursuant to its Articles of Association and Act No. 129/1997 on Mandatory Pension Savings and the Activities of Pension Funds. It also operates based on agreements between unions and employees of 19 May 1969 with later revisions. The purpose of Birta Pension Fund is to ensure that pension benefits are available to its members, their surviving spouses and children in accordance with the Fund's Articles of Association as well as the Act on Mandatory Pension Savings and the Activities of Pension Funds. The Fund's Financial Statements are to be viewed with its Annual Report. The Board of Directors refers to the Fund's website for additional information regarding the Financial Statements.

## **Number of fund members, employers and contributions**

The Fund is divided into three main divisions, Mutual Pension Division, Private Pension Division and Specified Personal Pension Division. At year-end, 96,412 individuals had benefits in the Mutual Pension Division. In 2018, 18,806 individuals paid a contribution into the Mutual Pension Division and 5,531 employers. Active fund members, i.e. fund members who pay a regular contribution to the Fund each month, were 16,284. In 2018, total contributions paid to the Mutual Pension Division amounted to ISK 16,339 million. At year-end 2018, 34,329 individuals had benefits in the Private Pension Division. Active fund members in the Private Pension Division in 2018 were 2,331. In 2018, contributions paid to the Private Pension Division, before transfers of rights and repayments, amounted to ISK 839 million, an increase of 3% from the previous year. At year-end 2018, 1,565 individuals had benefits in the Specified Personal Pension Division. Active fund members in the Specified Personal Pension Division in 2018 were 1,482. In 2018, contributions paid to the Specified Personal Pension Division, before transfers of rights and repayments, amounted to ISK 340 million.

## **Number of pensioners and pension payments**

In 2018, 13,789 pensioners on average received pension payments from the Mutual Pension Division totalling ISK 10,492 million. Number of pensioners increased by 6.5%. The Fund's legally required contribution to Rehabilitation Fund amounted to ISK 112 million. Pension payments from the Private Pension Division totalled ISK 557 million and 2.3 million in the Specified Personal Pension Division. The Fund's pension burden, i.e. pension payments as a percentage of contributions, was 64.3%, compared to 65.5% in the previous year.

## **Investment income and operating costs**

Net income from investments amounted to ISK 18,432 million as compared to ISK 23,434 million in the previous year. The Fund's operating costs, i.e. office and administration costs, amounted to ISK 716 million as compared to ISK 763 million in the previous year. Operating costs as percentage of average assets for the year was 0.19%, decreasing from 0.22% in 2017. The number of full-time employees was 28.4 during the year and salary payments totalled ISK 437 million, including salary-related costs amounting to ISK 87.1 million.

## **Net assets for pension payments**

Net assets of the Mutual Pension Division for pension payments totalled ISK 357,229 million at year-end as compared to ISK 334,321 million in the preceding year. Net assets of the Private Pension Division totalled ISK 14,706 million at year-end as compared to ISK 13,721 million in the preceding year. Net assets of the Specified Personal Pension Division totalled ISK 418 million at year-end as compared to 80 million in 2017. In aggregate, the assets of the Mutual Pension Division, the Private Pension Division and the Specified Personal Pension Division therefore totalled ISK 372,353 million, an increase from ISK 348,122 million at year-end 2017.

## **Return of assets**

Nominal return on the Fund's assets came to 5.04% in 2018, equivalent to 1.73% rate of return in real terms as compared to a real return of 5.2 % in 2017. The average real return achieved by the Mutual Pension Division over the last 5 years is 4.09% and 3.3% over the last 10 years.

# ENDORSEMENT AND STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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## **Actuarial assessment**

An actuarial assessment for the Mutual Pension Division performed as at year-end 2018 shows that the Fund's total liabilities exceeded total assets by 3.86% but exceeded total assets by 3.44% at year-end 2017. The premise of the assessment is that the Fund's return on assets over the coming decades will be 3.5% above the increase in Consumer Price Index. Further details on the actuarial position can be found in the Fund's Statement of Actuarial Position and in note 16 in the original Financial Statements.

## **Events after the end of the fiscal year**

No events that are material for the financial position of the Fund occurred from the end of the fiscal year until the date of signing of these annual financial statements.

## **Corporate governance and risk management**

The Board of Directors of the Fund has adopted rules of operations which aim to be in accordance with the "Guidelines on Corporate Governance". The guidelines are accessible on the website of the Iceland Chamber of Commerce at [www.vi.is](http://www.vi.is). The Fund follows the Guidelines in all major respects and has set up special selection committees as set out in the Articles of Association. However, the Fund's corporate governance policy does not include an analysis of environmental and social factors but refers to note 20 in the original Financial Statements and the Annual Report. The Board of Directors reports main findings of its annual performance assessments to the Fund's Nomination Committee. Information about the Board of Directors and corporate governance can be found in a special statement by the Board of Directors which is attached to the Financial Statements.

The Fund has established a risk management policy which has been approved by the Board of Directors and is accessible on the Fund's website. Its aim is to reduce the likelihood of long-term reduction in the Fund's members rights. The policy is based on a definition of risk management which involves identifying, monitoring and limiting risks in the Fund's operations. Risks in the Fund's activities are defined, in accordance with the definition set out in the Guidelines of the Financial Supervisory Authority no. 590/2017, as every event which materially increases the likelihood of financial loss relating to an event and falls under one or more risk components defined by the Fund. See further details in note 19 in the original Financial Statements.

## **Dissemination of information**

Birta Pension Fund publishes advertisements in newspapers in a timely manner describing its activities and results in the year 2018. Every six months, the Fund sends members a statement of received contributions together with an estimation of vested pension benefits and Fund members can calculate estimated pension payments on the Fund's website. Last year's Annual General Meeting included the presentation of the report of the Boards of Directors as well as the Funds' annual financial statements, investment policies and actuarial position. General information about Birta Pension Fund and its activities are available on the Fund's website.

## **Non-financial information**

The Board of Directors has adopted the policy of recognizing the importance of social and environmental issues in the Fund's operations. The Fund's benchmarks regarding non-financial information can be found in note 20 in the original Financial Statements. When discussing investment opportunities, good corporate governance in the companies in which the Fund invests is one of the deciding factors.

## **Impact of external uncertainties**

Birta Pension Fund is a long-term investor and endeavours to mitigate or reduce risk by distributing assets between e.g. asset classes or countries. The aim is to take risks which yield returns according to level of risk taken. The Fund operates in an environment with fixed level of uncertainty that comes with accumulating assets to meet the Fund's liabilities. The impact of possible changes in assumptions regarding sensitivity analysis can be found in note 19 in the original Financial Statements and in the Annual Report.

# ENDORSEMENT AND STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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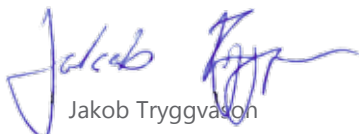
## Expected development and prospects of the Fund

Birta Pension Fund will continue to aim at increasing the value of its assets in accordance with its investment policy which can be found on the Fund's website. The increase in required contributions has decreased the pension burden somewhat and this trend is expected to continue. The removal of capital controls increases the Fund's ability to mitigate risk through investments in foreign markets. The ratio of foreign assets at year-end is 28.3% according to Key Indicators in the Financial Statements.

The Board of Directors and Managing Director of the Fund hereby confirm these annual Financial Statements with their signatures.

Reykjavík, 28 March 2019.

Board of Directors

  
Jakob Tryggvason  
Chairman of the Board

  
Ingibjörg Ólafsdóttir  
Vice-Chairman

  
Davíð Hafsteinsson

  
Guðrún Elfa Hjörleifsdóttir

  
Guðrún Jónsdóttir

  
Gylfi Ingvarsson

  
Hrönn Jónsdóttir

  
Pálmar Óli Magnússon

  
Ólafur Sigurðsson  
Managing Director

# INDEPENDENT AUDITOR'S REPORT

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## **To the Board of Directors and members of Birta pension fund**

### **Opinion**

We have audited the financial statements of Birta Pension Fund, which comprise the directors report, balance sheet as at December 31, 2018, the statement of changes in net assets for pension payments, statement of cash flows and statement of actuarial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of Birta Pension Fund as at December 31, 2018, and of its financial performance, cash flows and actuarial position for the year then ended in accordance with Icelandic law on annual accounts and regulation on the financial statements of pension funds and that the directors report includes applicable information in accordance with Icelandic law on annual accounts and regulation on the financial statements of pension funds if not presented elsewhere in the Financial Statements.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing. 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 Fund in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Iceland, and we have fulfilled our other ethical responsibilities 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.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Icelandic law on annual accounts and regulation on the financial statements of pension funds, 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 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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### **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 ISAs will always detect a material 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.



# INDEPENDENT AUDITOR'S REPORT

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 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 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 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.

Reykjavík, 28 March 2019.

PricewaterhouseCoopers ehf.



Kristinn Kristinsson

State Authorized Public Accountant

# STATEMENT OF CHANGES IN NET ASSETS FOR PENSION PAYMENTS 2018

## Joint Statement for Mutual Pension Division, Private Pension Division and Specified Personal Pension Division

	2018	2017
<b>PREMIUMS</b>		
Members	5,020,843	4,867,829
Employers	12,514,841	10,558,308
Transfer of rights and repayments	(23,089)	(38,050)
	17,512,595	15,388,087
Special supplementary contributions	167,357	155,169
	17,679,951	15,543,256
<b>PENSIONS</b>		
Total pensions	11,051,025	10,141,129
Contribution to Rehabilitation Fund	112,310	101,597
Direct expenses relating to disability pensions	4,211	4,009
Pension from Social Insurance Administration	(2,081)	(2,494)
	11,165,466	10,244,241
<b>INVESTMENT INCOME</b>		
Net income from holdings in companies and funds	3,654,616	11,801,125
Net income from bonds	14,471,370	11,486,185
Net income from derivatives	0	(26,409)
Net income from time deposits	225,995	137,650
Net income from cash and bank deposits	193,438	122,480
Net income from premiums and other receivables	120,723	108,823
Other investment income	25,225	69,844
Investment expenses	(259,318)	(265,555)
	18,432,048	23,434,143
<b>OPERATING EXPENSES</b>		
Office and management expenses	716,169	745,418
Cost of merger	0	17,602
	716,169	763,020
Increase in net assets for the year	24,230,364	27,970,138
Net assets from previous year-end	348,122,488	320,152,350
<b>Net assets for pension payments at year-end</b>	<b>372,352,851</b>	<b>348,122,488</b>



# BALANCE SHEET AS AT 31 DECEMBER 2018

## Joint Statement for Mutual Pension Division, Private Pension Division and Specified Personal Pension Division

	31.12.2018	31.12.2017
<b>ASSETS</b>		
<b>INVESTMENTS</b>		
Holdings in companies and funds	145.512.643	138.031.208
Bonds	215.746.947	197.167.882
Time deposits	4.250.812	4.007.952
Other investments	13.140	164.060
	365.523.542	339.371.102
<b>RECEIVABLES</b>		
Premiums receivables	2.295.716	2.128.564
Other receivables	60.121	470.715
	2.355.838	2.599.278
<b>OTHER ASSETS</b>		
Operating assets	30.532	35.659
Cash and cash equivalents	4.910.980	6.544.139
	4.941.512	6.579.798
<b>Total assets</b>	372.820.891	348.550.178
<b>LIABILITIES</b>		
Cost incurred and accrued income	98.092	88.620
Other liabilities	369.948	339.070
	468.040	427.691
<b>Net assets for pension payments at year-end</b>	372.352.851	348.122.488
<b>Division of net assets for pension payments</b>		
Mutual Pension Division	357.229.217	334.321.422
Private Pension Division	14.705.911	13.721.118
Specified Personal Pension Division	417.723	79.948
	372.352.851	348.122.488

# STATEMENT OF CASH FLOWS 2018

## Joint Statement for Mutual Pension Division, Private Pension Division and Specified Personal Pension Division

	2018	2017
<b>INFLOW</b>		
Premium received	17,473,715	15,000,944
Interest income on cash and receivables received	376,402	363,036
Other inflow	469,911	220,101
	18,320,027	15,584,081
<b>OUTFLOW</b>		
Pension paid	11,163,784	10,230,797
Operating expenses paid	697,741	754,123
Investment in operating assets	2,478	25,716
Other outflow	0	243,083
	11,864,003	11,253,719
	6,456,025	4,330,362
<b>INVESTMENT TRANSACTIONS</b>		
Received income from holdings in companies and funds	2,723,349	2,396,743
Investments in holdings in companies and funds	(23,847,808)	(24,101,189)
Holdings sold in companies and funds	17,138,398	24,516,307
Installments on bond principals and interest	22,498,141	22,418,856
Investments in bonds	(38,658,978)	(42,098,877)
Bonds sold	11,987,562	12,427,000
Derivatives settled	0	0
Investment in time deposits	(287,989)	(783,650)
Reimbursed time deposits	45,129	933,532
Other investments sold	182,425	932,083
	(8,219,772)	(3,359,194)
(Decrease) increase in cash and cash equivalents	(1,763,747)	971,168
Effects of exchange rate fluctuations on cash held	130,588	(22,452)
Cash and cash equivalents at beginning of year	6,544,139	5,595,423
<b>Cash and cash equivalents at year-end</b>	4,910,980	6,544,139

# STATEMENT OF ACTUARIAL POSITION

	<b>Accrued liabilities</b>	<b>31.12.2018 Future liabilities</b>	<b>Total liabilities</b>
<b>ASSETS</b>			
Net assets for pension payments	357.229.217	0	357.229.217
Dif. in book value and net present value of bonds	(482.946)	0	(482.946)
Dif. in book value and valuation of holdings in listed companies	(1.195.674)	0	(1.195.674)
Net present value of future operating expenses	(7.783.266)	(9.076.915)	(16.860.181)
Net present value of future premiums	0	225.502.921	225.502.921
	<b>347.767.330</b>	<b>216.426.006</b>	<b>564.193.336</b>
<b>LIABILITIES</b>			
Old age pension	326.962.658	183.491.781	510.454.439
Disability pension	21.877.622	16.120.313	37.997.935
Spouses' pension	25.172.912	9.947.991	35.120.903
Children's allowance	194.342	1.341.175	1.535.517
Family pension	0	1.732.483	1.732.483
	<b>374.207.535</b>	<b>212.633.743</b>	<b>586.841.278</b>
Net assets in excess of liabilities	(26.440.204)	3.792.263	(22.647.942)
Ratio of net assets to liabilities at the beginning of year	(5,95%)	1,36%	(3,44%)
<b>Ratio of net assets to liabilities at year-end</b>	<b>(7,07%)</b>	<b>1,78%</b>	<b>(3,86%)</b>
	<b>Accrued liabilities</b>	<b>31.12.2017 Future liabilities</b>	<b>Total liabilities</b>
<b>ASSETS</b>			
Net assets for pension payments	334.321.422	0	334.321.422
Dif. in book value and net present value of bonds	1.429.559	0	1.429.559
Dif. in book value and valuation of holdings in listed companies	(2.695.626)	0	(2.695.626)
Net present value of future investment expenses	(2.526.086)	0	(2.526.086)
Net present value of future operating expenses	(6.588.226)	(7.055.092)	(13.643.318)
Net present value of future premiums	0	189.170.841	189.170.841
	<b>323.941.042</b>	<b>182.115.750</b>	<b>506.056.792</b>
<b>LIABILITIES</b>			
Old age pension	294.595.518	149.918.999	444.514.517
Disability pension	24.084.674	17.207.955	41.292.629
Spouses' pension	25.441.932	9.171.802	34.613.735
Children's allowance	312.872	1.666.123	1.978.995
Family pension	0	1.707.167	1.707.167
	<b>344.434.996</b>	<b>179.672.046</b>	<b>524.107.042</b>
Net assets in excess of liabilities	(20.493.954)	2.443.704	(18.050.250)
Ratio of net assets to liabilities at the beginning of year	(7,59%)	3,12%	(4,09%)
<b>Ratio of net assets to liabilities at year-end</b>	<b>(5,95%)</b>	<b>1,36%</b>	<b>(3,44%)</b>

# KEY INDICATORS

## MUTUAL PENSION DIVISION

	2018	2017	2016	2015	2014
<b>Rate of return</b>					
Net real rate of return*	1,74%	5,23%	(1,49%)	8,48%	6,79%
Average net real rate of return last five years*	4,09%	4,86%	5,33%	6,07%	4,60%
Average net real rate of return last ten years*	3,30%	0,48%	0,47%		
<b>Investment securities</b>					
Listed holdings in companies and funds	33,28%	34,96%	33,36%	33,84%	28,97%
Listed bonds	38,00%	39,13%	40,58%	39,70%	42,96%
Mortgage loans	19,10%	16,71%	14,65%	13,48%	13,90%
Unlisted holdings in companies and funds	7,47%	6,74%	8,90%	10,95%	12,19%
Unlisted bonds	1,97%	2,21%	1,89%	1,19%	1,00%
Time deposits	0,18%	0,19%	0,50%	0,58%	0,57%
Other investments	0,00%	0,05%	0,12%	0,26%	0,42%
	100,00%	100,00%	100,00%	100,00%	100,00%
<b>Investment in securities by currencies</b>					
Securities in ISK	71,70%	72,31%	76,12%	74,21%	74,55%
Securities in other currencies	28,30%	27,69%	23,88%	25,79%	25,45%
	100,00%	100,00%	100,00%	100,00%	100,00%
<b>Number of</b>					
Average number of paying fund members	16.284	15.882	15.927	14.808	14.765
Total number of paying fund members	18.806	18.789	18.470	18.128	18.008
Number of pensioners	13.789	12.944	12.058	11.797	11.066
Number of full members at year-end	96.412	94.866	93.000	91.234	89.956
Staff (full-time equivalent position)	28,4	30,1	30,5	29,9	31,1
<b>Amounts adjusted to inflation (in millions of ISK)</b>					
Premiums	16.506	15.252	13.573	12.289	11.057
Pension payments	10.607	9.991	9.271	9.536	8.336
Investment income	17.681	23.470	2.626	32.617	22.164
Office and management expenses	673	734	771	695	670
Increase in net assets for pension payments	22.908	27.979	6.158	34.889	24.159
<b>Pension payments</b>					
Old age pension	78,73%	77,46%	75,86%	74,03%	73,26%
Disability pension	12,88%	13,49%	14,31%	15,62%	16,13%
Spouses' pension	7,55%	8,16%	8,96%	9,38%	9,75%
Children's allowance	0,64%	0,74%	0,75%	0,65%	0,70%
Family pension	0,20%	0,15%	0,11%	0,32%	0,16%
	100,00%	100,00%	100,00%	100,00%	100,00%

# KEY INDICATORS

## MUTUAL PENSION DIVISION, CONT.

	2018	2017	2016	2015	2014
<b>Other financial indicators</b>					
Pensions as % of premiums	64,26%	65,50%	69,20%	77,40%	77,70%
Operating expenses as % of premiums	4,08%	4,81%	5,11%	5,84%	6,12%
Investment income as % of average asset position	5,11%	14,07%	0,96%	10,00%	7,70%
Operating expenses as % of average asset position	0,19%	0,22%	0,22%	0,22%	0,24%
<b>Financial position based on actuarial valuation</b>					
Net assets in excess of total liabilities	(3,86%)	(3,44%)	(4,10%)	0,00%	(3,80%)
Net assets in excess of accrued liabilities	(7,07%)	(5,95%)	(7,60%)	(2,55%)	(7,75%)

\* Historical net real rate of return is the weighted average for rate of return for Stafir Pension Fund and United Pension Fund

## PRIVATE PENSION DIVISION

### DEPOSIT PLAN

#### Rate of return

Net nominal return	5,33%	3,70%	3,89%	3,89%	2,80%
Net real rate of return	2,02%	1,93%	1,76%	1,86%	1,75%
Average net real rate of return last five years	1,87%	1,82%	1,81%	2,00%	2,18%
Average net real rate of return last ten years	2,15%	2,75%	3,19%	3,44%	

#### Investment securities

Time deposits	100%	100%	100%	100%	100%
Securities in ISK	100%	100%	100%	100%	100%

#### Number of

Average number of paying fund members	660	634			
Number of full members at year-end	4.639	3.235			
Number of pensioners	187	145			

### BONDS PLAN

#### Rate of return

Net nominal return	6,92%	7,36%	8,05%	5,91%	4,81%
Net real rate of return	3,55%	5,53%	5,83%	3,84%	3,74%
Average net real rate of return last five years	4,51%	4,44%	4,01%	2,83%	2,13%
Average net real rate of return last ten years	2,75%	1,19%	1,19%	1,22%	

# KEY INDICATORS

## PRIVATE PENSION DIVISION, CONT.

	2018	2017	2016	2015	2014
<b>BONDS PLAN, CONT.</b>					
<b>Investment securities</b>					
Listed bonds	81,49%	79,50%	78,28%	74,86%	71,33%
Mortgage loans	18,37%	19,26%	21,15%	23,91%	22,25%
Unlisted holdings in companies and funds	0,00%	0,06%	0,02%	0,64%	0,66%
Unlisted bonds	0,14%	1,18%	0,55%	0,60%	0,62%
Other investments	0,00%	0,00%	0,00%	0,00%	5,15%
	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>

### Investment in securities by currencies

Securities in ISK	100%	100%	100%	100%	100%
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### Number of

Average number of paying fund members	1.097	1.130
Number of full members at year-end	13.613	12.337
Number of pensioners	155	189

## MIXED PLAN

### Rate of return

Net nominal return	2,05%	7,46%	2,24%	12,71%	6,66%
Net real rate of return	(1,17%)	5,63%	0,14%	10,51%	5,57%
Average net real rate of return last five years	4,06%	7,24%	8,00%	7,87%	6,13%
Average net real rate of return last ten years	4,94%	2,89%	2,44%	3,39%	

### Investment securities

Listed holdings in companies and funds	54,43%	53,46%	52,03%	51,50%	55,28%
Listed bonds	40,67%	41,29%	42,33%	42,69%	37,36%
Mortgage loans	2,61%	2,70%	4,11%	4,13%	4,48%
Unlisted holdings in companies and funds	0,00%	0,36%	0,28%	0,76%	1,21%
Unlisted bonds	2,29%	2,19%	1,25%	0,91%	1,03%
Other investments	0,00%	0,00%	0,00%	0,00%	0,64%
	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>

### Investment in securities by currencies

Securities in ISK	57,30%	58,53%	68,23%	68,68%	67,45%
Securities in other currencies	42,70%	41,47%	31,77%	31,32%	32,55%
	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>	<u>100,00%</u>

### Number of

Average number of paying fund members	574	585
Number of full members at year-end	16.077	13.482
Number of pensioners	65	105

# KEY INDICATORS

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## SPECIFIED PERSONAL PENSION DIVISION

	2018	2017
<b>Rate of return</b>		
Net nominal return	0,02%	0,21%
Net real rate of return	(3,13%)	(1,14%)
<b>Investment securities</b>		
Listed holdings in companies and funds	100,00%	100,00%
<b>Investment in securities by currencies</b>		
Securities in ISK	60,92%	56,05%
Securities in other currencies	39,08%	43,95%
	<u>100,00%</u>	<u>100,00%</u>
<b>Number of</b>		
Average number of paying fund members	1.482	580
Number of full members at year-end	1.565	1.269
Number of pensioners	21	1





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