



# BIRTA

LÍFEYRISSJÓÐUR



FINANCIAL STATEMENT 2019



# FINANCIAL STATEMENTS 2019

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# ENDORSMENT 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, 97,630 individuals had benefits in the Mutual Pension Division. In 2019, 18,284 individuals paid a contribution into the Mutual Pension Division and 5,662 employers. Active fund members, i.e. fund members who pay a regular contribution to the Fund each month, were 15,805. In 2019, total contributions paid to the Mutual Pension Division amounted to ISK 17,829 million. At year-end 2019, 30,260 individuals had benefits in the Private Pension Division. Active fund members in the Private Pension Division in 2019 were 2,305. In 2019, contributions paid to the Private Pension Division, before transfers of rights and repayments, amounted to ISK 848 million, an increase of 1% from the previous year. At year-end 2019, 1,598 individuals had benefits in the Specified Personal Pension Division. Active fund members in the Specified Personal Pension Division in 2019 were 1,587. In 2019, contributions paid to the Specified Personal Pension Division, before transfers of rights and repayments, amounted to ISK 486 million.

## Number of pensioners and pension payments

In 2019, 14,568 pensioners on average received pension payments from the Mutual Pension Division totalling ISK 11,634 million. Number of pensioners increased by 5.6%. The Fund's legally required contribution to Rehabilitation Fund amounted to ISK 113 million. Pension payments from the Private Pension Division totalled ISK 614 million and 16.2 million in the Specified Personal Pension Division. The Fund's pension burden, i.e. pension payments as a percentage of contributions, was 65.3%, compared to 64.3% in the previous year.

## Investment income and operating costs

Net income from investments amounted to ISK 53,439 million as compared to ISK 18,432 million in the previous year. The Fund's operating costs, i.e. office and administration costs, amounted to ISK 717 million as compared to ISK 716 million in the previous year. Operating costs as percentage of average assets for the year was 0.17%, decreasing from 0.19% in 2018. The number of full-time employees was 27.0 during the year and salary payments totalled ISK 435 million, including salary-related costs amounting to ISK 92.8 million.

## Net assets for pension payments

Net assets of the Mutual Pension Division for pension payments totalled ISK 414,607 million at year-end as compared to ISK 357,229 million in the preceding year. Net assets of the Private Pension Division totalled ISK 16,462 million at year-end as compared to ISK 14,706 million in the preceding year. Net assets of the Specified Personal Pension Division totalled ISK 960 million at year-end as compared to 418 million in 2018. In aggregate, the assets of the Mutual Pension Division, the Private Pension Division and the Specified Personal Pension Division therefore totalled ISK 432,029 million, an increase from ISK 372,353 million at year-end 2018.

## Return of assets

Nominal return on the Fund's assets came to 14.03% in 2019, equivalent to 11.06% rate of return in real terms as compared to a real return of 1.73% in 2018. The average real return achieved by the Mutual Pension Division over the last 5 years is 4.93% and 4.74% over the last 10 years.

# ENDORSMENT 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 2019 shows that the Fund's total liabilities exceeded total assets by 1.81% but exceeded total assets by 3.86% at year-end 2018. 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. The Covid-19 epidemic has affected markets and assets which have decreased in value in 2020 and effects of the epidemic are uncertain. The Fund's cash flow statement and actuarial position indicate the Fund's ability to meet temporary decreases in asset value and refers to note 19 in the original 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 2019. 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.

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

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## 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.

## 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 31.94% 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, 19 March 2020.

Board of Directors

Ingibjörg Ólafsdóttir  
Chairman of the Board

Jakob Tryggvason  
Vice-Chairman

Davíð Hafsteinsson

Guðrún Elfa Hjörleifsdóttir

Guðrún Jónsdóttir

Hilmar Harðarson

Hrönn Jónsdóttir

Pálmar Óli Magnússon

Ólafur Sigurðsson  
framkvæmdastjóri

# 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, 2019, 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, 2019, 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.

### Emphasis of matter

We draw attention to endorsement and statement by the board of directors and the managing directors discussion about events after the end of the fiscal year, where managers discuss the effect of the Covid-19 epidemic on the Fund's position. Our opinion is not modified in respect of this matter.

### Other information in the annual report

The Board of Directors and CEO are responsible for other information. Other information comprises the annual report, but does not include the Financial Statements and our auditor's report thereon. The annual report is not available at our signing date of our opinion but is expected to be made available to us prior its publication. Our opinion on the financial statements does not cover 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 other information in the annual report when it is available 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.

### 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.

# INDEPENDENT AUDITOR'S REPORT

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## **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.

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, 19 March 2020.

PricewaterhouseCoopers ehf.



Kristinn Kristinsson

State Authorized Public Accountant

# STATEMENT OF CHANGES IN NET ASSETS FOR PENSION PAYMENTS 2019

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

	2019	2018
<b>PREMIUMS</b>		
Members	5,229,316	5,020,843
Employers	13,952,544	12,514,841
Transfer of rights and repayments	(28,269)	(23,089)
	19,153,591	17,512,595
Special supplementary contributions	182,222	167,357
	19,335,813	17,679,951
<b>PENSIONS</b>		
Total pensions	12,264,019	11,051,025
Contribution to Rehabilitation Fund	113,425	112,310
Direct expenses relating to disability pensions	6,486	4,211
Pension from Social Insurance Administration	(1,922)	(2,081)
	12,382,008	11,165,466
<b>INVESTMENT INCOME</b>		
Net income from holdings in companies and funds	38,052,668	3,654,616
Net income from bonds	15,222,330	14,471,370
Net income from time deposits	193,528	225,995
Net income from cash and bank deposits	102,800	193,438
Net income from premiums and other receivables	136,327	120,723
Other investment income	6,204	25,225
Investment expenses	(274,733)	(259,318)
	53,439,124	18,432,048
<b>OPERATING EXPENSES</b>		
Office and management expenses	716,983	716,169
Increase in net assets for the year	59,675,946	24,230,364
Net assets from previous year-end	372,352,851	348,122,488
<b>Net assets for pension payments at year-end</b>	<b>432,028,797</b>	<b>372,352,851</b>



# BALANCE SHEET AS AT 31 DECEMBER 2019

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

	12/31/2019	12/31/2018
<b>ASSETS</b>		
<b>INVESTMENTS</b>		
Holdings in companies and funds	189,674,972	145,512,643
Bonds	227,145,906	215,746,947
Time deposits	4,493,781	4,250,812
Other investments	13,640	13,140
	421,328,299	365,523,542
<b>RECEIVABLES</b>		
Premiums receivables	2,905,961	2,295,716
Other receivables	24,156	60,121
	2,930,117	2,355,838
<b>OTHER ASSETS</b>		
Operating assets	32,577	30,532
Cash and cash equivalents	8,283,657	4,910,980
<b>Total assets</b>	432,574,649	372,820,891
<b>LIABILITIES</b>		
Cost incurred and accrued income	102,283	98,092
Other liabilities	443,570	369,948
	545,853	468,040
<b>Net assets for pension payments at year-end</b>	432,028,797	372,352,851
<b>Division of net assets for pension payments</b>		
Mutual Pension Division	414,606,722	357,229,217
Private Pension Division	16,462,297	14,705,911
Specified Personal Pension Division	959,778	417,723
	432,028,797	372,352,851

# STATEMENT OF CASH FLOWS 2019

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

	2019	2018
<b>INFLOW</b>		
Premium received	18,743,519	17,473,715
Interest income on cash and receivables received	397,435	376,402
Other inflow	88,971	469,911
	<b>19,229,926</b>	<b>18,320,027</b>
<b>OUTFLOW</b>		
Pension paid	12,376,397	11,163,784
Operating expenses paid	700,353	697,741
Investment in operating assets	11,888	2,478
	<b>13,088,638</b>	<b>11,864,003</b>
<b>New disposable resources for investments</b>	<b>6,141,288</b>	<b>6,456,025</b>
<b>INVESTMENT TRANSACTIONS</b>		
Received income from holdings in companies and funds	1,805,483	2,723,349
Investments in holdings in companies and funds	(37,986,454)	(23,847,808)
Holdings sold in companies and funds	29,843,579	17,138,398
Installments on bond principals and interest	25,937,926	22,498,141
Investments in bonds	(33,722,948)	(38,658,978)
Bonds sold	11,591,278	11,987,562
Investment in time deposits	(252,836)	(287,989)
Reimbursed time deposits	9,849	45,129
Other investments sold	0	182,425
	<b>(2,774,121)</b>	<b>(8,219,772)</b>
Increase (decrease) in cash and cash equivalents	3,367,166	(1,763,747)
Effects of exchange rate fluctuations on cash held	5,510	130,588
Cash and cash equivalents at beginning of year	4,910,980	6,544,139
<b>Cash and cash equivalents at year-end</b>	<b>8,283,657</b>	<b>4,910,980</b>

# STATEMENT OF ACTUARIAL POSITION

		12/31/2019	
	Accrued liabilities	Future liabilities	Total liabilities
<b>ASSETS</b>			
Net assets for pension payments	414,606,722	0	414,606,722
Dif. in book value and net present value of bonds	(7,665,363)	0	(7,665,363)
Dif. in book value and valuation of holdings in listed companies	(5,669,780)	0	(5,669,780)
Net present value of future operating expenses	(7,984,362)	(9,044,288)	(17,028,649)
Net present value of future premiums	0	235,638,534	235,638,534
	393,287,217	226,594,246	619,881,464
<b>LIABILITIES</b>			
Old age pension	356,758,920	194,955,278	551,714,198
Disability pension	23,060,228	17,309,029	40,369,257
Spouses' pension	26,488,660	9,694,972	36,183,632
Children's allowance	192,429	1,474,982	1,667,412
Family pension	0	1,390,474	1,390,474
	406,500,238	224,824,736	631,324,973
Net assets in excess of liabilities	(13,213,020)	1,769,511	(11,443,509)
Ratio of net assets to liabilities at the beginning of year	(7.07%)	1.78%	(3.86%)
<b>Ratio of net assets to liabilities at year-end</b>	<b>(3.25%)</b>	<b>0.79%</b>	<b>(1.81%)</b>
		12/31/2018	
	Accrued liabilities	Future liabilities	Total liabilities
<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
	347,767,330	216,426,006	564,193,336
<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
	374,207,535	212,633,743	586,841,278
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>

# FINANCIAL INDICATORS

## MUTUAL PENSION DIVISION

	2019	2018	2017	2016	2015
<b>Rate of return</b>					
Net real rate of return*	11.21%	1.74%	5.23%	(1.49%)	8.48%
Average net real rate of return last five years*	4.93%	4.09%	4.86%	5.33%	6.07%
Average net real rate of return last ten years*	4.74%	3.30%	0.48%	0.47%	
<b>Investment securities</b>					
Listed holdings in companies and funds	37.79%	33.28%	34.96%	33.36%	33.84%
Listed bonds	32.20%	38.00%	39.13%	40.58%	39.70%
Mortgage loans	20.19%	19.10%	16.71%	14.65%	13.48%
Unlisted holdings in companies and funds	8.19%	7.47%	6.74%	8.90%	10.95%
Unlisted bonds	1.46%	1.97%	2.21%	1.89%	1.19%
Time deposits	0.17%	0.18%	0.19%	0.50%	0.58%
Other investments	0.00%	0.00%	0.05%	0.12%	0.26%
	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Investment in securities by currencies</b>					
Securities in ISK	68.06%	71.70%	72.31%	76.12%	74.21%
Securities in other currencies	31.94%	28.30%	27.69%	23.88%	25.79%
	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Number of</b>					
Average number of paying fund members	15,805	16,284	15,882	15,927	14,808
Total number of paying fund members	18,284	18,806	18,789	18,470	18,128
Number of pensioners	14,568	13,789	12,944	12,058	11,797
Number of full members at year-end	97,630	96,412	94,866	93,000	91,234
Staff (full-time equivalent position)	27.0	28.4	30.1	30.5	29.9
<b>Amounts adjusted to inflation (in millions of ISK)</b>					
Premiums	18,011	16,947	15,660	13,936	12,617
Pension payments	11,752	10,890	10,258	9,519	9,791
Investment income	51,786	18,154	24,096	2,697	33,488
Office and management expenses	668	691	753	792	714
Increase in net assets for pension payments	57,378	23,520	28,727	6,322	35,821
<b>Pension payments</b>					
Old age pension	79.84%	78.73%	77.46%	75.86%	74.03%
Disability pension	12.35%	12.88%	13.49%	14.31%	15.62%
Spouses' pension	6.88%	7.55%	8.16%	8.96%	9.38%
Children's allowance	0.57%	0.64%	0.74%	0.75%	0.65%
Family pension	0.37%	0.20%	0.15%	0.11%	0.32%
	100.00%	100.00%	100.00%	100.00%	100.00%



# FINANCIAL INDICATORS

## MUTUAL PENSION DIVISION, CONT.

	2019	2018	2017	2016	2015
<b>Other financial indicators</b>					
Pensions as % of premiums	65.25%	64.26%	65.50%	69.20%	77.40%
Operating expenses as % of premiums	3.71%	4.08%	4.81%	5.11%	5.84%
Investment income as % of average asset position	13.42%	5.11%	14.07%	0.96%	10.00%
Operating expenses as % of average asset position	0.17%	0.19%	0.22%	0.22%	0.22%
Investment expenses as % of average asset position	0.33%	0.32%	0.37%	0.44%	
<b>Financial position based on actuarial valuation</b>					
Net assets in excess of total liabilities	(1.81%)	(3.86%)	(3.44%)	(4.10%)	0.00%
Net assets in excess of accrued liabilities	(3.25%)	(7.07%)	(5.95%)	(7.60%)	(2.55%)

\* 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	4.29%	5.33%	3.70%	3.89%	3.89%
Net real rate of return	1.57%	2.02%	1.93%	1.76%	1.86%
Average net real rate of return last five years	1.84%	1.87%	1.82%	1.81%	2.00%
Average net real rate of return last ten years	2.01%	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	655	660	634		
Number of full members at year-end	4,026	4,639	3,235		
Number of pensioners	181	187	145		

### BONDS PLAN

#### Rate of return

Net nominal return	8.89%	6.92%	7.36%	8.05%	5.91%
Net real rate of return	6.06%	3.55%	5.53%	5.83%	3.84%
Average net real rate of return last five years	4.98%	4.51%	4.44%	4.01%	2.83%
Average net real rate of return last ten years	3.54%	2.75%	1.19%	1.19%	1.22%

# FINANCIAL INDICATORS

## PRIVATE PENSION DIVISION, CONT.

	2019	2018	2017	2016	2015
<b>BONDS PLAN, CONT.</b>					
<b>Investment securities</b>					
Listed bonds	83.12%	81.49%	79.50%	78.28%	74.86%
Mortgage loans	15.43%	18.37%	19.26%	21.15%	23.91%
Unlisted holdings in companies and funds	1.37%	0.00%	0.06%	0.02%	0.64%
Unlisted bonds	0.07%	0.14%	1.18%	0.55%	0.60%
	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Investment in securities by currencies</b>					
Securities in ISK	100%	100%	100%	100%	100%
<b>Number of</b>					
Average number of paying fund members	1,066	1,097	1,130		
Number of full members at year-end	12,651	13,613	12,337		
Number of pensioners	156	155	189		
<b>MIXED PLAN</b>					
<b>Rate of return</b>					
Net nominal return	17.98%	2.05%	7.46%	2.24%	12.71%
Net real rate of return	14.91%	(1.17%)	5.63%	0.14%	10.51%
Average net real rate of return last five years	5.85%	4.06%	7.24%	8.00%	7.87%
Average net real rate of return last ten years	5.99%	4.94%	2.89%	2.44%	3.39%
<b>Investment securities</b>					
Listed holdings in companies and funds	56.40%	54.43%	53.46%	52.03%	51.50%
Listed bonds	38.84%	40.67%	41.29%	42.33%	42.69%
Mortgage loans	2.18%	2.61%	2.70%	4.11%	4.13%
Unlisted holdings in companies and funds	1.34%	0.00%	0.36%	0.28%	0.76%
Unlisted bonds	1.24%	2.29%	2.19%	1.25%	0.91%
	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Investment in securities by currencies</b>					
Securities in ISK	57.00%	57.30%	58.53%	68.23%	68.68%
Securities in other currencies	43.00%	42.70%	41.47%	31.77%	31.32%
	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Number of</b>					
Average number of paying fund members	584	574	585		
Number of full members at year-end	13,583	16,077	13,482		
Number of pensioners	76	65	105		

# FINANCIAL INDICATORS

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## SPECIFIED PERSONAL PENSION DIVISION

	2019	2018	2017
<b>Rate of return</b>			
Net nominal return	10.99%	0.02%	0.21%
Net real rate of return	8.10%	(3.13%)	(1.14%)
<b>Investment securities</b>			
Listed holdings in companies and funds	100.00%	100.00%	100.00%
<b>Investment in securities by currencies</b>			
Securities in ISK	39.05%	60.92%	56.05%
Securities in other currencies	60.95%	39.08%	43.95%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
<b>Number of</b>			
Average number of paying fund members	1,587	1,482	580
Number of full members at year-end	1,598	1,565	1,269
Number of pensioners	40	21	1