



BIRTA

LÍFEYRISSJÓÐUR



FINANCIAL STATEMENT 2020

FINANCIAL STATEMENTS 2020

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

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, 98,745 individuals had benefits in the Mutual Pension Division. In 2020, 18,205 individuals paid a contribution into the Mutual Pension Division and 5,703 employers. Active fund members, i.e. fund members who pay a regular contribution to the Fund each month, were 16,014. In 2020, total contributions paid to the Mutual Pension Division amounted to ISK 17,193 million. At year-end 2020, 30,543 individuals had benefits in the Private Pension Division. Active fund members in the Private Pension Division in 2020 were 2,452. In 2020, contributions paid to the Private Pension Division, before transfers of rights and repayments, amounted to ISK 868 million, an increase of 2% from the previous year. At year-end 2020, 1,561 individuals had benefits in the Specified Personal Pension Division. Active fund members in the Specified Personal Pension Division in 2020 were 1,568. In 2020, contributions paid to the Specified Personal Pension Division, before transfers of rights and repayments, amounted to ISK 491 million.

Number of pensioners and pension payments

In 2020, 15,300 pensioners on average received pension payments from the Mutual Pension Division totalling ISK 12,701 million. Number of pensioners increased by 5%. The Fund's legally required contribution to Rehabilitation Fund amounted to ISK 111 million. Pension payments from the Private Pension Division totalled ISK 996 million and 29.1 million in the Specified Personal Pension Division. The Fund's pension burden, i.e. pension payments as a percentage of contributions, was 73.8%, compared to 65.2% in the previous year.

Investment income and operating costs

Net income from investments amounted to ISK 55,268 million as compared to ISK 53,439 million in the previous year. The Fund's operating costs, i.e. office and administration costs, amounted to ISK 772 million as compared to ISK 717 million in the previous year. Operating costs as percentage of average assets for the year was 0.16%, decreasing from 0.17% in 2019. The number of full-time employees was 27.8 during the year and salary payments totalled ISK 464 million, including salary-related costs amounting to ISK 86.4 million.

Net assets for pension payments

Net assets of the Mutual Pension Division for pension payments totalled ISK 472,090 million at year-end as compared to ISK 414,607 million in the preceding year. Net assets of the Private Pension Division totalled ISK 17,742 million at year-end as compared to ISK 16,462 million in the preceding year. Net assets of the Specified Personal Pension Division totalled ISK 1,562 million at year-end as compared to 960 million in 2019. In aggregate, the assets of the Mutual Pension Division, the Private Pension Division and the Specified Personal Pension Division therefore totalled ISK 491,394 million, an increase from ISK 432,029 million at year-end 2019.

Return of assets

Nominal return on the Fund's assets came to 12.54% in 2020, equivalent to 8.75% rate of return in real terms as compared to a real return of 11.06% in 2019. The average real return achieved by the Mutual Pension Division over the last 5 years is 5.01% and 5.53% over the last 10 years.

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

Actuarial assessment

An actuarial assessment for the Mutual Pension Division performed as at year-end 2020 shows that the Fund's total liabilities exceeded total assets by 0.41% but exceeded total assets by 1.81% at year-end 2019. 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

Since the conclusion of the financial year and until the date of endorsement of the statements, no events have occurred of major significance for the Fund's financial position. 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. 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 2020. 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 and in the Annual Report which is published according to GRI standards and is intended to fulfil requirements of Article 66 of the Icelandic Financial Statement Act no. 3/2006. The effects of the Covid-19 pandemic on the Fund's operations and investments are further disclosed in the Annual Report. When discussing investment opportunities, good corporate governance in companies in which the Fund invests is one of the deciding factors.

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

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 investment policy discloses economic and financial market outlooks. Premiums have decreased due to the effect the Covid-19 pandemic has had on the labor market which increases short-term pension burden. With abolition of capital controls the Fund's ability to mitigate risk through investments in foreign markets has increased. The ratio of foreign assets at year-end is 34.4% 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, 25 March 2021.

Board of Directors

Hrönn Jónsdóttir
Chairman of the Board

Pálmar Óli Magnússon
Vice-Chairman

Davíð Hafsteinsson

Guðrún Elfa Hjörleifsdóttir

Guðrún Jónsdóttir

Hilmar Harðarson

Jón Kjartan Kristinsson

Þóra Eggertsdóttir

Ólafur Sigurðsson
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the board of directors and members of Birta Pension Fund

Opinion

We have audited the accompanying financial statements of Birta pension fund for the year 2020, excluding endorsement and statement by the board of directors and the managing director.

In our opinion, the financial statements give a true and fair view of the financial position of the pension fund as at December 31, 2020, and of its financial performance and its cash flows for the year then ended and the statement of actuarial position at year end in accordance with Icelandic law on annual accounts and regulation on the financial statements of pension funds.

Our opinion is consistent with our additional report to the Audit Committee.

The financial statements comprise

- The endorsement and statement by the board of directors and the managing director.
- The statement of changes in net assets for pension payments 2020.
- The balance sheet as at 31 December 2020.
- The statement of cash flows 2020.
- The statement of actuarial position.

The endorsement and statement by the board of directors and the managing director is excluded from the audit, refer to section reporting on other information.

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.

Independence

We are independent of the pension fund in accordance with Icelandic laws on auditors and auditing and the code of ethics that apply to auditors in Iceland and relate to our audit of the pension fund's financial statements. We have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the pension fund are in accordance with the applicable law and regulations in Iceland and that we have not provided non-audit services that are prohibited under Article 5.1. of Regulation (EU) No 537/2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on other information, including the the endorsement and statement by the board of directors and the managing director

The board of directors and Chief executive officer are responsible for other information. The other information comprises of endorsement and statement by the board of directors and the managing director, which we obtained prior to the date

In addition other information comprises the annual report and the describe other information not yet received, which is expected to be made available to us prior to publication.

Our opinion on the financial statements does not cover the other information, including the endorsement and statement by the board of directors and the managing director.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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. In addition, in light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in other information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

INDEPENDENT AUDITOR'S REPORT

With respect to the endorsement and statement by the board of directors and the managing director we have, in accordance with article 104, of the Icelandic law on annual accounts reviewed that to the best of our knowledge, the endorsement and statement by the board of directors and the managing director accompanying the financial statements includes applicable information in accordance with Icelandic law on annual accounts if not presented elsewhere in the financial statements.

Responsibilities of the Board of Directors and the Chief Executive Officer

The board of directors and the chief executive officer are responsible for the preparation and fair presentation of the financial statements in accordance with Icelandic law on annual accounts, and for such internal control as determined 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.

Those charged with governance are responsible for overseeing the pension 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement 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.

INDEPENDENT AUDITOR'S REPORT

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors at the pension fund's annual general meeting on May 9, 2017. Our appointment has been renewed annually at the pension fund's annual general meeting representing a total period of uninterrupted engagement appointment of 4 years.

Reykjavík, 25 March 2021.

PricewaterhouseCoopers ehf.

Kristinn Kristinsson
Certified Public Accountant

STATEMENT OF CHANGES IN NET ASSETS FOR PENSION PAYMENTS 2020

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

	2020	2019
PREMIUMS		
Members	5,082,601	5,229,316
Employers	13,484,085	13,952,544
Transfer of rights and repayments	(39,085)	(28,269)
	18,527,601	19,153,591
Special supplementary contributions	181,653	182,222
	18,709,254	19,335,813
PENSIONS		
Total pensions	13,725,894	12,264,019
Contribution to Rehabilitation Fund	111,214	113,425
Direct expenses relating to disability pensions	4,586	6,486
Pension from Social Insurance Administration	(1,922)	(1,922)
	13,839,772	12,382,008
INVESTMENT INCOME		
Net income from holdings in companies and funds	39,349,497	38,052,668
Net income from bonds	15,419,081	15,222,330
Net income from time deposits	185,967	193,528
Net income from cash and bank deposits	511,124	102,800
Net income from premiums and other receivables	119,868	136,327
Other investment income	0	6,204
Investment expenses	(317,918)	(274,733)
	55,267,619	53,439,124
OPERATING EXPENSES		
Office and management expenses	771,845	716,983
	771,845	716,983
Increase in net assets for the year	59,365,257	59,675,946
Net assets from previous year-end	432,028,797	372,352,851
Net assets for pension payments at year-end	491,394,054	432,028,797

BALANCE SHEET AS AT 31 DECEMBER 2020

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

	12/31/2020	12/31/2019
ASSETS		
INVESTMENTS		
Holdings in companies and funds	233,249,249	189,674,972
Bonds	242,862,061	227,145,906
Time deposits	3,918,327	4,493,781
Other investments	12,640	13,640
	<u>480,042,277</u>	<u>421,328,299</u>
RECEIVABLES		
Premiums receivables	2,617,130	2,905,961
Other receivables	23,960	24,156
	<u>2,641,090</u>	<u>2,930,117</u>
OTHER ASSETS		
Operating assets	28,392	32,577
Cash and cash equivalents	9,207,472	8,283,657
Total assets	<u>491,919,231</u>	<u>432,574,649</u>
LIABILITIES		
Cost incurred and accrued income	103,865	102,283
Other liabilities	421,313	443,570
	<u>525,177</u>	<u>545,853</u>
Net assets for pension payments at year-end	<u>491,394,054</u>	<u>432,028,797</u>
Division of net assets for pension payments		
Mutual Pension Division	472,089,575	414,606,722
Private Pension Division	17,742,143	16,462,297
Specified Personal Pension Division	1,562,336	959,778
	<u>491,394,054</u>	<u>432,028,797</u>

STATEMENT OF CASH FLOWS 2020

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

	2020	2019
INFLOW		
Premium received	19,005,964	18,743,519
Interest income on cash and receivables received	306,823	397,435
Other inflow	0	88,971
	19,312,787	19,229,926
OUTFLOW		
Pension paid	13,819,387	12,376,397
Operating expenses paid	783,076	700,353
Investment in operating assets	8,729	11,888
Other outflow	49,612	0
	14,660,805	13,088,638
New disposable resources for investments	4,651,982	6,141,288
INVESTMENT TRANSACTIONS		
Received income from holdings in companies and funds	912,249	1,805,483
Investments in holdings in companies and funds	(36,452,798)	(37,986,454)
Holdings sold in companies and funds	31,264,983	29,843,579
Installments on bond principals and interest	30,461,062	25,937,926
Investments in bonds	(39,416,150)	(33,722,948)
Bonds sold	8,439,215	11,591,278
Investment in time deposits	(205,182)	(252,836)
Reimbursed time deposits	780,636	9,849
	(4,215,985)	(2,774,121)
Increase in cash and cash equivalents	435,998	3,367,166
Effects of exchange rate fluctuations on cash held	487,818	5,510
Cash and cash equivalents at beginning of year	8,283,657	4,910,980
Cash and cash equivalents at year-end	9,207,472	8,283,657

STATEMENT OF ACTUARIAL POSITION

	Accrued liabilities	12/31/2020 Future liabilities	Total liabilities
ASSETS			
Net assets for pension payments	472,089,575	0	472,089,575
Dif. in book value and net present value of bonds	(18,998,513)	0	(18,998,513)
Dif. in book value and valuation of holdings in listed companies	(10,624,462)	0	(10,624,462)
Net present value of future operating expenses	(8,354,468)	(8,705,548)	(17,060,015)
Net present value of future premiums	0	233,549,741	233,549,741
	434,112,133	224,844,194	658,956,327
LIABILITIES			
Old age pension	385,187,052	193,535,717	578,722,769
Disability pension	24,921,334	17,363,251	42,284,585
Spouses' pension	28,058,467	9,515,792	37,574,259
Children's allowance	222,294	1,477,287	1,699,581
Family pension	0	1,369,806	1,369,806
	438,389,146	223,261,853	661,650,999
Net assets in excess of liabilities	(4,277,014)	1,582,341	(2,694,673)
Ratio of net assets to liabilities at the beginning of year	(3.25%)	0.79%	(1.81%)
Ratio of net assets to liabilities at year-end	(0.98%)	0.71%	(0.41%)
ASSETS			
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
LIABILITIES			
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%)
Ratio of net assets to liabilities at year-end	(3.25%)	0.79%	(1.81%)

KEY INDICATORS

MUTUAL PENSION DIVISION

	2020	2019	2018	2017	2016
Rate of return					
Net real rate of return*	8.89%	11.21%	1.74%	5.23%	(1.49%)
Average net real rate of return last five years*	5.01%	4.93%	4.09%	4.86%	5.33%
Average net real rate of return last ten years*	5.53%	4.74%	3.30%	0.48%	0.47%
Investment securities					
Listed holdings in companies and funds	41.09%	37.79%	33.28%	34.96%	33.36%
Listed bonds	27.40%	32.20%	38.00%	39.13%	40.58%
Mortgage loans	22.02%	20.19%	19.10%	16.71%	14.65%
Unlisted holdings in companies and funds	6.38%	8.19%	7.47%	6.74%	8.90%
Unlisted bonds	3.10%	1.46%	1.97%	2.21%	1.89%
Time deposits	0.00%	0.17%	0.18%	0.19%	0.50%
Other investments	0.00%	0.00%	0.00%	0.05%	0.12%
	100.00%	100.00%	100.00%	100.00%	100.00%
Investment in securities by currencies					
Securities in ISK	65.63%	68.06%	71.70%	72.31%	76.12%
Securities in other currencies	34.37%	31.94%	28.30%	27.69%	23.88%
	100.00%	100.00%	100.00%	100.00%	100.00%
Number of					
Average number of paying fund members	16,014	15,805	16,284	15,882	15,927
Total number of paying fund members	18,205	18,284	18,806	18,789	18,470
Number of pensioners	15,300	14,568	13,789	12,944	12,058
Number of full members at year-end	98,745	97,630	96,412	94,866	93,000
Staff (full-time equivalent position)	27.8	27.0	28.4	30.1	30.5
Amounts adjusted to inflation (in millions of ISK)					
Premiums	17,375	18,640	17,538	16,206	14,422
Pension payments	12,815	12,162	11,270	10,616	9,851
Investment income	53,640	53,594	18,787	24,937	2,791
Office and management expenses	717	691	715	779	819
Increase in net assets for pension payments	57,483	59,380	24,340	29,729	6,543
Pension payments					
Old age pension	80.63%	79.84%	78.73%	77.46%	75.86%
Disability pension	12.17%	12.35%	12.88%	13.49%	14.31%
Spouses' pension	6.36%	6.88%	7.55%	8.16%	8.96%
Children's allowance	0.51%	0.57%	0.64%	0.74%	0.75%
Family pension	0.32%	0.37%	0.20%	0.15%	0.11%
	100.00%	100.00%	100.00%	100.00%	100.00%

KEY INDICATORS

MUTUAL PENSION DIVISION, CONT.

	2019	2018	2017	2016	2015
Other financial indicators					
Pensions as % of premiums	73.76%	65.25%	64.26%	65.50%	69.20%
Operating expenses as % of premiums	4.12%	3.71%	4.08%	4.81%	5.11%
Investment income as % of average asset position	12.10%	13.42%	5.11%	14.07%	0.96%
Operating expenses as % of average asset position	0.16%	0.17%	0.19%	0.22%	0.22%
Investment expenses as % of average asset position	0.33%	0.33%	0.32%	0.37%	0.44%
Financial position based on actuarial valuation					
Net assets in excess of total liabilities	(0.41%)	(1.81%)	(3.86%)	(3.44%)	(4.10%)
Net assets in excess of accrued liabilities	(0.98%)	(3.25%)	(7.07%)	(5.95%)	(7.60%)

* 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	4.02%	4.29%	5.33%	3.70%	3.89%
Net real rate of return	0.51%	1.57%	2.02%	1.93%	1.76%
Average net real rate of return last five years	1.57%	1.84%	1.87%	1.82%	1.81%
Average net real rate of return last ten years	1.78%	2.01%	2.15%	2.75%	3.19%

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	686	655	660	634	
Number of full members at year-end	4,231	4,026	4,639	3,235	
Number of pensioners	230	181	187	145	

BONDS PLAN

Rate of return

Net nominal return	7.01%	8.89%	6.92%	7.36%	8.05%
Net real rate of return	3.40%	6.06%	3.55%	5.53%	5.83%
Average net real rate of return last five years	4.88%	4.98%	4.51%	4.44%	4.01%
Average net real rate of return last ten years	3.85%	3.54%	2.75%	1.19%	1.19%

KEY INDICATORS

PRIVATE PENSION DIVISION, CONT.

	2020	2019	2018	2017	2016
BONDS PLAN, CONT.					
Investment securities					
Listed bonds	85.28%	83.12%	81.49%	79.50%	78.28%
Mortgage loans	11.36%	15.43%	18.37%	19.26%	21.15%
Unlisted holdings in companies and funds	2.66%	1.37%	0.00%	0.06%	0.02%
Unlisted bonds	0.70%	0.07%	0.14%	1.18%	0.55%
	<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	1,121	1,066	1,097	1,130	
Number of full members at year-end	12,810	12,651	13,613	12,337	
Number of pensioners	270	156	155	189	

MIXED PLAN

Rate of return

Net nominal return	15.03%	17.98%	2.05%	7.46%	2.24%
Net real rate of return	11.15%	14.91%	(1.17%)	5.63%	0.14%
Average net real rate of return last five years	6.00%	5.85%	4.06%	7.24%	8.00%
Average net real rate of return last ten years	6.93%	5.99%	4.94%	2.89%	2.44%

Investment securities

Listed holdings in companies and funds	57.55%	56.40%	54.43%	53.46%	52.03%
Listed bonds	36.68%	38.84%	40.67%	41.29%	42.33%
Mortgage loans	1.99%	2.18%	2.61%	2.70%	4.11%
Unlisted holdings in companies and funds	2.49%	1.34%	0.00%	0.36%	0.28%
Unlisted bonds	1.30%	1.24%	2.29%	2.19%	1.25%
	<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	57.02%	57.00%	57.30%	58.53%	68.23%
Securities in other currencies	42.98%	43.00%	42.70%	41.47%	31.77%
	<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	645	584	574	585	
Number of full members at year-end	13,502	13,583	16,077	13,482	
Number of pensioners	238	76	65	105	

KEY INDICATORS

SPECIFIED PERSONAL PENSION DIVISION

	2020	2019	2018	2017
Rate of return				
Net nominal return	11.79%	10.99%	0.02%	0.21%
Net real rate of return	8.02%	8.10%	(3.13%)	(1.14%)
Investment securities				
Listed holdings in companies and funds	100.00%	100.00%	100.00%	100.00%
Investment in securities by currencies				
Securities in ISK	62.90%	39.05%	60.92%	56.05%
Securities in other currencies	37.10%	60.95%	39.08%	43.95%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Number of				
Average number of paying fund members	1,568	1,587	1,482	580
Number of full members at year-end	1,561	1,598	1,565	1,269
Number of pensioners	64	40	21	1