

Overview 2019

LSR

Lífeyrissjóður starfsmanna ríkisins

Engjateigi 11

105 Reykjavík

711297-3919

Statement of changes in net assets available for benefits

	2019	2019	2019	2019	2018
	Division A	Division B	Division S*	LSR	LSR
Premiums					
Members	8,373,416	401,028	960,981	9,735,424	9,222,924
Employers	24,140,119	1,288,369	548,454	25,976,942	24,573,391
Transfer of rights and repayments	1,424	0	10,727	12,151	(8,489)
Increase in pension payments	0	20,447,691	0	20,447,691	19,743,274
State contribution to equalize disability pension burden ...	290,090	164,538	0	454,627	404,050
Liquidated and employers deposits on commitments	0	8,188,970	0	8,188,970	6,547,294
Voluntary pension premiums allocated to mortgage loans	0	0	(420,680)	(420,680)	(418,960)
	<u>32,805,049</u>	<u>30,490,595</u>	<u>1,099,482</u>	<u>64,395,126</u>	<u>60,063,484</u>
Pensions					
Pensions	8,991,218	53,329,068	598,621	62,918,906	57,636,228
Direct expenses due to disability pension	219,636	21,998	0	241,634	219,449
	<u>9,210,854</u>	<u>53,351,066</u>	<u>598,621</u>	<u>63,160,541</u>	<u>57,855,677</u>
Net investment income					
Net income from holdings in companies and funds	69,529,211	33,347,469	1,742,835	104,619,515	9,382,107
Net income from bonds	30,080,607	9,083,420	87,317	39,251,345	32,722,048
Interest income from bank deposits	0	0	347,375	347,375	377,699
Interest income from cash equivalents	330,350	748,728	9,995	1,089,074	4,036,982
Interest income from premiums and other claims	4,302	(7,024)	0	(2,722)	31,640
Investment expenses	(382,795)	(95,595)	(4,855)	(483,245)	(168,004)
	<u>99,561,676</u>	<u>43,076,999</u>	<u>2,182,667</u>	<u>144,821,342</u>	<u>46,382,473</u>
Operating expenses					
Office and management expenses	728,353	559,849	12,875	1,301,077	1,288,362
Other expenses	3,719	8,380	0	12,099	11,610
	<u>732,072</u>	<u>568,229</u>	<u>12,875</u>	<u>1,313,176</u>	<u>1,300,000</u>
Increase in net assets during the year	122,423,799	19,648,299	2,670,654	144,742,751	47,290,309
Net assets from previous year	607,066,905	248,892,046	16,819,694	872,778,645	825,687,453
Net assets for pension payments at year-end	<u>729,490,704</u>	<u>268,540,344</u>	<u>19,490,348</u>	<u>1,017,521,397</u>	<u>872,977,762</u>

*Voluntary savings pension

Balance sheet

	2019	2019	2019	2019	2018
	Division A	Division B	Division S	LSR	LSR
Assets					
Investments					
Holdings in companies and funds	323,889,788	137,776,275	9,794,131	471,460,193	353,316,216
Bonds	385,478,872	114,648,360	991,317	501,118,548	478,403,904
Bank deposits	0	0	8,354,466	8,354,466	7,593,138
Other investments	0	59,618	0	59,618	58,983
	<u>709,368,659</u>	<u>252,484,252</u>	<u>19,139,913</u>	<u>980,992,824</u>	<u>839,372,242</u>
Claims					
Claims on employers	2,367,830	289,908	6,381	2,664,120	2,744,435
Other claims	123,842	92,140	11,808	227,789	144,110
	<u>2,491,672</u>	<u>382,048</u>	<u>18,188</u>	<u>2,891,909</u>	<u>2,888,544</u>
Other assets					
Fixed assets	429,189	0	0	429,189	446,892
Cash equivalents	17,791,448	17,358,156	357,177	35,506,781	32,171,835
	<u>730,080,969</u>	<u>270,224,456</u>	<u>19,515,278</u>	<u>1,019,820,703</u>	<u>874,879,513</u>
Liabilities					
Accrued pension commitments	117,602	193,700	0	311,303	282,627
Other liabilities	472,663	1,490,411	24,930	1,988,004	1,818,240
	<u>590,265</u>	<u>1,684,112</u>	<u>24,930</u>	<u>2,299,307</u>	<u>2,100,868</u>
Net assets for pension payments at year-end	<u><u>729,490,704</u></u>	<u><u>268,540,344</u></u>	<u><u>19,490,348</u></u>	<u><u>1,017,521,397</u></u>	<u><u>872,778,645</u></u>
Off balance sheet assets					
Claims on employers acc. Act no. 1/1997 article 33 .		508,218,196		508,218,196	474,818,135

Cash flow statement

	2019	2019	2019	2019	2018
Inflow	Division A	Division B	Division S	LSR	LSR
Premiums	32,772,568	30,651,813	1,109,024	64,533,405	59,898,512
Paid interest income on cash equivalents and claims	261,498	370,605	13,611	645,714	1,082,242
Other inflow	110,783	36,281	13,969	161,032	185,540
	<u>33,144,849</u>	<u>31,058,699</u>	<u>1,136,604</u>	<u>65,340,151</u>	<u>61,166,294</u>
Outflow					
Pensions	9,151,294	53,378,461	613,008	63,142,764	57,774,808
Operating expenses	710,080	497,564	16,583	1,224,227	1,199,571
Investment in operating assets	0	0	0	0	21,954
Other outflow	126,584	142,759	4,121	273,464	267,511
	<u>9,987,957</u>	<u>54,018,785</u>	<u>633,713</u>	<u>64,640,455</u>	<u>59,263,845</u>
New disposable resources for investments	<u>23,156,891</u>	<u>(22,960,086)</u>	<u>502,891</u>	<u>699,697</u>	<u>1,902,449</u>
Investment transactions					
Received income from holdings in companies and funds ...	1,962,348	893,559	24,175	2,880,083	2,739,906
Investment in holding companies and funds	(75,838,452)	(26,886,249)	(2,249,871)	(104,974,572)	(68,899,420)
Sold holdings in companies and funds	48,745,767	36,771,155	2,473,548	87,990,470	32,703,205
Installments on bond principals and interest	43,918,128	17,480,837	21,564	61,420,529	57,052,827
Purchased bonds	(57,304,326)	(8,141,339)	(506,460)	(65,952,125)	(79,707,117)
Sold bonds	17,928,776	3,228,633	83,452	21,240,860	37,706,326
New bank deposits	0	0	(410,000)	(410,000)	(390,000)
Sold other investments	0	0	0	0	112,497
Other investments expenses	0	(634)	0	(634)	(2,988)
	<u>(20,587,760)</u>	<u>23,345,962</u>	<u>(563,592)</u>	<u>2,194,610</u>	<u>(18,684,764)</u>
Increase (decrease) in cash equivalents	2,569,132	385,876	(60,701)	2,894,307	(16,782,315)
Exchange rate difference on cash equivalents	73,155	371,099	(3,616)	440,638	2,986,380
Cash equivalents at beginning of year	<u>15,149,161</u>	<u>16,601,181</u>	<u>421,493</u>	<u>32,171,835</u>	<u>45,967,770</u>
Cash equivalents at year-end	<u>17,791,448</u>	<u>17,358,156</u>	<u>357,177</u>	<u>35,506,781</u>	<u>32,171,835</u>

Financial indicators LSR

	2019	2018	2017	2016	2015
Yield					
Nominal yield.....	16.6%	5.6%	7.6%	3.0%	8.7%
Real yield.....	13.6%	2.3%	5.7%	0.9%	6.6%
Net real yield.....	13.4%	2.1%	5.6%	0.8%	6.5%
Average net real yield over the last 5 years.....	5.6%	4.7%	5.6%	6.3%	6.5%
Average net real yield over the last 10 years.....	5.6%	4.6%	1.4%	0.7%	1.7%
Investment securities					
Listed holdings in companies and funds.....	42.4%	37.6%	35.7%	34.6%	41.3%
Listed bonds.....	28.4%	32.5%	36.4%	37.6%	40.2%
Unlisted holdings in companies and funds.....	5.6%	4.5%	4.9%	3.8%	4.7%
Unlisted bonds.....	22.6%	24.6%	23.0%	23.0%	12.8%
Bank deposits.....	0.9%	0.8%	0.0%	0.9%	1.0%
Investment securities by currencies					
Securities in Icelandic krona.....	63.9%	70.0%	71.0%	75.0%	69.0%
Securities in foreign currencies.....	36.1%	30.0%	29.0%	25.0%	31.0%
Members and pensioners					
Average number of active members.....	32,128	31,703	30,809	30,324	30,080
Average number of pensioners.....	25,472	23,805	21,142	19,626	18,175
Number of total fund members at year-end*.....	112,840	111,065	107,053	104,798	102,844
Staff (full-time equivalent position).....	53.0	49.7	48.4	49.3	45.4
Amounts at fixed prices (in millions ISK)					
Total premiums.....	63,546	61,024	75,968	171,857	42,196
Total pensions.....	62,328	58,781	50,744	46,081	40,543
Total net investment income.....	142,913	46,922	57,701	9,884	53,129
Total operating expenses.....	1,284	1,309	1,011	930	878
Increase in net assets for pension payments.....	142,835	47,844	81,915	134,719	53,927
Breakdown of pension payments by type					
Old-age pension.....	82.1%	81.7%	80.4%	79.6%	77.9%
Disability pension.....	5.9%	5.9%	5.9%	6.3%	7.3%
Spouses' pension.....	11.7%	12.2%	13.4%	13.8%	14.3%
Children's allowance.....	0.3%	0.3%	0.3%	0.3%	0.4%
Other payments.....	0.0%	0.0%	0.0%	0.0%	0.1%
Other financial indicators					
Pensions as % of premiums.....	98.1%	96.3%	66.8%	26.8%	96.1%
Operating expenses as % of premiums.....	2.0%	2.1%	1.3%	0.5%	2.1%
Net investment income as % of average asset position.....	15.3%	5.4%	7.3%	1.4%	8.7%
Operating expenses as % of average asset position.....	0.14%	0.15%	0.13%	0.13%	0.14%

* Total fund members at year-end is a total of members from all divisions of LSR. Therefore some members are counted more than once.