

Overview 2020

LSR

Lífeyrissjóður starfsmanna ríkisins

Engjateigi 11

105 Reykjavík

711297-3919

Statement of changes in net assets available for benefits

	2020	2020	2020	2020	2019
	Division A	Division B	Division S*	LSR	LSR
Premiums					
Members	9,149,187	340,814	1,010,846	10,500,847	9,735,424
Employers	26,329,190	1,191,010	575,360	28,095,560	25,976,942
Transfer of rights and repayments	(11,102)	0	30,507	19,405	12,151
Increase in pension payments	0	22,232,387	0	22,232,387	20,447,691
State contribution to equalize disability pension burden ...	316,438	156,907	0	473,345	454,627
Liquidated and employers deposits on commitments	0	8,095,925	0	8,095,925	8,188,970
Voluntary pension premiums allocated to mortgage loans	0	0	(441,259)	(441,259)	(420,680)
	<u>35,783,714</u>	<u>32,017,043</u>	<u>1,175,453</u>	<u>68,976,210</u>	<u>64,395,126</u>
Pensions					
Pensions	10,828,947	57,157,490	705,880	68,692,318	62,918,906
Direct expenses due to disability pension	234,820	19,191	0	254,011	241,634
	<u>11,063,767</u>	<u>57,176,682</u>	<u>705,880</u>	<u>68,946,329</u>	<u>63,160,541</u>
Net investment income					
Net income from holdings in companies and funds	83,060,825	32,506,840	1,694,804	117,262,469	104,619,515
Net income from bonds	26,157,744	8,434,420	79,165	34,671,329	39,251,345
Interest income from bank deposits	0	0	361,315	361,315	347,375
Interest income from cash equivalents	(317,280)	359,877	1,980	44,577	1,089,074
Interest income from premiums and other claims	2,528	6,207	0	8,735	(2,722)
Investment expenses	(511,706)	(84,070)	(3,562)	(599,337)	(483,245)
	<u>108,392,111</u>	<u>41,223,275</u>	<u>2,133,701</u>	<u>151,749,088</u>	<u>144,821,342</u>
Operating expenses					
Office and management expenses	831,490	566,236	16,645	1,414,370	1,301,077
Other expenses	0	369	0	369	12,099
	<u>831,490</u>	<u>566,605</u>	<u>16,645</u>	<u>1,414,739</u>	<u>1,313,176</u>
Increase in net assets during the year	132,280,568	15,497,032	2,586,630	150,364,230	144,742,751
Net assets from previous year	<u>729,490,704</u>	<u>268,540,344</u>	<u>19,490,348</u>	<u>1,017,521,397</u>	<u>872,778,645</u>
Net assets for pension payments at year-end	<u>861,771,272</u>	<u>284,037,377</u>	<u>22,076,978</u>	<u>1,167,885,627</u>	<u>1,017,521,397</u>

*Voluntary savings pension

Balance sheet

	2020	2020	2020	2020	2019
	Division A	Division B	Division S	LSR	LSR
Assets					
Investments					
Holdings in companies and funds	437,484,801	148,071,113	11,499,535	597,055,449	471,460,193
Bonds	390,586,830	121,873,103	1,082,709	513,542,641	501,118,548
Afleiðusamningar	0	0	0	0	0
Bank deposits	0	0	9,122,628	9,122,628	8,354,466
Other investments	0	0	0	0	59,618
	<u>828,071,631</u>	<u>269,944,216</u>	<u>21,704,872</u>	<u>1,119,720,719</u>	<u>980,992,824</u>
Claims					
Claims on employers	2,684,641	358,508	1,083	3,044,233	2,664,120
Other claims	184,364	80,122	9,965	274,452	227,789
	<u>2,869,006</u>	<u>438,630</u>	<u>11,049</u>	<u>3,318,685</u>	<u>2,891,909</u>
Other assets					
Fixed assets	422,263	0	0	422,263	429,189
Cash equivalents	31,020,021	15,633,015	390,748	47,043,785	35,506,781
	<u>862,382,920</u>	<u>286,015,861</u>	<u>22,106,669</u>	<u>1,170,505,450</u>	<u>1,019,820,703</u>
Liabilities					
Accrued pension commitments	131,649	203,596	0	335,245	311,303
Other liabilities	479,999	1,774,889	29,691	2,284,578	1,988,004
	<u>611,648</u>	<u>1,978,485</u>	<u>29,691</u>	<u>2,619,823</u>	<u>2,299,307</u>
Net assets for pension payments at year-end	<u>861,771,272</u>	<u>284,037,377</u>	<u>22,076,978</u>	<u>1,167,885,627</u>	<u>1,017,521,397</u>
Off balance sheet assets					
Claims on employers acc. Act no. 1/1997 article 33 .		538,941,258		538,941,258	508,218,196

Cash flow statement

	2020	2020	2020	2020	2019
Inflow	Division A	Division B	Division S	LSR	LSR
Premiums	35,403,370	31,948,443	1,180,751	68,532,564	64,533,405
Paid interest income on cash equivalents and claims	94,832	85,354	3,365	183,551	645,714
Other inflow	72,960	30,042	0	103,002	161,032
	<u>35,571,162</u>	<u>32,063,839</u>	<u>1,184,115</u>	<u>68,819,117</u>	<u>65,340,151</u>
Outflow					
Pensions	11,028,300	56,907,469	690,001	68,625,770	63,142,764
Operating expenses	766,954	541,369	13,771	1,322,094	1,224,227
Investment in operating assets	8,373	0	0	8,373	0
Other outflow	219,185	44,864	9,419	273,468	273,464
	<u>12,022,811</u>	<u>57,493,702</u>	<u>713,191</u>	<u>70,229,704</u>	<u>64,640,455</u>
New disposable resources for investments	<u>23,548,351</u>	<u>(25,429,862)</u>	<u>470,924</u>	<u>(1,410,587)</u>	<u>699,697</u>
Investment transactions					
Received income from holdings in companies and funds ...	1,350,565	575,648	23,695	1,949,909	2,880,083
Investment in holding companies and funds	(121,294,615)	(47,915,854)	(2,600,725)	(171,811,193)	(104,974,572)
Sold holdings in companies and funds	89,353,093	69,506,940	2,565,412	161,425,444	87,990,470
Installments on bond principals and interest	68,198,671	20,872,513	38,799	89,109,983	61,420,529
Purchased bonds	(64,997,241)	(20,394,956)	(209,611)	(85,601,808)	(65,952,125)
Sold bonds	17,479,333	720,083	158,462	18,357,877	21,240,860
New bank deposits	0	0	(412,000)	(412,000)	(410,000)
Sold other investments	0	59,688	0	59,688	0
Other investments expenses	0	(71)	0	(71)	(634)
	<u>(9,910,194)</u>	<u>23,423,991</u>	<u>(435,968)</u>	<u>13,077,830</u>	<u>2,194,610</u>
Increase (decrease) in cash equivalents	13,638,157	(2,005,871)	34,956	11,667,242	2,894,307
Exchange rate difference on cash equivalents	(409,584)	280,731	(1,385)	(130,238)	440,638
Cash equivalents at beginning of year	17,791,448	17,358,156	357,177	35,506,781	32,171,835
Cash equivalents at year-end	<u>31,020,021</u>	<u>15,633,015</u>	<u>390,748</u>	<u>47,043,785</u>	<u>35,506,781</u>

Financial indicators LSR

	2020	2019	2018	2017	2016
Yield					
Nominal yield.....	14.9%	16.6%	5.6%	7.6%	3.0%
Real yield.....	11.0%	13.6%	2.3%	5.7%	0.9%
Net real yield.....	10.9%	13.4%	2.1%	5.6%	0.8%
Average net real yield over the last 5 years.....	6.4%	5.6%	4.7%	5.6%	6.3%
Average net real yield over the last 10 years.....	6.5%	5.6%	4.6%	1.4%	0.7%
Investment securities					
Listed holdings in companies and funds.....	46.5%	42.4%	37.6%	35.7%	34.6%
Listed bonds.....	26.7%	28.4%	32.5%	36.4%	37.6%
Unlisted holdings in companies and funds.....	6.8%	5.6%	4.5%	4.9%	3.8%
Unlisted bonds.....	19.1%	22.6%	24.6%	23.0%	23.0%
Bank deposits.....	0.8%	0.9%	0.8%	0.0%	0.9%
Investment securities by currencies					
Securities in Icelandic krona.....	59.1%	63.9%	70.0%	71.0%	75.0%
Securities in foreign currencies.....	40.9%	36.1%	30.0%	29.0%	25.0%
Members and pensioners					
Average number of active members.....	32,837	32,128	31,703	30,809	30,324
Average number of pensioners.....	27,093	25,472	23,805	21,142	19,626
Number of total fund members at year-end*.....	115,342	112,840	111,065	107,053	104,798
Staff (full-time equivalent position).....	54.0	53.0	49.7	48.4	49.3
Amounts at fixed prices (in millions ISK)					
Total premiums.....	66,030	63,546	61,024	75,968	171,857
Total pensions.....	66,001	62,328	58,781	50,744	46,081
Total net investment income.....	145,267	142,913	46,922	57,701	9,884
Total operating expenses.....	1,354	1,284	1,309	1,011	930
Increase in net assets for pension payments.....	143,941	142,835	47,844	81,915	134,719
Breakdown of pension payments by type					
Old-age pension.....	82.2%	82.1%	81.7%	80.4%	79.6%
Disability pension.....	5.9%	5.9%	5.9%	5.9%	6.3%
Spouses' pension.....	11.3%	11.7%	12.2%	13.4%	13.8%
Children's allowance.....	0.3%	0.3%	0.3%	0.3%	0.3%
Other payments.....	0.2%	0.0%	0.0%	0.0%	0.0%
Other financial indicators					
Pensions as % of premiums.....	100.0%	98.1%	96.3%	66.8%	26.8%
Operating expenses as % of premiums.....	2.1%	2.0%	2.1%	1.3%	0.5%
Net investment income as % of average asset position.....	13.9%	15.3%	5.4%	7.3%	1.4%
Operating expenses as % of average asset position.....	0.13%	0.14%	0.15%	0.13%	0.13%

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