

# Overview 2018

LSR

*Lífeyrissjóður starfsmanna ríkisins*

*Engjateigi 11*

*105 Reykjavík*

*711297-3919*

## Statement of changes in net assets available for benefits

	2018	2018	2018	2018	2017
	Division A	Division B	Division S*	LSR	LSR
<b>Premiums</b>					
Members .....	7,810,144	475,682	937,098	9,222,924	8,546,103
Employers .....	22,518,177	1,514,696	540,518	24,573,391	22,688,862
Transfer of rights and repayments .....	(14,833)	0	6,345	(8,489)	(17,394)
Increase in pension payments .....	0	19,743,274	0	19,743,274	18,521,949
State contribution to equalize disability pension burden ...	244,345	159,705	0	404,050	369,711
Liquidated and employers deposits on commitments .....	0	6,547,294	0	6,547,294	25,437,216
Voluntary pension premiums allocated to mortgage loans	0	0	(418,960)	(418,960)	(451,873)
	<u>30,557,833</u>	<u>28,440,651</u>	<u>1,065,001</u>	<u>60,063,484</u>	<u>75,094,573</u>
<b>Pensions</b>					
Pensions .....	7,278,160	49,847,606	510,462	57,636,228	52,795,124
Direct expenses due to disability pension .....	197,912	21,537	0	219,449	203,641
	<u>7,476,072</u>	<u>49,869,143</u>	<u>510,462</u>	<u>57,855,677</u>	<u>52,998,765</u>
<b>Net investment income</b>					
Net income from holdings in companies and funds .....	4,812,865	4,227,994	341,248	9,382,107	29,356,826
Net income from bonds .....	22,198,582	10,482,194	41,272	32,722,048	28,324,643
Interest income from bank deposits .....	0	0	377,699	377,699	244,385
Interest income from cash equivalents .....	2,803,341	1,211,254	22,388	4,036,982	73,452
Interest income from premiums and other claims .....	2,308	29,332	0	31,640	7,965
Investment expenses .....	(273,950)	(90,378)	(2,793)	(367,121)	(224,116)
	<u>29,543,146</u>	<u>15,860,397</u>	<u>779,814</u>	<u>46,183,356</u>	<u>57,783,155</u>
<b>Operating expenses</b>					
Office and management expenses .....	687,809	587,551	13,002	1,288,362	1,049,579
Other expenses .....	151	11,458	0	11,610	347
	<u>687,960</u>	<u>598,999</u>	<u>13,002</u>	<u>1,300,000</u>	<u>1,050,270</u>
<b>Increase in net assets during the year .....</b>	<b>51,936,946</b>	<b>(6,167,105)</b>	<b>1,321,351</b>	<b>47,091,192</b>	<b>78,829,038</b>
Net assets from previous year .....	<u>555,129,959</u>	<u>255,059,151</u>	<u>15,498,343</u>	<u>825,687,453</u>	<u>746,858,415</u>
<b>Net assets for pension payments at year-end .....</b>	<b><u>607,066,905</u></b>	<b><u>248,892,046</u></b>	<b><u>16,819,694</u></b>	<b><u>872,778,645</u></b>	<b><u>825,687,453</u></b>

\*Voluntary savings pension

## Balance sheet

	2018	2018	2018	2018	2017
	Division A	Division B	Division S	LSR	LSR
<b>Assets</b>					
<b>Investments</b>					
Holdings in companies and funds .....	229,554,738	115,461,293	8,300,185	353,316,216	310,694,808
Bonds .....	359,954,798	117,946,359	502,746	478,403,904	458,215,049
Bank deposits .....	0	0	7,593,138	7,593,138	6,822,587
Other investments .....	0	58,983	0	58,983	168,493
	<u>589,509,536</u>	<u>233,466,636</u>	<u>16,396,070</u>	<u>839,372,242</u>	<u>775,900,937</u>
<b>Claims</b>					
Claims on employers .....	2,277,386	451,126	15,923	2,744,435	2,582,755
Other claims .....	86,866	48,375	8,869	144,110	2,686,987
	<u>2,364,252</u>	<u>499,501</u>	<u>24,792</u>	<u>2,888,544</u>	<u>5,269,742</u>
<b>Other assets</b>					
Fixed assets .....	446,892	0	0	446,892	460,154
Cash equivalents .....	15,149,161	16,601,181	421,493	32,171,835	45,967,770
	<u>15,149,161</u>	<u>16,601,181</u>	<u>421,493</u>	<u>32,171,835</u>	<u>45,967,770</u>
<b>Assets</b>	<u>607,469,840</u>	<u>250,567,317</u>	<u>16,842,355</u>	<u>874,879,513</u>	<u>827,598,603</u>
<b>Liabilities</b>					
Accrued pension commitments .....	101,541	181,086	0	282,627	248,527
Other liabilities .....	301,394	1,494,185	22,661	1,818,240	1,662,623
<b>Liabilities</b>	<u>402,935</u>	<u>1,675,272</u>	<u>22,661</u>	<u>2,100,868</u>	<u>1,911,150</u>
<b>Net assets for pension payments at year-end .....</b>	<u>607,066,905</u>	<u>248,892,046</u>	<u>16,819,694</u>	<u>872,778,645</u>	<u>825,687,453</u>
<b>Off balance sheet assets</b>					
Claims on employers acc. Act no. 1/1997 article 33 .		474,818,135		474,818,135	456,467,057

## Cash flow statement

	2018	2018	2018	2018	2017
Inflow	Division A	Division B	Division S	LSR	LSR
Premiums .....	30,438,421	28,396,593	1,063,498	59,898,512	56,797,154
Paid interest income on cash equivalents and claims .....	557,290	508,407	16,545	1,082,242	1,187,397
Other inflow .....	129,886	55,653	0	185,540	162,950
	<u>31,125,597</u>	<u>28,960,654</u>	<u>1,080,043</u>	<u>61,166,294</u>	<u>58,147,501</u>
<b>Outflow</b>					
Pensions .....	7,447,723	49,810,452	516,633	57,774,808	52,801,693
Operating expenses .....	601,118	590,437	8,016	1,199,571	1,016,390
Investment in operating assets .....	21,954	0	0	21,954	1,848
Other outflow .....	151,847	112,182	3,482	267,511	528,629
	<u>8,222,642</u>	<u>50,513,071</u>	<u>528,131</u>	<u>59,263,845</u>	<u>54,348,560</u>
New disposable resources for investments .....	<u>22,902,955</u>	<u>(21,552,417)</u>	<u>551,911</u>	<u>1,902,449</u>	<u>3,798,940</u>
<b>Investment transactions</b>					
Received income from holdings in companies and funds ...	2,122,069	590,385	27,452	2,739,906	2,055,307
Investment in holding companies and funds .....	(55,807,005)	(11,857,464)	(1,234,952)	(68,899,420)	(39,028,282)
Sold holdings in companies and funds .....	15,931,853	15,895,957	875,395	32,703,205	42,130,886
Installments on bond principals and interest .....	36,938,127	20,094,892	19,808	57,052,827	45,120,923
Purchased bonds .....	(71,673,148)	(8,033,969)	0	(79,707,117)	(82,370,630)
Sold bonds .....	33,636,033	3,974,946	95,347	37,706,326	33,746,007
New bank deposits .....	0	0	(390,000)	(390,000)	(391,000)
Purchased other investments .....	0	0	0	0	(168,394)
Sold other investments .....	112,497	0	0	112,497	159,667
Income from other investments .....	0	0	0	0	1,630
Other investments expenses .....	(2,366)	(622)	0	(2,988)	(9,677)
	<u>(38,741,939)</u>	<u>20,664,125</u>	<u>(606,950)</u>	<u>(18,684,764)</u>	<u>1,246,436</u>
Increase (decrease) in cash equivalents .....	(15,838,985)	(888,292)	(55,039)	(16,782,315)	5,045,376
Exchange rate difference on cash equivalents .....	2,248,359	732,179	5,842	2,986,380	(1,129,133)
Cash equivalents at beginning of year .....	28,739,787	16,757,294	470,690	45,967,770	42,051,527
<b>Cash equivalents at year-end .....</b>	<u>15,149,161</u>	<u>16,601,181</u>	<u>421,493</u>	<u>32,171,835</u>	<u>45,967,770</u>

## Financial indicators LSR

	2018	2017	2016	2015	2014
<b>Yield</b>					
Nominal yield.....	5.6%	7.6%	3.0%	8.7%	10.1%
Real yield.....	2.3%	5.7%	0.9%	6.6%	9.0%
Net real yield.....	2.1%	5.6%	0.8%	6.5%	8.9%
Average net real yield over the last 5 years.....	4.7%	5.6%	6.3%	6.5%	5.7%
Average net real yield over the last 10 years.....	4.6%	1.4%	0.7%	1.7%	2.4%
<b>Investment securities</b>					
Listed holdings in companies and funds.....	37.6%	35.7%	34.6%	41.3%	38.9%
Listed bonds.....	32.5%	36.4%	37.6%	40.2%	38.6%
Unlisted holdings in companies and funds.....	4.5%	4.9%	3.8%	4.7%	6.0%
Unlisted bonds.....	24.6%	23.0%	23.0%	12.8%	15.5%
Bank deposits.....	0.8%	0.0%	0.9%	1.0%	1.0%
<b>Investment securities by currencies</b>					
Securities in Icelandic krona.....	70.0%	71.0%	75.0%	69.0%	67.5%
Securities in foreign currencies.....	30.0%	29.0%	25.0%	31.0%	32.5%
<b>Members and pensioners</b>					
Average number of active members.....	31,703	30,809	30,324	30,080	29,569
Average number of pensioners.....	23,805	21,142	19,626	18,175	16,880
Number of total fund members at year-end*.....	111,065	107,053	104,798	102,844	101,400
Staff (full-time equivalent position).....	49.7	48.4	49.3	45.4	45.3
<b>Amounts at fixed prices (in millions ISK)</b>					
Total premiums.....	61,024	75,968	171,857	42,196	38,048
Total pensions.....	58,781	50,744	46,081	40,543	36,029
Total net investment income.....	46,922	57,701	9,884	53,129	62,337
Total operating expenses.....	1,309	1,011	930	878	844
Increase in net assets for pension payments.....	47,844	81,915	134,719	53,927	65,510
<b>Breakdown of pension payments by type</b>					
Old-age pension.....	81.7%	80.4%	79.6%	77.9%	77.2%
Disability pension.....	5.9%	5.9%	6.3%	7.3%	6.9%
Spouses' pension.....	12.2%	13.4%	13.8%	14.3%	14.8%
Children's allowance.....	0.3%	0.3%	0.3%	0.4%	0.4%
Other payments.....	0.0%	0.0%	0.0%	0.1%	0.7%
<b>Other financial indicators</b>					
Pensions as % of premiums.....	96.3%	66.8%	26.8%	96.1%	94.7%
Operating expenses as % of premiums.....	2.1%	1.3%	0.5%	2.1%	2.2%
Net investment income as % of average asset position.....	5.4%	7.3%	1.4%	8.7%	11.1%
Operating expenses as % of average asset position.....	0.15%	0.13%	0.13%	0.14%	0.15%

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