

# Selected financial information 2020

## Index

Report of the Board of Directors	86
Indipendent Auditor's Report	90
Statement of changes in net assets for pension payments	93
Balance sheet	94
Statement of cash flow	95
Statement of actuarial position	96
Financial indicators	97

The annual financial statement is prepared in accordance with the Act on annual accounts, the Act on mandatory pension insurance and the operation of pension funds and the rules of the Financial Supervisory Authority on the annual financial reports of pension funds. The Fund values all marketable securities at market value, while mortgages are valued at nominal value with the addition of accrued interest and index adjustments, net of impairment. The Annual Financial Statement for the pension fund was confirmed at a board meeting on March 10th 2021, but has now been republished because of an error in actuarial valuation. See note 45 for further information.

## Assets and number of members

At year-end 2020, the Fund's net assets available for payment of pensions amounted to ISK 310 billion, with the Fund's assets having increased by ISK 40 billion, or 15%, over the year. Fund members were 52,612 thousand, increasing in number between years by 8.5%. Net assets available for payment of pensions in the private pension plan was ISK 162 billion and ISK 147 billion in the mutual insurance plan.

## Contributions

Paid-in contributions to the Pension Fund in 2020 amounted to a total of ISK 16.9 billion, which represents a 7.5% increase from the preceding year. Minimum contributions amounted to ISK 12.4 billion, and supplementary contributions ISK 4.4 billion. Over the year, 10,664 members on average contributed to the mutual insurance plan, as compared to 8,768 members in the preceding year, which represents a 21.6% increase between years. Paid-in contributions to the mutual insurance plan amounted to ISK 6.6 million, which represents an increase of 7.4% between years. Over the year, 6,740 members on average contributed supplementary pension savings to the private pension plan, as compared to 6,486 members in the year before, which represents a 3.9% increase between years. Paid-in contributions to the private pension plan in 2019 amounted to ISK 10.3, which represents an 8% increase from the year before.

## Pensions

Pension payments out of the mutual insurance plan amounted to ISK 2.8 billion in 2020, which represents a 15% increase from the preceding year. The total number of pensioners was 2,271. Pension payments out of the private pension plan amounted to ISK 5.3 billion, which represents a 64% increase from the year before. In the course of the year, ISK 1.5 billion were disbursed in an extraordinary payment in connection with the temporary release of private pension savings due to the world pandemic to 941 Fund members, ISK 1.0 billion were used as payments on housing loans to 2,626 Fund members, and ISK 88.4 billion for first housing purchases were disbursed to 100 Fund members in accordance with a ten-year plan established by the government that temporarily permits Fund members to use their contributions to reduce the principal of their housing loans and to use accrued contributions to purchase first housing.

## Loans to Fund members

The Fund granted loans to members in the amount of ISK 14.3 billion, secured by collateral on real estate; in 2019 new loans were granted in the amount of ISK 14.7 billion. In the year older loans amounting to 15.4 billion ISK were paid up, meaning that net paid-up loans amounted to 1.1 billion ISK. Further information on loans is included under the heading "Other material items".

## Securities holdings and performance

The Fund invested ISK 68.3 billion in securities in 2020; information on the asset structures of the investment plans is included in the annual financial report. The nominal return of the Fund over the year was 4.0% to 16.0%; the real return was 0.5% to 12.1%.

## Actuarial position

In assessing the financial position of the mutual insurance plan, assets are compared to liabilities. The Actuarial position is divided into three parts:

1. Accrued position. Current assets are compared to liabilities arising from entitlements that Fund members have earned through contributions to the Fund.
2. Future position. The net present value of contributions from active Fund members to the age of 70 is compared to the entitlements formed by future contributions.
3. Total position. Total liabilities are the sum of accrued liabilities and future liabilities. Total assets are the sum of assets at the current time and the net present value of future contributions.

The net nominal return on the mutual insurance plan in 2020 was 12.0%, but in the asset valuation used in the assessment of the Fund's actuarial position nominal return is calculated as 13.1% and the real return as 9.3% in accordance with regulatory provisions. The benchmark return used to discount liabilities, however, is a 3.5% real return, which means that the real return over the year more than the discounting requirement was 5.6%.

The actuarial position improved by 4.1 percentage points in 2020 because of favourable returns. An actuarial survey of the mutual insurance plan as at 31 December 2020 revealed that accrued obligations exceed assets at present value by 0.2%, and total obligations (accrued obligations with the addition of obligations arising from projected contributions from active Fund members) exceed total assets, i.e. assets at present value and projected contributions, by 1.6%. According to the survey, the total assets of the mutual insurance plan amounted to ISK 228.3 billion, while total obligations amounted to ISK 232 billion.

The Association of Icelandic Actuaries approved at its meeting of 9 December 2020 a new forecasting model for future changes in mortality rates on the proposal of the Life Expectancy Committee of the Association. The new model is designed to calculate life expectancy based on forecasts of future trends, where it is assumed that the average lifetime of Icelanders will continue to increase, instead of calculating life expectancy based on past experience. Changed assumptions provide for a longer life expectancy, which will increase the liabilities of pension funds, since they pay lifelong old-age pensions. The Association has sent proposals on new mortality and life expectancy tables to the Minister of Finance, who issues tables for use by pension funds in assessing their liabilities pursuant to Regulation No. 391/1998. It is probable that the Minister will accept the proposal of the Fund and that new tables will apply in the actuarial statements at year-end 2021. Talnakönnun has calculated the actuarial situation of the Fund based on these assumptions, and the accrued position deteriorates from -0.2% of liabilities to -2.9%, the future position from -3.5% to -10.6% and the total position from -1.6% to -6.2% of total liabilities. Based on these conclusions the accrued position is in balance on the implementation of the modified life expectancy based on standard mortality rates for the country.

However, the deteriorating future position means that the Fund needs to respond to bring the position into a balance with the issue of a new entitlement table and possibly an increase in contribution to minimum insurance coverage in the mutual insurance plan. It is under review whether the Fund needs to calculate a margin on top of the standard mortality rate, as in the past the life expectancy of members of Almenni Pension Fund has tended to exceed the national average. If this is done, the liabilities of the mutual insurance plan will increase.

## Salaries and number of full-time equivalent positions

Salaries and related expenses of employees, the board of directors and Audit Board amounted to ISK 460.7 million over the year. Full-time equivalent positions at year-end were 21.

## Other material items

At the end of February last year, the first Icelander was diagnosed with COVID-19, and on 6 March the National Commissioner of the Icelandic Police declared a state of national emergency in consultation with the State Epidemiologist. As is well known, the virus spread around the world, developing into a pandemic that led to a worldwide economic recession. There is no need to discuss in further detail the impact of COVID-19 on the economy of the world and Iceland. The staff of Almenni Pension Fund responded immediately and set up a contingency plan designed to keep the operation of the Fund going and to ensure a minimum level of service to Fund members. When a prohibition of public gatherings was decreed and the number of people permitted to assemble was limited to 20, and later reduced to 10, the arrangement of day-to-day operations was changed. The Fund's reception was closed from 16 March to 18 May, and then again from 6 October to March 2021. Employees were divided into two groups, with half of the staff working from home for a week at a time to mitigate the risk of contagion and reduce the likelihood of disruption of the Fund's operation. Services to Fund members were provided over the telephone or by means of web chats, teleconferences, and e-mail communications. In the first wave of the pandemic, the Fund made the decision to grant to borrowers a temporary moratorium on payments on loans members who were experiencing financial difficulties, or unmanageable circumstances, because of COVID-19. Also, a decision was made to respond to temporary difficulties of employers by calculating interest on overdue contributions at general rates rather than default rates.

In 2020 circumstances changed in the housing loan market after the Central Bank cut its policy rate in several steps from 2.75% to 0.75%. Since then, commercial banks have lowered interest rates on their housing loans more than pension funds and offered non-indexed loans with variable interest close to the anticipated future inflation rate. In consequence, many people have refinanced their housing loans through the banks and paid up their loans from pension funds. Almenni Pension Fund has not been immune to this trend, and for this first time in its history paid-up loans exceeded new lending. In recent years loans to Fund members as a proportion of the Fund's assets have grown significantly; to give an example, net lending over the five-year period from 2015 to 2019 amounted to 31 billion ISK, or 6.2 billion ISK per year. Over the same period the proportion of loans to Fund members increased from 12.4% to 17.6% of the assets of the mutual insurance plan. This proportion decreased in 2020 to 14.1% at year-end.

Almenni Pension Fund's investment strategy for 2021 was approved by the board of directors of the Fund on 25 November 2020. The most extensive changes were made to the investment strategy for Life Portfolio III, where the new strategy targets a 30% weight of equity securities instead of the previous 20%. Modifications of the investment strategies of other investment plans were relatively minor. The Housing Portfolio now falls within the scope of the investment powers for the minimum insurance coverage, together with Life Portfolio II, Life Portfolio III, Treasury Portfolio Long-term and Treasury Portfolio Short-term. Life Portfolio I and the Savings Accounts Portfolio remain subject to the limitations on investment powers for supplementary insurance coverage. Among other things, the differences in investment powers apply to limitations on counterparty risk, which are more restrictive as regards investment powers for minimum insurance coverage. The portfolios falling within the scope of minimum insurance coverage can accept a specified personal savings.

The policy of Almenni Pension Fund on responsible investment have now been expressly confirmed by the board of directors. The policy takes account of environmental matters, social matters and corporate governance in the Fund's investments. These aspects are an important prerequisite for sustainability, enabling enterprises to return good results in the long term. Thereby, sustainable development combines the long-term interests of investors and of society.

## Corporate Governance Statement

Almenni Pension Fund operates in accordance with the Articles of Association of the Fund, Act No. 129/1997 on mandatory pension insurance and the operation of pension funds and other rules applying to pension funds. The board and management of Almenni Pension Fund have set themselves the target of being always guided by principles of good governance. In the formulation of its governance approach the board of directors of the Fund has, among other things, taken account of, and used for guidance, the guidelines

on corporate governance issued by the Iceland Chamber of Commerce, Nasdaq OMX Iceland hf. and the Confederation of Icelandic Employers. The Statement of Governance is attached to the Annual Financial Report.

## Non-financial disclosure pursuant to Article 66 (d) of the Act on annual accounts

The Pension Fund is a public interest entity, as defined in the Annual Accounts Act No. 3/2006, as amended. Article 66(d) of the Annual Accounts Act notes that a summary with the report of the board of directors shall include information necessary to evaluate the development, scope, position, and impact of the company in relation to environmental, social, and human resource matters. Also, an account shall be provided of the policy of the entity as regards human rights and the means used by the entity to combat corruption and bribery.

The Statement of Governance attached to the Annual Financial Report includes information regarding the basis of

the Fund, its role and objectives and policy on environmental, social, and human resource matters. The Fund's investment strategy addresses the corporate responsibility of investments; in that regard the Fund is primarily able to exercise its influence in environmental matters, social matters and in the implementation of good governance. In assessing investment options, various aspects of the business activities of issuers are considered that relate to corporate responsibility and environmental matters. Among other things, enterprises are required to abide by laws and rules, collective bargaining agreements and other agreements on employees' rights, and to formulate and enforce a policy on environmental matters and corporate responsibility. Almenni Pension Fund enforces a policy on corporate responsibility regarding its investments by specifying in memoranda on the assessment of investment options whether a securities issuer has in place a policy on environmental matters, corporate responsibility, and governance and what that policy entails.

## Confirmation of the Annual Financial Statement

The board of directors and managing director of Almenni Pension Fund hereby confirm the annual financial statement of the Fund for the year 2020 with their certified electronic signatures.

Reykjavík, 15 September 2021

Board of Directors:

Hulda Rós Rúriksdóttir, Chairman

Oddur Ingimarsson, Vice Chairman

Arna Guðmundsdóttir

Davíð Ólafur Ingimarsson

Ólafur H. Jónsson

Sigríður Magnúsdóttir

Managing Director:

Gunnar Baldvinsson

# Independent Auditor's Report

To the members of the board and members of Almenni

Pension Fund.

## Opinion

We have audited the financial statements of Almenni lífeyrissjóðurinn, which comprises statement of change in net assets for pension payments, statement of financial position as at December 31, 2020, statement of cash flows, statement of actuarial position at year end 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 the Fund as at 31 December 2020, and its financial performance and its cash flows for the year then ended, in accordance with the Icelandic Financial Statements Act on pension funds.

Our opinion in this report on the financial statements are consistent with the content of the additional report that has been submitted to the Fund's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

## Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Almenni lífeyrissjóðurinn in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 rules and requirements.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

## Emphasis of matter

We draw attention to the report of the board of directors and to note 45 of the financial statements, which describe the effects of an error in the actuarial calculations of the fund. Our opinion is not modified in respect of this matter.

## Appointment of auditor

We were initially appointed as auditor of Almenni lífeyrissjóðurinn on April 7, 2016 for the financial year 2017. We have been reappointed every year since then.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2020. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

### • Valuation of unlisted investments

Unlisted investments and listed investments in inactive markets amount to ISK 31.203 m. or 10% of total assets as of December 31, 2020 (ISK 29.941 m as of December 31, 2019). These assets are categorized as level 2 and 3

fair value assets in the notes to the financial statements.

Among the above-mentioned investments are unlisted equities, investment funds, private equity funds, unlisted bonds and listed bonds in inactive markets. The value of these investments is based on management estimation and is affected by the assumptions and models used to calculate their value.

Significant judgments were:

- Rate of return used for unlisted equities
- Estimated future cash flows
- Risk free rates of bonds
- Estimated credit risk

Due to the size of the account and it being highly subjective and involving management judgment, we believe valuation of unlisted investments to be a key audit matter.

### ► How our audit addressed the Key Audit Matter

The following are some of the procedures that were performed to respond to the risk of the key audit matter:

- Inspection of the valuation process.
- For a risk-based sample we evaluated the methodology and significant assumptions used in the valuation of unlisted equities, investment funds and private equity funds as well as evaluation of supporting evidence used as basis for the valuation.
- For a risk-based sample we evaluated the methodology and significant assumptions, such as the risk-free rate, credit risk and counterparty risk.
- Inspection of the fair value categorization.

Additionally, an inspection of related notes was performed, see further in notes 10, 11, 23–31.

### • Valuation of pension liability

The fund's pension liability amounted to ISK 231.955 m.

## Independent Auditor's Report, contd.

as of December 31, 2020 (ISK 208,280 m. as of December 31, 2019). Ratio of net assets to liabilities as of December 31, 2020 was -1.6% meaning that liabilities were greater than assets at year-end (-3.8% as of year-end 2019). The pension liability is calculated by an actuary not employed at the pension fund.

Significant judgments were:

- Determination of mortality rates
- Determination of disability rates
- Specific calculations

Due to the complexity of the calculations the size of the account and its importance to the fund, we believe that valuation of pension liability a key audit matter.

### ► How our audit addressed the Key Audit Matter

The following are some of the procedures that were performed to respond to the risk of the key audit matter, some included EY's own actuary:

- Evaluation of the actuary's objectivity and competency.
- The process of the calculations was inspected
- Analytical procedures were performed on specific mortality and disability rates that are used in calculations of standardized mortality and disability rates issued by the Icelandic actuaries' association.
- Procedures were performed on a sample to confirm inputs and calculations
- Analytical procedures were performed on the development of the liability, assumptions and results.
- Sensitivity analysis was inspected by changing significant assumptions and evaluating the effects.

Additionally, an inspection of related notes was performed. See further in statement of actuarial position and notes 36, 42 and 45.

### Responsibilities of Managing Director and Board of Directors for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements in accordance with the Icelandic Financial Statements Act of pension funds. CEO and Board of Directors are responsible for such internal control as they determine 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, the Board of Directors and Managing Director are 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.

The Board of Directors is responsible for overseeing the 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 the International Standards on Auditing (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 the International Standards on Auditing (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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the

current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reykjavík, September 15, 2021

Geir Steindórsson  
State Authorised Public Accountant

Ernst & Young ehf.  
Borgartúni 30  
105 Reykjavík

The annual report of Almenni Pension Fund for the year 2020 is confirmed with a certified electronic signature.



# Statement of changes in net assets for pension payments in 2020

	2020	2019
<b>Premiums:</b>		
Members	5,714,541	5,332,358
Employers	11,098,475	10,333,012
Transfer of rights and repayments	79,146	50,324
	16,892,162	15,715,694
Special supplementary premiums	26,116	23,879
	16,918,278	15,739,574
<b>Pensions:</b>		
Total amount of pensions	8,051,527	5,617,725
Contribution to Rehabilitation Fund	73,586	72,501
Direct expenses from invalidity pensions	2,592	2,635
	8,127,705	5,692,862
<b>Net investment income:</b>		
Net income from holdings in companies and funds	22,383,572	19,906,007
Net income from bonds	8,300,954	8,735,783
Interest income from bank deposits	1,239,746	1,231,576
Interest income from cash equivalents	523,338	471,115
Interest income from pensions and other claims	21,853	26,938
Investment expenses	( 23,471)	( 17,849)
	32,445,992	30,353,570
<b>Operating expenses:</b>		
Office and management expenses	814,102	753,910
Other income	4,285	4,313
<b>Changes of net assets for pension payments during the year</b>	40,426,748	39,650,684
Net assets from previous year	269,133,633	229,482,949
<b>Net assets for pension payments at year end</b>	309,560,381	269,133,633

Amounts are in ISK thousands

# Balance sheet December 31, 2020

	2020	2019
<b>Investments:</b>		
Holdings in companies and funds	144,123,665	108,327,426
Bonds	124,729,287	121,065,252
Bank deposits	28,452,207	27,762,014
Other investments	2,760	2,760
	297,307,919	257,157,452
<b>Claims:</b>		
Premiums receivable	600,000	570,000
Other claims	34,227	8,502
	634,227	578,502
Cash equivalents	11,979,715	11,630,346
<b>Total assets</b>	309,921,861	269,366,300
<b>Liabilities:</b>		
Cost incurred and income collected in advance	308,299	176,876
Other liabilities	53,181	55,790
<b>Total liabilities</b>	361,480	232,667
<b>Net assets for pension payments</b>	309,560,381	269,133,633
Mutual insurance fund	147,228,269	127,891,342
Private accounts	162,332,113	141,242,291
<b>Commitments off Balance Sheet</b>	15,378,115	8,746,162

Amounts are in ISK thousands

# Statement of cash flow 2020

	2020	2019
<b>Inflow:</b>		
Premiums	16,910,131	15,716,512
Paid interest income on cash equivalents and claims	105,654	347,806
Other inflow	5,843	14,052
	17,021,628	16,078,370
<b>Outflow:</b>		
Pensions	8,050,999	5,661,985
Operating expenses	780,403	759,396
Other outflow	21,134	8,947
	8,852,535	6,430,328
New disposable resources for investments	8,169,093	9,648,042
<b>Investment transactions:</b>		
Received income from holdings in companies and funds	362,132	1,207,656
Investments in holdings in companies and funds	( 33,025,906)	( 14,823,169)
Sold holdings in companies and funds	19,508,636	4,843,650
Installments on bond principals and interest	29,330,090	17,714,347
Investments in bonds	( 35,318,352)	( 20,581,437)
Sold bonds	10,318,998	88,591
New bank deposits	0	( 250,000)
Repaid bank deposits	550,000	0
	( 8,274,402)	( 11,800,362)
<b>Increase (decrease) in cash equivalents</b>	( 105,309)	( 2,152,320)
<b>Exchange rate difference on cash equivalents</b>	454,678	123,327
<b>Cash equivalents at beginning of year</b>	11,630,346	13,659,340
<b>Cash equivalents at year end</b>	11,979,715	11,630,346

Amounts are in ISK thousands

# Statement of actuarial position December 31, 2020

	December 31, 2020			December 31, 2019		
	Accrued position	Future position	Total	Accrued position	Future position	Total
<b>Assets:</b>						
Net assets for pension payments	147,228,268	0	147,228,268	127,891,342	0	127,891,342
Difference in book value and net present value of bonds	( 7,047,567)	0	( 7,047,567)	( 6,778,989)	0	( 6,778,989)
Difference in book value and valuation of listed holdings in companies	( 1,932,799)	0	( 1,932,799)	( 1,310,354)	0	( 1,310,354)
Net present value of future investment expenses	( 226,862)	0	( 226,862)	( 252,955)	0	( 252,955)
Net present value of future operating expenses	( 3,550,839)	( 5,169,284)	( 8,720,123)	( 3,149,740)	( 4,533,315)	( 7,683,055)
Net present value of future premiums	0	98,953,549	98,953,549	0	88,406,102	88,406,102
<b>Total assets</b>	<b>134,470,200</b>	<b>93,784,264</b>	<b>228,254,465</b>	<b>116,399,304</b>	<b>83,872,788</b>	<b>200,272,092</b>
<b>Liabilities:</b>						
Old age pension	120,180,263	88,364,270	208,544,533	108,596,954	79,142,730	187,739,684
Disability pension	4,978,012	4,987,014	9,965,026	4,122,553	4,287,233	8,409,785
Spouses pension	9,382,115	2,508,256	11,890,371	8,770,664	2,232,015	11,002,678
Child pension	205,593	1,349,113	1,554,706	139,201	988,987	1,128,188
<b>Total liabilities</b>	<b>134,745,983</b>	<b>97,208,653</b>	<b>231,954,636</b>	<b>121,629,372</b>	<b>86,650,965</b>	<b>208,280,336</b>
<b>Net assets in excess of liabilities</b>	<b>( 275,783)</b>	<b>( 3,424,389)</b>	<b>( 3,700,172)</b>	<b>( 5,230,067)</b>	<b>( 2,778,177)</b>	<b>( 8,008,244)</b>
<b>Ratio of net assets to liabilities at the beginning of the year</b>	<b>(4.3%)</b>	<b>(3.2%)</b>	<b>(3.8%)</b>	<b>(4.8%)</b>	<b>1.5%</b>	<b>(2.2%)</b>
<b>Ration of net assets to liabilities at year-end</b>	<b>(0.2%)</b>	<b>(3.5%)</b>	<b>(1.6%)</b>	<b>(4.3%)</b>	<b>(3.2%)</b>	<b>(3.8%)</b>

Amounts are in ISK thousands

	2020	2019	2018	2017	2016
<b>Mutual insurance fund</b>					
Net real yield	8.2%	10.4%	2.3%	7.4%	0.6%
Average net real yield the last 5 years	5.7%	5.4%	4.6%	4.9%	5.3%
Average net real yield the last 10 years	5.9%	5.2%	4.2%	0.8%	(0.1%)
<b>Investment securities</b>					
Listed holdings in companies and funds	41.2%	36.6%	32.4%	31.6%	29.8%
Unlisted holdings in companies and funds	8.3%	6.5%	5.3%	5.6%	4.4%
Listed bonds	35.3%	37.6%	44.2%	45.2%	50.1%
Unlisted bonds	15.2%	19.3%	18.1%	17.6%	15.6%
Other investments	0.0%	0.0%	0.0%	0.0%	0.0%
Assets in ISK	62.7%	66.8%	71.9%	73.5%	77.9%
Assets in foreign currencies	37.3%	33.2%	28.1%	26.5%	22.1%
<b>Pension payments</b>					
Old age pension	80.7%	81.2%	80.8%	79.2%	78.7%
Spouses pension	8.7%	9.0%	9.5%	10.9%	11.6%
Disability pension	9.3%	8.8%	8.6%	8.7%	8.5%
Child pension	1.4%	1.0%	1.0%	1.3%	1.2%
<b>Financial position according to actuarial position</b>					
Net assets divided by accrued liabilities	(0.2%)	(4.3%)	(4.8%)	(2.2%)	(3.8%)
Net assets divided by total liabilities	(1.6%)	(3.8%)	(2.2%)	(3.9%)	(4.7%)
Number of fund members at year end	33,106	29,150	26,737	24,973	23,372
Number of active fund members	10,664	8,768	8,018	7,428	7,042
Number of pensioners	1,963	1,746	1,537	1,363	1,204
Staff (full-time equivalent position)	21	21	21	22	22

<b>Mutual insurance fund</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total premiums	6,612,147	6,389,370	6,165,229	5,743,430	5,274,332
Total pensions	2,710,810	2,358,330	2,243,508	2,002,263	1,780,657
Total net investment income	15,873,576	15,063,275	6,378,279	9,429,367	2,818,728
Total operating expenses	389,961	361,134	332,386	296,990	268,418
Increase in net assets for pension payments	19,336,927	18,468,514	9,969,016	12,874,905	6,047,656
Pensions as percentage of premiums	40.9%	38.2%	35.4%	33.8%	32.7%
Operating expenses as percentage of premiums	5.9%	5.9%	5.4%	5.2%	4.9%
Net investment income as % of average asset position	11.5%	12.4%	5.7%	9.1%	3.0%
Operating expenses as percentage of average asset position	0.28%	0.30%	0.30%	0.29%	0.27%