



Landsbankinn Factbook

30 September 2018

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Investor Relations

Landsbankinn Investor Relations is committed to promoting transparency and open communications through the provision of timely and relevant information about the Bank to all stakeholders and other interested parties.

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Financial Calender

25 October 2018 - 9M Report 2018

7 February 2019 - Full Year Results 2018

This [calendar](#) may be subject to change.

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Fact Sheet

30.9.2018



Landsbankinn in brief

Landsbankinn hf. is a leading Icelandic financial institution. The Bank offers a full range of financial services and is the market leader in the Icelandic financial service sector with the largest branch network. Focused on commercial banking, Landsbankinn provides retail and corporate banking services, capital markets services and asset and wealth management for private banking clients.

Landsbankinn hf. was established on 7 October 2008 but the history of its predecessor runs back to 1886.

The Icelandic State holds 98.2% of the shares and the total number of shareholders amount to approximately 931.

CEO of Landsbankinn hf. is Lilja Björk Einarsdóttir

Balance sheet

	30.9.2018	31.12.2017	30.9.2018	31.12.2017
	ISKm		EURm	
Total assets	1,317,205	1,192,870	10,235	9,601
Loans to customers	1,038,005	925,636	8,065	7,450
Loans to financial institutions	84,513	44,866	657	361
Bonds	88,749	117,310	690	944
Equities	27,766	27,980	216	225
Deposits from customers	692,675	605,158	5,382	4,870
Deposits from financial institutions	34,714	32,062	270	258
Borrowings	308,362	281,874	2,396	2,269
Equity	235,892	246,057	1,833	1,980
Equity ratio (CAD)	24.8%	26.7%		
Loans / customers deposits	149.9%	153.0%		

Customers and branches

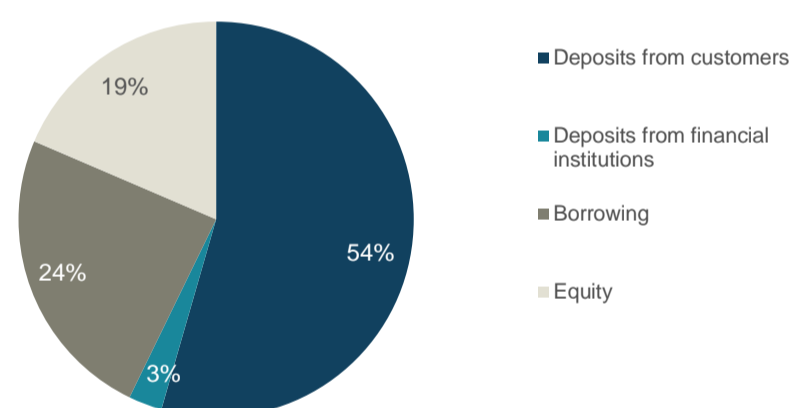
30.9.2018

Retail customers	125,617
Corporate customers	13,875
Number of branches	37
Number of employees	948

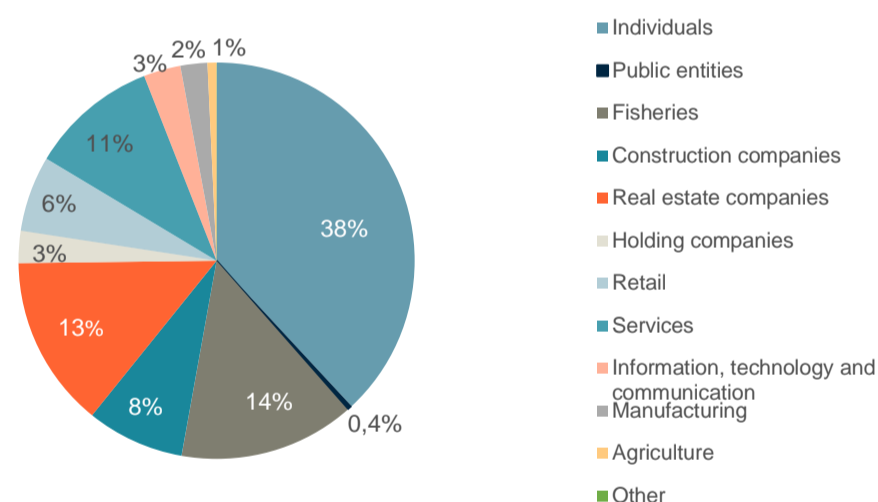
Income statement

	30.9.2018	30.9.2017	30.9.2018	30.9.2017
	ISKm		EURm	
Operating income	41,070	41,642	332	349
Profit after taxes	15,393	16,841	124	141
ROE after taxes	8.8%	9.4%		
Interest spread	2.7%	2.5%		
Cost-income ratio	45.0%	44.7%		

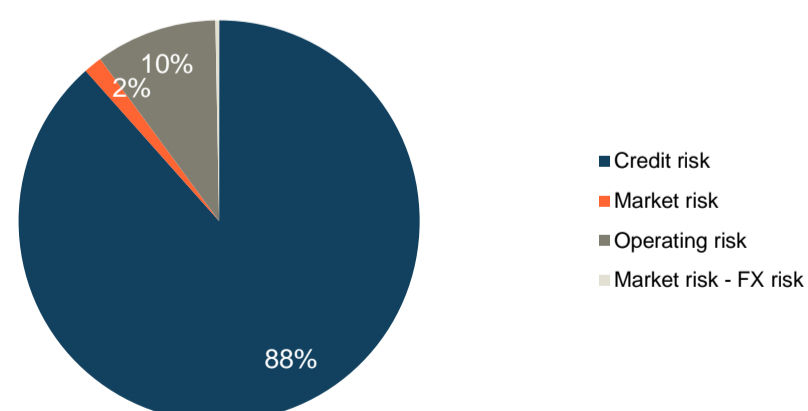
Funding profile



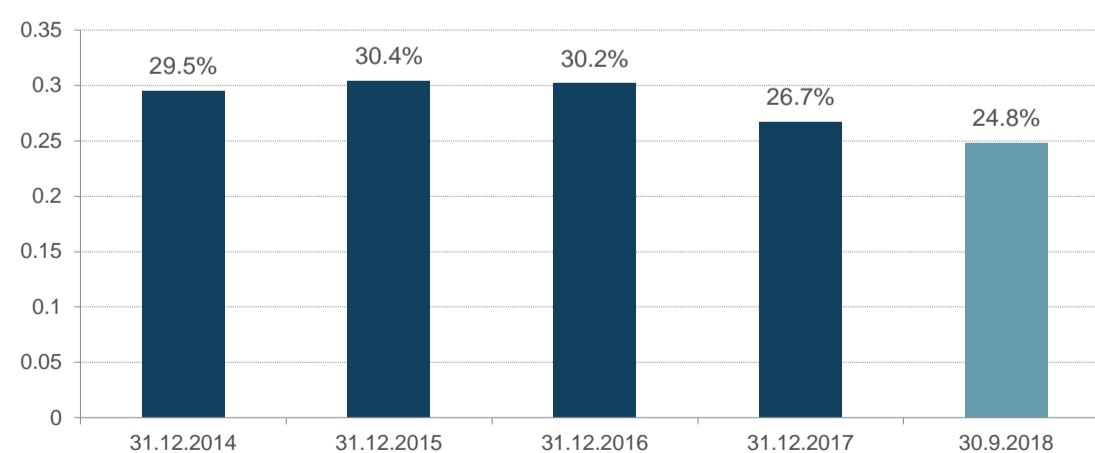
Loans and advances by industry sectors



Risk profile



Equity ratio



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Income statement

ISK million	2017	2016	2015	2014	2013	2012	2011	2010
Net interest income	36,271	34,650	32,324	28,073	34,314	35,584	32,649	24,685
Net valuation adjustments and impairment of loans and advances	1,785	-318	18,216	20,128	13,053	-4,391	-23,587	641
Net interest income after valuation adjustments	38,056	34,332	50,540	48,201	47,367	31,193	9,062	25,326
Net fee commission income	8,431	7,809	6,841	5,836	5,291	4,448	4,423	3,582
Net foreign exchange gain (loss)	-1,375	-179	-1,277	67	1,147	4,566	-759	14,623
Other net operating income (expenses)	8,400	6,738	16,507	9,510	14,488	11,383	19,435	7,609
Total operating income	53,512	48,700	72,611	63,614	68,293	51,590	32,161	51,140
Salaries and related expenses	14,061	14,049	13,754	13,567	17,304	13,176	11,990	9,331
Other operating expenses	9,789	9,465	9,978	10,521	9,947	10,929	10,066	9,165
Total operating expenses	23,850	23,514	23,732	24,088	27,251	24,105	22,056	18,496
Profit (loss) before tax	29,662	25,186	48,879	39,526	41,042	27,485	10,105	32,644
Income tax and tax on liabilities of financial institutions	9,896	8,543	12,419	9,789	12,283	4,125	-597	8,182
Profit (loss) for the year from continuing operations	19,766	16,643	36,460	29,737	28,759	23,360	10,702	24,462
Profit for the year from discontinued operations	0	0	0	0	0	2,134	6,255	2,769
Profit (loss) for the year	19,766	16,643	36,460	29,737	28,759	25,494	16,957	27,231

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Income statement

ISK million	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	10,370	9,835	9,641	9,201	8,894	10,158	8,018	8,443	8,596	10,145	7,466	7,292	8,834
Net valuation adjustments and impairment of loans and advances	-89	703	1,024	-282	766	-478	1,779	-4,737	2,144	1,964	311	5,882	10,489
Net interest income after valuation adjustments	10,281	10,538	10,665	8,919	9,660	9,680	9,797	3,706	10,740	12,109	7,777	13,174	19,323
Net fee commission income	1,926	2,185	1,691	1,840	2,159	2,316	2,116	1,900	2,015	1,914	1,980	1,702	1,745
Net foreign exchange gain (loss)	-352	-399	-70	-482	-10	-518	-365	-212	25	-154	162	-58	-748
Other net operating income (expenses)	197	-138	4,546	1,593	545	2,097	4,165	1,614	330	3,192	1,602	6,612	1,982
Total operating income	12,052	12,186	16,832	11,870	12,354	13,575	15,713	7,008	13,110	17,061	11,521	21,430	22,302
Salaries and related expenses	3,222	3,869	3,663	3,753	3,163	3,654	3,491	3,640	3,096	3,559	3,754	3,407	3,466
Other operating expenses	2,353	2,287	2,335	2,411	2,475	2,477	2,426	2,292	2,230	2,444	2,499	2,674	2,127
Total operating expenses	5,575	6,156	5,998	6,164	5,638	6,131	5,917	5,932	5,326	6,003	6,253	6,081	5,593
Profit (loss) before tax	6,477	6,030	10,834	5,706	6,716	7,444	9,796	1,076	7,784	11,058	5,268	15,349	16,709
Income tax and tax on liabilities of financial institutions	2,697	2,519	2,732	2,781	2,528	2,367	2,220	833	2,682	3,075	1,953	3,302	4,701
Profit (loss) for the period from continuing operations	3,780	3,511	8,102	2,925	4,188	5,077	7,576	243	5,102	7,983	3,315	12,047	12,008
Profit for the period from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit for the period	3,780	3,511	8,102	2,925	4,188	5,077	7,576	243	5,102	7,983	3,315	12,047	12,008

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Balance sheet

ISK million	31.12.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010
Cash and balances with CB	55,192	30,662	25,164	10,160	21,520	25,898	8,823	47,777
Bonds and debt instruments	117,310	154,892	203,684	243,589	290,595	228,208	221,848	161,559
Equities and equity instruments	27,980	26,688	29,192	29,433	36,275	36,881	46,037	29,429
Loans and advances to fin institutions	44,866	20,408	20,791	49,789	67,916	64,349	100,133	91,882
Loans and advances to customers	925,636	853,417	811,549	718,355	680,468	666,087	639,130	592,954
Other assets	18,238	17,641	16,323	28,832	29,719	38,044	65,959	28,743
Assets classified as held for sale	3,648	7,449	11,955	18,212	25,023	25,320	53,552	128,789
Total	1,192,870	1,111,157	1,118,658	1,098,370	1,151,516	1,084,787	1,135,482	1,081,133

Due to financial institutions and CB	32,062	20,093	56,731	53,827	167,218	98,718	112,876	147,478
Deposits from customers	605,158	589,725	559,051	551,435	456,662	421,058	443,590	371,558
Borrowings	281,874	223,944	209,344	207,028	239,642	309,265	337,902	287,823
Other liabilities	27,615	24,681	26,844	32,443	42,750	29,687	31,485	27,800
Liabilities associated with assets classified as held for sale	27	1,095	1,518	2,834	3,885	893	9,385	61,609
Subordinated liabilities	77	388	639	0	0	0	0	0
Equity	246,057	251,231	264,531	250,803	241,359	225,166	200,244	184,866
Total	1,192,870	1,111,157	1,118,658	1,098,370	1,151,516	1,084,787	1,135,482	1,081,133

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Balance sheet - quarter summary

ISK million	30.9.2018	30.6.2018	31.3.2018	31.12.2017	30.9.2017	30.6.2017	31.3.2017	31.12.2016	30.9.2016	30.6.2016	31.3.2016	31.12.2015	30.9.2015
Cash and balances with CB	61,155	68,372	82,266	55,192	33,157	32,216	35,826	30,662	52,822	43,997	23,228	25,164	27,120
Bonds and debt instruments	88,749	97,214	100,216	117,310	160,223	162,520	147,992	154,892	168,029	157,898	195,175	203,684	235,788
Equities and equity instruments	27,766	28,756	25,666	27,980	31,049	30,934	30,868	26,688	30,896	29,042	29,381	29,192	26,467
Loans and advances to financial institutions	84,513	47,937	41,796	44,866	41,485	49,292	70,230	20,408	16,835	21,885	15,221	20,791	46,511
Loans and advances to customers	1,038,005	989,481	936,636	925,636	905,927	870,483	872,350	853,417	837,494	827,241	814,669	811,549	807,033
Other assets	15,399	16,261	17,455	18,238	22,740	20,317	19,009	17,641	19,653	21,523	21,255	16,323	20,070
Assets classified as held for sale	1,618	1,832	2,113	3,648	4,377	4,866	6,192	7,449	8,073	8,258	7,771	11,955	12,815
Total	1,317,205	1,249,853	1,206,148	1,192,870	1,198,958	1,170,628	1,182,467	1,111,157	1,133,802	1,109,844	1,106,700	1,118,658	1,175,804

Due to financial institutions and CB	34,714	27,504	30,943	32,062	21,946	23,486	31,613	20,093	41,307	34,643	42,606	56,731	49,550
Deposits from customers	692,675	654,689	622,021	605,158	638,781	627,954	594,565	589,725	583,715	556,841	545,208	559,051	624,924
Borrowings	308,362	297,684	284,484	281,874	267,853	242,274	244,649	223,944	220,800	220,837	217,658	209,344	207,699
Other liabilities	32,614	37,764	39,984	27,615	26,862	37,441	76,261	24,681	34,913	48,310	31,445	26,844	38,854
Liabilities associated with assets classified as held for sale	73	27	41	27	155	155	1,095	1,095	1,514	1,510	1,305	1,518	1,518
Subordinated liabilities	12,875	72	74	77	229	374	390	388	407	412	632	639	775
Equity	235,892	232,113	228,601	246,057	243,132	238,944	233,894	251,231	251,146	247,291	267,846	264,531	252,484
Total	1,317,205	1,249,853	1,206,148	1,192,870	1,198,958	1,170,628	1,182,467	1,111,157	1,133,802	1,109,844	1,106,700	1,118,658	1,175,804

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Key financial ratios

ISK million	2017	2016	2015	2014	2013	2012	2011	2010
Profit after taxes	19,766	16,643	36,460	29,737	28,759	25,494	16,957	27,213
Return on equity before taxes	12.3%	9.9%	19.9%	16.7%	17.6%	14.0%	8.1%	20.8%
Return on equity after taxes	8.2%	6.6%	14.8%	12.5%	12.4%	12.0%	8.4%	16.0%
After tax return on average assets*	1.7%	1.5%	3.2%	2.6%	2.6%	2.3%	1.5%	2.5%
Total capital ratio	26.7%	30.2%	30.4%	29.5%	26.7%	25.1%	21.4%	19.5%
Net interest income	36,271	34,650	32,324	28,073	34,314	35,584	32,649	24,685
Interest spread as a ratio of assets and liabilities**	2.5%	2.3%	2.2%	1.9%	2.4%	2.6%	2.4%	1.6%
Cost-income ratio***	46.1%	48.4%	43.8%	56.0%	42.9%	45.0%	40.6%	36.8%
Net stable funding ratio NSFR FX	179%	154%	136%	134%				
Liquidity ratio LCR total	157%	128%	113%	131%	102%			
Liquidity LCR FX	931%	743%	360%	614%	208%			
Operating expenses as a ratio of average total assets****	2.0%	2.1%	2.1%	2.1%	2.0%	2.2%	2.0%	1.7%
Total assets	1,192,870	1,111,157	1,118,658	1,098,370	1,151,516	1,084,787	1,135,482	1,081,133
Loans / deposits ratio	153.0%	144.7%	145.2%	130.3%	149.0%	158.2%	144.1%	159.6%
Full-time eqv.positions	997	1,012	1,063	1,126	1,183	1,233	1,311	1,146
Earnings per share	0.84	0.70	1.54	1.26	1.22	1.06	0.71	1.13
Dividend per share	1.05	1.20	1.00	0.84	0.42	0.00	0.00	0.00

*After tax return on average assets = profit (loss) for the year / average total assets

**Interest spread as a ratio of assets and liabilities = interest income as a percentage of average total assets - interest expense as a percentage of average total liabilities

***Cost-income ratio = total operating expenses excl. Equity settled employee share-based salaries / (total operating income - net valuation adjustments)

****Excluding equity settled employee share-based payments

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Key financial ratios

ISK million	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Profit after taxes	3,780	3,511	8,102	2,925	4,188	5,077	7,576	243	5,102	7,983	3,315	12,047	12,008
Return on equity before taxes*	11.1%	10.5%	18.3%	9.3%	11.1%	12.6%	16.2%	1.7%	12.5%	17.2%	7.9%	23.8%	27.2%
Return on equity after taxes	6.5%	6.1%	13.7%	4.8%	6.9%	8.6%	12.5%	0.4%	8.2%	12.4%	5.0%	18.6%	19.5%
After tax return on average assets**	1.2%	1.1%	2.7%	1.0%	1.4%	1.7%	2.7%	0.1%	1.8%	2.9%	1.2%	4.2%	4.1%
Total capital ratio	24.8%	24.1%	24.7%	26.7%	26.8%	27.6%	27.4%	30.2%	29.1%	28.9%	31.2%	30.4%	29.2%
Net interest income	10,370	9,835	9,641	9,201	8,894	10,158	8,018	8,443	8,596	10,145	7,466	7,292	8,834
Interest spread as a ratio of assets and liabilities***	2.7%	2.7%	2.7%	2.5%	2.5%	2.9%	2.2%	2.2%	2.4%	2.8%	1.9%	1.9%	2.4%
Cost-income ratio****	45.9%	53.6%	37.9%	50.7%	48.7%	43.6%	42.5%	50.7%	48.9%	40.8%	55.8%	39.1%	47.9%
Net stable funding ratio NSFR FX	168%	165%	168%	179%	185%	169%	159%	154%	149%	145%	133%	136%	120%
Liquidity ratio LCR total	154%	164%	171%	157%	158%	183%	158%	128%	140%	123%	134%	113%	109%
Liquidity LCR FX	392%	743%	751%	931%	873%	470%	153%	743%	594%	684%	496%	360%	190%
Operating expenses as a ratio of average total assets*****	1.7%	2.0%	2.0%	2.1%	1.9%	2.1%	2.1%	2.1%	1.9%	2.2%	2.2%	2.1%	1.9%
Total assets	1,317,205	1,249,853	1,206,148	1,192,870	1,198,958	1,170,628	1,182,467	1,111,157	1,133,802	1,109,844	1,106,700	1,118,658	1,175,804
Loans / deposits ratio	149.9%	151.1%	150.6%	153.0%	141.8%	138.6%	146.7%	144.7%	143.5%	148.6%	149.4%	145.2%	129.1%
Full-time eqv.positions	948	955	998	997	998	988	1,000	1,012	1,043	1,040	1,063	1,063	1,092

Further information about older dates is available in excel Factbook

*Return on equity before taxes = profit (loss) for the period before taxes / average total equity

**After tax return on average assets = profit (loss) for the period / average total assets

***Interest spread as a ratio of assets and liabilities = interest income as a percentage of average total assets - interest expense as a percentage of average total liabilities

****Cost-income ratio = total operating expenses excl. Equity settled employee share-based salaries / (total operating income - net valuation adjustments)

*****Excluding equity settled employee share-based payments

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Segments - 9 months 2018

ISK million	Personal	Corporate			Support	Recon-	Total
	Banking	Banking	Markets	Treasury	functions	ciliation	
Net interest income (expense)	11,045	13,788	433	4,528	19	33	29,846
Net valuation adjustments and impairment of loans and advances	633	1,001	0	4	0	0	1,638
Net fee and commission income	2,619	581	2,845	-245	165	-163	5,802
Other net operating income	379	-38	-1,158	2,093	2,566	-58	3,784
Total operating income (expenses)	14,676	15,332	2,120	6,380	2,750	-188	41,070
Operating expenses	-4,871	-1,459	-1,679	-1,356	-8,539	175	-17,729
Profit (loss) before cost allocation and tax	9,805	13,873	441	5,024	-5,789	-13	23,341
Cost allocated from support functions to business segments	-3,658	-2,188	-1,107	-618	7,571	0	0
Profit before tax	6,147	11,685	-666	4,406	1,782	-13	23,341

Total assets	468,313	562,848	17,278	540,833	13,326	-285,393	1,317,205
Total liabilities	425,233	455,670	10,394	462,083	13,326	-285,393	1,081,313
Allocated capital	43,080	107,178	6,884	78,750	0	0	235,892

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Key figures and ratios

Key figures and ratios	Definition
Return on equity before taxes	Profit before taxes / average total equity
Return on equity after taxes	Profit after taxes / average total equity
Adjusted return on equity after taxes	(Profit after taxes - tax on liabilities of financial institutions - positive net valuations *0,74) / average total equity
Total capital ratio	Total capital base / risk weighted assets
Leverage ratio	Tier 1 capital / (total assets + off balance sheet items)
Cost-income ratio	Total operating expenses / (total operating income - net valuation adjustments)
Operating expenses as a ratio of average total assets	Total operating expenses as a ratio of average total assets
Interest spread as a ratio of assets and liabilities	(Interest income / average total assets) - (interest expenses / average total liabilities)
Loans/ deposits	Loans and advances to customers/ deposits from customers
Deposits / total assets	Deposits from customers/ total assets
Number of full-time equivalent positions at the end of the period	Number of full-time equivalent positions at the end of the period
Earnings per share	Profit for the year attributable to owners of the Bank / Weighted average number of shares outstanding
Dividend per share	Dividends paid/ number of shares outstanding
Common equity Tier 1 capital (CET1)	Total equity - deductions (intangible assets, deferred tax assets)
Additional Common equity Tier 1 capital (AT1)	Capital instruments under Tier 1 other than (CET1)
Tier 1 capital (T1)	Common equity Tier 1 capital + additional Common equity Tier 1 capital
Tier 2 capital (T2)	Subordinated liabilities - regulatory amortisation
Total capital base	CET1 + AT1 + T2
Liquidity coverage ratio (LCR)	High quality liquid assets / total net liquidity outflows over 30 days under stressed conditions
Net stable funding ratio (NSFR)	Available amount of stable funding / required amount of stable funding

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