



# Landsbankinn Factbook

30 June 2017

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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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27 July 2017 - 1H Report 2017

26 October 2017 - 9M Report 2017

8 February 2018 - Full Year Results 2017

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# Fact Sheet

30.06.17



## 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 934.

CEO of Landsbankinn hf. is Lilja Björk Einarsdóttir

## Balance sheet

	30.06.17	31.12.16	30.06.17	31.12.16
	ISKm		EURm	
<b>Total assets</b>	1,170,628	1,111,157	10,057	9,322
<b>Loans to customers</b>	870,483	853,417	7,478	7,160
<b>Loans to financial institutions</b>	49,292	20,408	423	171
<b>Bonds</b>	162,520	154,892	1,396	1,299
<b>Equities</b>	30,934	26,688	266	224
<b>Deposits from customers</b>	627,954	589,725	5,395	4,947
<b>Deposits from financial institutions</b>	23,486	20,093	202	169
<b>Borrowings</b>	242,274	223,944	2,081	1,879
<b>Equity</b>	238,944	251,231	2,053	2,108
<b>Equity ratio (CAD)</b>	27.6%	30.2%		
<b>Loans / customers deposits</b>	138.6%	144.7%		

## Customers and branches

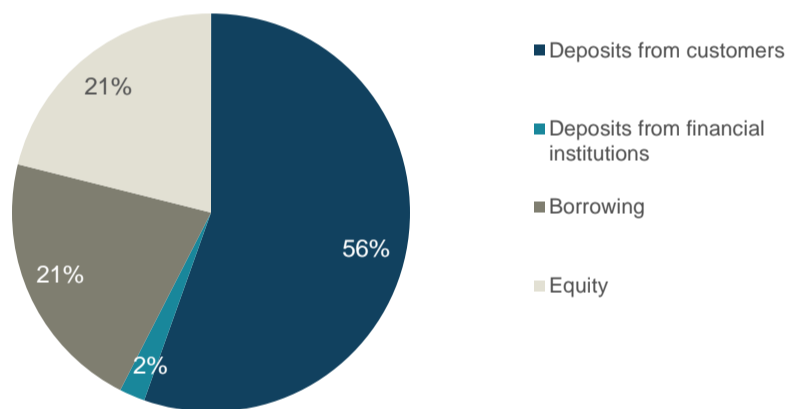
30.06.17

Retail customers	121,400
Corporate customers	13,200
Number of branches	37
Number of employees	988

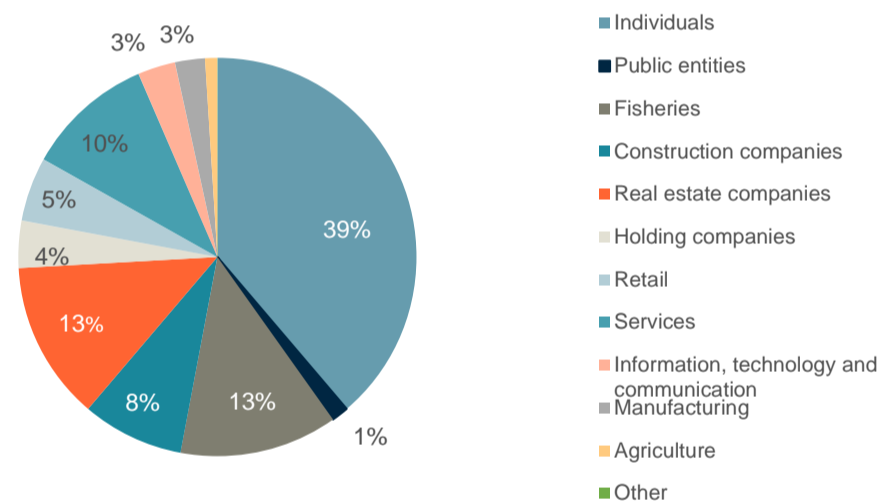
## Income statement

	30.06.17	30.06.16	30.06.17	30.06.16
	ISKm		EURm	
<b>Operating income</b>	29,288	28,582	250	204
<b>Profit after taxes</b>	12,653	11,298	108	81
<b>ROE after taxes</b>	10.6%	8.6%		
<b>Interest spread</b>	2.5%	2.3%		
<b>Cost-income ratio</b>	43.0%	47.3%		

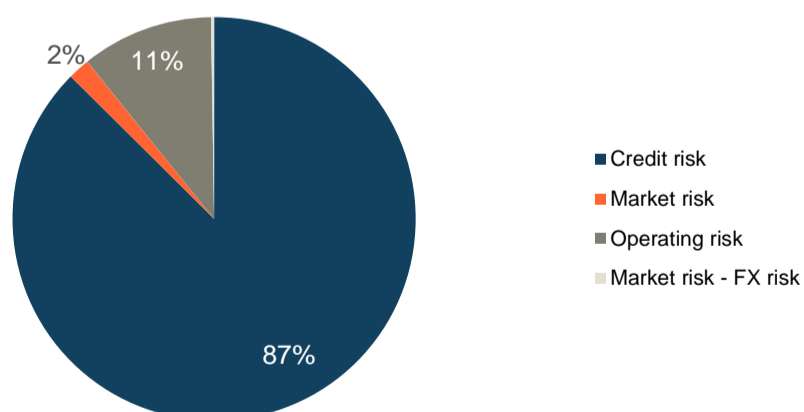
## Funding profile



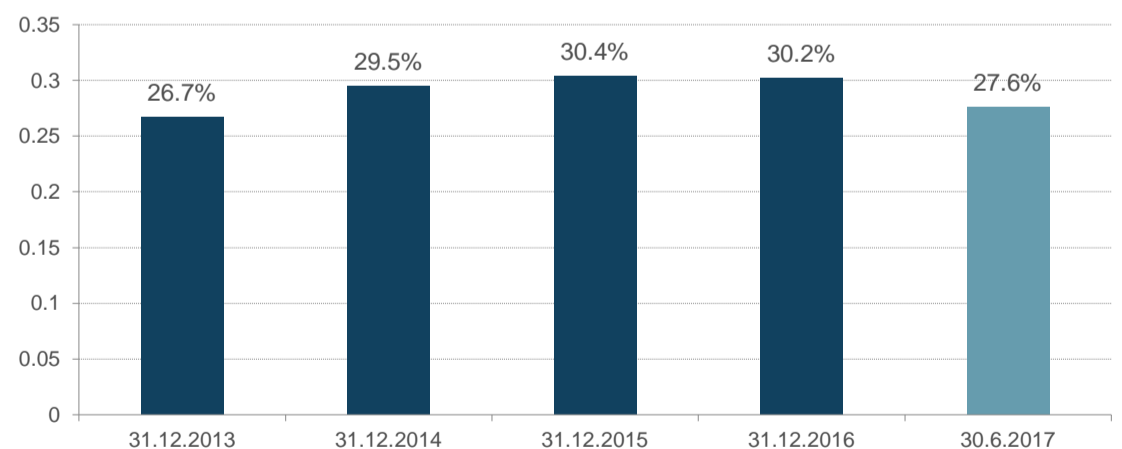
## Loans and advances by industry sectors



## Risk profile



## Equity ratio



## Income statement

ISK million	2016	2015	2014	2013	2012	2011	2010	2009	7.10 - 31.12. 2008
Net interest income	34,650	32,324	28,073	34,314	35,584	32,649	24,685	28,105	4,291
Net valuation adjustments	-318	18,216	20,128	13,053	-4,391	-23,587	641	-6,577	-1,256
<b>Net interest income after valuation adjustments</b>	<b>34,332</b>	<b>50,540</b>	<b>48,201</b>	<b>47,367</b>	<b>31,193</b>	<b>9,062</b>	<b>25,326</b>	<b>21,528</b>	<b>3,035</b>
Net fee commission income	7,809	6,841	5,836	5,291	4,448	4,423	3,582	4,213	987
Net foreign exchange gain (loss)	-179	-1,277	67	1,147	4,566	-759	14,623	-2,814	32,583
Other net operating income (expenses)	6,738	16,507	9,510	14,488	11,383	19,435	7,609	8,181	-39,254
<b>Total operating income</b>	<b>48,700</b>	<b>72,611</b>	<b>63,614</b>	<b>68,293</b>	<b>51,590</b>	<b>32,161</b>	<b>51,140</b>	<b>31,108</b>	<b>-2,649</b>
Salaries and related expenses	14,049	13,754	13,567	17,304	13,176	11,990	9,331	8,468	1,506
Other operating expenses	9,465	9,978	10,521	9,947	10,929	10,066	9,165	8,386	5,765
<b>Total operating expenses</b>	<b>23,514</b>	<b>23,732</b>	<b>24,088</b>	<b>27,251</b>	<b>24,105</b>	<b>22,056</b>	<b>18,496</b>	<b>16,854</b>	<b>7,271</b>
<b>Profit (loss) before tax</b>	<b>25,186</b>	<b>48,879</b>	<b>39,526</b>	<b>41,042</b>	<b>27,485</b>	<b>10,105</b>	<b>32,644</b>	<b>14,254</b>	<b>-9,920</b>
Income tax and tax on liabilities of financial institutions	8,543	12,419	9,789	12,283	4,125	-597	8,182	615	-2,941
<b>Profit (loss) for the year from continuing operations</b>	<b>16,643</b>	<b>36,460</b>	<b>29,737</b>	<b>28,759</b>	<b>23,360</b>	<b>10,702</b>	<b>24,462</b>	<b>13,639</b>	<b>-6,979</b>
Profit for the year from discontinued operations	0	0	0	0	2,134	6,255	2,769	693	43
<b>Profit (loss) for the year</b>	<b>16,643</b>	<b>36,460</b>	<b>29,737</b>	<b>28,759</b>	<b>25,494</b>	<b>16,957</b>	<b>27,231</b>	<b>14,332</b>	<b>-6,936</b>

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## Income statement

ISK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net interest income	10,158	8,018	8,443	8,596	10,145	7,466	7,292	8,834	8,929	7,269	5,776	7,057	7,385
Net valuation adjustments	-478	1,779	-4,737	2,144	1,964	311	5,882	10,489	249	1,596	6,101	2,581	7,276
<b>Net interest income after valuation adjustments</b>	<b>9,680</b>	<b>9,797</b>	<b>3,706</b>	<b>10,740</b>	<b>12,109</b>	<b>7,777</b>	<b>13,174</b>	<b>19,323</b>	<b>9,178</b>	<b>8,865</b>	<b>11,877</b>	<b>9,638</b>	<b>14,661</b>
Net fee commission income	2,316	2,116	1,900	2,015	1,914	1,980	1,702	1,745	1,753	1,641	1,640	1,275	1,403
Net foreign exchange gain (loss)	-518	-365	-212	25	-154	162	-58	-748	-147	-324	107	154	-171
Other net operating income (expenses)	2,097	4,165	1,614	330	3,192	1,602	6,612	1,982	3,403	4,510	4,932	734	4,710
<b>Total operating income</b>	<b>13,575</b>	<b>15,713</b>	<b>7,008</b>	<b>13,110</b>	<b>17,061</b>	<b>11,521</b>	<b>21,430</b>	<b>22,302</b>	<b>14,187</b>	<b>14,692</b>	<b>18,556</b>	<b>11,801</b>	<b>20,603</b>
Salaries and related expenses	3,654	3,491	3,640	3,096	3,559	3,754	3,407	3,466	3,179	3,702	3,805	3,019	3,288
Other operating expenses	2,477	2,426	2,292	2,230	2,444	2,499	2,674	2,127	2,597	2,580	3,313	2,164	2,395
<b>Total operating expenses</b>	<b>6,131</b>	<b>5,917</b>	<b>5,932</b>	<b>5,326</b>	<b>6,003</b>	<b>6,253</b>	<b>6,081</b>	<b>5,593</b>	<b>5,776</b>	<b>6,282</b>	<b>7,118</b>	<b>5,183</b>	<b>5,683</b>
<b>Profit (loss) before tax</b>	<b>7,444</b>	<b>9,796</b>	<b>1,076</b>	<b>7,784</b>	<b>11,058</b>	<b>5,268</b>	<b>15,349</b>	<b>16,709</b>	<b>8,411</b>	<b>8,410</b>	<b>11,438</b>	<b>6,618</b>	<b>14,920</b>
Income tax and tax on liabilities of financial institutions	2,367	2,220	833	2,682	3,075	1,953	3,302	4,701	2,418	1,998	1,686	1,511	4,330
<b>Profit (loss) for the period from continuing operations</b>	<b>5,077</b>	<b>7,576</b>	<b>243</b>	<b>5,102</b>	<b>7,983</b>	<b>3,315</b>	<b>12,047</b>	<b>12,008</b>	<b>5,993</b>	<b>6,412</b>	<b>9,752</b>	<b>5,107</b>	<b>10,590</b>
Profit for the period from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Profit for the period</b>	<b>5,077</b>	<b>7,576</b>	<b>243</b>	<b>5,102</b>	<b>7,983</b>	<b>3,315</b>	<b>12,047</b>	<b>12,008</b>	<b>5,993</b>	<b>6,412</b>	<b>9,752</b>	<b>5,107</b>	<b>10,590</b>

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## Balance sheet

ISK million	31.12.16	31.12.15	31.12.14	31.12.13	31.12.12	31.12.11	31.12.10	31.12.09
Cash and balances with CB	30,662	25,164	10,160	21,520	25,898	8,823	47,777	26,174
Bonds and debt instruments	154,892	203,684	243,589	290,595	228,208	221,848	161,559	165,721
Equities and equity instruments	26,688	29,192	29,433	36,275	36,881	46,037	29,429	23,411
Loans and advances to fin institutions	20,408	20,791	49,789	67,916	64,349	100,133	91,882	83,129
Loans and advances to customers	853,417	811,549	718,355	680,468	666,087	639,130	592,954	667,122
Other assets	17,641	16,323	28,832	29,719	38,044	65,959	28,743	31,666
Assets classified as held for sale	7,449	11,955	18,212	25,023	25,320	53,552	128,789	63,878
<b>Total</b>	<b>1,111,157</b>	<b>1,118,658</b>	<b>1,098,370</b>	<b>1,151,516</b>	<b>1,084,787</b>	<b>1,135,482</b>	<b>1,081,133</b>	<b>1,061,101</b>

Due to financial institutions and CB	20,093	56,731	53,827	167,218	98,718	112,876	147,478	98,228
Deposits from customers	589,725	559,051	551,435	456,662	421,058	443,590	371,558	452,655
Borrowings	223,944	209,344	207,028	239,642	309,265	337,902	287,823	316,734
Other liabilities	24,681	26,844	32,443	42,750	29,687	31,485	27,800	14,203
Liabilities associated with assets classified as held for sale	1,095	1,518	2,834	3,885	893	9,385	61,609	21,689
Subordinated liabilities	388	639	0	0	0	0	0	0
Equity	251,231	264,531	250,803	241,359	225,166	200,244	184,866	157,592
<b>Total</b>	<b>1,111,157</b>	<b>1,118,658</b>	<b>1,098,370</b>	<b>1,151,516</b>	<b>1,084,787</b>	<b>1,135,482</b>	<b>1,081,133</b>	<b>1,061,101</b>

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## Balance sheet - quarter summary

ISK million	30.06.17	31.03.17	31.12.16	30.09.16	30.06.16	31.03.16	31.12.15	30.09.15	30.06.15	31.03.15	31.12.14	30.09.14	30.06.14
Cash and balances with CB	32,216	35,826	30,662	52,822	43,997	23,228	25,164	27,120	38,719	14,347	10,160	38,820	7,964
Bonds and debt instruments	162,520	147,992	154,892	168,029	157,898	195,175	203,684	235,788	248,604	250,005	243,589	293,796	297,141
Equities and equity instruments	30,934	30,868	26,688	30,896	29,042	29,381	29,192	26,467	25,498	33,354	29,433	40,991	42,221
Loans and advances to financial institutions	49,292	70,230	20,408	16,835	21,885	15,221	20,791	46,511	68,707	86,951	49,789	68,192	67,163
Loans and advances to customers	870,483	872,350	853,417	837,494	827,241	814,669	811,549	807,033	761,290	735,479	718,355	719,627	699,648
Other assets	20,317	19,009	17,641	19,653	21,523	21,255	16,323	20,070	17,104	34,638	28,832	20,222	18,342
Assets classified as held for sale	4,866	6,192	7,449	8,073	8,258	7,771	11,955	12,815	12,747	17,606	18,212	19,599	22,119
<b>Total</b>	<b>1,170,628</b>	<b>1,182,467</b>	<b>1,111,157</b>	<b>1,133,802</b>	<b>1,109,844</b>	<b>1,106,700</b>	<b>1,118,658</b>	<b>1,175,804</b>	<b>1,172,669</b>	<b>1,172,380</b>	<b>1,098,370</b>	<b>1,201,247</b>	<b>1,154,598</b>

Due to financial institutions and CB	23,486	31,613	20,093	41,307	34,643	42,606	56,731	49,550	62,428	57,019	53,827	179,085	166,172
Deposits from customers	627,954	594,565	589,725	583,715	556,841	545,208	559,051	624,924	621,023	624,063	551,435	497,583	473,356
Borrowings	242,274	244,649	223,944	220,800	220,837	217,658	209,344	207,699	212,792	210,902	207,028	233,785	231,378
Other liabilities	37,441	76,261	24,681	34,913	48,310	31,445	26,844	38,854	34,710	43,140	32,443	46,593	43,972
Liabilities associated with assets classified as held for sale	155	1,095	1,095	1,514	1,510	1,305	1,518	1,518	1,450	2,969	2,834	3,214	3,826
Subordinated liabilities	374	390	388	407	412	632	639	775	414	427	0	0	0
Equity	238,944	233,894	251,231	251,146	247,291	267,846	264,531	252,484	239,852	233,860	250,803	240,987	235,894
<b>Total</b>	<b>1,170,628</b>	<b>1,182,467</b>	<b>1,111,157</b>	<b>1,133,802</b>	<b>1,109,844</b>	<b>1,106,700</b>	<b>1,118,658</b>	<b>1,175,804</b>	<b>1,172,669</b>	<b>1,172,380</b>	<b>1,098,370</b>	<b>1,201,247</b>	<b>1,154,598</b>

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## Key financial ratios

ISK million	2016	2015	2014	2013	2012	2011	2010	2009
Profit after taxes	16,643	36,460	29,737	28,759	25,494	16,957	27,213	14,332
Return on equity before taxes	9.9%	19.9%	16.7%	17.6%	14.0%	8.1%	20.8%	9.9%
Return on equity after taxes	6.6%	14.8%	12.5%	12.4%	12.0%	8.4%	16.0%	9.5%
After tax return on average assets*	1.5%	3.2%	2.6%	2.6%	2.3%	1.5%	2.5%	
Total capital ratio	30.2%	30.4%	29.5%	26.7%	25.1%	21.4%	19.5%	15.0%
Net interest income	34,650	32,324	28,073	34,314	35,584	32,649	24,685	14,574
Interest spread as a ratio of assets and liabilities**	2.3%	2.2%	1.9%	2.4%	2.6%	2.4%	1.6%	
Cost-income ratio***	48.4%	43.8%	56.0%	42.9%	45.0%	40.6%	36.8%	70.9%
Net stable funding ratio NSFR FX	154%	136%	134%					
Liquidity ratio LCR total	128%	113%	131%	102%				
Liquidity LCR FX	743%	360%	614%	208%				
Operating expenses as a ratio of average total assets****	2.1%	2.1%	2.1%	2.0%	2.2%	2.0%	1.7%	1.6%
Total assets	1,111,157	1,118,658	1,098,370	1,151,516	1,084,787	1,135,482	1,081,133	1,061,101
Loans / deposits ratio	144.7%	145.2%	130.3%	149.0%	158.2%	144.1%	159.6%	147.4%
Full-time eqv.positions	1,012	1,063	1,126	1,183	1,233	1,311	1,146	1,161
Earnings per share	0.70	1.54	1.26	1.22	1.06	0.71	1.13	0.60
Dividend per share	1.20	1.00	0.84	0.42	0.00	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	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Profit after taxes	5,077	7,576	243	5,102	7,983	3,315	12,047	12,008	5,993	6,412	9,752	5,107	10,590
Return on equity before taxes*	12.6%	16.2%	1.7%	12.5%	17.2%	7.9%	23.8%	27.2%	14.2%	13.9%	18.6%	11.1%	25.9%
Return on equity after taxes	8.6%	12.5%	0.4%	8.2%	12.4%	5.0%	18.6%	19.5%	10.1%	10.6%	15.9%	8.6%	18.4%
After tax return on average assets**	1.7%	2.7%	0.1%	1.8%	2.9%	1.2%	4.2%	4.1%	2.0%	2.3%	3.4%	1.7%	3.7%
Total capital ratio	27.6%	27.4%	30.2%	29.1%	28.9%	31.2%	30.4%	29.2%	28.0%	26.7%	29.5%	27.1%	26.8%
Net interest income	10,158	8,018	8,443	8,596	10,145	7,466	7,292	8,834	8,929	7,269	5,776	7,057	7,385
Interest spread as a ratio of assets and liabilities***	2.9%	2.2%	2.2%	2.4%	2.8%	1.9%	1.9%	2.4%	2.4%	2.0%	1.5%	1.8%	2.0%
Cost-income ratio****	43.6%	42.5%	50.7%	48.9%	40.8%	55.8%	39.1%	47.9%	41.7%	48.0%	57.7%	56.2%	43.7%
Net stable funding ratio NSFR FX	169%	159%	154%	149%	145%	133%	136%	120%	139%	142%	134%		
Liquidity ratio LCR total	183%	158%	128%	140%	123%	134%	113%	109%	119%	118%	131%	108%	110%
Liquidity LCR FX	470%	153%	743%	594%	684%	496%	360%	190%	377%	379%	614%	222%	208%
Operating expenses as a ratio of average total assets*****	2.1%	2.1%	2.1%	1.9%	2.2%	2.2%	2.1%	1.9%	2.0%	2.2%	2.5%	1.8%	2.0%
Total assets	1,170,628	1,182,467	1,111,157	1,133,802	1,109,844	1,106,700	1,118,658	1,175,804	1,172,669	1,172,380	1,098,370	1,201,247	1,154,598
Loans / deposits ratio	138.6%	146.7%	144.7%	143.5%	148.6%	149.4%	145.2%	129.1%	122.6%	117.9%	130.3%	144.6%	147.8%
Full-time eqv.positions	988	1,000	1,012	1,043	1,040	1,063	1,063	1,092	1,088	1,102	1,126	1,166	1,162

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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<b>Segments - 6 months 2017</b>							
	Personal	Corporate			Support	Recon-	
ISK million	Banking	Banking	Markets	Treasury	functions	ciliation	Total
Net interest income (expense)	7,733	8,086	137	2,265	24	-69	18,176
Net valuation adjustments	520	775	0	6	0	0	1,301
Net fee and commission income	1,742	608	2,281	-175	113	-137	4,432
Other net operating income	200	-7	-117	4,372	863	68	5,379
<b>Total operating income (expences)</b>	<b>10,195</b>	<b>9,462</b>	<b>2,301</b>	<b>6,468</b>	<b>1,000</b>	<b>-138</b>	<b>29,288</b>
Operating expenses	-3,073	-789	-1,054	-760	-6,509	137	-12,048
<b>Profit (loss) before cost allocation and tax</b>	<b>7,122</b>	<b>8,673</b>	<b>1,247</b>	<b>5,708</b>	<b>-5,509</b>	<b>-1</b>	<b>17,240</b>
Cost allocated from support functions to business segments	-2,596	-1,744	-757	-500	5,597	0	0
<b>Profit before tax</b>	<b>4,526</b>	<b>6,929</b>	<b>490</b>	<b>5,208</b>	<b>88</b>	<b>-1</b>	<b>17,240</b>

Total assets	426,324	469,885	43,733	445,579	16,133	-231,026	1,170,628
Total liabilities	370,945	360,264	39,549	375,819	16,133	-231,026	931,684
Allocated capital	55,379	109,621	4,184	69,760	0	0	238,944

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## Key figures and ratios

Key figures and ratios	Definition
Return on equity before taxes	Profit before taxes / average total
Return on equity after taxes	Profit after taxes / ave
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	Capital base (CET1 + AT1 + T2) / risk weighted assets
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 year-end	Number of full-time equivalent positions at year-end
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)	Common equity Tier 1 capital + additional Common equity Tier 1 capital + subordinated liabilities - regulatory amortisation + general credit risk adjustment
Leverage ratio	Common equity Tier 1 capital + additional Common equity Tier 1 capital / (total assets + off balance sheet items)
Liquidity coverage ratio (LCR)	High quality liquid assets / total net liquidity outflows over 30 days
Net stable funding ratio (NSFR)	Available amount of stable funding / required amount of stable funding

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