



Landsbankinn Factbook

31 March 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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4 May 2017 - 1Q Report 2017

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

31.3.2017



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 935.

CEO of Landsbankinn hf. is Lilja Björk Einarsdóttir

Balance sheet

	31.3.2017	31.12.2016	31.3.2017	31.12.2016
	ISKm		EURm	
Total assets	1,182,467	1,111,157	9,781	9,322
Loans to customers	872,350	853,417	7,215	7,160
Loans to financial institutions	70,230	20,408	581	171
Bonds	147,992	154,892	1,224	1,299
Equities	30,868	26,688	255	224
Deposits from customers	594,565	589,725	4,918	4,947
Deposits from financial institutions	31,613	20,093	261	169
Borrowings	244,649	223,944	2,024	1,879
Equity	233,894	251,231	1,935	2,108
Equity ratio (CAD)	27.4%	30.2%		
Loans / customers deposits	146.7%	144.7%		

Customers and branches

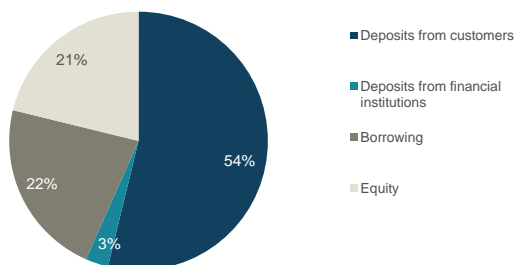
31.3.2017

Retail customers	120,500
Corporate customers	13,000
Number of branches	37
Number of employees	1,000

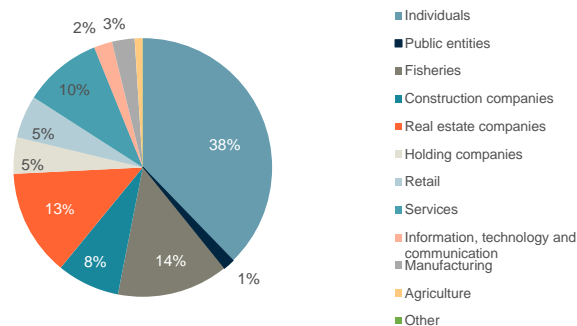
Income statement

	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	ISKm		EURm	
Operating income	15,713	11,521	132	82
Profit after taxes	7,576	3,315	63	23
ROE after taxes	12.5%	5.0%		
Interest spread	2.2%	1.9%		
Cost-income ratio	42.5%	55.8%		

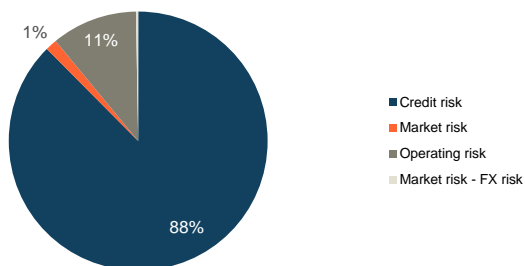
Funding profile



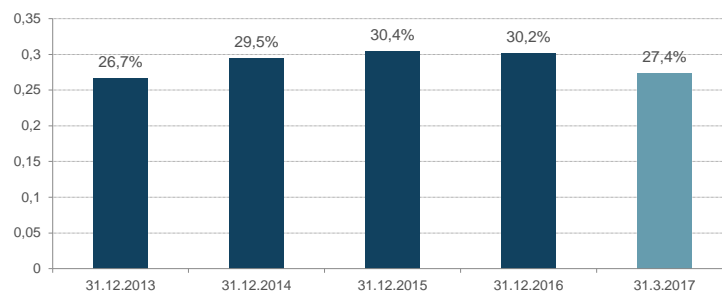
Loans and advances by industry sectors



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
Net interest income after valuation adjustments	34,332	50,540	48,201	47,367	31,193	9,062	25,326	21,528	3,035
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
Total operating income	48,700	72,611	63,614	68,293	51,590	32,161	51,140	31,108	-2,649
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
Total operating expenses	23,514	23,732	24,088	27,251	24,105	22,056	18,496	16,854	7,271
Profit (loss) before tax	25,186	48,879	39,526	41,042	27,485	10,105	32,644	14,254	-9,920
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
Profit (loss) for the year from continuing operations	16,643	36,460	29,737	28,759	23,360	10,702	24,462	13,639	-6,979
Profit for the year from discontinued operations	0	0	0	0	2,134	6,255	2,769	693	43
Profit (loss) for the year	16,643	36,460	29,737	28,759	25,494	16,957	27,231	14,332	-6,936

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Income statement

ISK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Net interest income	8,018	8,443	8,596	10,145	7,466	7,292	8,834	8,929	7,269	5,776	7,057	7,385	7,855
Net valuation adjustments	1,779	-4,737	2,144	1,964	311	5,882	10,489	249	1,596	6,101	2,581	7,276	4,170
Net interest income after valuation adjustments	9,797	3,706	10,740	12,109	7,777	13,174	19,323	9,178	8,865	11,877	9,638	14,661	12,025
Net fee commission income	2,116	1,900	2,015	1,914	1,980	1,702	1,745	1,753	1,641	1,640	1,275	1,403	1,518
Net foreign exchange gain (loss)	-365	-212	25	-154	162	-58	-748	-147	-324	107	154	-171	-23
Other net operating income (expenses)	4,165	1,614	330	3,192	1,602	6,612	1,982	3,403	4,510	4,932	734	4,710	-866
Total operating income	15,713	7,008	13,110	17,061	11,521	21,430	22,302	14,187	14,692	18,556	11,801	20,603	12,654
Salaries and related expenses	3,491	3,640	3,096	3,559	3,754	3,407	3,466	3,179	3,702	3,805	3,019	3,288	3,455
Other operating expenses	2,426	2,292	2,230	2,444	2,499	2,674	2,127	2,597	2,580	3,313	2,164	2,395	2,649
Total operating expenses	5,917	5,932	5,326	6,003	6,253	6,081	5,593	5,776	6,282	7,118	5,183	5,683	6,104
Profit (loss) before tax	9,796	1,076	7,784	11,058	5,268	15,349	16,709	8,411	8,410	11,438	6,618	14,920	6,550
Income tax and tax on liabilities of financial institutions	2,220	833	2,682	3,075	1,953	3,302	4,701	2,418	1,998	1,686	1,511	4,330	2,262
Profit (loss) for the period from continuing operations	7,576	243	5,102	7,983	3,315	12,047	12,008	5,993	6,412	9,752	5,107	10,590	4,288
Profit for the period from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit for the period	7,576	243	5,102	7,983	3,315	12,047	12,008	5,993	6,412	9,752	5,107	10,590	4,288

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Balance sheet

ISK million	31.12.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
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
Total	1,111,157	1,118,658	1,098,370	1,151,516	1,084,787	1,135,482	1,081,133	1,061,101

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
Total	1,111,157	1,118,658	1,098,370	1,151,516	1,084,787	1,135,482	1,081,133	1,061,101

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Balance sheet - quarter summary

ISK million	31.3.2017	31.12.2016	30.9.2016	30.6.2016	31.3.2016	31.12.2015	30.9.2015	30.6.2015	31.3.2015	31.12.2014	30.9.2014	30.6.2014	31.3.2014
Cash and balances with CB	35,826	30,662	52,822	43,997	23,228	25,164	27,120	38,719	14,347	10,160	38,820	7,964	34,024
Bonds and debt instruments	147,992	154,892	168,029	157,898	195,175	203,684	235,788	248,604	250,005	243,589	293,796	297,141	284,418
Equities and equity instruments	30,868	26,688	30,896	29,042	29,381	29,192	26,467	25,498	33,354	29,433	40,991	42,221	36,414
Loans and advances to financial institutions	70,230	20,408	16,835	21,885	15,221	20,791	46,511	68,707	86,951	49,789	68,192	67,163	63,896
Loans and advances to customers	872,350	853,417	837,494	827,241	814,669	811,549	807,033	761,290	735,479	718,355	719,627	699,648	681,883
Other assets	19,009	17,641	19,653	21,523	21,255	16,323	20,070	17,104	34,638	28,832	20,222	18,342	28,615
Assets classified as held for sale	6,192	7,449	8,073	8,258	7,771	11,955	12,815	12,747	17,606	18,212	19,599	22,119	24,554
Total	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	1,153,804

Due to financial institutions and CB	31,613	20,093	41,307	34,643	42,606	56,731	49,550	62,428	57,019	53,827	179,085	166,172	174,031
Deposits from customers	594,565	589,725	583,715	556,841	545,208	559,051	624,924	621,023	624,063	551,435	497,583	473,356	468,661
Borrowings	244,649	223,944	220,800	220,837	217,658	209,344	207,699	212,792	210,902	207,028	233,785	231,378	234,844
Other liabilities	76,261	24,681	34,913	48,310	31,445	26,844	38,854	34,710	43,140	32,443	46,593	43,972	46,681
Liabilities associated with assets classified as held for sale	1,095	1,095	1,514	1,510	1,305	1,518	1,518	1,450	2,969	2,834	3,214	3,826	4,195
Subordinated liabilities	390	388	407	412	632	639	775	414	427	0	0	0	0
Equity	233,894	251,231	251,146	247,291	267,846	264,531	252,484	239,852	233,860	250,803	240,987	235,894	225,392
Total	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	1,153,804

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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	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Profit after taxes	7,576	243	5,102	7,983	3,315	12,047	12,008	5,993	6,412	9,752	5,107	10,590	4,288
Return on equity before taxes*	16.2%	1.7%	12.5%	17.2%	7.9%	23.8%	27.2%	14.2%	13.9%	18.6%	11.1%	25.9%	11.2%
Return on equity after taxes	12.5%	0.4%	8.2%	12.4%	5.0%	18.6%	19.5%	10.1%	10.6%	15.9%	8.6%	18.4%	7.3%
After tax return on average assets**	2.7%	0.1%	1.8%	2.9%	1.2%	4.2%	4.1%	2.0%	2.3%	3.4%	1.7%	3.7%	1.5%
Total capital ratio	27.4%	30.2%	29.1%	28.9%	31.2%	30.4%	29.2%	28.0%	26.7%	29.5%	27.1%	26.8%	24.8%
Net interest income	8,018	8,443	8,596	10,145	7,466	7,292	8,834	8,929	7,269	5,776	7,057	7,385	7,855
Interest spread as a ratio of assets and liabilities***	2.2%	2.2%	2.4%	2.8%	1.9%	1.9%	2.4%	2.4%	2.0%	1.5%	1.8%	2.0%	2.1%
Cost-income ratio****	42.5%	50.7%	48.9%	40.8%	55.8%	39.1%	47.9%	41.7%	48.0%	57.7%	56.2%	43.7%	72.0%
Net stable funding ratio NSFR FX	159%	154%	149%	145%	133%	136%	120%	139%	142%	134%			
Liquidity ratio LCR total	158%	128%	140%	123%	134%	113%	109%	119%	118%	131%	108%	110%	104%
Liquidity LCR FX	153%	743%	594%	684%	496%	360%	190%	377%	379%	614%	222%	208%	224%
Operating expenses as a ratio of average total assets*****	2.1%	2.1%	1.9%	2.2%	2.2%	2.1%	1.9%	2.0%	2.2%	2.5%	1.8%	2.0%	2.1%
Total assets	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	1,153,804
Loans / deposits ratio	146.7%	144.7%	143.5%	148.6%	149.4%	145.2%	129.1%	122.6%	117.9%	130.3%	144.6%	147.8%	145.5%
Full-time eqv.positions	1,000	1,012	1,043	1,040	1,063	1,063	1,092	1,088	1,102	1,126	1,166	1,162	1,178

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 - 3 months 2017							
ISK million	Personal	Corporate			Support	Recon-	
	Banking	Banking	Markets	Treasury	functions	ciliation	Total
Net interest income (expense)	3,707	3,754	67	506	6	-22	8,018
Net valuation adjustments	315	1,461	0	3	0	0	1,779
Net fee and commission income	798	396	1,063	-88	20	-73	2,116
Other net operating income	96	1	-62	2,930	794	41	3,800
Total operating income (expences)	4,916	5,612	1,068	3,351	820	-54	15,713
Operating expenses	-1,517	-397	-509	-376	-3,186	68	-5,917
Profit (loss) before cost allocation and tax	3,399	5,215	559	2,975	-2,366	14	9,796
Cost allocated from support functions to business segments	-1,234	-847	-370	-239	2,690	0	0
Profit before tax	2,165	4,368	189	2,736	324	14	9,796

Total assets	408,495	483,722	36,514	474,776	18,560	-239,600	1,182,467
Total liabilities	356,194	375,287	32,508	405,624	18,560	-239,600	948,573
Allocated capital	52,301	108,435	4,006	69,152	0	0	233,894

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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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