



# Landsbankinn Factbook

30 June 2020

---

## Contents

---

Disclaimer

Investor Relations

Fact Sheet

Operations year

Operations quarters

Balance sheet year

Balance sheet quarters

Key financial ratios year

Key financial ratios quarters

Segments

Key figures and ratios

---



## Disclaimer

This presentation is for information purposes only and shall not be construed as an offer or solicitation for the subscription or purchase or sale of any financial instrument.

The information set out in this presentation has not been independently verified. No representation or warranty is made by Landsbankinn as to the accuracy, completeness or fairness of the information or opinions contained in this presentation.

This presentation may contain projections and forward-looking statements which are subject to a number of risks and uncertainties that could cause actual results to differ materially and could adversely affect the financial effects described herein.

Landsbankinn accepts no liability whatsoever for any direct or indirect loss, howsoever arising, from use of this presentation.

Landsbankinn assumes no obligation to update this presentation, provide any additional information or correct any errors, which may eventually become apparent.

[Back to contents](#)



## 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.

### For further information, please contact:

Hanna Kristín Thoroddsen

Tel: +354 410 7328

Margrét Guðrún Valdimarsdóttir

Tel: +354 410 6716

[ir@landsbankinn.is](mailto:ir@landsbankinn.is)

[Additional information can be found on IR-web-site](#)

[Back to contents](#)

### Financial Calender

30 July 2020 - Half Year Results 2020

29 October 2020 - 9M Report 2020

11 February 2021 - Full Year Results 2020

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



# Fact Sheet

30.06.20



## 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 881.

CEO of Landsbankinn hf. is Lilja Björk Einarsdóttir

## Balance sheet

	30.06.20	31.12.19	30.06.20	31.12.19
	ISKm		EURm	
<b>Total assets</b>	1,501,110	1,426,328	9,660	10,503
<b>Loans to customers</b>	1,198,210	1,140,184	7,710	8,396
<b>Loans to financial institutions</b>	56,394	47,929	363	353
<b>Bonds</b>	104,758	115,262	674	849
<b>Equities</b>	26,794	30,019	172	221
<b>Deposits from customers</b>	758,790	707,813	4,883	5,212
<b>Deposits from financial institutions</b>	37,226	48,062	240	354
<b>Borrowings</b>	408,097	373,168	2,626	2,748
<b>Subordinated liabilities</b>	21,527	19,081	139	141
<b>Equity</b>	244,447	247,734	1,573	1,824
<b>Total capital ratio</b>	24.9%	25.8%		
<b>Loans / customers deposits</b>	157.9%	161.1%		

## Customers and branches

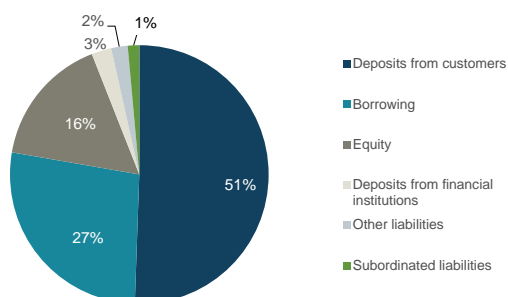
30.06.20

Retail customers	130,003
Corporate customers	13,317
Number of branches	36
Number of employees	872

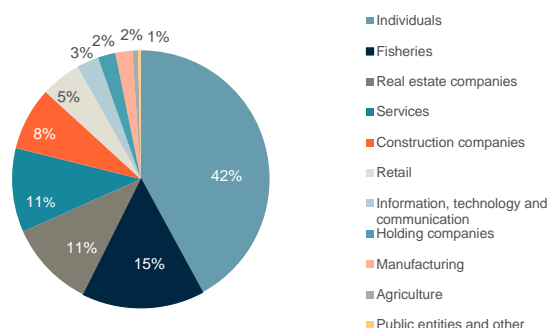
## Income statement

	H1 2020	H1 2019	H1 2020	H1 2019
	ISKm		EURm	
<b>Operating income</b>	9,275	27,900	63	203
<b>Profit (Loss) after taxes</b>	-3,287	11,113	-22	81
<b>ROE after taxes</b>	-2.7%	9.1%		
<b>Interest spread</b>	2.1%	2.4%		
<b>Cost-income ratio</b>	54.1%	40.4%		

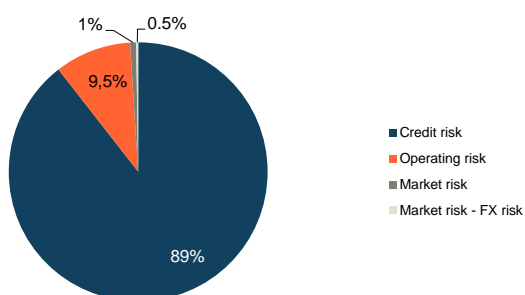
## Funding profile



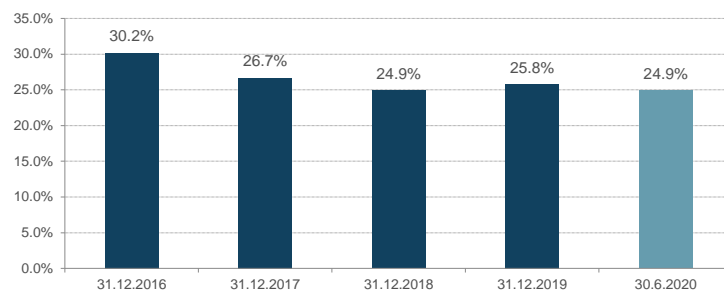
## Loans and advances by industry sectors



## Risk profile



## Equity ratio



## Income statement

ISK million	2019	2018	2017	2016	2015
Net interest income	39,670	40,814	36,271	34,650	32,324
Net fee and commission income	8,219	8,157	8,431	7,809	6,841
Net foreign exchange gain (loss)	-584	-1,497	-1,375	-179	-1,277
Net valuation adjustments and impairment	-4,827	1,352	1,785	-318	18,216
Other net operating income (expenses)	9,039	5,084	8,400	6,738	16,507
<b>Total net operating income</b>	<b>51,517</b>	<b>53,910</b>	<b>53,512</b>	<b>48,700</b>	<b>72,611</b>

Salaries and related expenses	14,458	14,589	14,061	14,049	13,754
Other operating expenses	9,534	9,348	9,789	9,465	9,978
Tax on liabilities of financial institutions	4,204	3,860	3,253	2,973	3,017
<b>Total operating expenses</b>	<b>28,196</b>	<b>27,797</b>	<b>27,103</b>	<b>26,487</b>	<b>26,749</b>

<b>Profit (loss) before tax</b>	<b>23,321</b>	<b>26,113</b>	<b>26,409</b>	<b>22,213</b>	<b>45,862</b>
---------------------------------	---------------	---------------	---------------	---------------	---------------

Income tax	5,086	6,853	6,643	5,570	9,402
<b>Profit (loss) for the year from continuing operations</b>	<b>18,235</b>	<b>19,260</b>	<b>19,766</b>	<b>16,643</b>	<b>36,460</b>

Profit for the year from discontinued operations	0	0	0	0	0
<b>Profit (loss) for the year</b>	<b>18,235</b>	<b>19,260</b>	<b>19,766</b>	<b>16,643</b>	<b>36,460</b>

[Back to contents](#)



<b>Income statement</b>										
ISK million	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net interest income	9,512	9,427	9,580	9,631	10,214	10,245	10,968	10,370	9,835	9,641
Net fee and commission income	1,653	1,945	2,125	1,958	2,076	2,060	2,355	1,926	2,185	1,691
Net foreign exchange gain (loss)	-259	85	-300	-39	-87	-158	-676	-352	-399	-70
Net valuation adjustments and impairment	-8,191	-5,244	-1,399	-1,056	-1,378	-994	-286	-89	703	1,024
Other net operating income (expenses)	3,160	-2,813	2,257	860	2,042	3,880	479	197	-138	4,546
<b>Total net operating income</b>	<b>5,875</b>	<b>3,400</b>	<b>12,263</b>	<b>11,354</b>	<b>12,867</b>	<b>15,033</b>	<b>12,840</b>	<b>12,052</b>	<b>12,186</b>	<b>16,832</b>
Salaries and related expenses	3,802	3,844	3,805	3,284	3,689	3,680	3,835	3,222	3,869	3,663
Other operating expenses	2,206	2,430	2,505	2,167	2,340	2,522	2,373	2,353	2,287	2,335
Tax on liabilities of financial institutions	425	450	1,064	1,065	1,065	1,010	1,028	1,082	910	840
<b>Total operating expenses</b>	<b>6,433</b>	<b>6,724</b>	<b>7,374</b>	<b>6,516</b>	<b>7,094</b>	<b>7,212</b>	<b>7,236</b>	<b>6,657</b>	<b>7,066</b>	<b>6,838</b>
<b>Profit (loss) before tax</b>	<b>-558</b>	<b>-3,324</b>	<b>4,889</b>	<b>4,838</b>	<b>5,773</b>	<b>7,821</b>	<b>5,604</b>	<b>5,395</b>	<b>5,120</b>	<b>9,994</b>
Income tax and tax on liabilities of financial institutions	-899	304	1,014	1,591	1,444	1,037	1,737	1,615	1,609	1,892
<b>Profit (loss) for the year from continuing operations</b>	<b>341</b>	<b>-3,628</b>	<b>3,875</b>	<b>3,247</b>	<b>4,329</b>	<b>6,784</b>	<b>3,867</b>	<b>3,780</b>	<b>3,511</b>	<b>8,102</b>
Profit for the year from discontinued operations	0	0	0	0	0	0	0	0	0	0
<b>Profit (loss) for the year</b>	<b>341</b>	<b>-3,628</b>	<b>3,875</b>	<b>3,247</b>	<b>4,329</b>	<b>6,784</b>	<b>3,867</b>	<b>3,780</b>	<b>3,511</b>	<b>8,102</b>

Further information about older dates is available in excel Factbook

[Back to contents](#)



## Balance sheet

ISK million	31.12.19	31.12.18	31.12.17	31.12.16	31.12.15
Cash and balances with CB	69,824	70,854	55,192	30,662	25,164
Bonds and debt instruments	115,262	77,058	117,310	154,892	203,684
Equities and equity instruments	30,019	23,547	27,980	26,688	29,192
Loans and advances to fin institutions	47,929	71,385	44,866	20,408	20,791
Loans and advances to customers	1,140,184	1,064,532	925,636	853,417	811,549
Other assets	22,088	17,335	18,238	17,641	16,323
Assets classified as held for sale	1,022	1,330	3,648	7,449	11,955
<b>Total</b>	<b>1,426,328</b>	<b>1,326,041</b>	<b>1,192,870</b>	<b>1,111,157</b>	<b>1,118,658</b>

Due to financial institutions and CB	48,062	34,609	32,062	20,093	56,731
Deposits from customers	707,813	693,043	605,158	589,725	559,051
Borrowings	373,168	314,412	281,874	223,944	209,344
Other liabilities	30,440	30,997	27,615	24,681	26,844
Liabilities associated with assets classified as held for sale	30	30	27	1,095	1,518
Subordinated liabilities	19,081	13,340	77	388	639
Equity	247,734	239,610	246,057	251,231	264,531
<b>Total</b>	<b>1,426,328</b>	<b>1,326,041</b>	<b>1,192,870</b>	<b>1,111,157</b>	<b>1,118,658</b>

[Back to contents](#)





## Balance sheet - quarter summary

ISK million	30.06.20	31.03.20	31.12.19	30.09.19	30.06.19	31.03.19	31.12.18	30.09.18	30.06.18	31.03.18
Cash and balances with CB	89,598	92,440	69,824	56,680	63,990	63,014	70,854	61,155	68,372	82,266
Bonds and debt instruments	104,758	116,568	115,262	96,786	84,830	80,954	77,058	88,749	97,214	100,216
Equities and equity instruments	26,794	25,923	30,019	29,150	27,658	25,151	23,547	27,766	28,756	25,666
Loans and advances to financial institutions	56,394	69,740	47,929	71,222	71,812	88,664	71,385	84,513	47,937	41,796
Loans and advances to customers	1,198,210	1,190,536	1,140,184	1,136,804	1,130,915	1,095,376	1,064,532	1,038,005	989,481	936,636
Other assets	23,913	26,851	22,088	23,476	22,348	24,744	17,335	15,399	16,261	17,455
Assets classified as held for sale	1,443	1,130	1,022	1,144	1,282	1,395	1,330	1,618	1,832	2,113
<b>Total</b>	<b>1,501,110</b>	<b>1,523,188</b>	<b>1,426,328</b>	<b>1,415,262</b>	<b>1,402,835</b>	<b>1,379,298</b>	<b>1,326,041</b>	<b>1,317,205</b>	<b>1,249,853</b>	<b>1,206,148</b>

Due to financial institutions and CB	37,226	41,495	48,062	47,860	34,430	36,636	34,609	34,714	27,504	30,943
Deposits from customers	758,790	755,160	707,813	703,762	697,898	694,820	693,043	692,675	654,689	622,021
Borrowings	408,097	412,591	373,168	366,337	377,680	351,005	314,412	308,362	297,684	284,484
Other liabilities	30,993	48,427	30,440	39,980	37,768	36,701	30,997	32,614	37,764	39,984
Liabilities associated with assets classified as held for sale	30	30	30	30	30	30	30	73	27	41
Subordinated liabilities	21,527	21,379	19,081	13,433	14,417	13,900	13,340	12,875	72	74
Equity	244,447	244,106	247,734	243,860	240,612	246,206	239,610	235,892	232,113	228,601
<b>Total</b>	<b>1,501,110</b>	<b>1,523,188</b>	<b>1,426,328</b>	<b>1,415,262</b>	<b>1,402,835</b>	<b>1,379,298</b>	<b>1,326,041</b>	<b>1,317,205</b>	<b>1,249,853</b>	<b>1,206,148</b>

Further information about older dates is available in excel Factbook

[Back to contents](#)



## Key financial ratios

ISK million	2019	2018	2017	2016	2015
Profit after taxes	18,235	19,260	19,766	16,643	36,460
Return on equity before taxes	9.6%	11.1%	11.0%	8.7%	18.6%
Return on equity after taxes	7.5%	8.2%	8.2%	6.6%	14.8%
Return on assets	1.3%	1.5%	1.7%	1.5%	3.2%
Cost-income ratio***	42.6%	45.5%	46.1%	48.4%	43.8%
Operating expenses as a ratio of average total assets****	1.7%	1.9%	2.0%	2.1%	2.1%
Net interest income	39,670	40,814	36,271	34,650	32,324
Interest spread as a ratio of assets and liabilities**	2.4%	2.7%	2.5%	2.3%	2.2%
Earnings per share	0.77	0.81	0.84	0.70	1.54
Total capital ratio	25.8%	24.9%	26.7%	30.2%	30.4%
Total assets	1,426,328	1,326,041	1,192,870	1,111,157	1,118,658
Loans / deposits ratio	161.1%	153.6%	153.0%	144.7%	145.2%
Liquidity ratio LCR total	161%	158%	157%	128%	113%
Net stable funding ratio NSFR FX	143%	166%	179%	154%	136%
Liquidity LCR FX	769%	534%	931%	743%	360%
Full-time eqv.positions	893	919	997	1,012	1,063
Dividend per share	0.42	1.05	1.05	1.20	1.00

\*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

[Back to contents](#)



## Key financial ratios

ISK million	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Profit after taxes	341	-3,628	3,875	3,247	4,329	6,784	3,867	3,780	3,511	8,102
Return on equity before taxes*	-0.9%	-5.4%	8.0%	8.0%	9.5%	12.9%	9.4%	9.2%	8.9%	16.8%
Return on equity after taxes	0.6%	-5.9%	6.3%	5.4%	7.1%	11.2%	6.5%	6.5%	6.1%	13.7%
Return on assets**	0.1%	-1.0%	1.1%	0.9%	1.2%	2.0%	1.2%	1.2%	1.1%	2.7%
Cost-income ratio****	42.7%	72.6%	46.2%	43.9%	42.3%	38.7%	47.3%	45.9%	53.6%	37.9%
Operating expenses as a ratio of average total assets	1.6%	1.7%	1.8%	1.5%	1.7%	1.8%	1.9%	1.7%	2.0%	2.0%
Net interest income	9,512	9,427	9,580	9,631	10,214	10,245	10,968	10,370	9,835	9,641
Interest spread as a ratio of assets and liabilities***	2.1%	2.2%	2.3%	2.3%	2.3%	2.5%	2.8%	2.7%	2.7%	2.7%
Total capital ratio	24.9%	24.8%	25.8%	23.6%	23.7%	23.8%	24.9%	24.8%	24.1%	24.7%
Total assets	1,501,110	1,523,188	1,426,328	1,415,262	1,402,835	1,379,298	1,326,041	1,317,205	1,249,853	1,206,148
Loans / deposits ratio	157.9%	157.7%	161.1%	161.5%	162.0%	157.6%	153.6%	149.9%	151.1%	150.6%
Liquidity ratio LCR total	191%	196%	161%	186%	174%	243%	158%	154%	164%	171%
Net stable funding ratio NSFR FX	121%	127%	143%	158%	164%	165%	166%	168%	165%	168%
Liquidity LCR FX	476%	489%	769%	577%	555%	434%	534%	392%	743%	751%
Full-time eqv.positions	872	886	893	903	903	922	919	948	955	998

Further information about older dates is available in excel Factbook

\*Return on equity before taxes =(Profit before taxes - tax on liabilities of financial institutions) / 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 / average total assets) - (interest expenses / average total liabilities)

\*\*\*\*Cost-income ratio =(Total operating expenses - tax on liabilities of financial institutions) / (total net operatingincome - net valuation adjustments)

[Back to contents](#)



<b>Segments - 6 months 2020</b>							
ISK million	Personal	Corporate			Support	Recon-	
	Banking	Banking	Markets	Treasury	functions	ciliation	Total
Net interest income (expense)	8,466	9,430	193	910	-69	9	18,939
Net fee and commission income	1,600	349	1,904	-226	89	-118	3,598
Net valuation adjustments and impairment	-2,392	-11,031	-2	-8	-2	0	-13,435
Net other operating income (expenses)	166	-1,872	-2	1,871	22	-12	173
<b>Total operating income (expences)</b>	<b>7,840</b>	<b>-3,124</b>	<b>2,093</b>	<b>2,547</b>	<b>40</b>	<b>-121</b>	<b>9,275</b>
Operating expenses	-3,306	-1,191	-1,252	-884	-5,777	128	-12,282
Tax on liabilities of financial institutions	-286	-291	-7	-282	-9	0	-875
<b>Profit (loss) before cost allocation and tax</b>	<b>4,248</b>	<b>-4,606</b>	<b>834</b>	<b>1,381</b>	<b>-5,746</b>	<b>7</b>	<b>-3,882</b>
Cost allocated from support functions to business segments	-2,094	-1,318	-725	-385	4,522	0	0
<b>Profit (loss) before tax</b>	<b>2,154</b>	<b>-5,924</b>	<b>109</b>	<b>996</b>	<b>-1,224</b>	<b>7</b>	<b>-3,882</b>
Income tax	-873	860	-444	-271	1,323	0	595
<b>Profit (loss) for the period</b>	<b>1,281</b>	<b>-5,064</b>	<b>-335</b>	<b>725</b>	<b>99</b>	<b>7</b>	<b>-3,287</b>

Total assets	535,502	626,576	18,270	590,114	15,939	-285,291	1,501,110
Total liabilities	501,039	517,657	13,884	493,435	15,939	-285,291	1,256,663
Allocated capital	34,463	108,919	4,386	96,679	0	0	244,447

[Back to contents](#)



## Key figures and ratios

Key figures and ratios	Definition
Return on equity before taxes	$(\text{Profit (loss) before taxes} - \text{tax on liabilities of financial institutions}) / \text{average total equity}$
Return on equity after taxes	$\text{Profit (loss) after taxes} / \text{average total equity}$
Cost-income ratio	$(\text{Total operating expenses} - \text{tax on liabilities of financial institutions}) / (\text{total net operating income} - \text{net valuation adjustments})$
Operating expenses as a ratio of average total assets	$(\text{Total operating expenses} - \text{tax on liabilities of financial institutions}) / \text{average total assets}$
Return on assets	$\text{Profit (loss) for the period} / \text{average total assets}$
Interest spread	$(\text{Interest income} / \text{average total assets}) - (\text{interest expenses} / \text{average total liabilities})$
Earnings per share	$\text{Profit (loss) for the period attributable to owners of the Bank} / \text{Weighted average number of shares outstanding}$
Total capital ratio	$\text{Total capital base} / \text{risk-exposure amount}$
CET1 ratio	$\text{Common equity tier 1 capital (CET1)} / \text{Risk exposure amount}$
Common equity Tier 1 capital (CET1)	$\text{Total equity} - \text{deductions (intangible assets, deferred tax assets)}$
Additional Common equity Tier 1 capital (AT1)	$\text{Capital instruments under Tier 1 other than (CET1)}$
Tier 1 capital (T1)	$\text{Common equity Tier 1 capital} + \text{additional Common equity Tier 1 capital}$
Tier 2 capital (T2)	$\text{Subordinated liabilities} - \text{regulatory amortisation}$
Total capital base	$\text{CET1} + \text{AT1} + \text{T2}$
Loans/ deposits	$\text{Loans and advances to customers} / \text{deposits from customers}$
Deposits / total assets	$\text{Deposits from customers} / \text{total assets}$
Liquidity coverage ratio (LCR) total	$\text{High quality liquid assets} / \text{total net liquidity outflows over 30 days under stressed conditions}$
Liquidity coverage ratio (LCR) FX	$\text{Stock of high - quality liquid assets} / \text{Max (25\% outflows; outflows - inflows)}$
Number of full-time equivalent positions at the end of the period	$\text{Number of full-time equivalent positions at the end of the period}$
Dividend per share	$\text{Dividends paid} / \text{number of shares outstanding}$

[Back to contents](#)

