



Landsbankinn Factbook

30 September 2020

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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

29 October 2020 - 9M Report 2020

11 February 2021 - Full Year Results 2020

6 May 2021 - 3M Reoprt 2021

22 July 2021 - Half Year Results 2021

28 October 2021 - 9M Report 2021

3 February 2022 - Full Year Results 2021

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



Fact Sheet

30.09.20



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 Einarisdóttir

Balance sheet

	30.09.20	31.12.19	30.09.20	31.12.19
	ISKm		EURm	
Total assets	1,610,265	1,426,328	9,928	10,503
Loans to customers	1,255,393	1,140,184	7,740	8,396
Loans to financial institutions	80,324	47,929	495	353
Bonds	104,895	115,262	647	849
Equities	25,445	30,019	157	221
Deposits from customers	813,784	707,813	5,017	5,212
Deposits from financial institutions	47,654	48,062	294	354
Borrowings	438,309	373,168	2,702	2,748
Subordinated liabilities	21,959	19,081	135	141
Equity	248,433	247,734	1,532	1,824
Total capital ratio	24.7%	25.8%		
Loans / customers deposits	154.3%	161.1%		

Customers and branches

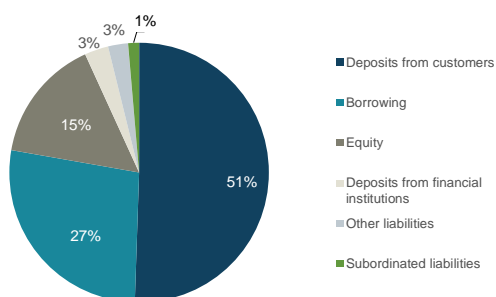
30.09.20

Retail customers	131,361
Corporate customers	12,809
Number of branches	36
Number of employees	884

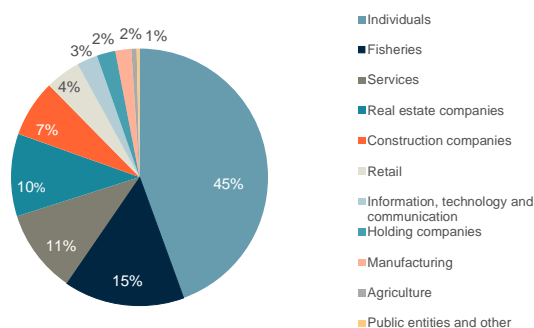
Income statement

	30.09.20	30.09.19	30.09.20	30.09.19
	ISKm		EURm	
Operating income	20,176	39,254	133	287
Profit after taxes	699	14,360	5	105
ROE after taxes	0.4%	7.9%		
Interest spread	2.1%	2.4%		
Cost-income ratio	51.6%	41.4%		

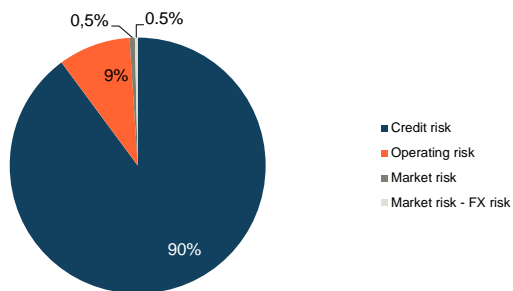
Funding profile



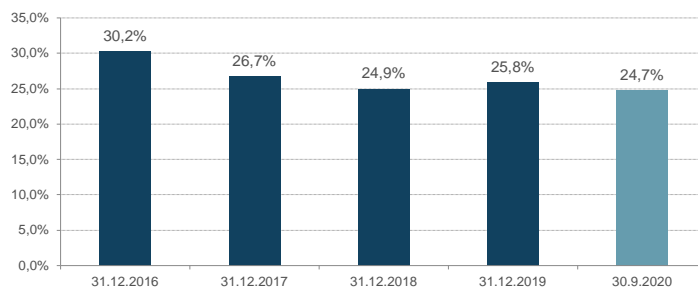
Loans and advances by industry sectors



Risk profile



Equity ratio



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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
Total net operating income	51,517	53,910	53,512	48,700	72,611

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
Total operating expenses	28,196	27,797	27,103	26,487	26,749

Profit (loss) before tax	23,321	26,113	26,409	22,213	45,862
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Income tax	5,086	6,853	6,643	5,570	9,402
Profit (loss) for the year from continuing operations	18,235	19,260	19,766	16,643	36,460

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

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Income statement											
ISK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net interest income	9,441	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	2,059	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)	-52	-259	85	-300	-39	-87	-158	-676	-352	-399	-70
Net valuation adjustments and impairment	-120	-8,191	-5,244	-1,399	-1,056	-1,378	-994	-286	-89	703	1,024
Other net operating income (expenses)	-427	3,160	-2,813	2,257	860	2,042	3,880	479	197	-138	4,546
Total net operating income	10,901	5,875	3,400	12,263	11,354	12,867	15,033	12,840	12,052	12,186	16,832
Salaries and related expenses	3,135	3,802	3,844	3,805	3,284	3,689	3,680	3,835	3,222	3,869	3,663
Other operating expenses	1,995	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	540	425	450	1,064	1,065	1,065	1,010	1,028	1,082	910	840
Total operating expenses	5,670	6,433	6,724	7,374	6,516	7,094	7,212	7,236	6,657	7,066	6,838
Profit (loss) before tax	5,231	-558	-3,324	4,889	4,838	5,773	7,821	5,604	5,395	5,120	9,994
Income tax and tax on liabilities of financial institutions	1,245	-899	304	1,014	1,591	1,444	1,037	1,737	1,615	1,609	1,892
Profit (loss) for the year from continuing operations	3,986	341	-3,628	3,875	3,247	4,329	6,784	3,867	3,780	3,511	8,102
Profit for the year from discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) for the year	3,986	341	-3,628	3,875	3,247	4,329	6,784	3,867	3,780	3,511	8,102

Further information about older dates is available in excel Factbook

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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
Total	1,426,328	1,326,041	1,192,870	1,111,157	1,118,658

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
Total	1,426,328	1,326,041	1,192,870	1,111,157	1,118,658

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Balance sheet - quarter summary

ISK million	30.09.20	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	111,260	89,598	92,440	69,824	56,680	63,990	63,014	70,854	61,155	68,372	82,266
Bonds and debt instruments	104,895	104,758	116,568	115,262	96,786	84,830	80,954	77,058	88,749	97,214	100,216
Equities and equity instruments	25,445	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	80,324	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	1,255,393	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	31,268	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	1,680	1,443	1,130	1,022	1,144	1,282	1,395	1,330	1,618	1,832	2,113
Total	1,610,265	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

Due to financial institutions and CB	47,654	37,226	41,495	48,062	47,860	34,430	36,636	34,609	34,714	27,504	30,943
Deposits from customers	813,784	758,790	755,160	707,813	703,762	697,898	694,820	693,043	692,675	654,689	622,021
Borrowings	438,309	408,097	412,591	373,168	366,337	377,680	351,005	314,412	308,362	297,684	284,484
Other liabilities	40,096	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	30	73	27	41
Subordinated liabilities	21,959	21,527	21,379	19,081	13,433	14,417	13,900	13,340	12,875	72	74
Equity	248,433	244,447	244,106	247,734	243,860	240,612	246,206	239,610	235,892	232,113	228,601
Total	1,610,265	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

Further information about older dates is available in excel Factbook

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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

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Key financial ratios

ISK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Profit after taxes	3,986	341	-3,628	3,875	3,247	4,329	6,784	3,867	3,780	3,511	8,102
Return on equity before taxes*	8.5%	-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	6.5%	0.6%	-5.9%	6.3%	5.4%	7.1%	11.2%	6.5%	6.5%	6.1%	13.7%
Return on assets**	1.0%	0.1%	-1.0%	1.1%	0.9%	1.2%	2.0%	1.2%	1.2%	1.1%	2.7%
Cost-income ratio****	46.6%	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	1.3%	1.6%	1.7%	1.8%	1.5%	1.7%	1.8%	1.9%	1.7%	2.0%	2.0%
Net interest income	9,441	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%	2.1%	2.2%	2.3%	2.3%	2.3%	2.5%	2.8%	2.7%	2.7%	2.7%
Total capital ratio	24.7%	24.9%	24.8%	25.8%	23.6%	23.7%	23.8%	24.9%	24.8%	24.1%	24.7%
Total assets	1,610,265	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	154.3%	157.9%	157.7%	161.1%	161.5%	162.0%	157.6%	153.6%	149.9%	151.1%	150.6%
Liquidity ratio LCR total	186%	191%	196%	161%	186%	174%	243%	158%	154%	164%	171%
Net stable funding ratio NSFR FX	116%	121%	127%	143%	158%	164%	165%	166%	168%	165%	168%
Liquidity LCR FX	379%	476%	489%	769%	577%	555%	434%	534%	392%	743%	751%
Full-time eqv.positions	884	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 operating income - net valuation adjustments)

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Segments - 9 months 2020							
ISK million	Personal	Corporate			Support	Recon-	Total
	Banking	Banking	Markets	Treasury	functions	ciliation	
Net interest income (expense)	12,750	14,151	244	1,280	-5	-40	28,380
Net fee and commission income	2,482	526	3,086	-355	101	-183	5,657
Net valuation adjustments and impairment	-2,327	-11,214	-1	-11	-2	0	-13,555
Net other operating income (expenses)	680	-1,959	-141	1,085	45	-16	-306
Total operating income (expences)	13,585	1,504	3,188	1,999	139	-239	20,176
Operating expenses	-4,979	-1,773	-1,838	-893	-8,127	198	-17,412
Tax on liabilities of financial institutions	-458	-447	-7	-490	-13	0	-1,415
Profit (loss) before cost allocation and tax	8,148	-716	1,343	616	-8,001	-41	1,349
Cost allocated from support functions to business segments	-3,108	-1,969	-1,083	-584	6,744	0	0
Profit (loss) before tax	5,040	-2,685	260	32	-1,257	-41	1,349
Income tax	-1,642	50	-528	-147	1,617	0	-650
Profit (loss) for the period	3,398	-2,635	-268	-115	360	-41	699

Total assets	559,733	634,995	15,605	649,819	16,881	-266,768	1,610,265
Total liabilities	522,548	519,134	10,085	559,952	16,881	-266,768	1,361,832
Allocated capital	37,185	115,861	5,520	89,867	0	0	248,433

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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	$\text{Stock of high - quality liquid assets} / \text{Max (25\% outflows; outflows} - \text{inflows)}$
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	$\text{Dividends paid} / \text{number of shares outstanding}$

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