



Landsbankinn Factbook

LANDSBANKINN HF. | Reg. No. 471008-0280 | LANDSBANKINN.IS

30 September 2021

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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

Q3 2021 Results

28 October 2021

Full Year Results 2021

3 February 2022

This calendar may be subject to change.





30.9.2021

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 869.

CEO of Landsbankinn hf. is Lilja Björk Einarsdóttir.

Balance sheet

	30.09.21	31.12.20	30.09.21	31.12.20
	ISKm		EURm	
Total assets	1,718,358	1,564,177	11,372	10,020
Loans and advances to customers	1,375,536	1,273,426	9,103	8,158
Loans and advances to financial institutions	59,363	48,073	393	308
Bonds and debt instruments	129,579	119,330	858	764
Equities and equity instruments	30,527	26,808	202	172
Deposits from customers	869,463	793,427	5,754	5,083
Due to financial institutions and Central Bank	48,991	48,725	324	312
Borrowings	474,415	420,178	3,140	2,692
Subordinated liabilities	21,099	21,366	140	137
Equity	275,343	258,255	1,822	1,654
Total capital ratio	24.9%	25.1%		
Loans / deposits	158.2%	160.5%		

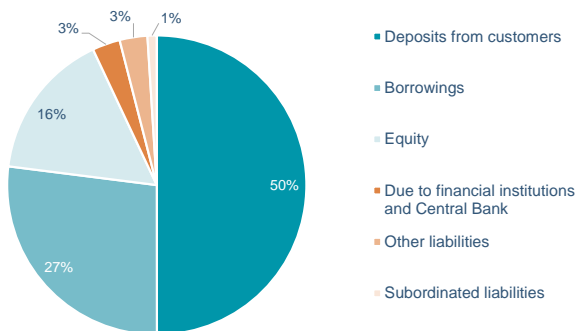
Customers and branches

	30.09.21
Retail customers	113,156
Corporate customers	14,243
Number of branches	36
Number of employees	837

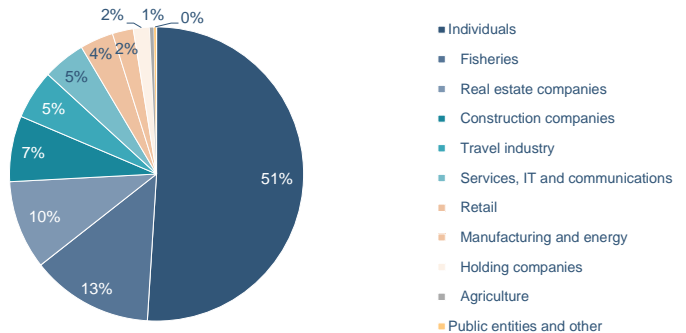
Income statement

	30.09.21	30.9.2020	30.09.21	30.9.2020
	ISKm		EURm	
Total net operating income	45,613	20,176	303	133
Profit (loss) for the period	21,597	699	143	5
Return on equity after taxes	10.9%	0.4%		
Interest spread as a ratio of average of total assets	2.3%	2.1%		
Cost-income ratio	41.7%	51.6%		

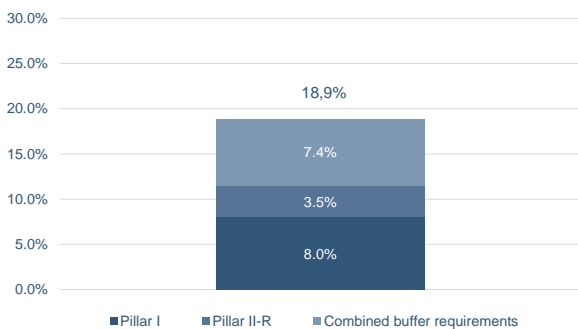
Funding profile



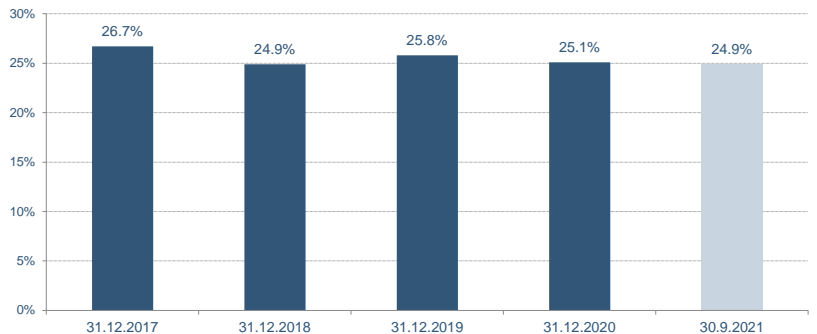
Loans and advances by industry sectors



Capital requirements



Equity ratio



Income statement

ISK million	9M 2021	2020	2019	2018	2017
Net interest income	28,558	38,074	39,670	40,814	36,271
Net fee and commission income	6,890	7,638	8,219	8,157	8,431
Net foreign exchange (loss) gain	-17	-278	-584	-1,497	-1,375
Net impairment changes	3,790	-12,020	-4,827	1,352	1,785
Other net operating income (expenses)	6,392	4,839	9,039	5,084	8,400
Total net operating income	45,613	38,253	51,517	53,910	53,512
Salaries and related expenses	10,731	14,767	14,458	14,589	14,061
Other operating expenses	6,719	9,064	9,534	9,348	9,789
Tax on liabilities of financial institutions	1,505	1,815	4,204	3,860	3,253
Total operating expenses	18,955	25,646	28,196	27,797	27,103
Profit before tax	26,658	12,607	23,321	26,113	26,409
Income tax	5,061	2,086	5,086	6,853	6,643
Profit for the year from continuing operations	21,597	10,521	18,235	19,260	19,766
Profit for the year from discontinued operations	0	0	0	0	0
Profit for the year	21,597	10,521	18,235	19,260	19,766

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Income statement

ISK million	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Net interest income	9,600	10,332	8,626	9,694	9,441	9,512	9,427	9,580	9,631
Net fee and commission income	2,522	2,314	2,054	1,981	2,059	1,653	1,945	2,125	1,958
Net foreign exchange (loss) gain	55	-45	-27	-52	-52	-259	85	-300	-39
Net impairment changes	1,008	293	2,489	1,535	-120	-8,191	-5,244	-1,399	-1,056
Other net operating income (expenses)	2,161	1,614	2,617	4,919	-427	3,160	-2,813	2,257	860
Total net operating income	15,346	14,508	15,759	18,077	10,901	5,875	3,400	12,263	11,354
Salaries and related expenses	3,238	3,724	3,769	3,986	3,135	3,802	3,844	3,805	3,284
Other operating expenses	2,202	2,202	2,315	2,433	1,995	2,206	2,430	2,505	2,167
Tax on liabilities of financial institutions	525	513	467	400	540	425	450	1,064	1,065
Total operating expenses	5,965	6,439	6,551	6,819	5,670	6,433	6,724	7,374	6,516
Profit (loss) before tax	9,381	8,069	9,208	11,258	5,231	-558	-3,324	4,889	4,838
Income tax	1,889	1,582	1,590	1,436	1,245	-899	304	1,014	1,591
Profit (loss) for the period from continuing operations	7,492	6,487	7,618	9,822	3,986	341	-3,628	3,875	3,247
Profit for the period from discontinued operations	0	0	0	0	0	0	0	0	0
Profit (loss) for the period	7,492	6,487	7,618	9,822	3,986	341	-3,628	3,875	3,247

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Balance sheet

ISK million	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
Cash and balances with Central Bank	67,604	69,824	70,854	55,192	30,662
Bonds and debt instruments	119,330	115,262	77,058	117,310	154,892
Equities and equity instruments	26,808	30,019	23,547	27,980	26,688
Loans and advances to financial institutions	48,073	47,929	71,385	44,866	20,408
Loans and advances to customers	1,273,426	1,140,184	1,064,532	925,636	853,417
Other assets	27,298	22,088	17,335	18,238	17,641
Assets classified as held for sale	1,638	1,022	1,330	3,648	7,449
Total assets	1,564,177	1,426,328	1,326,041	1,192,870	1,111,157
Due to financial institutions and Central Bank	48,725	48,062	34,609	32,062	20,093
Deposits from customers	793,427	707,813	693,043	605,158	589,725
Borrowings	420,178	373,168	314,412	281,874	223,944
Other liabilities	22,196	30,440	30,997	27,615	24,681
Liabilities associated with assets classified as held for sale	30	30	30	27	1,095
Subordinated liabilities	21,366	19,081	13,340	77	388
Equity	258,255	247,734	239,610	246,057	251,231
Total liabilities and equity	1,564,177	1,426,328	1,326,041	1,192,870	1,111,157

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Balance sheet - quarter summary

ISK million	30.9.2021	30.6.2021	31.3.2021	31.12.2020	30.9.2020	30.6.2020	31.3.2020	31.12.2019	30.9.2019
Cash and balances with Central Bank	92,043	89,342	59,937	67,604	111,260	89,598	92,440	69,824	56,680
Bonds and debt instruments	129,579	128,208	134,183	119,330	104,895	104,758	116,568	115,262	96,786
Equities and equity instruments	30,527	35,111	31,811	26,808	25,445	26,794	25,923	30,019	29,150
Loans and advances to financial institutions	59,363	64,245	55,234	48,073	80,324	56,394	69,740	47,929	71,222
Loans and advances to customers	1,375,536	1,328,031	1,287,448	1,273,426	1,255,393	1,198,210	1,190,536	1,140,184	1,136,804
Other assets	30,020	31,147	30,913	27,298	31,268	23,913	26,851	22,088	23,476
Assets classified as held for sale	1,290	1,213	1,426	1,638	1,680	1,443	1,130	1,022	1,144
Total assets	1,718,358	1,677,297	1,600,952	1,564,177	1,610,265	1,501,110	1,523,188	1,426,328	1,415,262
Due to financial institutions and Central Bank	48,991	40,312	40,932	48,725	47,654	37,226	41,495	48,062	47,860
Deposits from customers	869,463	842,624	794,252	793,427	813,784	758,790	755,160	707,813	703,762
Borrowings	474,415	456,688	452,709	420,178	438,309	408,097	412,591	373,168	366,337
Other liabilities	29,017	48,883	30,795	22,196	40,096	30,993	48,427	30,440	39,980
Liabilities associated with assets classified as held for sale	30	30	30	30	30	30	30	30	30
Subordinated liabilities	21,099	20,889	20,850	21,366	21,959	21,527	21,379	19,081	13,433
Equity	275,343	267,871	261,384	258,255	248,433	244,447	244,106	247,734	243,860
Total liabilities and equity	1,718,358	1,677,297	1,600,952	1,564,177	1,610,265	1,501,110	1,523,188	1,426,328	1,415,262

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Key financial ratios

ISK million	2020	2019	2018	2017	2016
Profit after taxes	10,521	18,235	19,260	19,766	16,643
Return on equity before taxes	5.1%	9.6%	11.1%	11.0%	8.7%
Return on equity after taxes	4.3%	7.5%	8.2%	8.2%	6.6%
Return on assets*	0.7%	1.3%	1.5%	1.7%	1.5%
Cost-income ratio**	47.4%	42.6%	45.5%	46.1%	48.4%
Operating expenses as a ratio of average total assets	1.6%	1.7%	1.9%	2.0%	2.1%
Net interest income	38,074	39,670	40,814	36,271	34,650
Interest spread as a ratio of average total assets	2.5%	2.8%	3.2%	3.1%	3.1%
Earnings per share	0.45	0.77	0.81	0.84	0.70
Total capital ratio	25.1%	25.8%	24.9%	26.7%	30.2%
Total assets	1,564,177	1,426,328	1,326,041	1,192,870	1,111,157
Loans / deposits	160.5%	161.1%	153.6%	153.0%	144.7%
Liquidity coverage ratio total (LCR)	154%	161%	158%	157%	128%
Liquidity coverage ratio FX (LCR)	424%	769%	534%	931%	743%
Net stable funding ratio FX (NSFR)	132%	143%	166%	179%	154%
Full-time eqv.positions	878	893	919	997	1,012
Dividend per share	0.00	0.42	1.05	1.05	1.20

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

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

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Key financial ratios

ISK million	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Profit after taxes (loss)	7,492	6,487	7,618	9,822	3,986	341	-3,628	3,875	3,247
Return on equity before taxes	13.8%	12.2%	14.2%	17.8%	8.5%	-0.9%	-5.4%	8.0%	8.0%
Return on equity after taxes	11.0%	9.8%	11.7%	15.5%	6.5%	0.6%	-5.9%	6.3%	5.4%
Return on assets*	1.8%	1.6%	1.9%	2.5%	1.0%	0.1%	-1.0%	1.1%	0.9%
Cost-income ratio**	37.9%	41.7%	45.8%	38.8%	46.6%	42.7%	77.8%	46.2%	43.9%
Operating expenses as a ratio of average total assets	1.3%	1.4%	1.5%	1.6%	1.3%	1.6%	1.7%	1.8%	1.5%
Net interest income	9,600	10,332	8,626	9,694	9,441	9,512	9,427	9,580	9,631
Interest spread as a ratio of average total assets	2.3%	2.5%	2.2%	2.4%	2.4%	2.5%	2.6%	2.7%	2.7%
Total capital ratio	24.9%	25.1%	24.9%	25.1%	24.7%	24.9%	24.8%	25.8%	23.6%
Total assets	1,718,358	1,677,297	1,600,952	1,564,177	1,610,265	1,501,110	1,523,188	1,426,328	1,415,262
Loans / deposits	158.2%	157.6%	162.1%	160.5%	154.3%	157.9%	157.7%	161.1%	161.5%
Liquidity coverage ratio total (LCR)	172%	180%	202%	154%	186%	191%	196%	161%	186%
Liquidity coverage ratio FX (LCR)	443%	420%	477%	424%	379%	476%	489%	769%	577%
Net stable funding ratio FX (NSFR)	118%	140%	140%	132%	116%	121%	127%	143%	158%
Full-time eqv.positions	837	844	869	878	884	872	886	893	903

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

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

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Segments - 9 months 2021

ISK million	Personal Banking	Corporate Banking	Asset Management & Capital Market	Treasury & Market Making	Support functions	Recon- ciliation	Total
Net interest income	12,573	13,921	386	1,744	-48	-18	28,558
Net fee and commission income	2,126	1,156	4,082	-193	28	-309	6,890
Net impairment changes	687	3,098	-1	6	0	0	3,790
Net other operating income (expenses)	229	223	243	5,110	582	-12	6,375
Total operating income (expenses)	15,615	18,398	4,710	6,667	562	-339	45,613
Operating expenses	-5,124	-2,188	-1,583	-536	-8,342	323	-17,450
Tax on liabilities of financial institutions	-609	-280	-6	-599	-11	0	-1,505
Allocated expenses	-3,162	-2,076	-809	-697	6,744	0	0
Profit (loss) before tax	6,720	13,854	2,312	4,835	-1,047	-16	26,658
Income tax	-1,734	-3,477	332	-399	217	0	-5,061
Profit (loss) for the period	4,986	10,377	2,644	4,436	-830	-16	21,597
Total assets	750,169	624,769	10,906	687,416	18,640	-373,542	1,718,358
Total liabilities	711,565	504,931	6,527	574,894	18,640	-373,542	1,443,015
Allocated capital	38,604	119,838	4,379	112,522	-		275,343

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Key figures and ratios

Key figures and ratios	Definition
Return on equity before taxes	$(\text{Profit before taxes} - \text{tax on liabilities of financial institutions}) / \text{average total equity}$
Return on equity after taxes	$\text{Profit after taxes} / \text{average total equity}$
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	$\text{Profit for the period} / \text{average total assets}$
Interest spread	$(\text{Interest income} - \text{interest expenses}) / \text{average total assets}$
Earnings per share	$\text{Profit for the period attributable to owners of the Bank} / \text{Weighted average number of shares outstanding}$
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	$\text{Dividends paid} / \text{number of shares outstanding}$

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