



Landsbankinn Factbook

30 September 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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26 October 2017 - 9M Report 2017

8 February 2018 - Full Year Results 2017

This calendar may be subject to change.

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Fact Sheet

30.09.17



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

	30.09.17	31.12.16	30.09.17	31.12.16
	ISKm		EURm	
Total assets	1,198,958	1,111,157	9,561	9,322
Loans to customers	905,927	853,417	7,224	7,160
Loans to financial institutions	41,485	20,408	331	171
Bonds	160,223	154,892	1,278	1,299
Equities	31,049	26,688	248	224
Deposits from customers	638,781	589,725	5,094	4,947
Deposits from financial institutions	21,946	20,093	175	169
Borrowings	267,853	223,944	2,136	1,879
Equity	243,132	251,231	1,939	2,108
Equity ratio (CAD)	26.8%	30.2%		
Loans / customers deposits	141.8%	144.7%		

Customers and branches

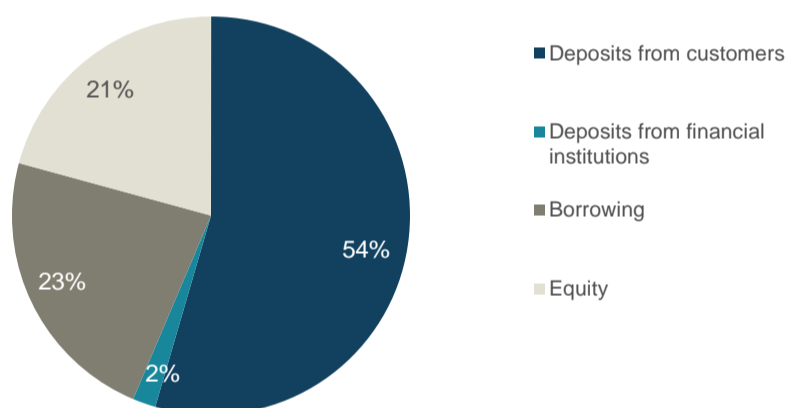
30.09.17

Retail customers	122,400
Corporate customers	13,300
Number of branches	37
Number of employees	998

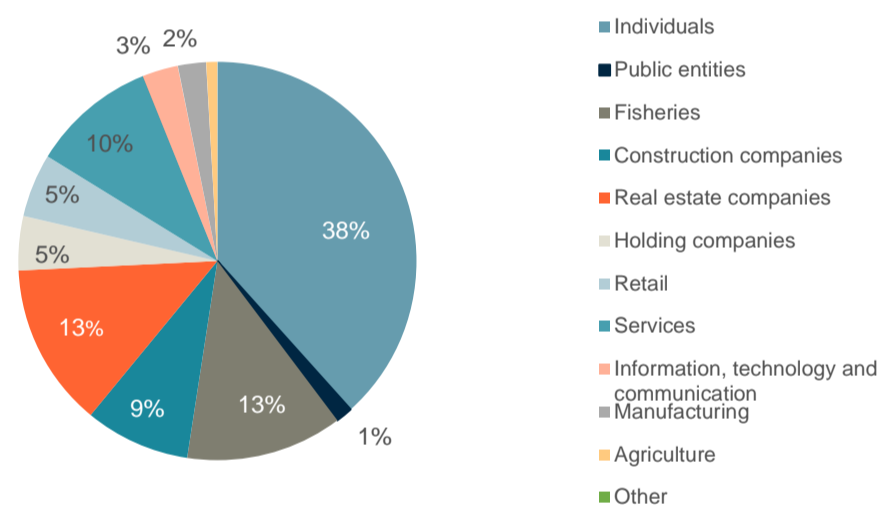
Income statement

	30.09.17	30.09.16	30.09.17	30.09.16
	ISKm		EURm	
Operating income	41,642	41,692	349	304
Profit after taxes	16,841	16,400	141	120
ROE after taxes	6.9%	8.2%		
Interest spread	2.5%	2.4%		
Cost-income ratio	48.7%	48.9%		

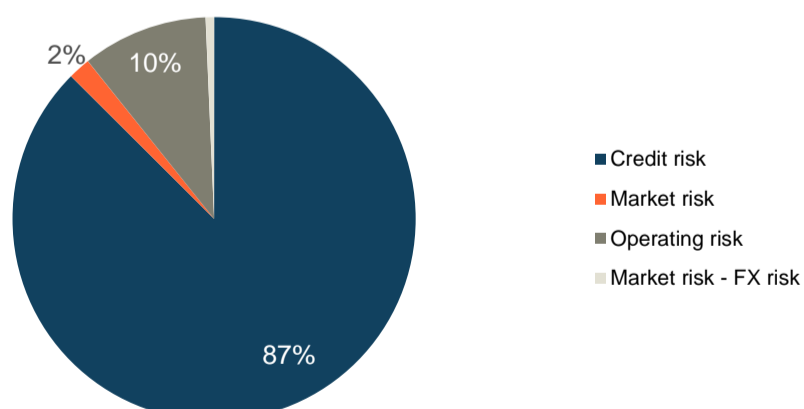
Funding profile



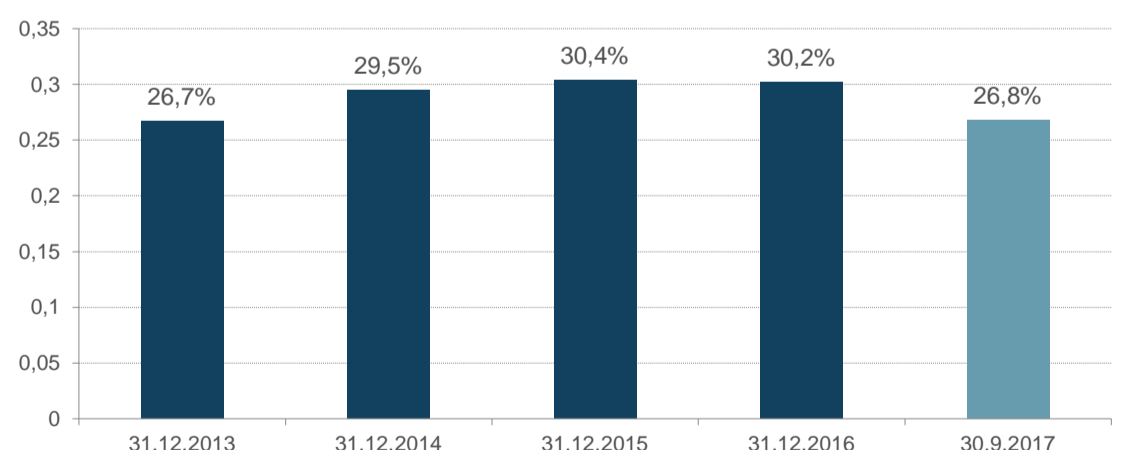
Loans and advances by industry sectors



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	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net interest income	8,894	10,158	8,018	8,443	8,596	10,145	7,466	7,292	8,834	8,929	7,269	5,776	7,057
Net valuation adjustments	766	-478	1,779	-4,737	2,144	1,964	311	5,882	10,489	249	1,596	6,101	2,581
Net interest income after valuation adjustments	9,660	9,680	9,797	3,706	10,740	12,109	7,777	13,174	19,323	9,178	8,865	11,877	9,638
Net fee commission income	2,159	2,316	2,116	1,900	2,015	1,914	1,980	1,702	1,745	1,753	1,641	1,640	1,275
Net foreign exchange gain (loss)	-10	-518	-365	-212	25	-154	162	-58	-748	-147	-324	107	154
Other net operating income (expenses)	545	2,097	4,165	1,614	330	3,192	1,602	6,612	1,982	3,403	4,510	4,932	734
Total operating income	12,354	13,575	15,713	7,008	13,110	17,061	11,521	21,430	22,302	14,187	14,692	18,556	11,801
Salaries and related expenses	3,163	3,654	3,491	3,640	3,096	3,559	3,754	3,407	3,466	3,179	3,702	3,805	3,019
Other operating expenses	2,475	2,477	2,426	2,292	2,230	2,444	2,499	2,674	2,127	2,597	2,580	3,313	2,164
Total operating expenses	5,638	6,131	5,917	5,932	5,326	6,003	6,253	6,081	5,593	5,776	6,282	7,118	5,183
Profit (loss) before tax	6,716	7,444	9,796	1,076	7,784	11,058	5,268	15,349	16,709	8,411	8,410	11,438	6,618
Income tax and tax on liabilities of financial institutions	2,528	2,367	2,220	833	2,682	3,075	1,953	3,302	4,701	2,418	1,998	1,686	1,511
Profit (loss) for the period from continuing operations	4,188	5,077	7,576	243	5,102	7,983	3,315	12,047	12,008	5,993	6,412	9,752	5,107
Profit for the period from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit for the period	4,188	5,077	7,576	243	5,102	7,983	3,315	12,047	12,008	5,993	6,412	9,752	5,107

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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
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	30.09.17	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
Cash and balances with CB	33,157	32,216	35,826	30,662	52,822	43,997	23,228	25,164	27,120	38,719	14,347	10,160	38,820
Bonds and debt instruments	160,223	162,520	147,992	154,892	168,029	157,898	195,175	203,684	235,788	248,604	250,005	243,589	293,796
Equities and equity instruments	31,049	30,934	30,868	26,688	30,896	29,042	29,381	29,192	26,467	25,498	33,354	29,433	40,991
Loans and advances to financial institutions	41,485	49,292	70,230	20,408	16,835	21,885	15,221	20,791	46,511	68,707	86,951	49,789	68,192
Loans and advances to customers	905,927	870,483	872,350	853,417	837,494	827,241	814,669	811,549	807,033	761,290	735,479	718,355	719,627
Other assets	22,740	20,317	19,009	17,641	19,653	21,523	21,255	16,323	20,070	17,104	34,638	28,832	20,222
Assets classified as held for sale	4,377	4,866	6,192	7,449	8,073	8,258	7,771	11,955	12,815	12,747	17,606	18,212	19,599
Total	1,198,958	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

Due to financial institutions and CB	21,946	23,486	31,613	20,093	41,307	34,643	42,606	56,731	49,550	62,428	57,019	53,827	179,085
Deposits from customers	638,781	627,954	594,565	589,725	583,715	556,841	545,208	559,051	624,924	621,023	624,063	551,435	497,583
Borrowings	267,853	242,274	244,649	223,944	220,800	220,837	217,658	209,344	207,699	212,792	210,902	207,028	233,785
Other liabilities	26,862	37,441	76,261	24,681	34,913	48,310	31,445	26,844	38,854	34,710	43,140	32,443	46,593
Liabilities associated with assets classified as held for sale	155	155	1,095	1,095	1,514	1,510	1,305	1,518	1,518	1,450	2,969	2,834	3,214
Subordinated liabilities	229	374	390	388	407	412	632	639	775	414	427	0	0
Equity	243,132	238,944	233,894	251,231	251,146	247,291	267,846	264,531	252,484	239,852	233,860	250,803	240,987
Total	1,198,958	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

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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	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Profit after taxes	4,188	5,077	7,576	243	5,102	7,983	3,315	12,047	12,008	5,993	6,412	9,752	5,107
Return on equity before taxes*	11.1%	12.6%	16.2%	1.7%	12.5%	17.2%	7.9%	23.8%	27.2%	14.2%	13.9%	18.6%	11.1%
Return on equity after taxes	6.9%	8.6%	12.5%	0.4%	8.2%	12.4%	5.0%	18.6%	19.5%	10.1%	10.6%	15.9%	8.6%
After tax return on average assets**	1.4%	1.7%	2.7%	0.1%	1.8%	2.9%	1.2%	4.2%	4.1%	2.0%	2.3%	3.4%	1.7%
Total capital ratio	26.8%	27.6%	27.4%	30.2%	29.1%	28.9%	31.2%	30.4%	29.2%	28.0%	26.7%	29.5%	27.1%
Net interest income	8,894	10,158	8,018	8,443	8,596	10,145	7,466	7,292	8,834	8,929	7,269	5,776	7,057
Interest spread as a ratio of assets and liabilities***	2.5%	2.9%	2.2%	2.2%	2.4%	2.8%	1.9%	1.9%	2.4%	2.4%	2.0%	1.5%	1.8%
Cost-income ratio****	48.7%	43.6%	42.5%	50.7%	48.9%	40.8%	55.8%	39.1%	47.9%	41.7%	48.0%	57.7%	56.2%
Net stable funding ratio NSFR FX	185%	169%	159%	154%	149%	145%	133%	136%	120%	139%	142%	134%	
Liquidity ratio LCR total	158%	183%	158%	128%	140%	123%	134%	113%	109%	119%	118%	131%	108%
Liquidity LCR FX	873%	470%	153%	743%	594%	684%	496%	360%	190%	377%	379%	614%	222%
Operating expenses as a ratio of average total assets*****	1.9%	2.1%	2.1%	2.1%	1.9%	2.2%	2.2%	2.1%	1.9%	2.0%	2.2%	2.5%	1.8%
Total assets	1,198,958	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
Loans / deposits ratio	141.8%	138.6%	146.7%	144.7%	143.5%	148.6%	149.4%	145.2%	129.1%	122.6%	117.9%	130.3%	144.6%
Full-time eqv.positions	998	988	1,000	1,012	1,043	1,040	1,063	1,063	1,092	1,088	1,102	1,126	1,166

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 - 9 months 2017							
	Personal	Corporate			Support	Recon-	
ISK million	Banking	Banking	Markets	Treasury	functions	ciliation	Total
Net interest income (expense)	11,683	12,296	277	2,859	28	-73	27,070
Net valuation adjustments	620	1,440	0	7	0	0	2,067
Net fee and commission income	2,621	754	3,598	-293	111	-200	6,591
Other net operating income	52	1	-585	5,376	1,079	-9	5,914
Total operating income (expences)	14,976	14,491	3,290	7,949	1,218	-282	41,642
Operating expenses	-4,689	-1,191	-1,596	-1,329	-9,185	304	-17,686
Profit (loss) before cost allocation and tax	10,287	13,300	1,694	6,620	-7,967	22	23,956
Cost allocated from support functions to business segments	-3,689	-2,616	-1,156	-775	8,236	0	0
Profit before tax	6,598	10,684	538	5,845	269	22	23,956

Total assets	440,774	494,836	26,111	438,859	15,307	-216,619	1,198,958
Total liabilities	380,894	378,620	17,514	380,110	15,307	-216,619	955,826
Allocated capital	59,570	116,216	8,597	58,749	0	0	243,132

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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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