Landsbankinn Factbook

LANDSBANKINN HF. | KT. 471008-0280 | LANDSBANKINN.IS

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

Full Year Results 2020
11 February 2021

Annual General Meeting
24 March 2021

Q1 2021 Results
6 May 2021

Q2 2021 Results
22 July 2021

Q3 2021 Results
28 October 2021

Full Year Results 2021
3 February 2022

This calendar may be subject to change.

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Fact Sheet

31.12.2020

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 882.

CEO of Landsbankinn hf. is Lilja Björk Einarsdóttir

Balance sheet

	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	ISKm		EURm	
Total assets	1,564,177	1,426,328	10,020	10,503
Loans to customers	1,273,426	1,140,184	8,158	8,396
Loans to financial institutions	48,073	47,929	308	353
Bonds	119,330	115,262	764	849
Equities	26,808	30,019	172	221
Deposits from customers	793,427	707,813	5,083	5,212
Deposits from financial institutions	48,725	48,062	312	354
Borrowings	420,178	373,168	2,692	2,748
Subordinated liabilities	21,366	19,081	137	141
Equity	258,255	247,734	1,654	1,824
Total capital ratio	25.1%	25.8%		
Loans / customers deposits	160.5%	161.1%		

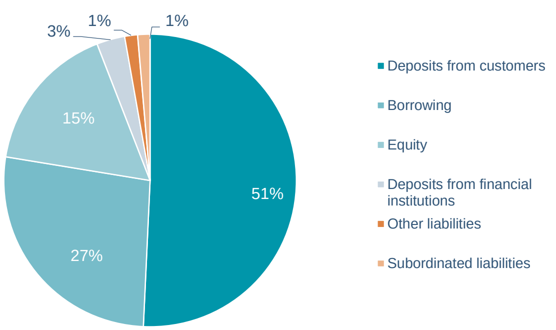
Customers and branches

	31.12.2020
Retail customers	110,400
Corporate customers	13,496
Number of branches	36
Number of employees	878

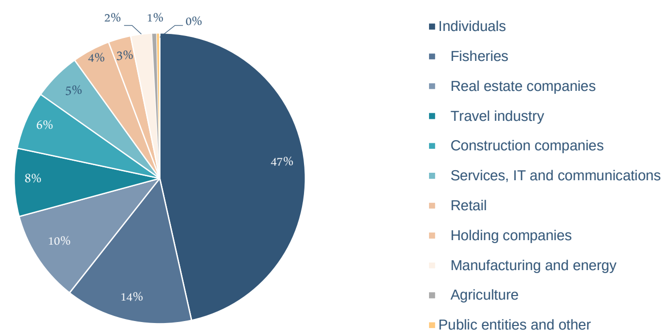
Income statement

	2020	2019	2020	2019
	ISKm		EURm	
Operating income	38,253	51,517	220	377
Profit after taxes	10,521	18,235	61	133
ROE after taxes	4.3%	7.5%		
Interest spread	2.5%	2.8%		
Cost-income ratio	47.4%	42.6%		

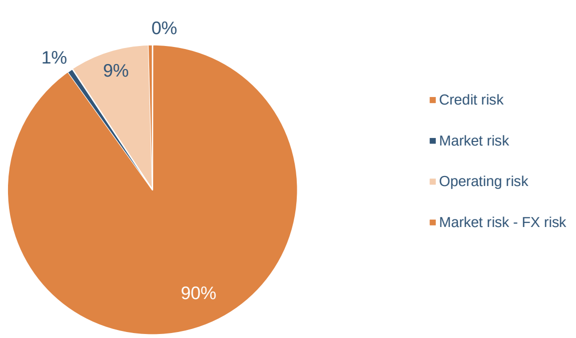
Funding profile



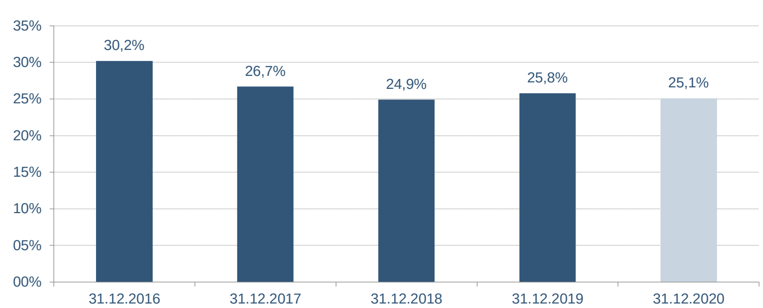
Loans and advances by industry sectors



Risk profile



Equity ratio



Income statement

ISK million	2020	2019	2018	2017	2016
Net interest income	38,074	39,670	40,814	36,271	34,650
Net fee and commission income	7,638	8,219	8,157	8,431	7,809
Net foreign exchange gain (loss)	-278	-584	-1,497	-1,375	-179
Net valuation adjustments and impairment	-12,020	-4,827	1,352	1,785	-318
Other net operating income (expenses)	4,839	9,039	5,084	8,400	6,738
Total net operating income	**38,253**	**51,517**	**53,910**	**53,512**	**48,700**
Salaries and related expenses	14,767	14,458	14,589	14,061	14,049
Other operating expenses	9,064	9,534	9,348	9,789	9,465
Tax on liabilities of financial institutions	1,815	4,204	3,860	3,253	2,973
Total operating expenses	**25,646**	**28,196**	**27,797**	**27,103**	**26,487**
Profit before tax	**12,607**	**23,321**	**26,113**	**26,409**	**22,213**
Income tax	2,086	5,086	6,853	6,643	5,570
Profit for the year from continuing operations	**10,521**	**18,235**	**19,260**	**19,766**	**16,643**
Profit for the year from discontinued operations	0	0	0	0	0
Profit for the year	**10,521**	**18,235**	**19,260**	**19,766**	**16,643**

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Income statement

ISK million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net interest income	9,694	9,441	9,512	9,427	9,580	9,631	10,214	10,245	10,968	10,370	9,835
Net fee and commission income	1,981	2,059	1,653	1,945	2,125	1,958	2,076	2,060	2,355	1,926	2,185
Net foreign exchange gain (loss)	-52	-52	-259	85	-300	-39	-87	-158	-676	-352	-399
Net valuation adjustments and impairment	1,535	-120	-8,191	-5,244	-1,399	-1,056	-1,378	-994	-286	-89	703
Other net operating income (expenses)	4,919	-427	3,160	-2,813	2,257	860	2,042	3,880	479	197	-138
Total net operating income	**18,077**	**10,901**	**5,875**	**3,400**	**12,263**	**11,354**	**12,867**	**15,033**	**12,840**	**12,052**	**12,186**
Salaries and related expenses	3,986	3,135	3,802	3,844	3,805	3,284	3,689	3,680	3,835	3,222	3,869
Other operating expenses	2,433	1,995	2,206	2,430	2,505	2,167	2,340	2,522	2,373	2,353	2,287
Tax on liabilities of financial institutions	400	540	425	450	1,064	1,065	1,065	1,010	1,028	1,082	910
Total operating expenses	**6,819**	**5,670**	**6,433**	**6,724**	**7,374**	**6,516**	**7,094**	**7,212**	**7,236**	**6,657**	**7,066**
Profit (loss) before tax	**11,258**	**5,231**	**-558**	**-3,324**	**4,889**	**4,838**	**5,773**	**7,821**	**5,604**	**5,395**	**5,120**
Income tax	1,436	1,245	-899	304	1,014	1,591	1,444	1,037	1,737	1,615	1,609
Profit (loss) for the year from continuing operations	**9,822**	**3,986**	**341**	**-3,628**	**3,875**	**3,247**	**4,329**	**6,784**	**3,867**	**3,780**	**3,511**
Profit for the year from discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) for the year	**9,822**	**3,986**	**341**	**-3,628**	**3,875**	**3,247**	**4,329**	**6,784**	**3,867**	**3,780**	**3,511**

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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 CB	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 fin 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	**1,564,177**	**1,426,328**	**1,326,041**	**1,192,870**	**1,111,157**
Due to financial institutions and CB	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	**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	31.12.2020	30.9.2020	30.6.2020	31.3.2020	31.12.2019	30.9.2019	30.6.2019	31.3.2019	31.12.2018	30.9.2018	30.6.2018
Cash and balances with CB	67,604	111,260	89,598	92,440	69,824	56,680	63,990	63,014	70,854	61,155	68,372
Bonds and debt instruments	119,330	104,895	104,758	116,568	115,262	96,786	84,830	80,954	77,058	88,749	97,214
Equities and equity instruments	26,808	25,445	26,794	25,923	30,019	29,150	27,658	25,151	23,547	27,766	28,756
Loans and advances to financial institutions	48,073	80,324	56,394	69,740	47,929	71,222	71,812	88,664	71,385	84,513	47,937
Loans and advances to customers	1,273,426	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
Other assets	27,298	31,268	23,913	26,851	22,088	23,476	22,348	24,744	17,335	15,399	16,261
Assets classified as held for sale	1,638	1,680	1,443	1,130	1,022	1,144	1,282	1,395	1,330	1,618	1,832
Total	**1,564,177**	**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**
Due to financial institutions and CB	48,725	47,654	37,226	41,495	48,062	47,860	34,430	36,636	34,609	34,714	27,504
Deposits from customers	793,427	813,784	758,790	755,160	707,813	703,762	697,898	694,820	693,043	692,675	654,689
Borrowings	420,178	438,309	408,097	412,591	373,168	366,337	377,680	351,005	314,412	308,362	297,684
Other liabilities	22,196	40,096	30,993	48,427	30,440	39,980	37,768	36,701	30,997	32,614	37,764
Liabilities associated with assets classified as held for sale	30	30	30	30	30	30	30	30	30	73	27
Subordinated liabilities	21,366	21,959	21,527	21,379	19,081	13,433	14,417	13,900	13,340	12,875	72
Equity	258,255	248,433	244,447	244,106	247,734	243,860	240,612	246,206	239,610	235,892	232,113
Total	**1,564,177**	**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**

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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 ratio	160.5%	161.1%	153.6%	153.0%	144.7%
Liquidity ratio LCR total	154%	161%	158%	157%	128%
Liquidity LCR FX	424%	769%	534%	931%	743%
Net stable funding ratio NSFR FX	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	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Profit after taxes (loss)	9,822	3,986	341	-3,628	3,875	3,247	4,329	6,784	3,867	3,780	3,511
Return on equity before taxes	17.8%	8.5%	-0.9%	-5.4%	8.0%	8.0%	9.5%	12.9%	9.4%	9.2%	8.9%
Return on equity after taxes	15.5%	6.5%	0.6%	-5.9%	6.3%	5.4%	7.1%	11.2%	6.5%	6.5%	6.1%
Return on assets*	2.5%	1.0%	0.1%	-1.0%	1.1%	0.9%	1.2%	2.0%	1.2%	1.2%	1.1%
Cost-income ratio**	38.8%	46.6%	42.7%	77.8%	46.2%	43.9%	42.3%	38.7%	47.3%	45.9%	53.6%
Operating expenses as a ratio of average total assets	1.6%	1.3%	1.6%	1.7%	1.8%	1.5%	1.7%	1.8%	1.9%	1.7%	2.0%
Net interest income	9,694	9,441	9,512	9,427	9,580	9,631	10,214	10,245	10,968	10,370	9,835
Interest spread as a ratio of average total assets	2.4%	2.4%	2.5%	2.6%	2.7%	2.7%	2.9%	3.0%	3.3%	3.2%	3.2%
Total capital ratio	25.1%	24.7%	24.9%	24.8%	25.8%	23.6%	23.7%	23.8%	24.9%	24.8%	24.1%
Total assets	1,564,177	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
Loans / deposits ratio	160.5%	154.3%	157.9%	157.7%	161.1%	161.5%	162.0%	157.6%	153.6%	149.9%	151.1%
Liquidity ratio LCR total	154%	186%	191%	196%	161%	186%	174%	243%	158%	154%	164%
Liquidity LCR FX	424%	379%	476%	489%	769%	577%	555%	434%	534%	392%	743%
Net stable funding ratio NSFR FX	132%	116%	121%	127%	143%	158%	164%	165%	166%	168%	165%
Full-time eqv.positions	878	884	872	886	893	903	903	922	919	948	955

*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 - 12 months 2020

ISK million	Personal Banking	Corporate Banking	Markets	Treasury	Support functions	Recon-ciliation	Total
Net interest income (expense)	17,299	18,694	323	1,784	-26	0	38,074
Net fee and commission income	3,164	880	4,272	-460	40	-258	7,638
Net valuation adjustments and impairment	-2,090	-10,040	0	111	-1	0	-12,020
Net other operating income (expenses)	857	-1,753	742	4,709	27	-21	4,561
Total operating income (expences)	**19,230**	**7,781**	**5,337**	**6,144**	**40**	**-279**	**38,253**
Operating expenses	-6,740	-2,425	-2,466	-1,080	-11,398	278	-23,831
Tax on liabilities of financial institutions	-617	-570	-13	-606	-9	0	-1,815
Cost allocated from support functions to business segments	-4,226	-2,650	-1,453	-778	9,107	0	0
Profit (loss) before tax	**7,647**	**2,136**	**1,405**	**3,680**	**-2,260**	**-1**	**12,607**
Income tax	-1,769	-652	-36	-91	462	0	-2,086
Profit (loss) for the period	**5,878**	**1,484**	**1,369**	**3,589**	**-1,798**	**-1**	**10,521**
Total assets	571,874	618,305	15,472	610,948	15,680	-268,102	1,564,177
Total liabilities	532,377	500,671	9,987	515,309	15,680	-268,102	1,305,922
Allocated capital	39,497	117,634	5,485	95,639	-		258,255

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Key figures and rations

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

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