



# Landsbankinn Factbook

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

31 March 2021

## Contents

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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

---



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[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.

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[Back to contents](#)

### Financial Calendar

#### 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.





31.3.2021

## 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 98.4% of the shares and the total number of shareholders amount to approximately 881.

CEO of Landsbankinn hf. is Lilja Björk Einarasdóttir

## Balance sheet

	31.03.21	31.12.20	31.03.21	31.12.20
	ISKm		EURm	
<b>Total assets</b>	1,600,952	1,564,177	10,766	10,020
<b>Loans to customers</b>	1,287,448	1,273,426	8,658	8,158
<b>Loans to financial institutions</b>	55,234	48,073	371	308
<b>Bonds</b>	134,183	119,330	902	764
<b>Equities</b>	31,811	26,808	214	172
<b>Deposits from customers</b>	794,252	793,427	5,341	5,083
<b>Deposits from financial institutions</b>	40,932	48,725	275	312
<b>Borrowings</b>	452,709	420,178	3,044	2,692
<b>Subordinated liabilities</b>	20,850	21,366	140	137
<b>Equity</b>	261,384	258,255	1,758	1,654
<b>Total capital ratio</b>	24.9%	25.1%		
<b>Loans / customers deposits</b>	162.1%	160.5%		

## Customers and branches

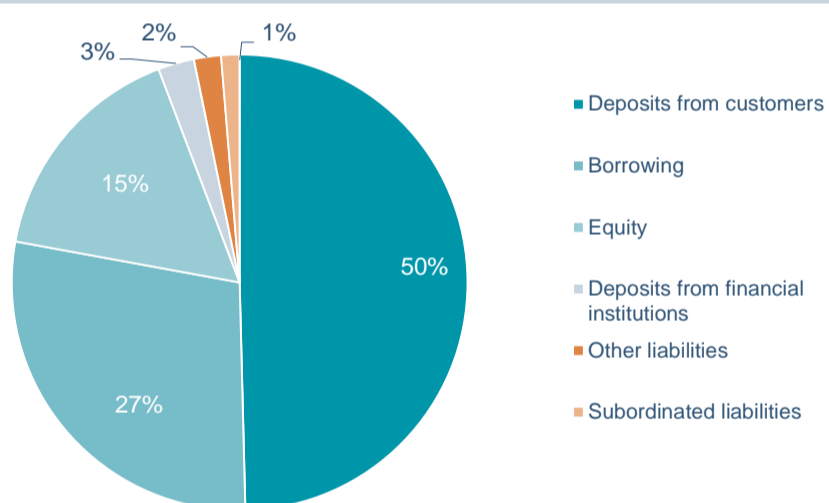
31.03.21

<b>Retail customers</b>	110,750
<b>Corporate customers</b>	13,751
<b>Number of branches</b>	36
<b>Number of employees</b>	869

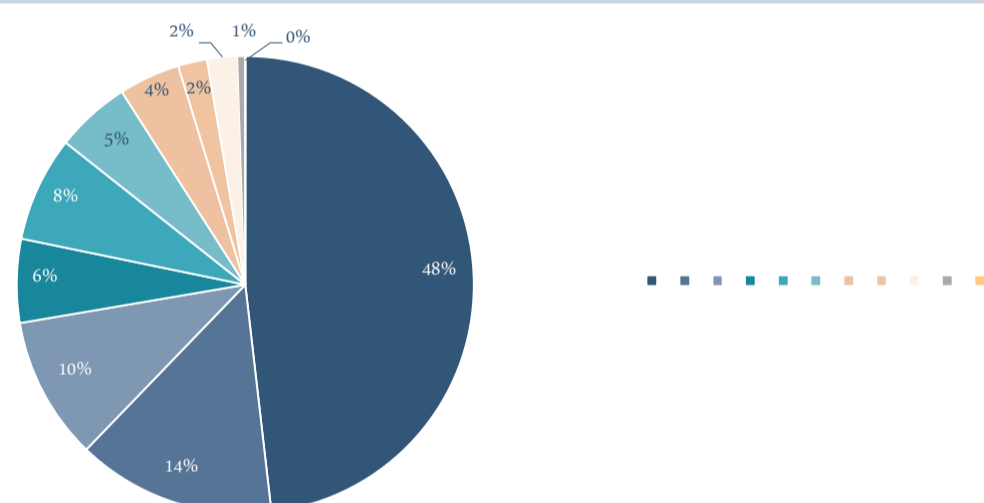
## Income statement

	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	ISKm		EURm	
<b>Operating income</b>	15,759	3,400	103	24
<b>Profit after taxes</b>	7,618	-3,628	50	-26
<b>ROE after taxes</b>	11.7%	-5.9%		
<b>Interest spread</b>	2.2%	2.6%		
<b>Cost-income ratio</b>	45.8%	72.6%		

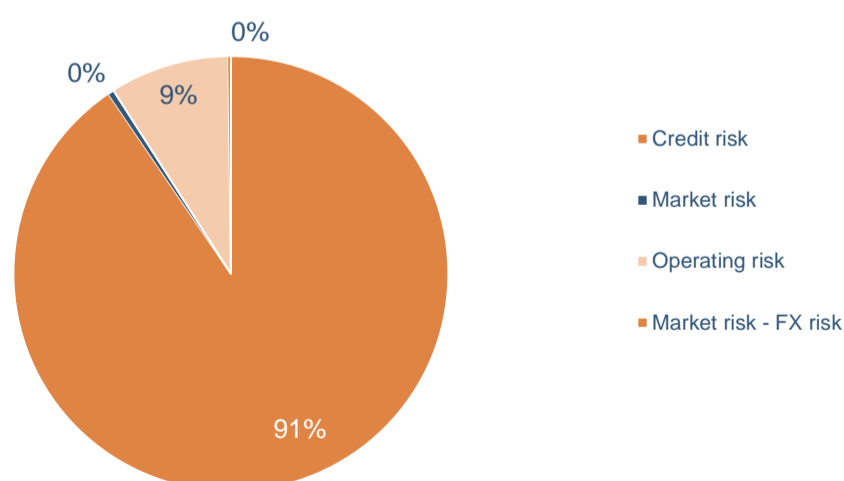
## Funding profile



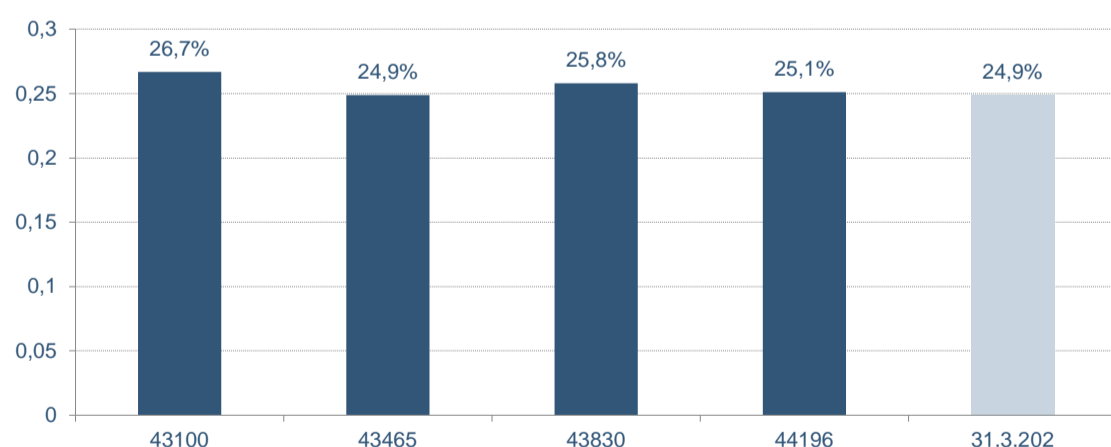
## Loans and advances by industry sectors



## 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 (loss) gain	-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
<b>Total net operating income</b>	<b>38,253</b>	<b>51,517</b>	<b>53,910</b>	<b>53,512</b>	<b>48,700</b>
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
<b>Total operating expenses</b>	<b>25,646</b>	<b>28,196</b>	<b>27,797</b>	<b>27,103</b>	<b>26,487</b>
<b>Profit before tax</b>	<b>12,607</b>	<b>23,321</b>	<b>26,113</b>	<b>26,409</b>	<b>22,213</b>
Income tax	2,086	5,086	6,853	6,643	5,570
<b>Profit for the year from continuing operations</b>	<b>10,521</b>	<b>18,235</b>	<b>19,260</b>	<b>19,766</b>	<b>16,643</b>
Profit for the year from discontinued operations	0	0	0	0	0
<b>Profit for the year</b>	<b>10,521</b>	<b>18,235</b>	<b>19,260</b>	<b>19,766</b>	<b>16,643</b>

[Back to contents](#)



## Income statement

ISK million	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net interest income	8,626	9,694	9,441	9,512	9,427	9,580	9,631	10,214	10,245
Net fee and commission income	2,054	1,981	2,059	1,653	1,945	2,125	1,958	2,076	2,060
Net foreign exchange (loss) gain	-27	-52	-52	-259	85	-300	-39	-87	-158
Net valuation adjustments and impairment	2,489	1,535	-120	-8,191	-5,244	-1,399	-1,056	-1,378	-994
Other net operating income (expenses)	2,617	4,919	-427	3,160	-2,813	2,257	860	2,042	3,880
<b>Total net operating income</b>	<b>15,759</b>	<b>18,077</b>	<b>10,901</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>
Salaries and related expenses	3,769	3,986	3,135	3,802	3,844	3,805	3,284	3,689	3,680
Other operating expenses	2,315	2,433	1,995	2,206	2,430	2,505	2,167	2,340	2,522
Tax on liabilities of financial institutions	467	400	540	425	450	1,064	1,065	1,065	1,010
<b>Total operating expenses</b>	<b>6,551</b>	<b>6,819</b>	<b>5,670</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>Profit (loss) before tax</b>	<b>9,208</b>	<b>11,258</b>	<b>5,231</b>	<b>-558</b>	<b>-3,324</b>	<b>4,889</b>	<b>4,838</b>	<b>5,773</b>	<b>7,821</b>
Income tax	1,590	1,436	1,245	-899	304	1,014	1,591	1,444	1,037
<b>Profit (loss) for the period from continuing operations</b>	<b>7,618</b>	<b>9,822</b>	<b>3,986</b>	<b>341</b>	<b>-3,628</b>	<b>3,875</b>	<b>3,247</b>	<b>4,329</b>	<b>6,784</b>
Profit for the period from discontinued operations	0	0	0	0	0	0	0	0	0
<b>Profit (loss) for the period</b>	<b>7,618</b>	<b>9,822</b>	<b>3,986</b>	<b>341</b>	<b>-3,628</b>	<b>3,875</b>	<b>3,247</b>	<b>4,329</b>	<b>6,784</b>

[Back to contents](#)



## 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
<b>Total</b>	<b>1,564,177</b>	<b>1,426,328</b>	<b>1,326,041</b>	<b>1,192,870</b>	<b>1,111,157</b>
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
<b>Total</b>	<b>1,564,177</b>	<b>1,426,328</b>	<b>1,326,041</b>	<b>1,192,870</b>	<b>1,111,157</b>

[Back to contents](#)





## Balance sheet - quarter summary

ISK million	31.3.2021	31.12.2020	30.9.2020	30.6.2020	31.3.2020	31.12.2019	30.9.2019	30.6.2019	31.3.2019
Cash and balances with CB	59,937	67,604	111,260	89,598	92,440	69,824	56,680	63,990	63,014
Bonds and debt instruments	134,183	119,330	104,895	104,758	116,568	115,262	96,786	84,830	80,954
Equities and equity instruments	31,811	26,808	25,445	26,794	25,923	30,019	29,150	27,658	25,151
Loans and advances to financial institutions	55,234	48,073	80,324	56,394	69,740	47,929	71,222	71,812	88,664
Loans and advances to customers	1,287,448	1,273,426	1,255,393	1,198,210	1,190,536	1,140,184	1,136,804	1,130,915	1,095,376
Other assets	30,913	27,298	31,268	23,913	26,851	22,088	23,476	22,348	24,744
Assets classified as held for sale	1,426	1,638	1,680	1,443	1,130	1,022	1,144	1,282	1,395
<b>Total</b>	<b>1,600,952</b>	<b>1,564,177</b>	<b>1,610,265</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>
Due to financial institutions and CB	40,932	48,725	47,654	37,226	41,495	48,062	47,860	34,430	36,636
Deposits from customers	794,252	793,427	813,784	758,790	755,160	707,813	703,762	697,898	694,820
Borrowings	452,709	420,178	438,309	408,097	412,591	373,168	366,337	377,680	351,005
Other liabilities	30,795	22,196	40,096	30,993	48,427	30,440	39,980	37,768	36,701
Liabilities associated with assets classified as held for sale	30	30	30	30	30	30	30	30	30
Subordinated liabilities	20,850	21,366	21,959	21,527	21,379	19,081	13,433	14,417	13,900
Equity	261,384	258,255	248,433	244,447	244,106	247,734	243,860	240,612	246,206
<b>Total</b>	<b>1,600,952</b>	<b>1,564,177</b>	<b>1,610,265</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>

[Back to contents](#)



## 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 )

[Back to contents](#)



## Key financial ratios

ISK million	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Profit after taxes (loss)	7,618	9,822	3,986	341	-3,628	3,875	3,247	4,329	6,784
Return on equity before taxes	14.2%	17.8%	8.5%	-0.9%	-5.4%	8.0%	8.0%	9.5%	12.9%
Return on equity after taxes	11.7%	15.5%	6.5%	0.6%	-5.9%	6.3%	5.4%	7.1%	11.2%
Return on assets*	1.9%	2.5%	1.0%	0.1%	-1.0%	1.1%	0.9%	1.2%	2.0%
Cost-income ratio**	45.8%	38.8%	46.6%	42.7%	77.8%	46.2%	43.9%	42.3%	38.7%
Operating expenses as a ratio of average total assets	1.5%	1.6%	1.3%	1.6%	1.7%	1.8%	1.5%	1.7%	1.8%
Net interest income	8,626	9,694	9,441	9,512	9,427	9,580	9,631	10,214	10,245
Interest spread as a ratio of average total assets	2.2%	2.4%	2.4%	2.5%	2.6%	2.7%	2.7%	2.9%	3.0%
Total capital ratio	24.9%	25.1%	24.7%	24.9%	24.8%	25.8%	23.6%	23.7%	23.8%
Total assets	1,600,952	1,564,177	1,610,265	1,501,110	1,523,188	1,426,328	1,415,262	1,402,835	1,379,298
Loans / deposits ratio	162.1%	160.5%	154.3%	157.9%	157.7%	161.1%	161.5%	162.0%	157.6%
Liquidity ratio LCR total	202%	154%	186%	191%	196%	161%	186%	174%	243%
Liquidity LCR FX	477%	424%	379%	476%	489%	769%	577%	555%	434%
Net stable funding ratio NSFR FX	140%	132%	116%	121%	127%	143%	158%	164%	165%
Full-time eqv.positions	869	878	884	872	886	893	903	903	922

\*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 )

[Back to contents](#)



## Segments - 3 months 2021

ISK million	Personal Banking	Corporate Banking	Asset Management & Capital Market	Treasury & Market Making	Support functions	Recon- ciliation	Total
Net interest income	4,017	4,590	113	-77	-17	0	8,626
Net fee and commission income	615	295	1,237	-83	90	-100	2,054
Net impairment changes	477	2,012	-1	1	0	0	2,489
Net other operating income (expenses)	75	57	100	2,203	159	-4	2,590
<b>Total operating income (expenses)</b>	<b>5,184</b>	<b>6,954</b>	<b>1,449</b>	<b>2,044</b>	<b>232</b>	<b>-104</b>	<b>15,759</b>
Operating expenses	-1,680	-721	-520	-204	-3,064	105	-6,084
Tax on liabilities of financial institutions	-187	-83	-3	-194	0	0	-467
Allocated expenses	-1,109	-708	-278	-229	2,324	0	0
<b>Profit (loss) before tax</b>	<b>2,208</b>	<b>5,442</b>	<b>648</b>	<b>1,417</b>	<b>-508</b>	<b>1</b>	<b>9,208</b>
Income tax	-559	-1,316	196	-13	102	0	-1,590
<b>Profit (loss) for the period</b>	<b>1,649</b>	<b>4,126</b>	<b>844</b>	<b>1,404</b>	<b>-406</b>	<b>1</b>	<b>7,618</b>
Total assets	667,563	627,192	14,623	656,722	2,770	-367,918	1,600,952
Total liabilities	635,415	505,867	8,246	555,188	2,770	-367,918	1,339,568
Allocated capital	32,148	121,325	6,377	101,534	-		261,384

[Back to contents](#)



## 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	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](#)

