



# Landsbankinn Factbook

31 March 2019

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## 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 Calender

2 May 2019 - 1Q Report 2019

25 July 2019 - 1H Report 2019

24 October 2019 - 9M Report 2019

6 February 2020 - Full Year Results 2019

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



# Fact Sheet

31.03.19



## 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 883.

CEO of Landsbankinn hf. is Lilja Björk Einarsdóttir

## Balance sheet

	31.03.19	31.12.18	31.03.19	31.12.18
	ISKm		EURm	
<b>Total assets</b>	1,379,298	1,326,041	10,017	9,955
<b>Loans to customers</b>	1,095,376	1,064,532	7,955	7,992
<b>Loans to financial institutions</b>	88,664	71,385	644	536
<b>Bonds</b>	80,954	77,058	588	579
<b>Equities</b>	25,151	23,547	183	177
<b>Deposits from customers</b>	694,820	693,043	5,046	5,203
<b>Deposits from financial institutions</b>	36,636	34,609	266	260
<b>Borrowings</b>	351,005	314,412	2,549	2,360
<b>Equity</b>	246,206	239,610	1,788	1,799
<b>Equity ratio (CAD)</b>	23.8%	24.9%		
<b>Loans / customers deposits</b>	157.6%	153.6%		

## Customers and branches

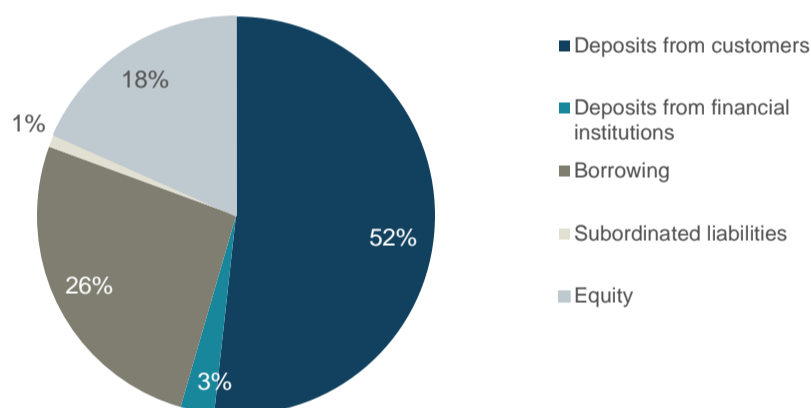
31.03.19

Retail customers	126,583
Corporate customers	13,900
Number of branches	37
Number of employees	922

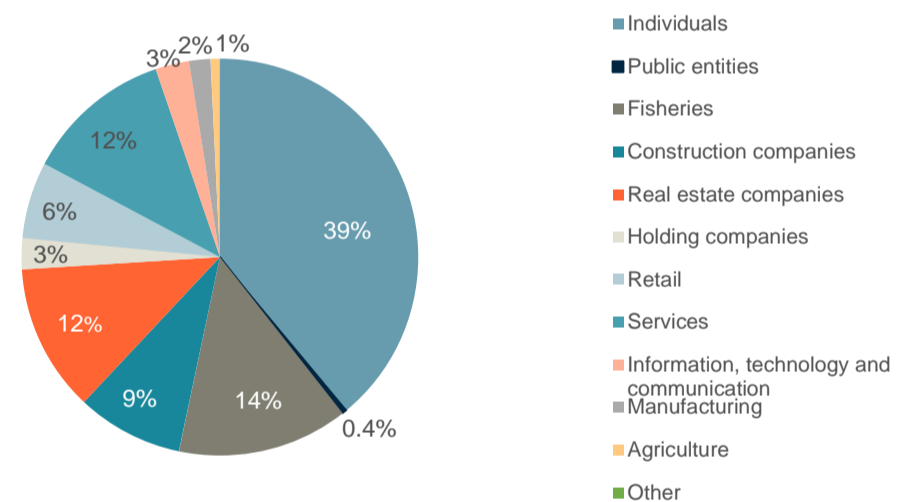
## Income statement

	31.03.19	31.03.18	31.03.19	31.03.18
	ISKm		EURm	
<b>Operating income</b>	15,033	16,832	110	136
<b>Profit after taxes</b>	6,784	8,102	50	66
<b>ROE after taxes</b>	11.2%	13.7%		
<b>Interest spread</b>	2.5%	2.7%		
<b>Cost-income ratio</b>	38.7%	37.9%		

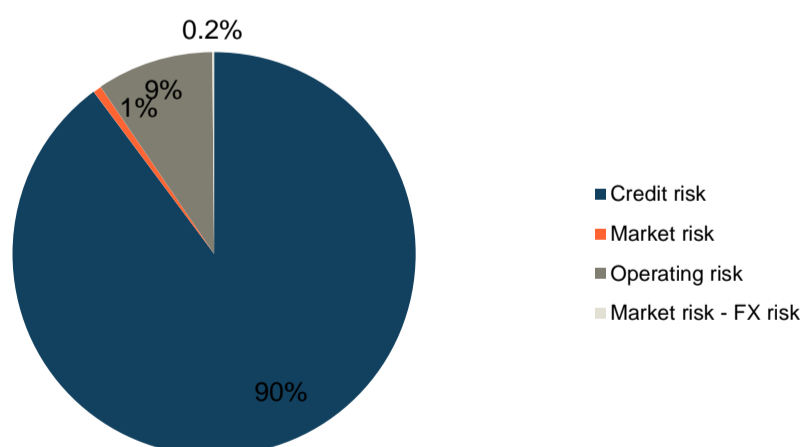
## Funding profile



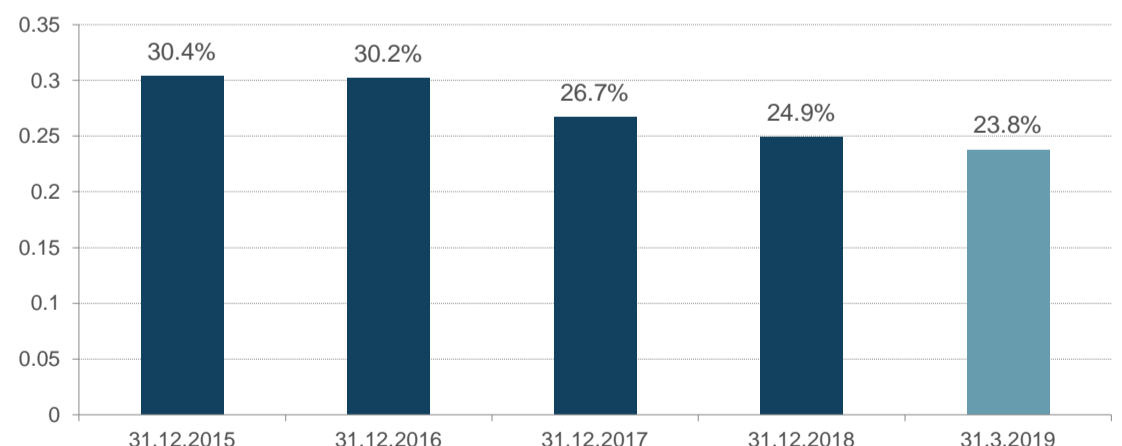
## Loans and advances by industry sectors



## Risk profile



## Equity ratio



## Income statement

ISK million	2018	2017	2016	2015	2014	2013	2012	2011
Net interest income	40,814	36,271	34,650	32,324	28,073	34,314	35,584	32,649
Net valuation adjustments and impairment	1,352	1,785	-318	18,216	20,128	13,053	-4,391	-23,587
<b>Net interest income after valuation adjustments</b>	<b>42,166</b>	<b>38,056</b>	<b>34,332</b>	<b>50,540</b>	<b>48,201</b>	<b>47,367</b>	<b>31,193</b>	<b>9,062</b>
Net fee commission income	8,157	8,431	7,809	6,841	5,836	5,291	4,448	4,423
Net foreign exchange gain (loss)	-1,497	-1,375	-179	-1,277	67	1,147	4,566	-759
Other net operating income (expenses)	5,084	8,400	6,738	16,507	9,510	14,488	11,383	19,435
<b>Total operating income</b>	<b>53,910</b>	<b>53,512</b>	<b>48,700</b>	<b>72,611</b>	<b>63,614</b>	<b>68,293</b>	<b>51,590</b>	<b>32,161</b>
Salaries and related expenses	14,589	14,061	14,049	13,754	13,567	17,304	13,176	11,990
Other operating expenses	9,348	9,789	9,465	9,978	10,521	9,947	10,929	10,066
<b>Total operating expenses</b>	<b>23,937</b>	<b>23,850</b>	<b>23,514</b>	<b>23,732</b>	<b>24,088</b>	<b>27,251</b>	<b>24,105</b>	<b>22,056</b>
<b>Profit (loss) before tax</b>	<b>29,973</b>	<b>29,662</b>	<b>25,186</b>	<b>48,879</b>	<b>39,526</b>	<b>41,042</b>	<b>27,485</b>	<b>10,105</b>
Income tax and tax on liabilities of financial institutions	10,713	9,896	8,543	12,419	9,789	12,283	4,125	-597
<b>Profit (loss) for the year from continuing operations</b>	<b>19,260</b>	<b>19,766</b>	<b>16,643</b>	<b>36,460</b>	<b>29,737</b>	<b>28,759</b>	<b>23,360</b>	<b>10,702</b>
Profit for the year from discontinued operations	0	0	0	0	0	0	2,134	6,255
<b>Profit (loss) for the year</b>	<b>19,260</b>	<b>19,766</b>	<b>16,643</b>	<b>36,460</b>	<b>29,737</b>	<b>28,759</b>	<b>25,494</b>	<b>16,957</b>

[Back to contents](#)



## Income statement

ISK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	10,245	10,968	10,370	9,835	9,641	9,201	8,894	10,158	8,018	8,443	8,596	10,145	7,466
Net valuation adjustments and impairment	-994	-286	-89	703	1,024	-282	766	-478	1,779	-4,737	2,144	1,964	311
<b>Net interest income after valuation adjustments</b>	<b>9,251</b>	<b>10,682</b>	<b>10,281</b>	<b>10,538</b>	<b>10,665</b>	<b>8,919</b>	<b>9,660</b>	<b>9,680</b>	<b>9,797</b>	<b>3,706</b>	<b>10,740</b>	<b>12,109</b>	<b>7,777</b>
Net fee commission income	2,060	2,355	1,926	2,185	1,691	1,840	2,159	2,316	2,116	1,900	2,015	1,914	1,980
Net foreign exchange gain (loss)	-158	-676	-352	-399	-70	-482	-10	-518	-365	-212	25	-154	162
Other net operating income (expenses)	3,880	479	197	-138	4,546	1,593	545	2,097	4,165	1,614	330	3,192	1,602
<b>Total operating income</b>	<b>15,033</b>	<b>12,840</b>	<b>12,052</b>	<b>12,186</b>	<b>16,832</b>	<b>11,870</b>	<b>12,354</b>	<b>13,575</b>	<b>15,713</b>	<b>7,008</b>	<b>13,110</b>	<b>17,061</b>	<b>11,521</b>
Salaries and related expenses	3,680	3,835	3,222	3,869	3,663	3,753	3,163	3,654	3,491	3,640	3,096	3,559	3,754
Other operating expenses	2,522	2,373	2,353	2,287	2,335	2,411	2,475	2,477	2,426	2,292	2,230	2,444	2,499
<b>Total operating expenses</b>	<b>6,202</b>	<b>6,208</b>	<b>5,575</b>	<b>6,156</b>	<b>5,998</b>	<b>6,164</b>	<b>5,638</b>	<b>6,131</b>	<b>5,917</b>	<b>5,932</b>	<b>5,326</b>	<b>6,003</b>	<b>6,253</b>
<b>Profit (loss) before tax</b>	<b>8,831</b>	<b>6,632</b>	<b>6,477</b>	<b>6,030</b>	<b>10,834</b>	<b>5,706</b>	<b>6,716</b>	<b>7,444</b>	<b>9,796</b>	<b>1,076</b>	<b>7,784</b>	<b>11,058</b>	<b>5,268</b>
Income tax and tax on liabilities of financial institutions	2,047	2,765	2,697	2,519	2,732	2,781	2,528	2,367	2,220	833	2,682	3,075	1,953
<b>Profit (loss) for the period from continuing operations</b>	<b>6,784</b>	<b>3,867</b>	<b>3,780</b>	<b>3,511</b>	<b>8,102</b>	<b>2,925</b>	<b>4,188</b>	<b>5,077</b>	<b>7,576</b>	<b>243</b>	<b>5,102</b>	<b>7,983</b>	<b>3,315</b>
Profit for the period from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Profit for the period</b>	<b>6,784</b>	<b>3,867</b>	<b>3,780</b>	<b>3,511</b>	<b>8,102</b>	<b>2,925</b>	<b>4,188</b>	<b>5,077</b>	<b>7,576</b>	<b>243</b>	<b>5,102</b>	<b>7,983</b>	<b>3,315</b>

Further information about older dates is available in excel Factbook

[Back to contents](#)



## Balance sheet

ISK million	31.12.18	31.12.17	31.12.16	31.12.15	31.12.14	31.12.13	31.12.12	31.12.11
Cash and balances with CB	70,854	55,192	30,662	25,164	10,160	21,520	25,898	8,823
Bonds and debt instruments	77,058	117,310	154,892	203,684	243,589	290,595	228,208	221,848
Equities and equity instruments	23,547	27,980	26,688	29,192	29,433	36,275	36,881	46,037
Loans and advances to fin institutions	71,385	44,866	20,408	20,791	49,789	67,916	64,349	100,133
Loans and advances to customers	1,064,532	925,636	853,417	811,549	718,355	680,468	666,087	639,130
Other assets	17,335	18,238	17,641	16,323	28,832	29,719	38,044	65,959
Assets classified as held for sale	1,330	3,648	7,449	11,955	18,212	25,023	25,320	53,552
<b>Total</b>	<b>1,326,041</b>	<b>1,192,870</b>	<b>1,111,157</b>	<b>1,118,658</b>	<b>1,098,370</b>	<b>1,151,516</b>	<b>1,084,787</b>	<b>1,135,482</b>

Due to financial institutions and CB	34,609	32,062	20,093	56,731	53,827	167,218	98,718	112,876
Deposits from customers	693,043	605,158	589,725	559,051	551,435	456,662	421,058	443,590
Borrowings	314,412	281,874	223,944	209,344	207,028	239,642	309,265	337,902
Other liabilities	30,997	27,615	24,681	26,844	32,443	42,750	29,687	31,485
Liabilities associated with assets classified as held for sale	30	27	1,095	1,518	2,834	3,885	893	9,385
Subordinated liabilities	13,340	77	388	639	0	0	0	0
Equity	239,610	246,057	251,231	264,531	250,803	241,359	225,166	200,244
<b>Total</b>	<b>1,326,041</b>	<b>1,192,870</b>	<b>1,111,157</b>	<b>1,118,658</b>	<b>1,098,370</b>	<b>1,151,516</b>	<b>1,084,787</b>	<b>1,135,482</b>

[Back to contents](#)





## Balance sheet - quarter summary

ISK million	31.03.19	31.12.18	30.09.18	30.06.18	31.03.18	31.12.17	30.09.17	30.06.17	31.03.17	31.12.16	30.09.16	30.06.16	31.03.16
Cash and balances with CB	63,014	70,854	61,155	68,372	82,266	55,192	33,157	32,216	35,826	30,662	52,822	43,997	23,228
Bonds and debt instruments	80,954	77,058	88,749	97,214	100,216	117,310	160,223	162,520	147,992	154,892	168,029	157,898	195,175
Equities and equity instruments	25,151	23,547	27,766	28,756	25,666	27,980	31,049	30,934	30,868	26,688	30,896	29,042	29,381
Loans and advances to financial institutions	88,664	71,385	84,513	47,937	41,796	44,866	41,485	49,292	70,230	20,408	16,835	21,885	15,221
Loans and advances to customers	1,095,376	1,064,532	1,038,005	989,481	936,636	925,636	905,927	870,483	872,350	853,417	837,494	827,241	814,669
Other assets	24,744	17,335	15,399	16,261	17,455	18,238	22,740	20,317	19,009	17,641	19,653	21,523	21,255
Assets classified as held for sale	1,395	1,330	1,618	1,832	2,113	3,648	4,377	4,866	6,192	7,449	8,073	8,258	7,771
<b>Total</b>	<b>1,379,298</b>	<b>1,326,041</b>	<b>1,317,205</b>	<b>1,249,853</b>	<b>1,206,148</b>	<b>1,192,870</b>	<b>1,198,958</b>	<b>1,170,628</b>	<b>1,182,467</b>	<b>1,111,157</b>	<b>1,133,802</b>	<b>1,109,844</b>	<b>1,106,700</b>

Due to financial institutions and CB	36,636	34,609	34,714	27,504	30,943	32,062	21,946	23,486	31,613	20,093	41,307	34,643	42,606
Deposits from customers	694,820	693,043	692,675	654,689	622,021	605,158	638,781	627,954	594,565	589,725	583,715	556,841	545,208
Borrowings	351,005	314,412	308,362	297,684	284,484	281,874	267,853	242,274	244,649	223,944	220,800	220,837	217,658
Other liabilities	36,701	30,997	32,614	37,764	39,984	27,615	26,862	37,441	76,261	24,681	34,913	48,310	31,445
Liabilities associated with assets classified as held for sale	30	30	73	27	41	27	155	155	1,095	1,095	1,514	1,510	1,305
Subordinated liabilities	13,900	13,340	12,875	72	74	77	229	374	390	388	407	412	632
Equity	246,206	239,610	235,892	232,113	228,601	246,057	243,132	238,944	233,894	251,231	251,146	247,291	267,846
<b>Total</b>	<b>1,379,298</b>	<b>1,326,041</b>	<b>1,317,205</b>	<b>1,249,853</b>	<b>1,206,148</b>	<b>1,192,870</b>	<b>1,198,958</b>	<b>1,170,628</b>	<b>1,182,467</b>	<b>1,111,157</b>	<b>1,133,802</b>	<b>1,109,844</b>	<b>1,106,700</b>

Further information about older dates is available in excel Factbook

[Back to contents](#)



## Key financial ratios

ISK million	2018	2017	2016	2015	2014	2013	2012	2011
Profit after taxes	19,260	19,766	16,643	36,460	29,737	28,759	25,494	16,957
Return on equity before taxes	12.8%	12.3%	9.9%	19.9%	16.7%	17.6%	14.0%	8.1%
Return on equity after taxes	8.2%	8.2%	6.6%	14.8%	12.5%	12.4%	12.0%	8.4%
After tax return on average assets*	1.5%	1.7%	1.5%	3.2%	2.6%	2.6%	2.3%	1.5%
Total capital ratio	24.9%	26.7%	30.2%	30.4%	29.5%	26.7%	25.1%	21.4%
Net interest income	40,814	36,271	34,650	32,324	28,073	34,314	35,584	32,649
Interest spread as a ratio of assets and liabilities**	2.7%	2.5%	2.3%	2.2%	1.9%	2.4%	2.6%	2.4%
Cost-income ratio***	45.5%	46.1%	48.4%	43.8%	56.0%	42.9%	45.0%	40.6%
Net stable funding ratio NSFR FX	166%	179%	154%	136%	134%			
Liquidity ratio LCR total	158%	157%	128%	113%	131%	102%		
Liquidity LCR FX	534%	931%	743%	360%	614%	208%		
Operating expenses as a ratio of average total assets****	1.9%	2.0%	2.1%	2.1%	2.1%	2.0%	2.2%	2.0%
Total assets	1,326,041	1,192,870	1,111,157	1,118,658	1,098,370	1,151,516	1,084,787	1,135,482
Loans / deposits ratio	153.6%	153.0%	144.7%	145.2%	130.3%	149.0%	158.2%	144.1%
Full-time eqv.positions	919	997	1,012	1,063	1,126	1,183	1,233	1,311
Earnings per share	0.81	0.84	0.70	1.54	1.26	1.22	1.06	0.71
Dividend per share	1.05	1.05	1.20	1.00	0.84	0.42	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

[Back to contents](#)



## Key financial ratios

ISK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Profit after taxes	6,784	3,867	3,780	3,511	8,102	2,925	4,188	5,077	7,576	243	5,102	7,983	3,315
Return on equity before taxes*	14.5%	11.2%	11.1%	10.5%	18.3%	9.3%	11.1%	12.6%	16.2%	1.7%	12.5%	17.2%	7.9%
Return on equity after taxes	11.2%	6.5%	6.5%	6.1%	13.7%	4.8%	6.9%	8.6%	12.5%	0.4%	8.2%	12.4%	5.0%
After tax return on average assets**	2.0%	1.2%	1.2%	1.1%	2.7%	1.0%	1.4%	1.7%	2.7%	0.1%	1.8%	2.9%	1.2%
Total capital ratio	23.8%	24.9%	24.8%	24.1%	24.7%	26.7%	26.8%	27.6%	27.4%	30.2%	29.1%	28.9%	31.2%
Net interest income	10,245	10,968	10,370	9,835	9,641	9,201	8,894	10,158	8,018	8,443	8,596	10,145	7,466
Interest spread as a ratio of assets and liabilities***	2.5%	2.8%	2.7%	2.7%	2.7%	2.5%	2.5%	2.9%	2.2%	2.2%	2.4%	2.8%	1.9%
Cost-income ratio****	38.7%	47.3%	45.9%	53.6%	37.9%	50.7%	48.7%	43.6%	42.5%	50.7%	48.9%	40.8%	55.8%
Net stable funding ratio NSFR FX	165%	166%	168%	165%	168%	179%	185%	169%	159%	154%	149%	145%	133%
Liquidity ratio LCR total	243%	158%	154%	164%	171%	157%	158%	183%	158%	128%	140%	123%	134%
Liquidity LCR FX	434%	534%	392%	743%	751%	931%	873%	470%	153%	743%	594%	684%	496%
Operating expenses as a ratio of average total assets	2.0%	1.2%	1.2%	1.1%	2.7%	1.0%	1.4%	1.7%	2.7%	1.5%	3.2%	2.6%	2.6%
Total assets	1,379,298	1,326,041	1,317,205	1,249,853	1,206,148	1,192,870	1,198,958	1,170,628	1,182,467	1,111,157	1,133,802	1,109,844	1,106,700
Loans / deposits ratio	157.6%	153.6%	149.9%	151.1%	150.6%	153.0%	141.8%	138.6%	146.7%	144.7%	143.5%	148.6%	149.4%
Full-time eqv.positions	922	919	948	955	998	997	998	988	1,000	1,012	1,043	1,040	1,063

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 expence 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 )

[Back to contents](#)



<b>Segments - 3 months 2019</b>							
	<b>Personal</b>	<b>Corporate</b>			<b>Support</b>	<b>Recon-</b>	
<b>ISK million</b>	<b>Banking</b>	<b>Banking</b>	<b>Markets</b>	<b>Treasury</b>	<b>functions</b>	<b>ciliation</b>	<b>Total</b>
Net interest income (expense)	4,017	4,765	196	1,340	-14	-59	10,245
Net valuation adjustments and impairment	-224	-768	-1	-1	0	0	-994
Net fee and commission income	980	182	959	-111	116	-66	2,060
Other net operating income	297	61	45	3,214	135	-30	3,722
<b>Total operating income (expenses)</b>	<b>5,070</b>	<b>4,240</b>	<b>1,199</b>	<b>4,442</b>	<b>237</b>	<b>-155</b>	<b>15,033</b>
Operating expenses	-1,555	-534	-604	-512	-3,068	71	-6,202
<b>Profit (loss) before cost allocation and tax</b>	<b>3,515</b>	<b>3,706</b>	<b>595</b>	<b>3,930</b>	<b>-2,831</b>	<b>-84</b>	<b>8,831</b>
Cost allocated from support functions to business segments	-1,157	-693	-374	-216	2,440	0	0
<b>Profit before tax</b>	<b>2,358</b>	<b>3,013</b>	<b>221</b>	<b>3,714</b>	<b>-391</b>	<b>-84</b>	<b>8,831</b>
Total assets	471,766	588,798	12,697	564,043	22,549	-280,555	1,379,298
Total liabilities	432,994	483,933	4,591	469,580	22,549	-280,555	1,133,092
Allocated capital	38,772	104,865	8,106	94,463	0	0	246,206

[Back to contents](#)



## Key figures and ratios

### Key figures and ratios

### Definition

Return on equity before taxes	Profit before taxes / average total equity
Return on equity after taxes	Profit after taxes / average total equity
Total capital ratio	Total capital base / risk weighted assets
Leverage ratio	Tier 1 capital / (total assets + off balance sheet items)
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
Return on assets	Profit (loss) for the year / average total assets
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 the end of the period	Number of full-time equivalent positions at the end of the period
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)	Subordinated liabilities - regulatory amortisation
Total capital base	CET1 + AT1 + T2
Liquidity coverage ratio (LCR)	High quality liquid assets / total net liquidity outflows over 30 days under stressed conditions
Net stable funding ratio (NSFR)	Available amount of stable funding / required amount of stable funding

[Back to contents](#)

