



Q1 2019 Results

Lilja B. Einarsdóttir
CEO

Hreiðar Bjarnason
CFO

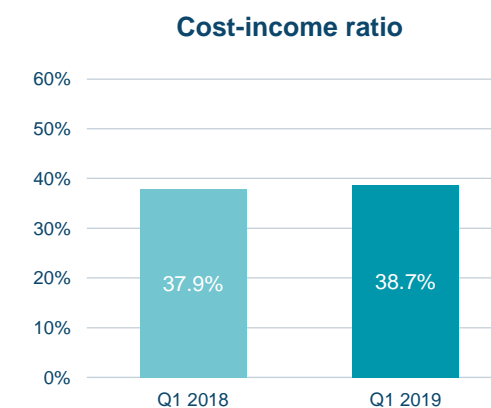
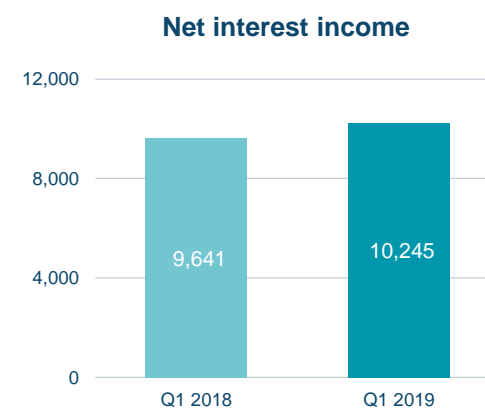
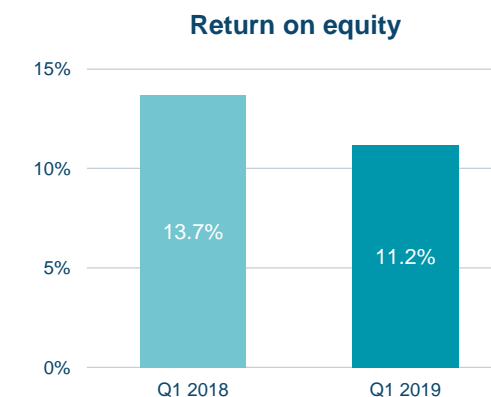
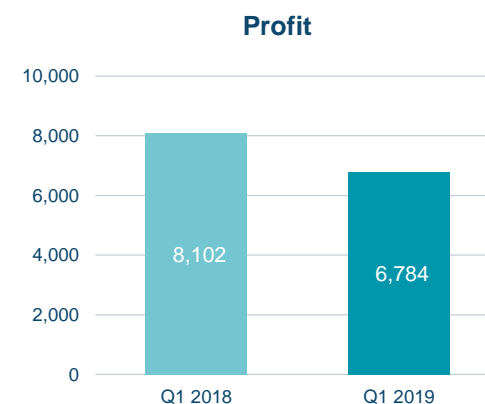
DISCLAIMER

- This presentation is for information purposes only and shall not be construed as an offer or solicitation for the subscription or purchase or sale of any financial instrument.
- The information set out in this presentation has not been independently verified. No representation or warranty is made by Landsbankinn as to the accuracy, completeness or fairness of the information or opinions contained in this presentation.
- This presentation may contain projections and forward-looking statements which are subject to a number of risks and uncertainties that could cause actual results to differ materially and could adversely affect the financial effects described herein.
- Landsbankinn accepts no liability whatsoever for any direct or indirect loss, howsoever arising, from use of this presentation.
- Landsbankinn assumes no obligation to update this presentation, provide any additional information or correct any errors, which may eventually become apparent.

Highlights - Operations

Highlights of Q1 2019

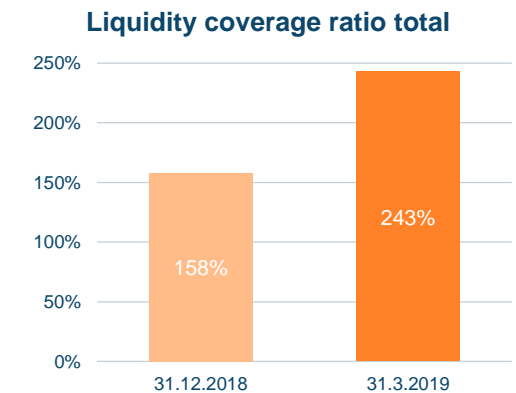
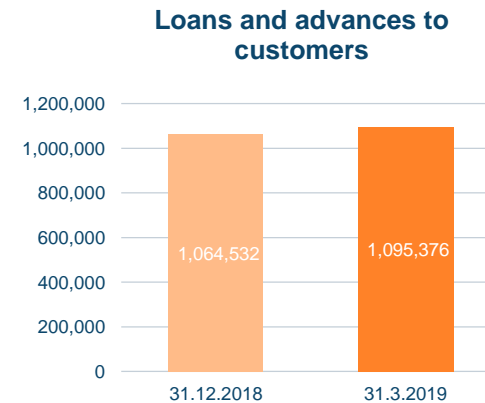
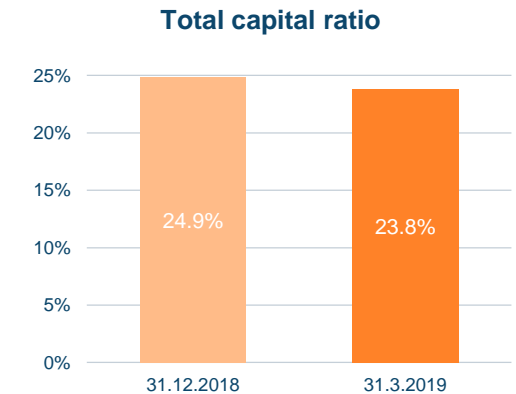
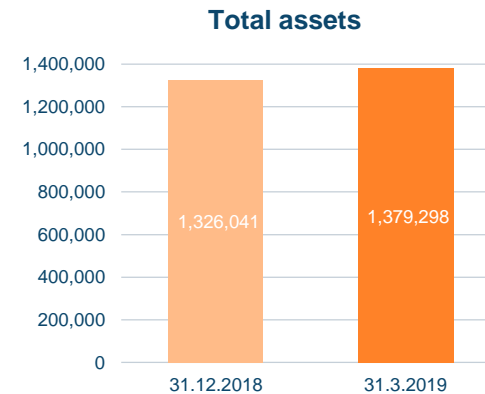
- The Bank's after-tax profit in Q1 of 2019 was ISK 6.8 bn, as compared with ISK 8.1 bn for the same period of 2018.
- Net interest income was ISK 10.2 bn, as compared with ISK 9.6 bn in Q1 2018.
- Value changes during the period were negative by ISK 1.0 bn as compared with a positive change in the amount of ISK 1.0 bn in Q1 of 2018.
- Net commission income for the period amounted to ISK 2.1 bn as compared with ISK 1.7 bn during the same period the previous year.
- Other operating income amounted to ISK 3.7 bn, as compared with ISK 4.5 bn in Q1 2018.
- Operating cost was ISK 6.2 bn, as compared with ISK 6.0 bn in Q1 2018.
- The interest margin on assets and liabilities was 2.5% at the end of Q1 2019, as compared to 2.7% at the end of Q1 2018.
- Return on equity (ROE) after taxes was 11.2% in Q1 2019 as compared with a ROE of 13.7% for the same period in 2018.
- The cost-income ratio for the first three months of the year was 38.7%, as compared with 37.9% for the same time last year.
- The effective income tax rate for Q1 of 2019 was 13.3%.



Amounts in ISKbn

Highlights – Balance sheet

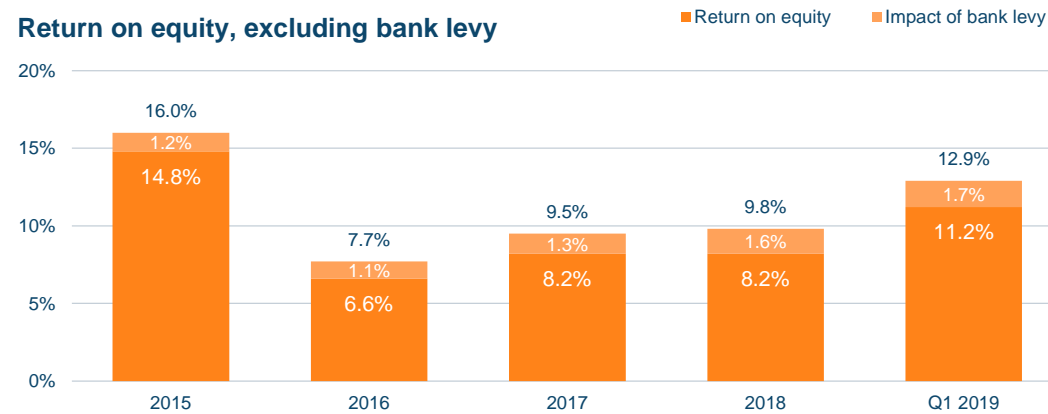
- Total assets amounted to ISK 1,379 bn at the end of March 2019.
- Lending increased by ISK 31 billion in Q1 2019. Lending to corporates increased by ISK 18 bn and lending to households by ISK 13 bn.
- Landsbankinn's equity was ISK 246.2 bn at the end of March 2019, up from ISK 239.6 bn the beginning of this year.
- The total capital ratio is now 23.8%, down from 24.9% at year-end 2018, and well above the FME's requirement of 20.5%.
- The Bank's AGM, held on 4 April 2019, approved a motion from the Board of Directors to pay a dividend in the amount of ISK 9,922 m for the 2018 operating year. The dividend payment leads to a decrease in equity in Q2 2019.
- The Bank's liquidity position is strong, overall and in foreign currencies, and well above regulatory requirements.



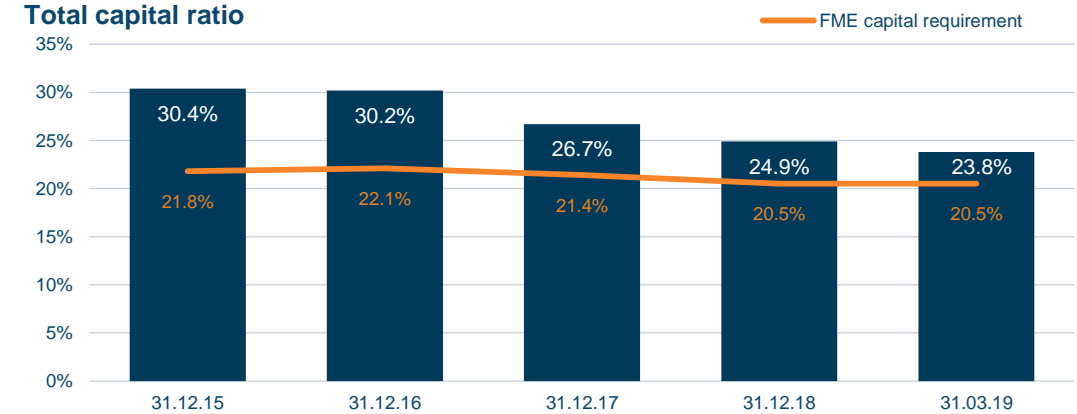
Amounts in ISKm

Development of KPIs

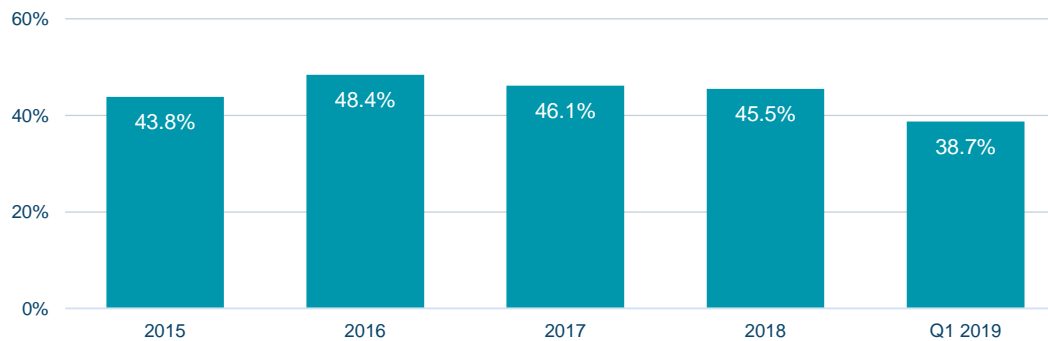
Return on equity, excluding bank levy



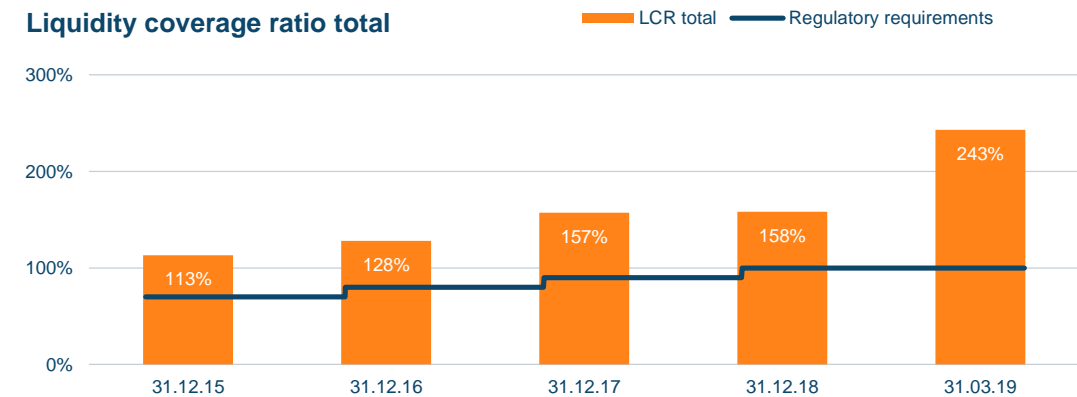
Total capital ratio



Cost-income ratio



Liquidity coverage ratio total

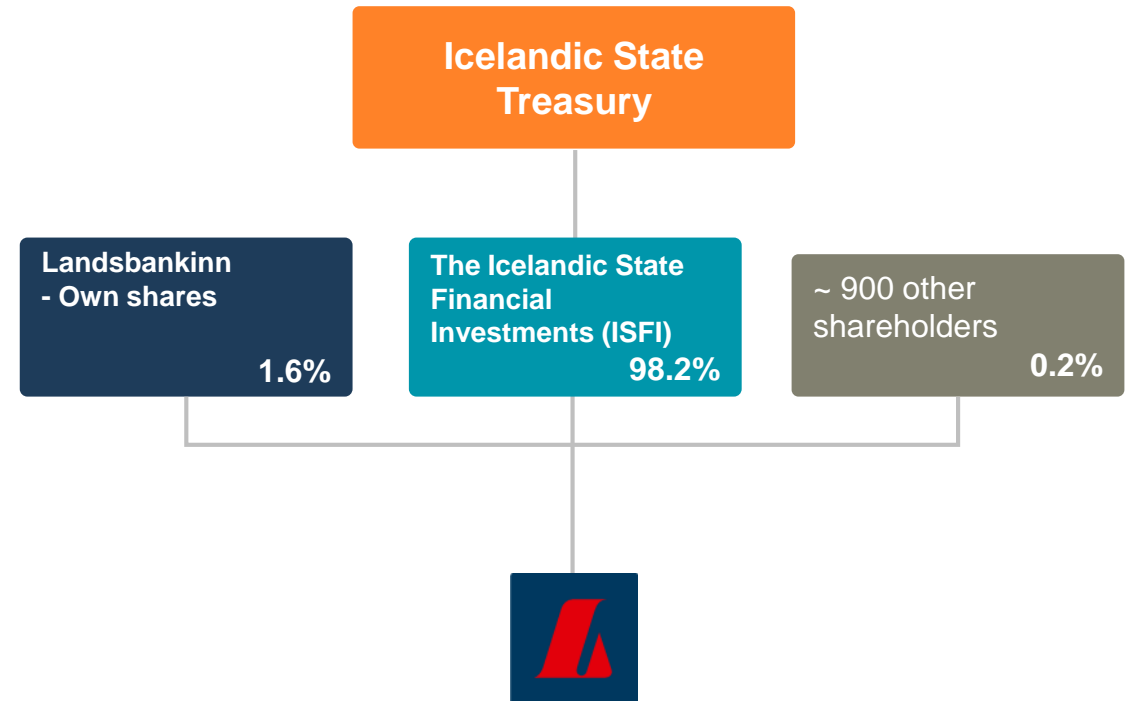


| Ownership | |
|-----------|--|
|-----------|--|

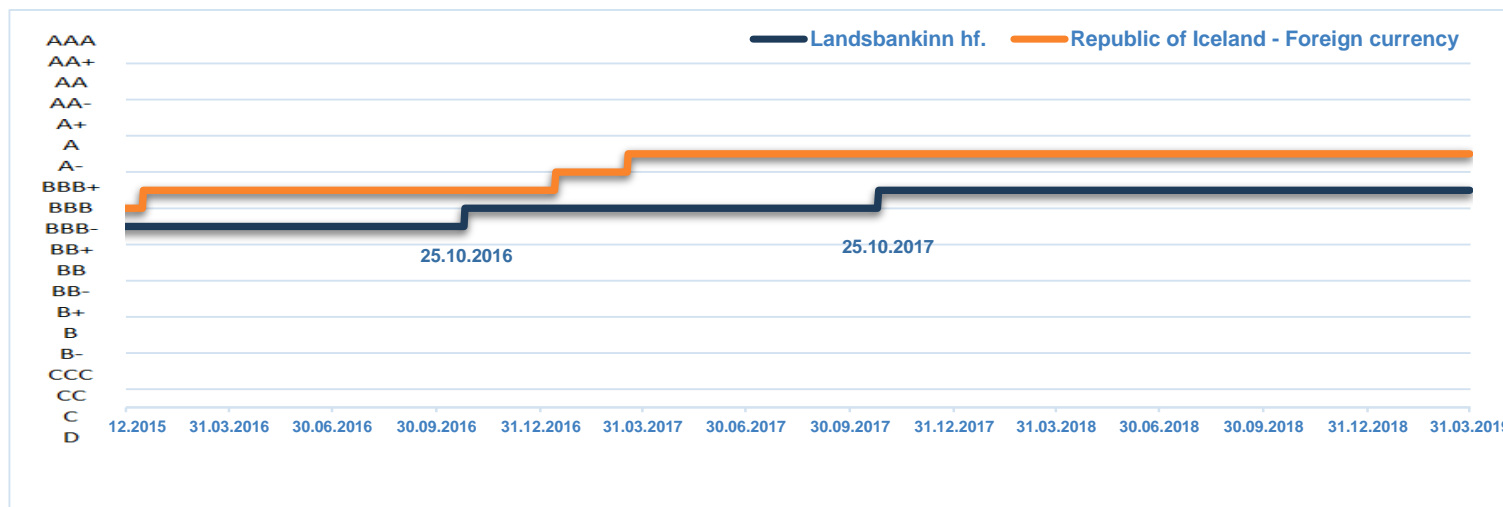
- The Finance Ministry published an ownership policy in July 2017 in regards to equity holdings in financial companies that are supervised by the Icelandic State Financial Investments (ISFI).

In regards to Landsbankinn the policy states

- The government will retain a significant equity stake in the bank (34-40%) to ensure stability in the domestic financial sector.
- The remaining equity stake will be sold in the next few years given favorable market conditions.
- Equity in Landsbankinn will be listed on a stock exchange.



Credit rating



Fundamental factors for Landsbankinn:

- Very strong capital and earnings
- Adequate liquidity position
- Average funding profile
- Adequate business position
- Moderate risk position

| | Icelandic sovereign | Landsbankinn hf. |
|--------------------|---------------------|------------------|
| Long-term rating | A | BBB+ |
| Short-term rating | A-1 | A-2 |
| Outlook | Stable | Stable |
| Last rating action | March 2017 | October 2017 |

Financial objectives

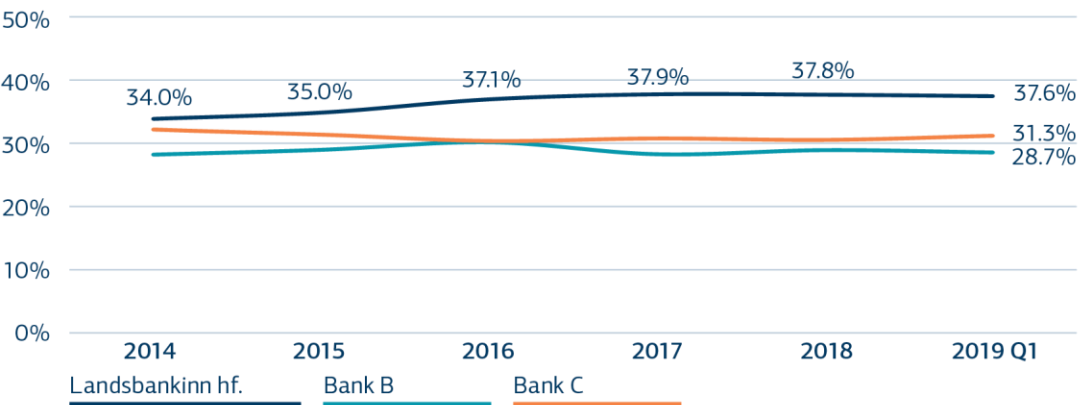
| | Objective | Q1 2019 | Guidelines |
|--|-----------|------------------|--|
| Return on equity, excluding bank levy ¹ (ROE) | ≥ 10% | 12.9% | Expected ROE, excluding bank levy in 2019 is 9.5 – 10.5%. |
| Cost-income ratio (C/I ratio) | ≤ 45% | 38.7% | Expected ratio in 2019 is 40-44%. |
| Total capital ratio (TCR) | ≥ 23% | 23.8% | <p>The Bank's aim is to maintain capital ratios above the FME's capital requirements at any given time, plus a 1.5-2.5% management buffer.</p> <p>The Bank also aims to be in the highest category for risk-adjusted capital ratio, as determined and measured by the relevant credit rating agencies.</p> <p>The Bank intends to raise subordinated market funding, if suitable and favourable for the Bank's capital structure</p> |
| Common Equity Tier 1 capital (CET1) | ≥ 18% | 22.4% | |
| Dividend payout ratio | ≥ 50% | 52% ² | The aim is also to make special dividend payments to further optimise the Bank's capital structure. |

¹ Special tax on financial institutions of 0.376% is levied of the carrying amount of total liabilities at year-end, excluding tax liabilities, in excess of ISK 50,000 million as determined for tax purposes. The special income tax on financial institutions is a non-deductible expense

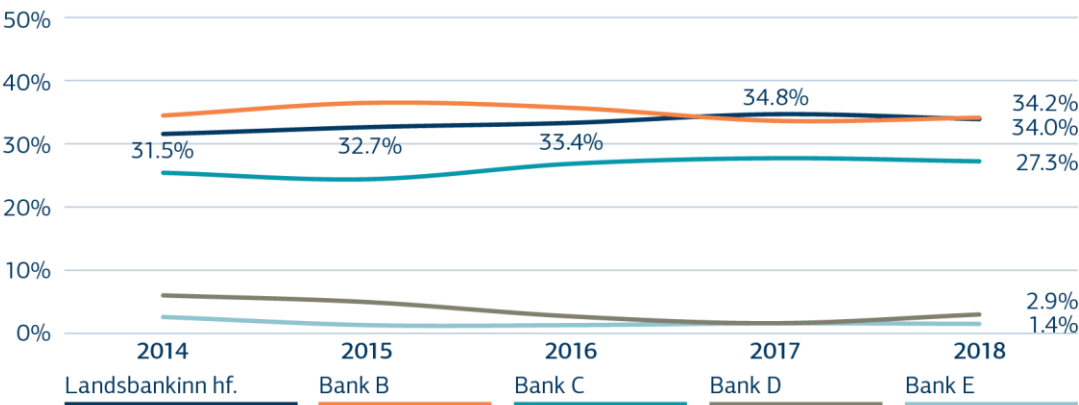
² Regular dividend payout ratio of last year profit.

Landsbankinn's successes

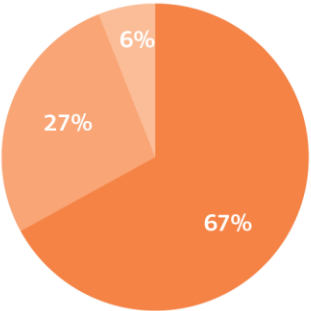
Marketshare – Retail banking



Marketshare – Corporate banking

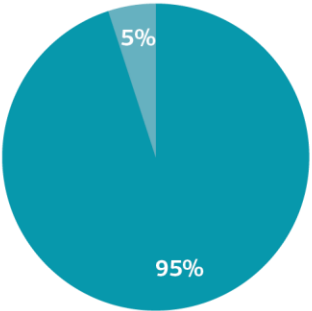


Customer satisfaction – Individuals



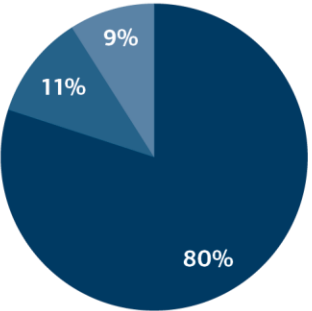
■ Satisfied ■ Neither nor ■ Dissatisfied

Satisfaction with online banking – Individuals



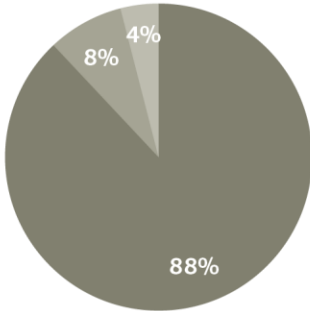
■ Satisfied ■ Neither nor ■ Dissatisfied

Customer satisfaction – Business



■ Satisfied ■ Neither nor ■ Dissatisfied

Satisfaction with online banking – Business



■ Satisfied ■ Neither nor ■ Dissatisfied

Aukakrónur



24% of Icelanders use Aukakrónur, according to Gallup.

Capacent's Equality Indicator



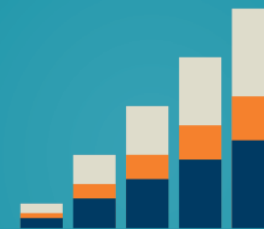
Landsbankinn became a member of Capacent's Equality Indicator (Jafnréttisvísir) in 2018. The Equality Indicator is a strategy and promotes awareness about equality.

Credit rating



S&P Global Ratings upgraded Landsbankinn's credit rating to BBB+/A-2 with a stable outlook.

Pension savings



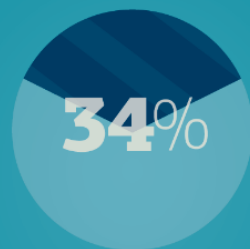
The market share in supplementary pension savings is 21%, according to Gallup.

Share in the retail market



Market share in the retail market measured 38% for the second year in a row and Landsbankinn remains by far the largest bank in Iceland, according to Gallup.

Share in the corporate market



Gallup surveys show that Landsbankinn held a 34% share in the corporate market in 2018. Customer satisfaction has never scored higher at Landsbankinn.

App of the Year



Landsbankinn's app was selected App of the Year 2018 at the Icelandic Web Awards.

Landsbankinn's app



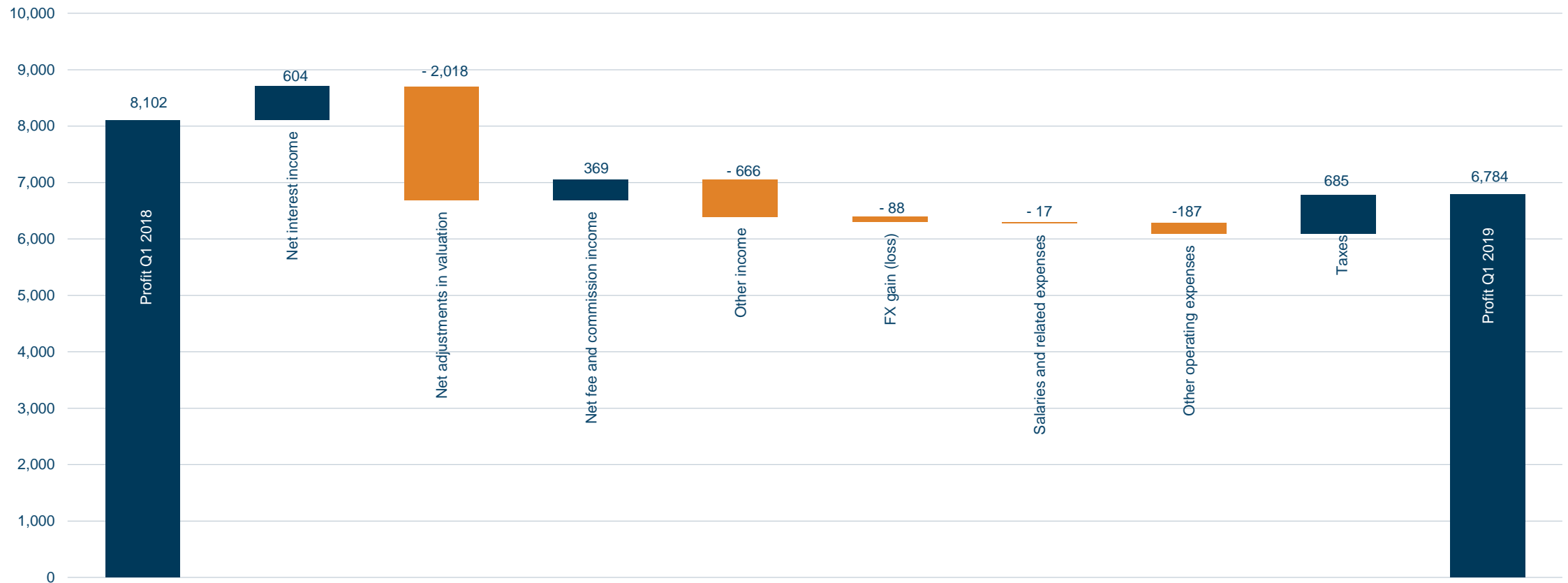
Landsbankinn's app has been downloaded over 75,000 times.

A scenic landscape photograph featuring a calm body of water in the foreground. On the left, a large, leafy green bush partially obscures the view. In the middle ground, two blue and white tents are pitched on a grassy shore. To the right of the tents, a small wooden boat is beached, and a red boat is partially visible in the water. The background shows a large, rounded mountain under a blue sky with scattered clouds. The text "Income Statement" is overlaid in the center of the image.

Income Statement

Income statement

Change from Q1 2018 to Q1 2019



Amounts in ISKm

Income statement

| | Q1 2019 | Q1 2018 | Change | |
|---|---------------|---------------|---------------|-------------|
| Net interest income | 10,245 | 9,641 | 604 | 6% |
| Net adjustments in valuation | -994 | 1,024 | -2,018 | -197% |
| Net interest income after adjustments in valuation | 9,251 | 10,665 | -1,414 | -13% |
| Net fee and commission income | 2,060 | 1,691 | 369 | 22% |
| Other net operating income | 3,722 | 4,476 | -754 | -17% |
| Total operating income | 15,033 | 16,832 | -1,799 | -11% |
| Salaries and related expenses | 3,680 | 3,663 | 17 | 0% |
| Other operating expenses | 2,522 | 2,335 | 187 | 8% |
| Total operating expenses | 6,202 | 5,998 | 204 | 3% |
| Profit before tax | 8,831 | 10,834 | -2,003 | -18% |
| Income tax expense and tax on liabilities of financial institutions | 2,047 | 2,732 | -685 | -25% |
| Profit for the period | 6,784 | 8,102 | -1,318 | -16% |

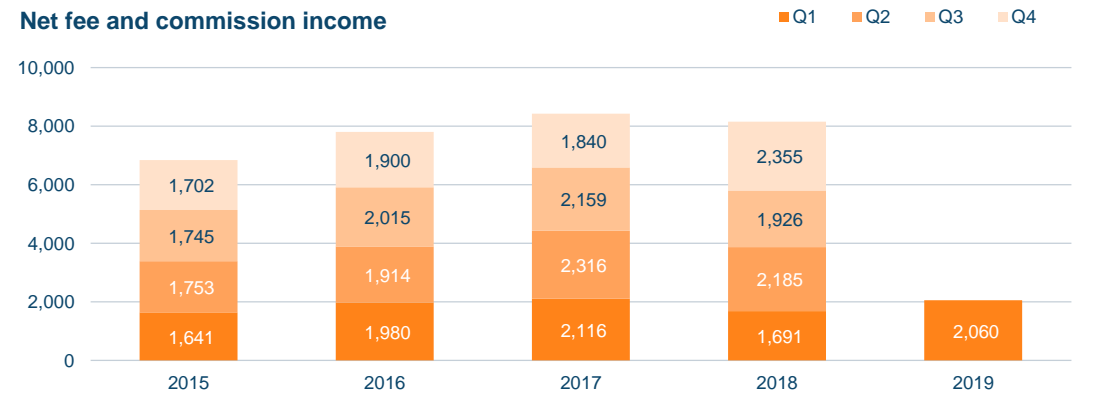
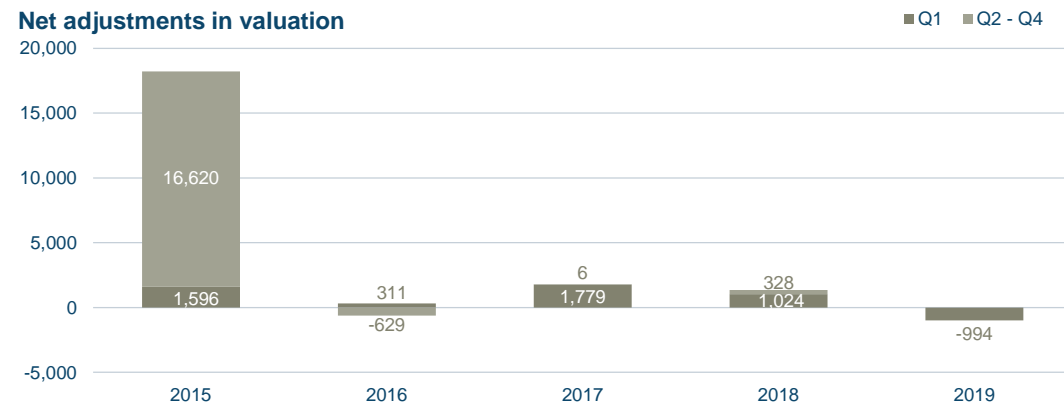
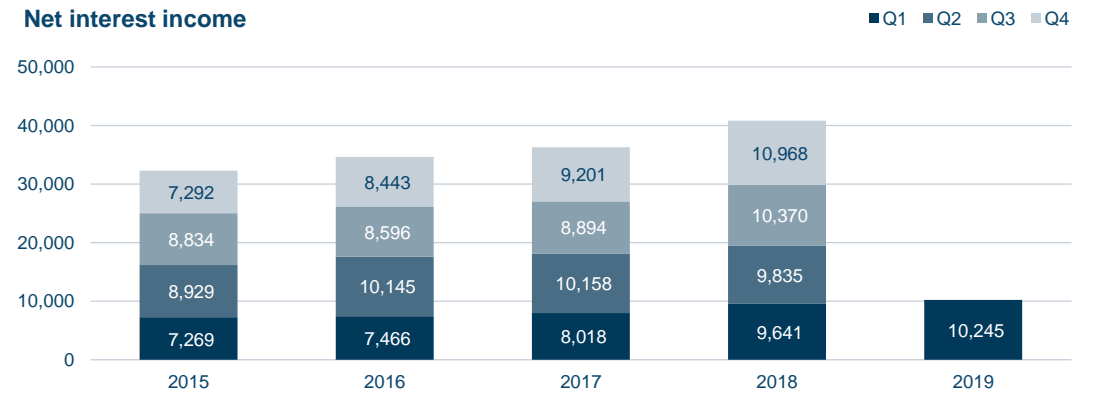
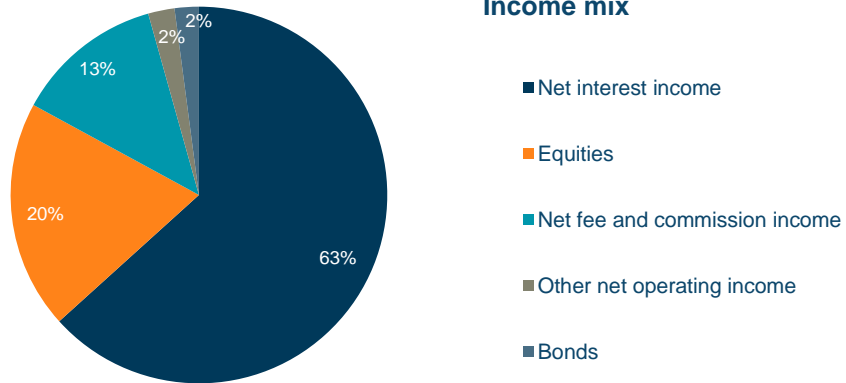
Amounts in ISKm

Net interest income and valuation adjustments

| | Q1 2019 | Q1 2018 | Change | |
|--|---------------|---------------|---------------|--------------|
| Interest income | 17,899 | 16,059 | 1,840 | 11% |
| Interest expense | -7,654 | -6,418 | -1,236 | -19% |
| Net interest income | 10,245 | 9,641 | 604 | 6% |
| | | | | |
| Net impairment loss on loans | -1.024 | 1.024 | -2.048 | -200% |
| Other impairment | 30 | 0 | 30 | |
| Net valuation adjustments | -994 | 1.024 | -2.018 | -197% |
| | | | | |
| Net interest income after net valuation adjustments | 9.251 | 10.665 | -1.414 | -13% |

Amounts in ISKm

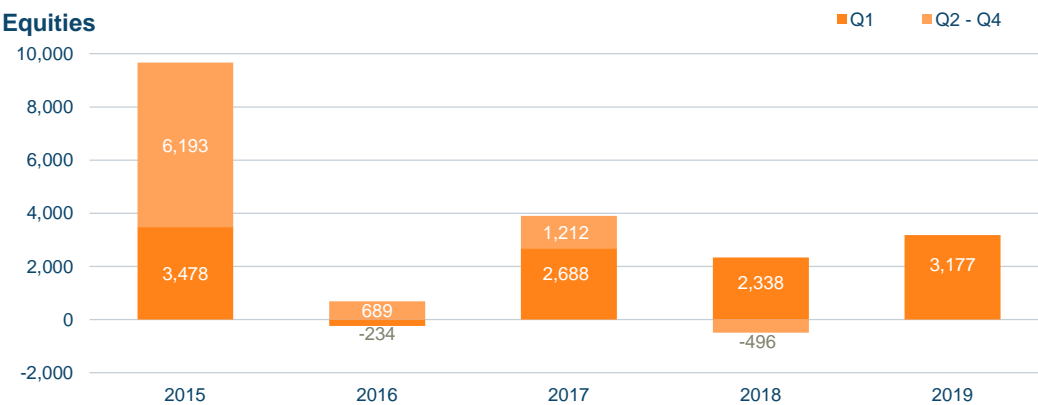
Net operating income



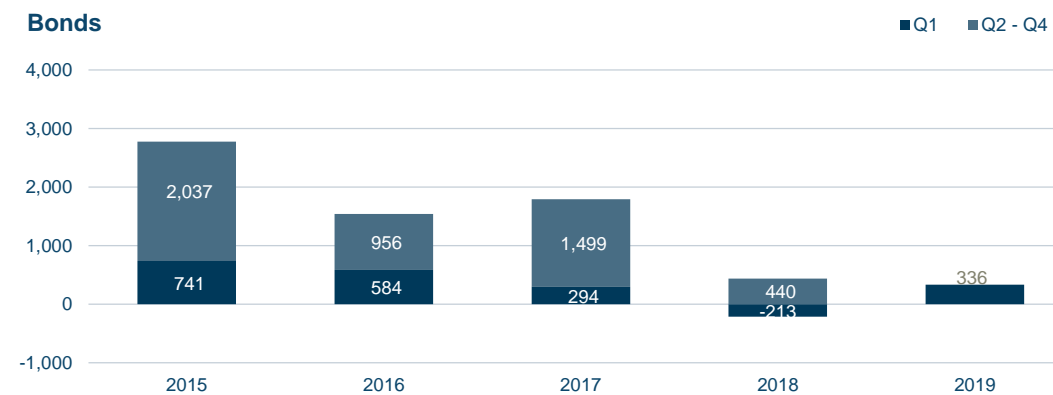
Amounts in ISKm

Net operating income

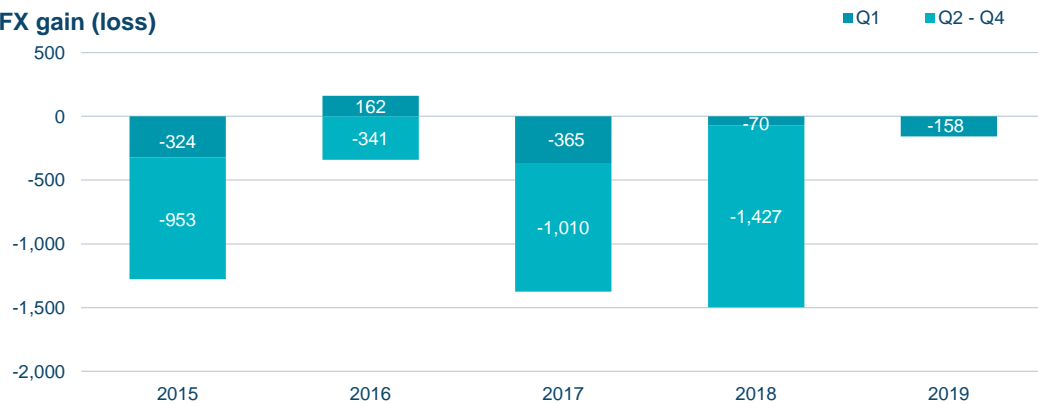
Equities



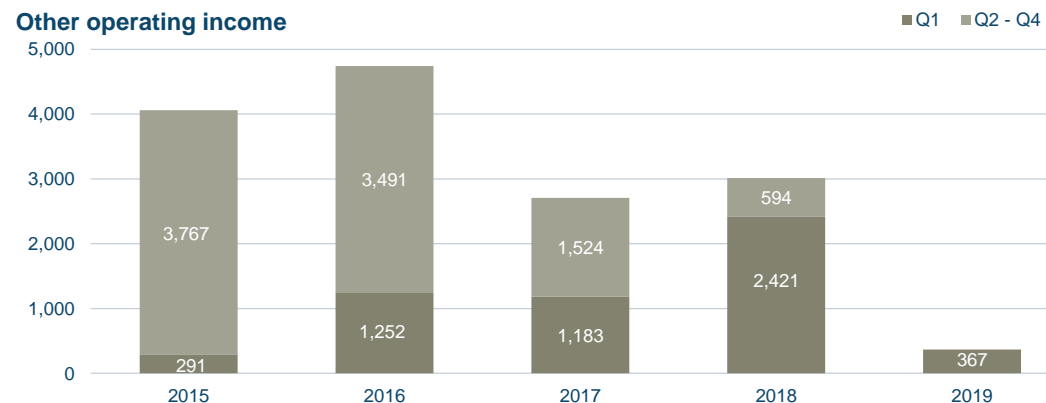
Bonds



FX gain (loss)



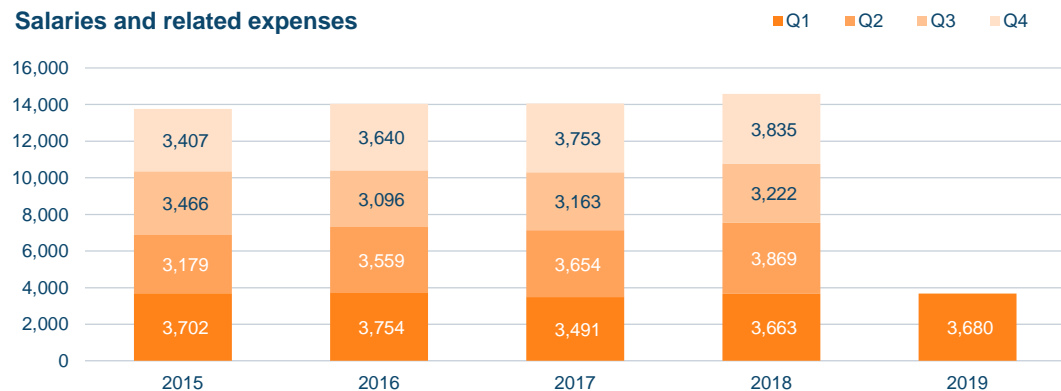
Other operating income



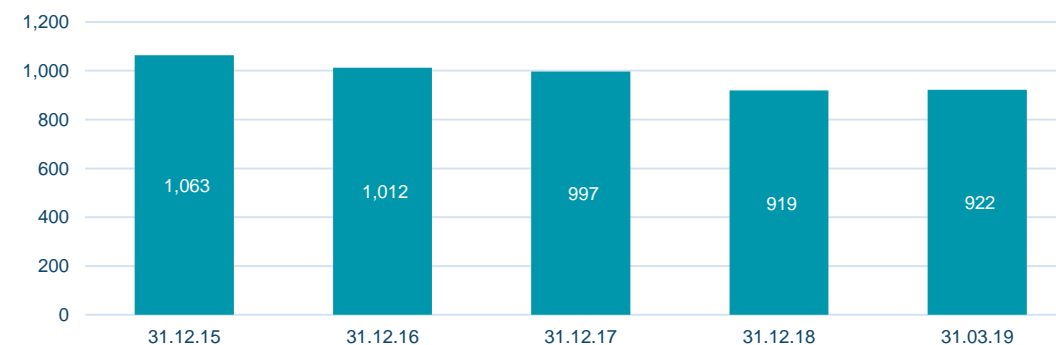
Amounts in ISKm

Operating expenses

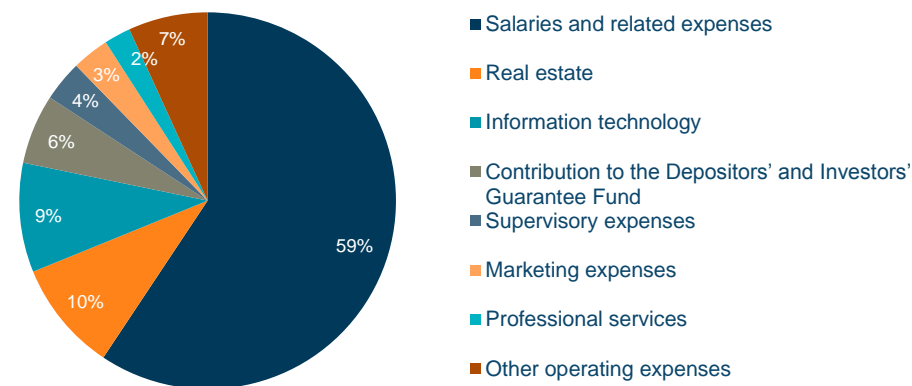
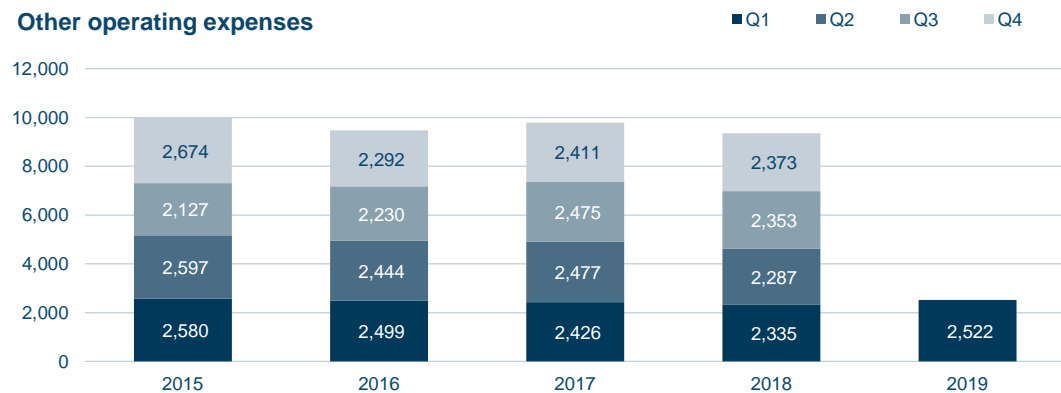
Salaries and related expenses



Full time eqv. positions



Other operating expenses



Amounts in ISKm

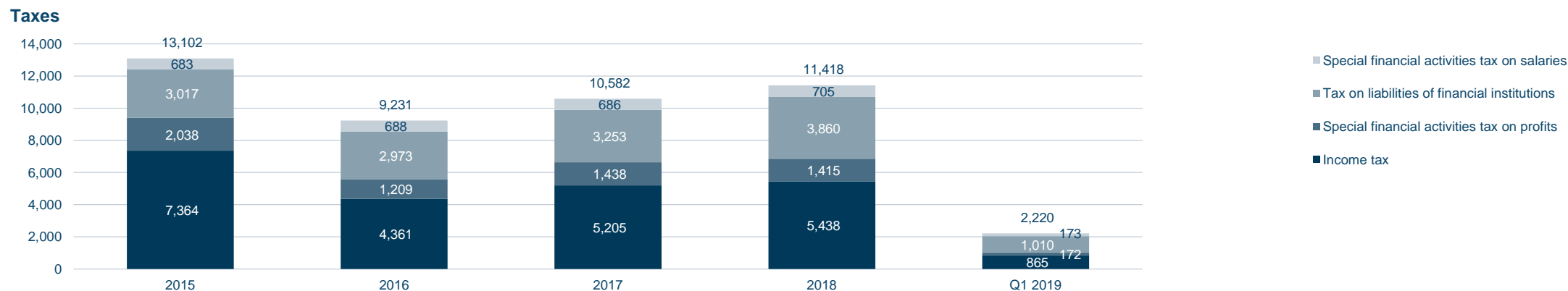
Taxes

| | Q1 2019 | Q1 2018 | Change | |
|---|--------------|--------------|-------------|-------------|
| Income tax | 865 | 1,594 | -729 | -46% |
| Special financial activities tax on profits ¹ | 172 | 298 | -126 | -42% |
| Income Tax | 1,037 | 1,892 | -855 | -45% |
| | | | | |
| Tax on liabilities of financial institutions ² | 1,010 | 840 | 170 | 20% |
| Special financial activities tax on salaries ³ | 173 | 168 | 5 | 3% |
| Total | 2,220 | 2,900 | -679 | -23% |

¹ A 6% additional tax on pre-tax profit over ISK 1 bn

² Special tax on financial institutions of 0.376% is levied of the carrying amount of total liabilities at year-end, excluding tax liabilities, in excess of ISK 50,000 million as determined for tax purposes. The special income tax on financial institutions is a non-deductible expense

³ A 5.5% tax on salaries which is expensed in the line item "Salaries and related expenses" in the income statement



Amounts in ISKm

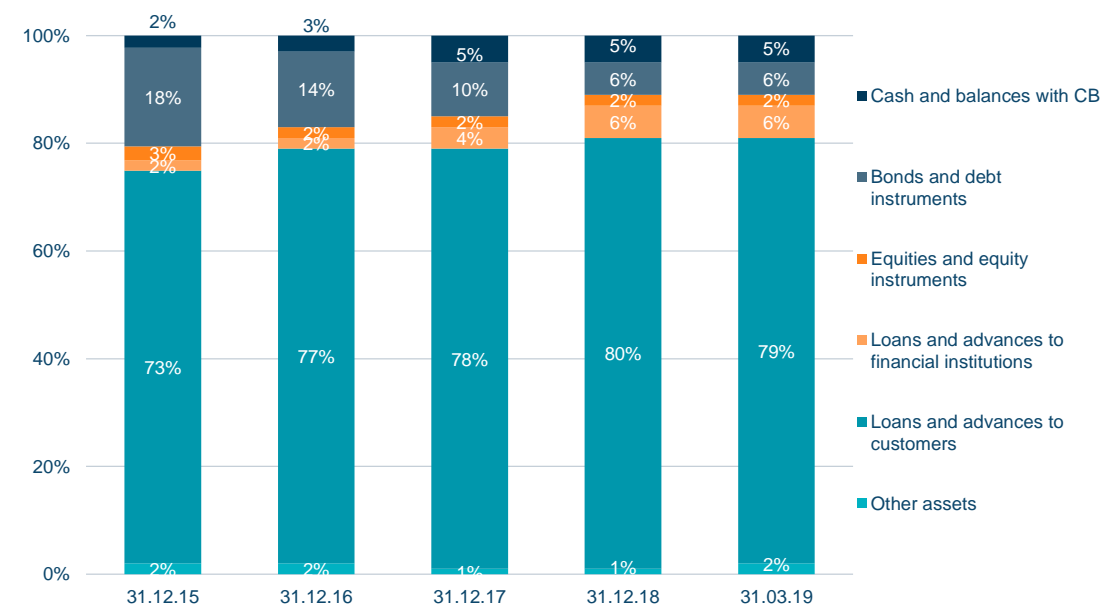
An aerial photograph of a mountain range with vibrant, multi-colored slopes in shades of green, blue, purple, and brown. A small waterfall is visible in a narrow valley. Two tiny figures of people are standing on a dark, rocky ridge in the foreground, providing a sense of scale. The text "Balance Sheet" is centered in white, flanked by two horizontal white lines.

Balance Sheet

Assets

| | 31.03.2019 | 31.12.2018 | Change | |
|--|------------------|------------------|---------------|-----------|
| Cash and balances with CB | 63,014 | 70,854 | -7,840 | -11% |
| Bonds and debt instruments | 80,954 | 77,058 | 3,896 | 5% |
| Equities and equity instruments | 25,151 | 23,547 | 1,604 | 7% |
| Loans and advances to financial institutions | 88,664 | 71,385 | 17,279 | 24% |
| Loans and advances to customers | 1,095,376 | 1,064,532 | 30,844 | 3% |
| Other assets | 24,744 | 17,335 | 7,409 | 43% |
| Assets classified as held for sale | 1,395 | 1,330 | 65 | 5% |
| Total | 1,379,298 | 1,326,041 | 53,257 | 4% |

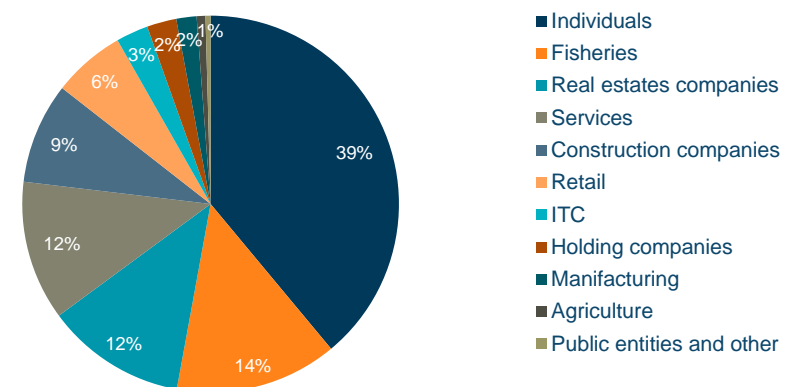
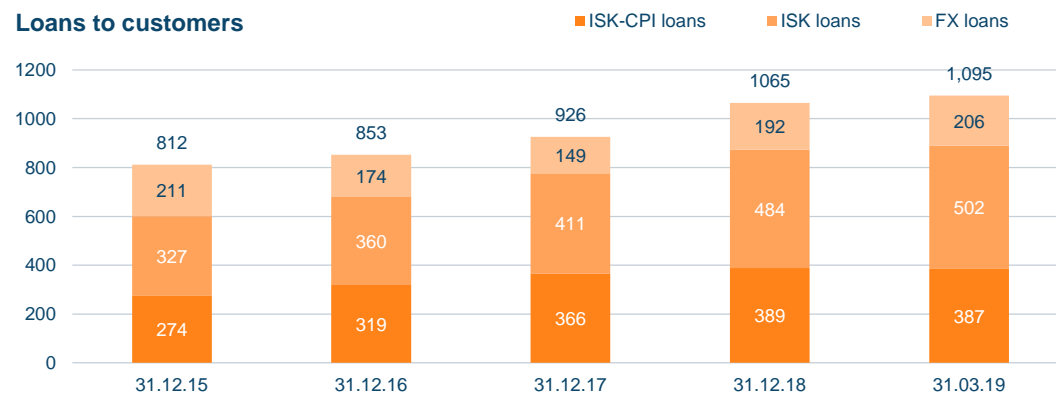
Assets



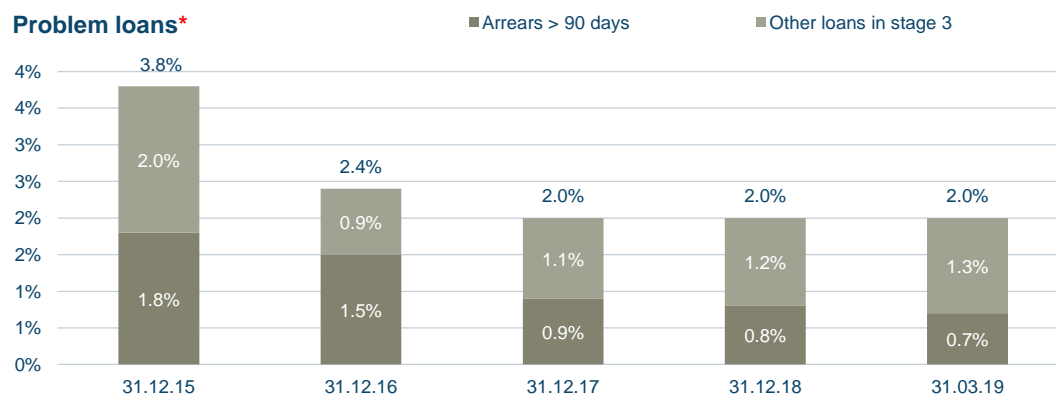
Amounts in ISKm

Loans

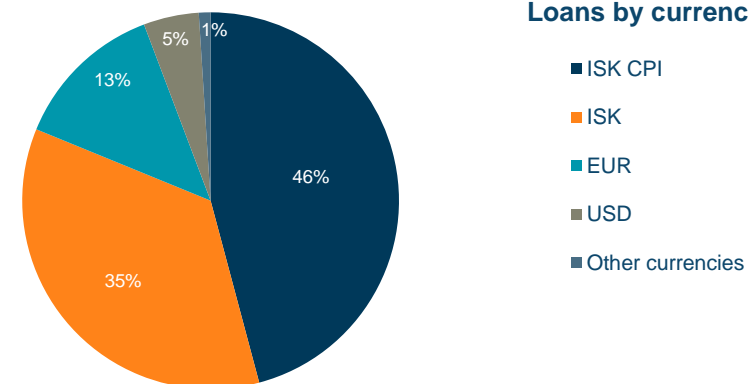
Loans to customers



Problem loans*



Loans by currencies

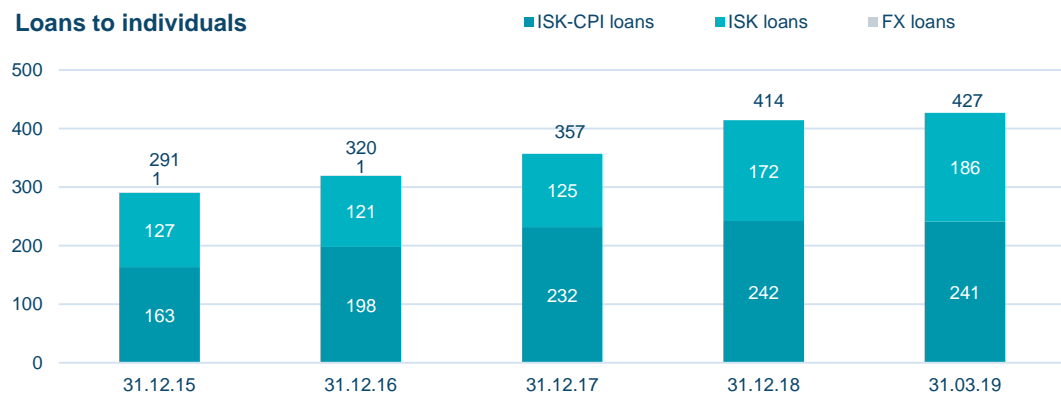


Amounts in ISKbn

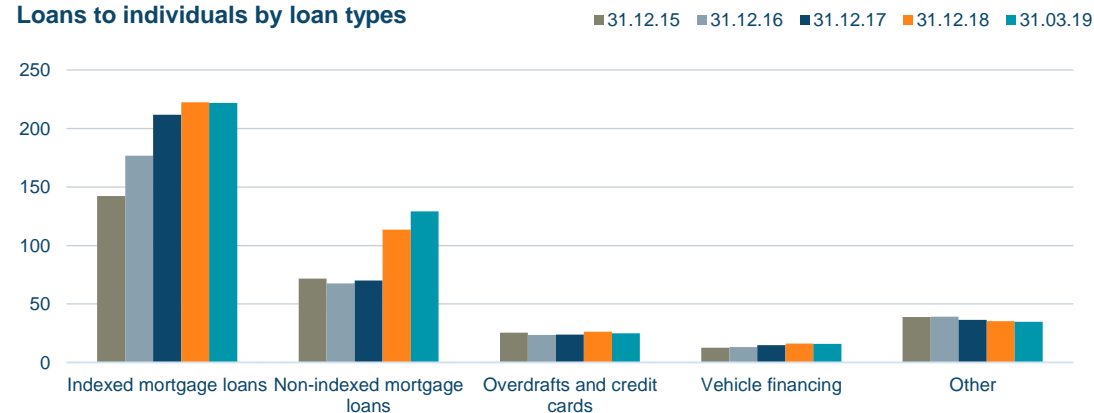
* until 31.12.2017 problem loans were defined as loans and advances with individual allowance and/or more than 90 days in arrears

Loans to individuals

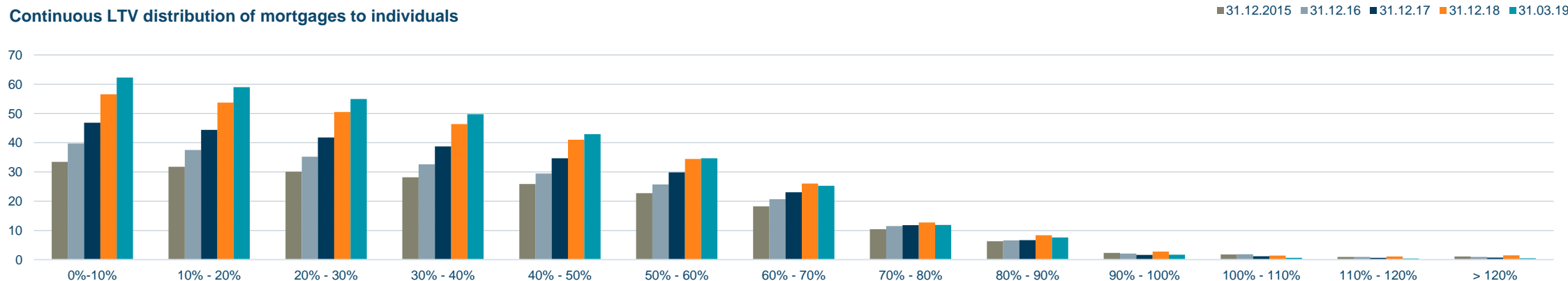
Loans to individuals



Loans to individuals by loan types



Continuous LTV distribution of mortgages to individuals

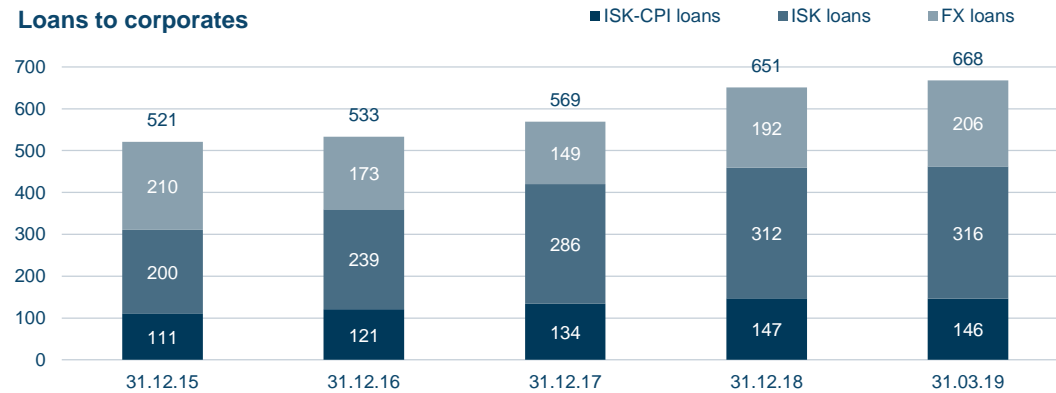


Weighted average LTV 55.6% 31.03.19
57.6% 31.12.18; 62.3% 31.12.17 and 31.12.16 ; 63.4% 31.12.15

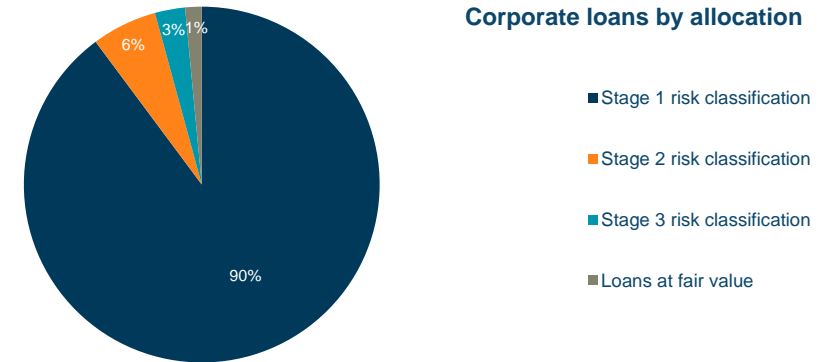
Amounts in ISKbn

Loans to corporates

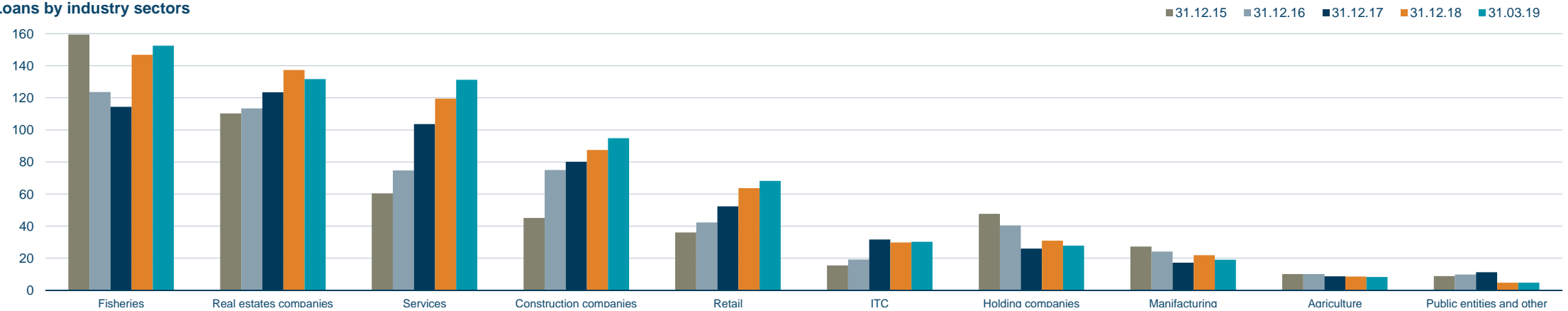
Loans to corporates



Corporate loans by allocation



Loans by industry sectors



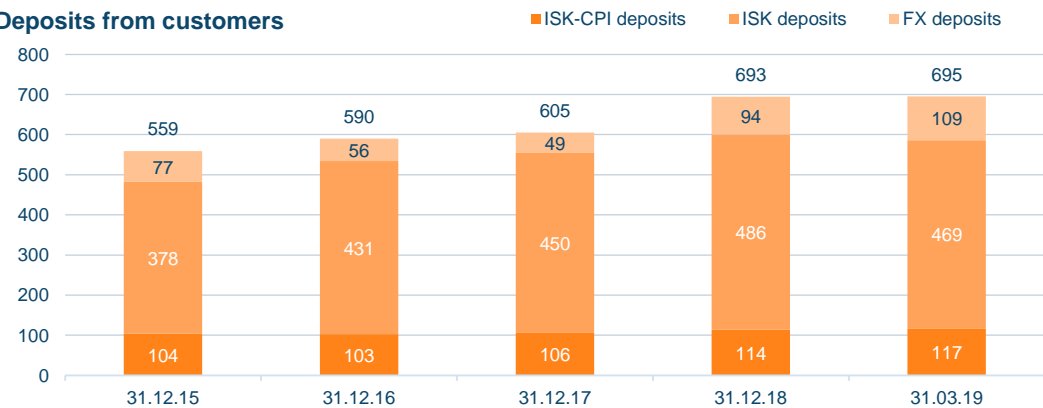
Amounts in ISKbn

Liabilities and equity

| | 31.03.2019 | 31.12.2018 | Change | |
|--------------------------------------|------------------|------------------|---------------|-----------|
| Due to financial institutions and CB | 36,636 | 34,609 | 2,027 | 6% |
| Deposits from customers | 694,820 | 693,043 | 1,777 | 0% |
| Borrowings | 351,005 | 314,412 | 36,593 | 12% |
| Other liabilities | 36,731 | 31,027 | 5,704 | 18% |
| Subordinated liabilities | 13,900 | 13,340 | 560 | 4% |
| Equity | 246,206 | 239,610 | 6,596 | 3% |
| Total | 1,379,298 | 1,326,041 | 53,257 | 4% |

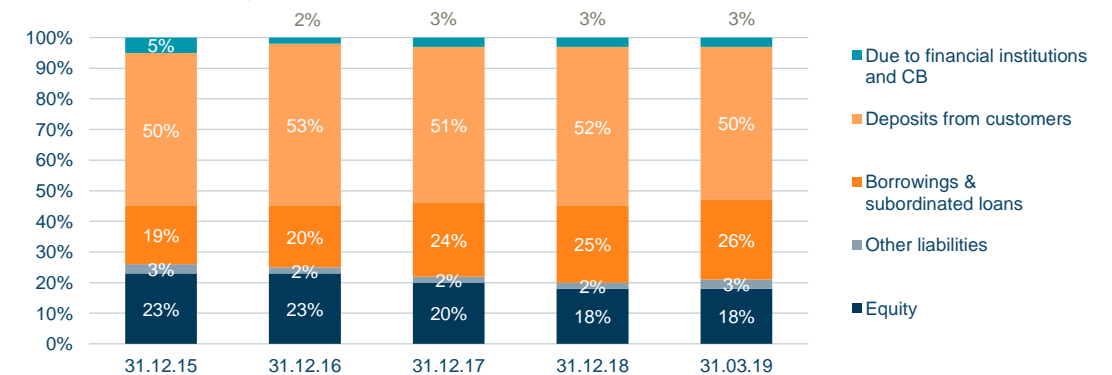
Amounts in ISKmn

Deposits from customers



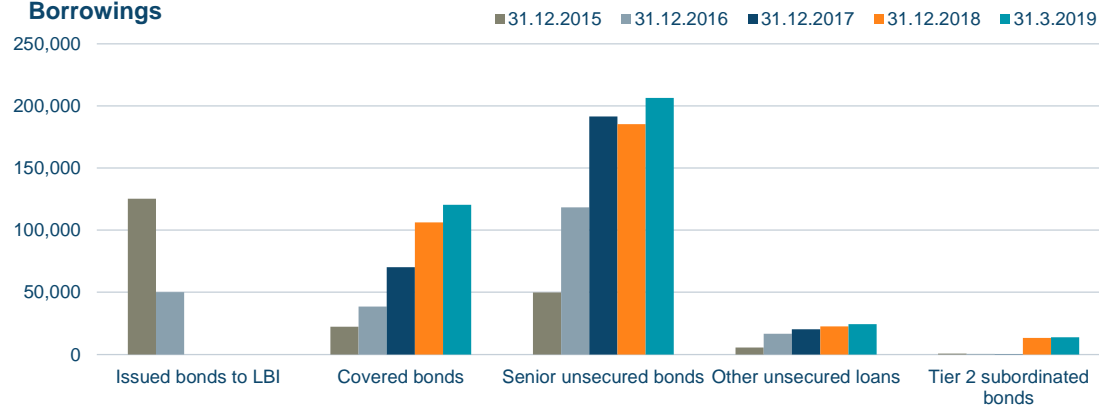
Amounts in ISKbn

Liabilities and equity

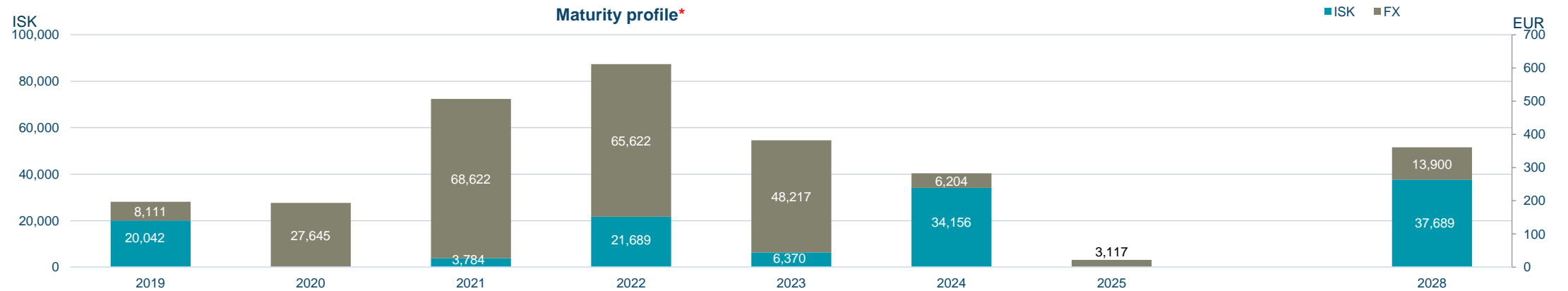
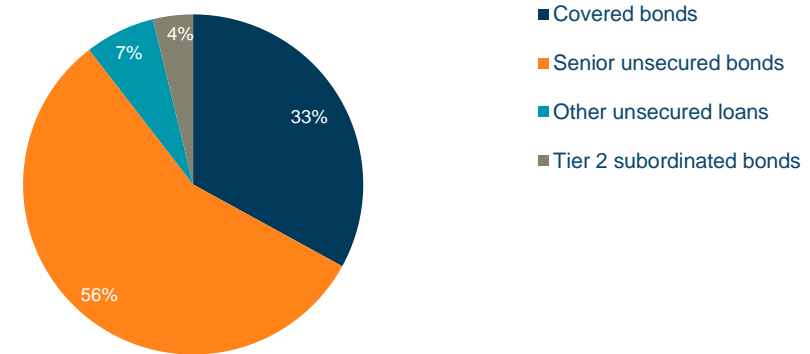


Borrowings

Borrowings



Borrowings 31.03.2019

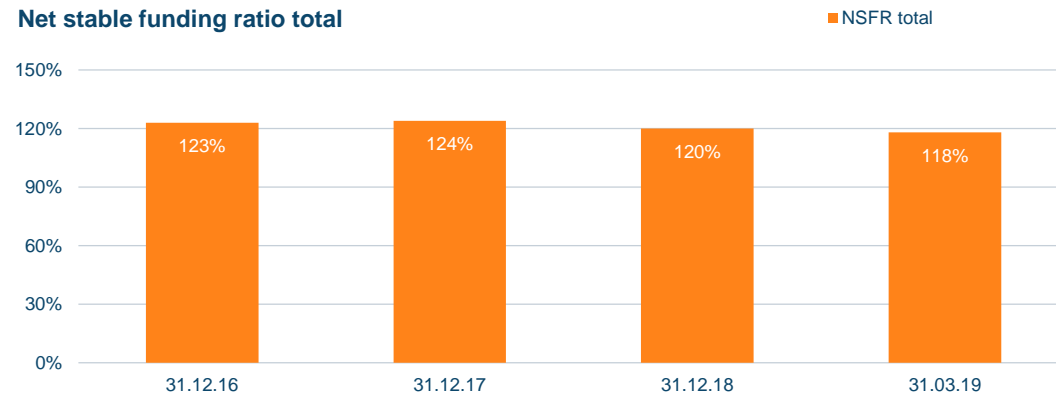


*EUR 100 million Tier 2 Subordinated bonds maturing in 2028 are callable in 2023

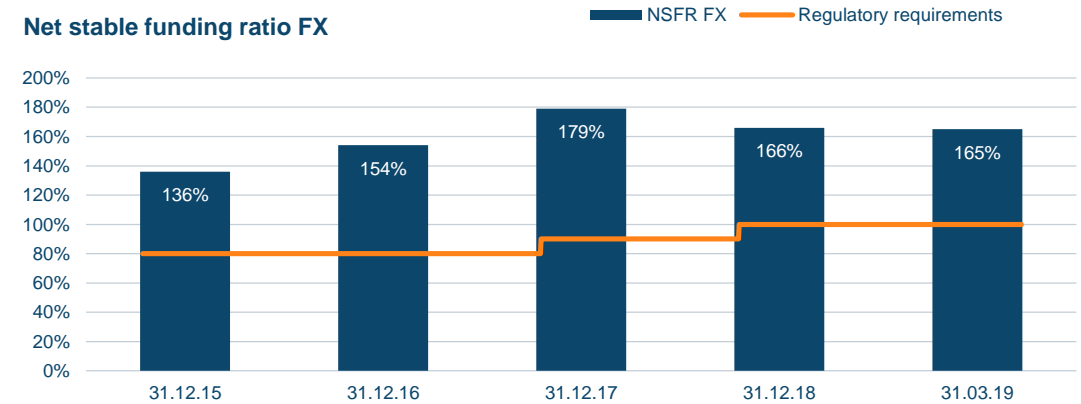
Amounts in ISKm

Net stable funding and liquidity ratios

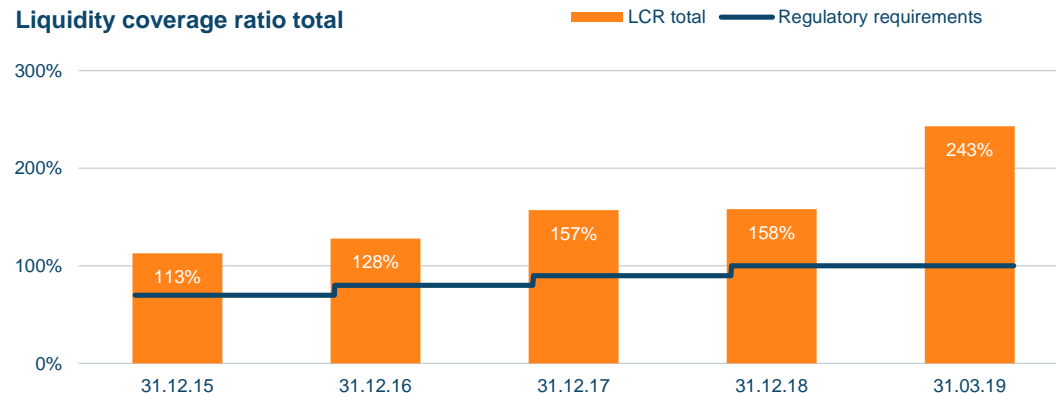
Net stable funding ratio total



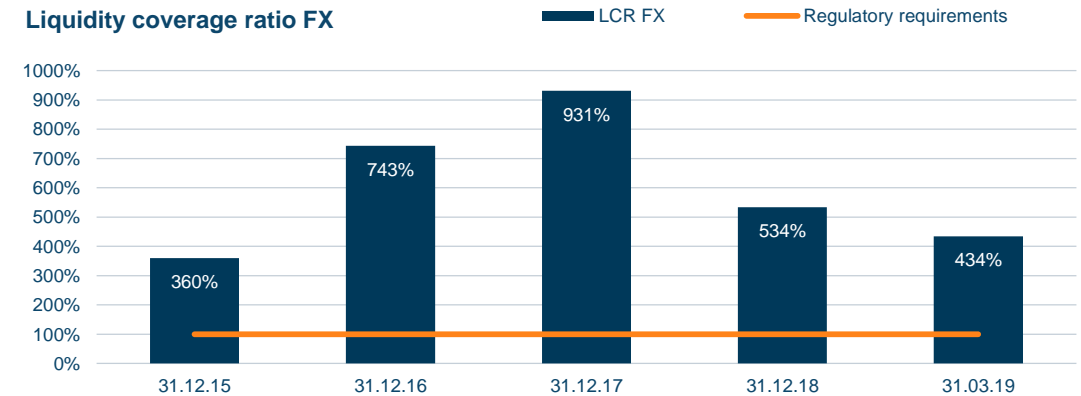
Net stable funding ratio FX



Liquidity coverage ratio total



Liquidity coverage ratio FX

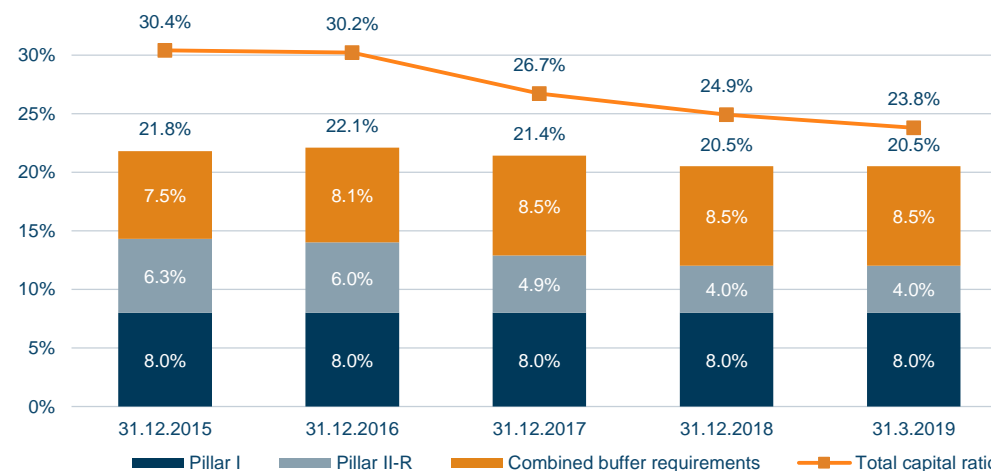


Amounts in ISKm

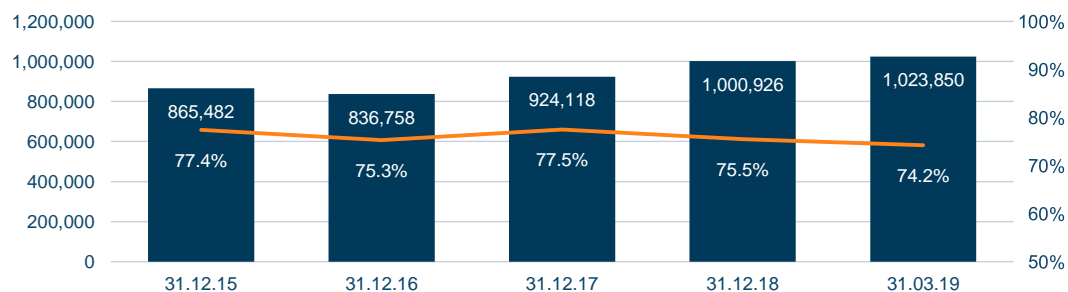
Capital requirements

| | CET1 | Tier 1 | Alls |
|---|--------------|--------------|--------------|
| Pillar I | 4.5% | 6.0% | 8.0% |
| Pillar II-R | 2.3% | 3.0% | 4.0% |
| Minimum requirements undr Pillar I and Pillar II-R | 6.8% | 9.0% | 12.0% |
| Systemic risk buffer | 2.85% | 2.85% | 2.85% |
| Capital buffer for systematically important institutions | 2.00% | 2.00% | 2.00% |
| Countercyclical capital buffer | 1.19% | 1.19% | 1.19% |
| Capital conservation buffer | 2.50% | 2.50% | 2.50% |
| Combined buffer requirements under Pillar II-G | 8.54% | 8.54% | 8.54% |
| Total capital requirements | 15.3% | 17.5% | 20.5% |
| Total capital ratio 31.03.19 | 22.4% | 22.4% | 23.8% |

Total capital requirements as defined by FME



Risk exposure amount



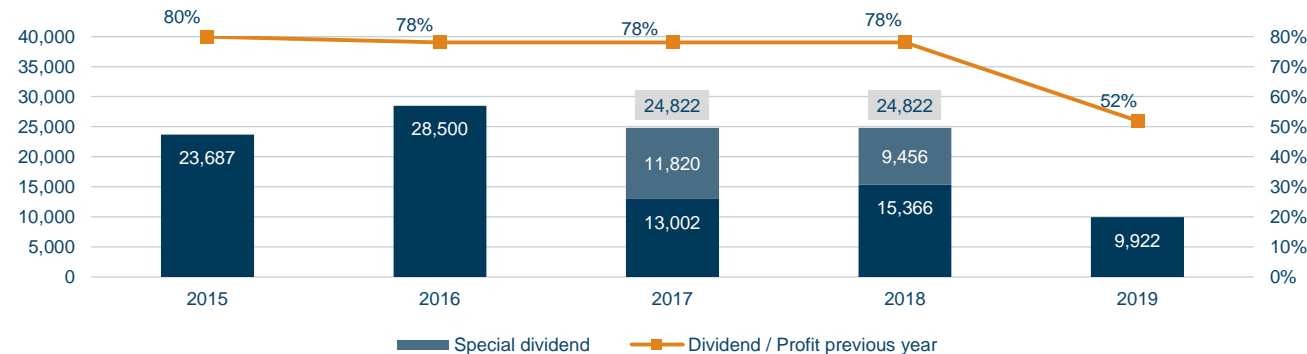
Amounts in ISKm

■ Risk exposure amount — REA / total assets

- The Group uses the Standardized Approach in measuring Pillar I capital requirements for credit risk and market risk. For operational risk it uses the Basic Indicator Approach.
- The countercyclical capital buffer on domestic exposures will increase in two stages in the coming months, by a total of 0.75%:
 - On 15 May 2019, by 0.5 percentage points, from 1.25% to 1.75%.
 - On 1 February 2020, by 0.25 percentage points, from 1.75% to 2%.

Dividend payments and capital base

Dividend payments



Dividend payments for 2019

- Regular dividend of ISK 0.42 per share
 - The total amount is ISK 9,922 m.
 - This is equivalent to 52% of previous year's profit.
 - Paid in two equal instalments in April and October 2019
- The above dividend proposal was approved by the AGM of Landsbankinn on 4 April 2019.
 - The dividend payment leads to a decrease in Landsbankinn's equity in Q2 2019.

Total Capital Ratio, change Q1 2019



Capital base

- Landsbankinn includes reviewed interim profits in the Group's common equity tier 1 capital (CET 1), but deducts the following items:
 - Approved dividend
 - Foreseeable dividend
- Foreseeable dividend at the end of the period equals 50% of the interim profits, which is in accordance with the Bank's dividend policy.

Amounts in ISKm



Annex - further information

Key financial ratios

| | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | 2018 | 2017 | 2016 | 2015 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Profit after taxes | 6,784 | 3,867 | 3,780 | 3,511 | 8,102 | 19,260 | 19,766 | 16,643 | 36,460 |
| Return on equity before taxes | 14.5% | 11.2% | 11.1% | 10.5% | 18.3% | 12.8% | 12.3% | 9.9% | 19.9% |
| Return on equity after taxes | 11.2% | 6.5% | 6.5% | 6.1% | 13.7% | 8.2% | 8.2% | 6.6% | 14.8% |
| After tax return on average assets | 2.0% | 1.2% | 1.2% | 1.1% | 2.7% | 1.5% | 1.7% | 1.5% | 3.2% |
| Total capital ratio | 23.8% | 24.9% | 24.8% | 24.1% | 24.7% | 24.9% | 26.7% | 30.2% | 30.4% |
| Net interest income | 10,245 | 10,968 | 10,370 | 9,835 | 9,641 | 40,814 | 36,271 | 34,650 | 32,324 |
| Interest spread as a ratio of assets and liabilities | 2.5% | 2.8% | 2.7% | 2.7% | 2.7% | 2.7% | 2.5% | 2.3% | 2.2% |
| Cost-income ratio | 38.7% | 47.3% | 45.9% | 53.6% | 37.9% | 45.5% | 46.1% | 48.4% | 43.8% |
| Net stable funding ratio NSFR total | 118% | 120% | 120% | 119% | 120% | 119% | 124% | 123% | |
| Net stable funding ratio NSFR FX | 165% | 166% | 168% | 165% | 168% | 166% | 179% | 154% | 1.36 |
| Liquidity ratio LCR total | 243% | 158% | 154% | 164% | 171% | 158% | 157% | 128% | 113% |
| Liquidity LCR FX | 434% | 534% | 392% | 743% | 751% | 534% | 931% | 743% | 360% |
| Operating expenses as a ratio of average total assets | 1.8% | 1.9% | 1.7% | 2.0% | 2.0% | 1.9% | 2.0% | 2.1% | 2.1% |
| Total assets | 1,379,298 | 1,326,041 | 1,317,205 | 1,249,853 | 1,206,148 | 1,326,041 | 1,192,870 | 1,111,157 | 1,118,658 |
| Loans / deposits ratio | 157.6% | 153.6% | 149.9% | 151.1% | 150.6% | 153.6% | 153.0% | 144.7% | 145.2% |
| Full-time eqv.positions | 922 | 919 | 948 | 955 | 998 | 919 | 997 | 1,012 | 1,063 |

Amounts in ISKm

Operations

| | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net interest income | 10,245 | 10,968 | 10,370 | 9,835 | 9,641 | 40,814 | 36,271 | 34,650 | 32,324 |
| Net valuation adjustments | -994 | -286 | -89 | 703 | 1,024 | 1,352 | 1,785 | -318 | 18,216 |
| Net interest income after valuation adjustments | 9,251 | 10,682 | 10,281 | 10,538 | 10,665 | 42,166 | 38,056 | 34,332 | 50,540 |
| Net fee commission income | 2,060 | 2,355 | 1,926 | 2,185 | 1,691 | 8,157 | 8,431 | 7,809 | 6,841 |
| Net foreign exchange gain (loss) | -158 | -676 | -352 | -399 | -70 | -1,497 | -1,375 | -179 | -1,277 |
| Other net operating income | 3,880 | 479 | 197 | -138 | 4,547 | 5,084 | 8,400 | 6,738 | 16,507 |
| Total operating income | 15,033 | 12,840 | 12,052 | 12,186 | 16,832 | 53,910 | 53,512 | 48,700 | 72,611 |
| Salaries and related expenses | 3,680 | 3,835 | 3,222 | 3,869 | 3,663 | 14,589 | 14,061 | 14,049 | 13,754 |
| Other operating expenses | 2,522 | 2,373 | 2,353 | 2,287 | 2,335 | 9,348 | 9,789 | 9,465 | 9,978 |
| Total operating expenses | 6,202 | 6,208 | 5,575 | 6,156 | 5,998 | 23,937 | 23,850 | 23,514 | 23,732 |
| Profit before tax | 8,831 | 6,632 | 6,477 | 6,030 | 10,834 | 29,973 | 29,662 | 25,186 | 48,879 |
| Income tax expense | 2,047 | 2,765 | 2,697 | 2,519 | 2,732 | 10,713 | 9,896 | 8,543 | 12,419 |
| Profit for the period | 6,784 | 3,867 | 3,780 | 3,511 | 8,102 | 19,260 | 19,766 | 16,643 | 36,460 |

Amounts in ISKm

Balance Sheet

| | 31.3.2019 | 31.12.2018 | Change | | 31.12.2017 | 31.12.2016 | 31.12.2015 |
|--|------------------|------------------|---------------|-----------|------------------|------------------|------------------|
| Cash and balances with CB | 63,014 | 70,854 | -7,840 | -11% | 55,192 | 30,662 | 25,164 |
| Bonds and debt instruments | 80,954 | 77,058 | 3,896 | 5% | 117,310 | 154,892 | 203,684 |
| Equities and equity instruments | 25,151 | 23,547 | 1,604 | 7% | 27,980 | 26,688 | 29,192 |
| Loans and advances to fin institutions | 88,664 | 71,385 | 17,279 | 24% | 44,866 | 20,408 | 20,791 |
| Loans and advances to customers | 1,095,376 | 1,064,532 | 30,844 | 3% | 925,636 | 853,417 | 811,549 |
| Other assets | 24,744 | 17,335 | 7,409 | 43% | 18,238 | 17,641 | 16,323 |
| Assets classified as held for sale | 1,395 | 1,330 | 65 | 5% | 3,648 | 7,449 | 11,955 |
| Total | 1,379,298 | 1,326,041 | 53,257 | 4% | 1,192,870 | 1,111,157 | 1,118,658 |
| Due to financial institutions and CB | 36,636 | 34,609 | 2,027 | 6% | 32,062 | 20,093 | 56,731 |
| Deposits from customers | 694,820 | 693,043 | 1,777 | 0% | 605,158 | 589,725 | 559,051 |
| Borrowings | 351,005 | 314,412 | 36,593 | 12% | 281,874 | 223,944 | 209,344 |
| Other liabilities | 36,701 | 30,997 | 5,704 | 18% | 27,615 | 24,681 | 26,844 |
| Liabilities associated with assets classified as held for sale | 30 | 30 | 0 | 0% | 27 | 1,095 | 1,518 |
| Subordinated liabilities | 13,900 | 13,340 | 560 | 4% | 77.150217 | 388 | 639 |
| Equity | 246,206 | 239,610 | 6,596 | 3% | 246,057 | 251,231 | 264,531 |
| Total | 1,379,298 | 1,326,041 | 53,257 | 4% | 1,192,870 | 1,111,157 | 1,118,658 |

Amounts in ISKm

Segments

| Q1 2019 | Personal banking | Corporate Banking | Markets | Treasury | Support functions | Reconciliation | Total |
|--|------------------|-------------------|--------------|--------------|-------------------|----------------|---------------|
| Net interest income (expense) | 4,017 | 4,765 | 196 | 1,340 | -14 | -59 | 10,245 |
| Net valuation adjustments | -224 | -768 | -1 | -1 | 0 | 0 | -994 |
| Net fee and commission income (expense) | 980 | 182 | 959 | -111 | 116 | -66 | 2,060 |
| Other net operating income (expense) | 297 | 61 | 45 | 3,214 | 135 | -30 | 3,722 |
| Total operating income (expense) | 5,070 | 4,240 | 1,199 | 4,442 | 237 | -155 | 15,033 |
| Operating expenses | -1,555 | -534 | -604 | -512 | -3,068 | 71 | -6,202 |
| Cost allocated from support functions to business segments | -1,157 | -693 | -374 | -216 | 2,440 | 0 | 0 |
| Profit (loss) before tax | 2,358 | 3,013 | 221 | 3,714 | -391 | -84 | 8,831 |
| | | | | | | | |
| 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 |

Amounts in ISKm

Landsbankinn's successes

First to join Nordic collaboration



Nordic Financial CERT

Landsbankinn is the first Icelandic bank to become a member of this Nordic collaboration to boost cyber security.

Best CSR report



Festa, Stjórnvísir and the Icelandic Chamber of Commerce have selected Landsbankinn's Report on Social Responsibility as the best CSR report of 2018.

Principles for Responsible Banking



Landsbankinn has decided to endorse UNEP FI's new Principles for Responsible Banking.

Good governance



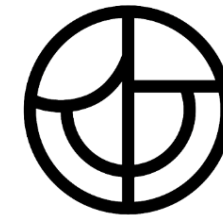
Landsbankinn was recognised as a model of good corporate governance in 2015, 2016, 2017, 2018 and 2019.

PRI



Landsbankinn is a member of the United Nations Principles for Responsible Investment (UNPRI)

Equal pay certification



Landsbankinn received equal pay certification in April 2019. The certification confirms that the bank's remuneration system complies with the Equal Pay Standard (IST 85:2012).