



H1 2020 Results

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Highlights – Income statement Q2 2020

Highlights of Q2 2020

- The Bank's after-tax profit in Q2 of 2020 amounted to ISK 0.3 bn, as compared with a profit of ISK 4.3 bn for the same period of 2019.
- The Bank's net interest income was ISK 9.5 bn, as compared with ISK 10.2 bn in Q2 2019.
- Impairment on loans was negative by ISK 8.2 bn in the second quarter of 2020, compared with negative ISK 1.4 bn for the same period last year. The increase is attributed to deteriorating credit ratings of the Bank's corporate customers, mostly travel industry.
- The latest baseline economic forecast of Landsbankinn Economic Research (LER) projects 8.7% contraction in GDP in 2020. LER baseline forecast from 2019 assumed 2% economic growth in 2020.
- Net commission income for the period amounted to ISK 1.7 bn as compared with ISK 2.1 bn during the same period the previous year.
- Operating cost was ISK 6.4 bn, as compared with ISK 7.1 bn in Q2 2019.
- Return on equity (ROE) after taxes was 0.6% in Q2 2020 as compared with an ROE of 7.1% for the same period in 2019.
- The cost-income ratio during the second quarter of the year was 42.7%, as compared with 42.3% for the same time last year.

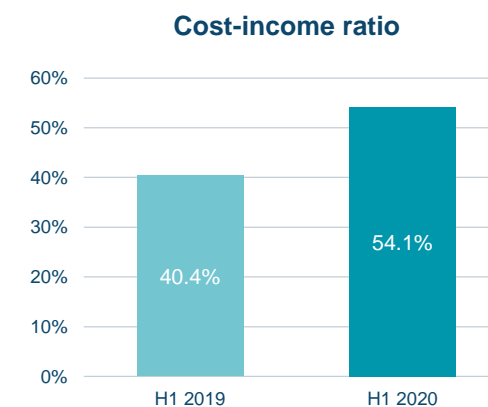
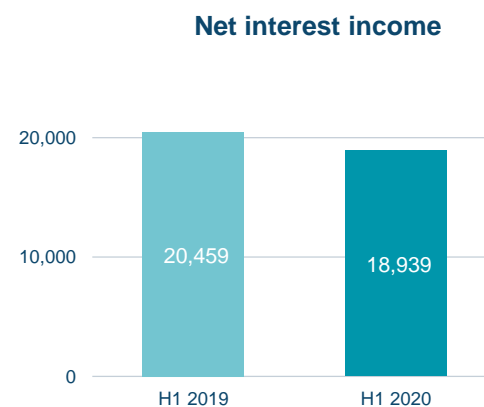
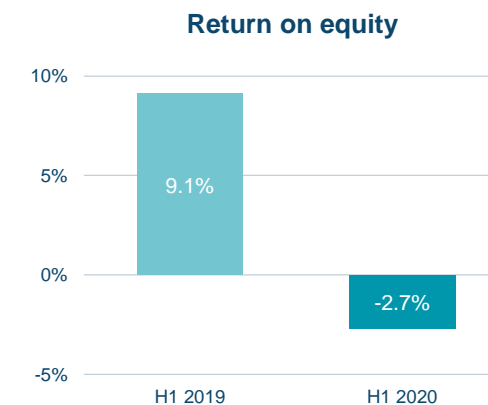
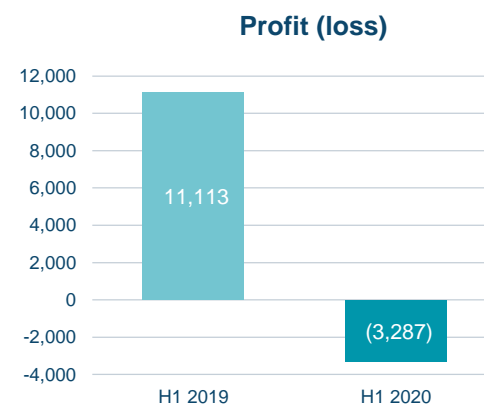


Amounts in ISKm

Highlights – Income statement H1 2020

Highlights of H1 2020

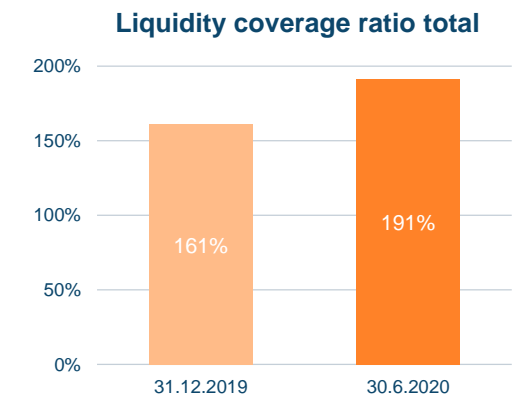
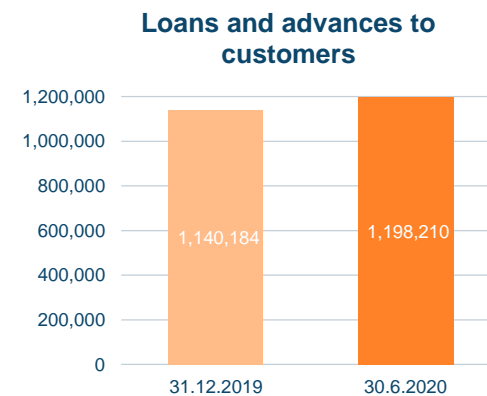
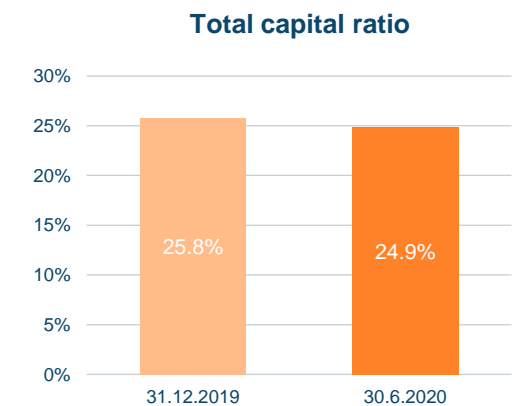
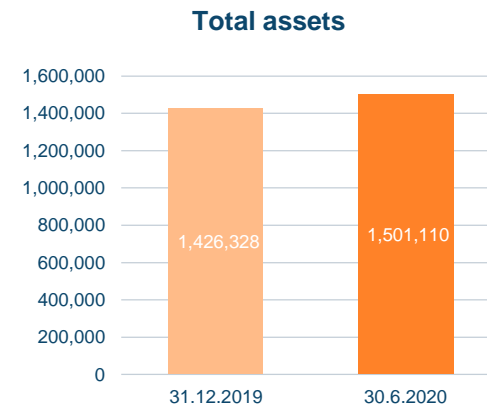
- The Bank's after-tax losses in H1 of 2020 amounted to ISK 3.3 bn, as compared with a profit of ISK 11.1 bn for the same period of 2019.
- The Bank's net interest income was ISK 18.9 bn, as compared with ISK 20.5 bn in H1 2019.
- Impairment on loans was negative by ISK 13.4 bn in the first half of 2020, compared with negative ISK 2.4 billion for the same period last year. Expected credit losses (ECL) in Stages 1 and 2 amounted to ISK 14 billion at the end of June 2020 and have increased significantly since the beginning of the year, or by ISK 9.6 bn.
- The assessment of ECL at the end of the first half of 2020 is based on updated and probability-weighted economic scenarios of the of Landsbankinn Economic Research (LER). The effect of changed economic scenarios accounts for an ECL increase of ISK 6.6 billion in the first half of the year.
- Net commission income for the period amounted to ISK 3.6 bn as compared with ISK 4.1 bn during the same period the previous year.
- Operating cost was ISK 13.2 bn, as compared with ISK 14.3 bn in H1 2019.
- Return on equity (ROE) after taxes was -2.7% in H1 2020 as compared with an ROE of 9.1% for the same period in 2019.
- The cost-income ratio during the first six months of the year was 54.1%, as compared with 40.4% for the same time last year.



Amounts in ISKm

Highlights – Balance sheet

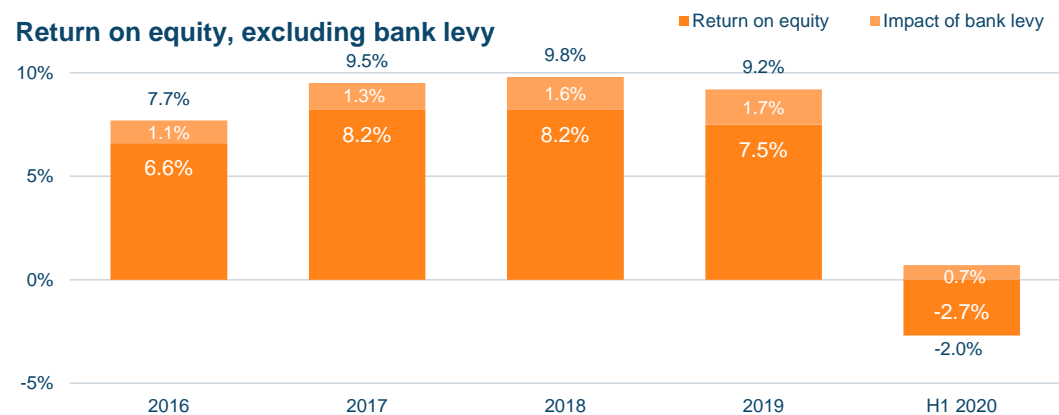
- Total assets amounted to ISK 1,501 bn at the end of June 2020.
- Lending increased by ISK 58 bn from the beginning of the year and the increase is largely attributable to revaluations, or ISK 30 bn. Lending to corporates increased by ISK 22 bn and lending to households by ISK 36 bn, thereof an increase of ISK 44 bn in non-indexed mortgages.
- Landsbankinn's equity was ISK 244.4 bn at the end of June 2020, decreasing by 3.3 bn since the beginning of the year.
- The total capital ratio is now 24.9%, down from 25.8% at year-end 2019, and well above FSA Iceland's requirement of 18.8%.
- The Bank's liquidity coverage ratio (LCR) was 191% at the end of June 2020 as compared with 161% at year-end 2019 and well above regulatory requirements.



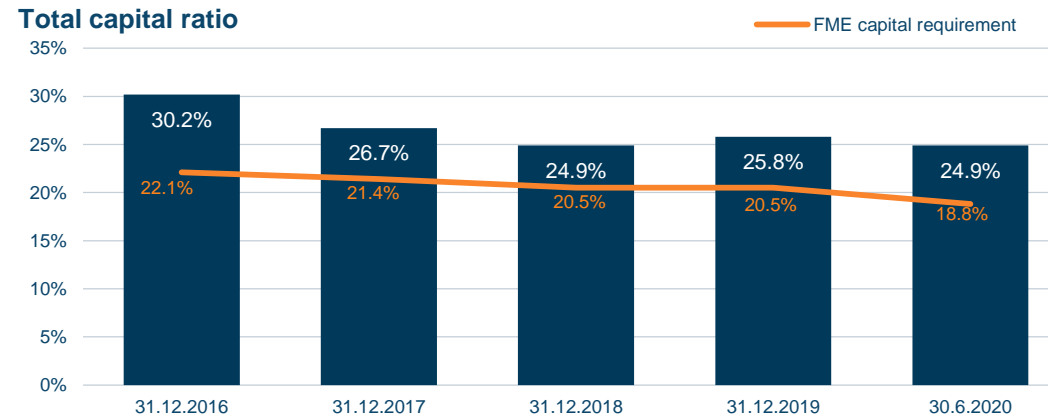
Amounts in ISKm

Development of KPIs

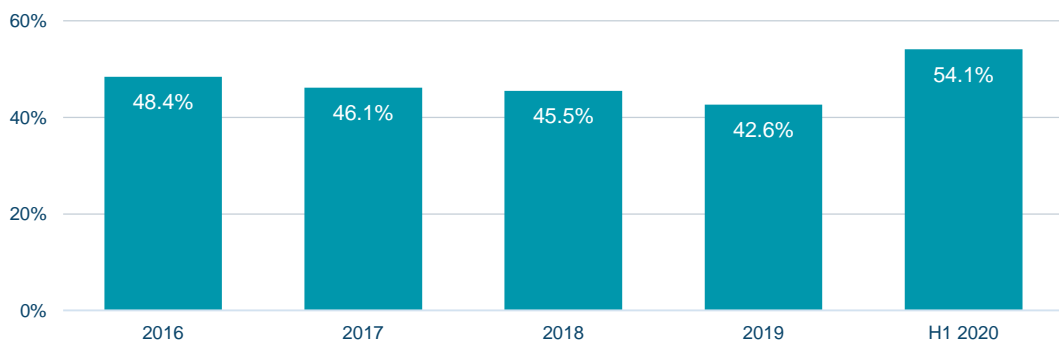
Return on equity, excluding bank levy



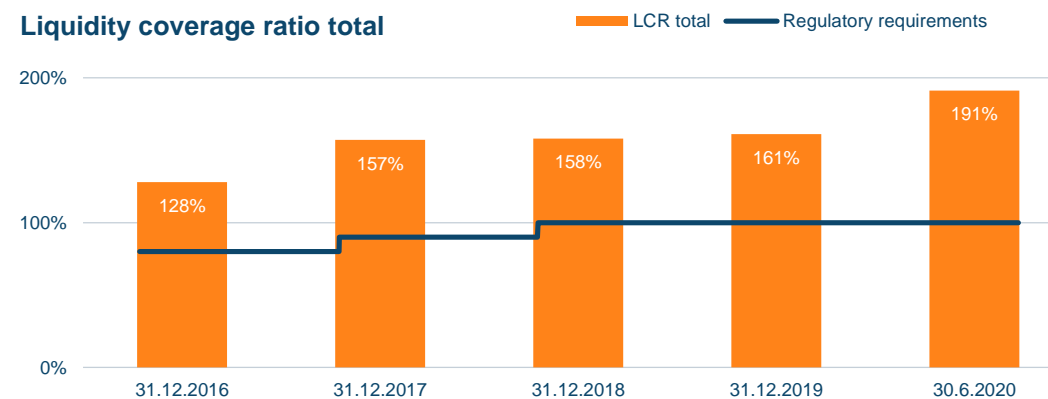
Total capital ratio



Cost-income ratio



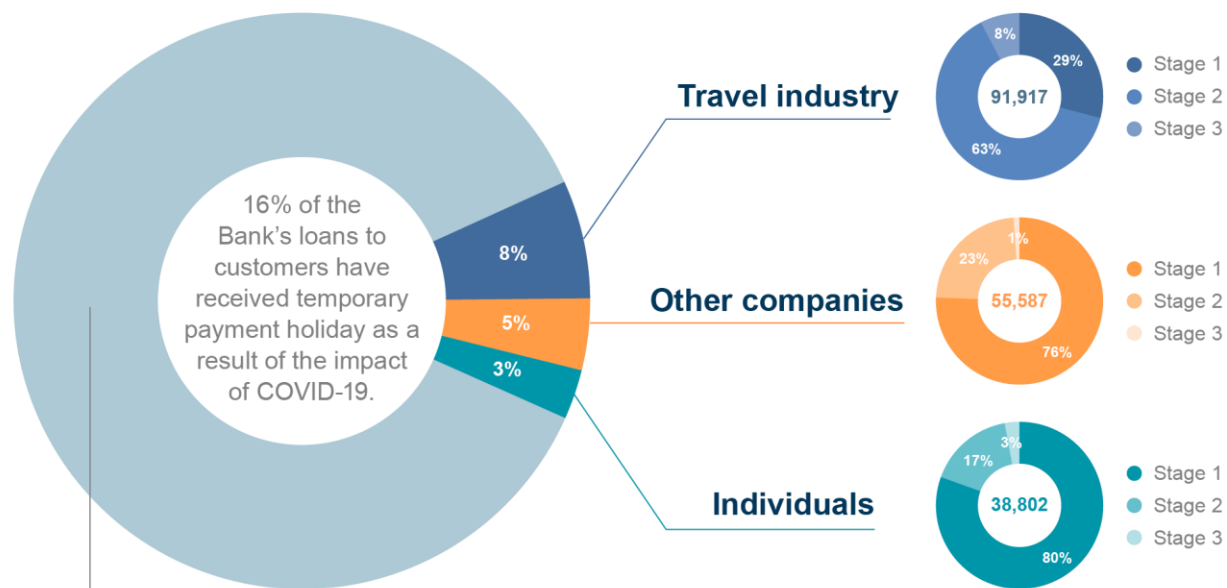
Liquidity coverage ratio total



Impact of COVID-19

The Bank's loan portfolio

Carrying amount 1,198,210



84% of the Bank's loans to customers have not received temporary payment holiday as a result of the impact of COVID-19

Stage 1 – No significant increase in credit risk. Loans whose credit risk has not increased significantly shall be Stage 1 and the loss allowance measured as the 12-month ECL.

Stage 2 – Significant increase in credit risk. Loans whose credit risk has increased significantly since initial recognition but that are not credit-impaired shall be Stage 2.

Stage 3 – Credit-impaired. Loans where the obligor is in default or otherwise impaired shall be Stage 3 and the loss allowance measured as the lifetime ECL.

Base case scenario

	2019	2020*	2021*
GDP growth	1.9%	-8.7%	4.9%
Unemployment rate	3.6%	9.1%	7.0%
Base rate	3.0%	0.5%	0.75%
Inflation	3.0%	2.7%	2.80%
EURISK exchange rate, average	135.7	158	155
Housing prices index, y/y change	3.6%	2.0%	3.0%

*Landsbankinn's economic research forecast.

Growth in Mortgage lending

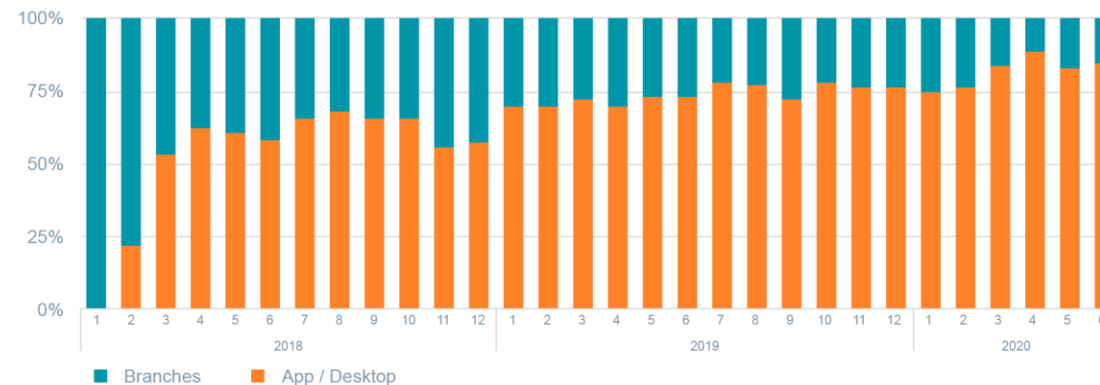
3,963

Number of homes financed by Landsbankinn in the first six months of 2020.

5 minutes

It only takes 5 minutes to do your credit assessment online

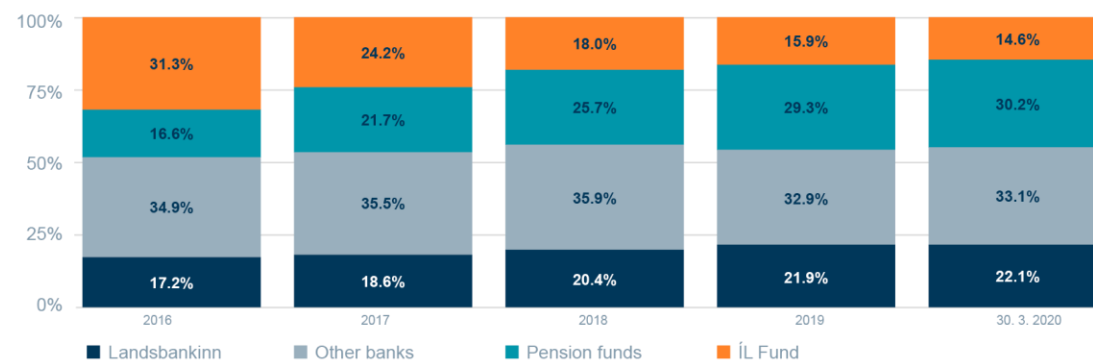
Credit assessment for mortgages



Available housing loans

Loan type	Maximum maturity	Interest rate	Loan to value	Maximum amount	Prepayment fee
Primary loan	Non-indexed / 40y	Variable or fixed for 3 to 5 years	Up to 70%	ISK 60 million	Up to 1%, for fixed rate loans
	CPI indexed / 30y	Variable or fixed for 5 years			
Supplementary loan	Non-indexed / 15y	Variable or fixed for 3 to 5 years	70–85%	No	Up to 1%, for fixed rate loans

Market share – mortgages

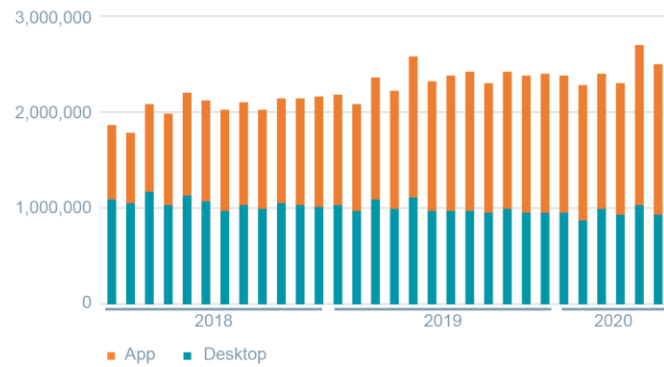


Source: Central Bank of Iceland

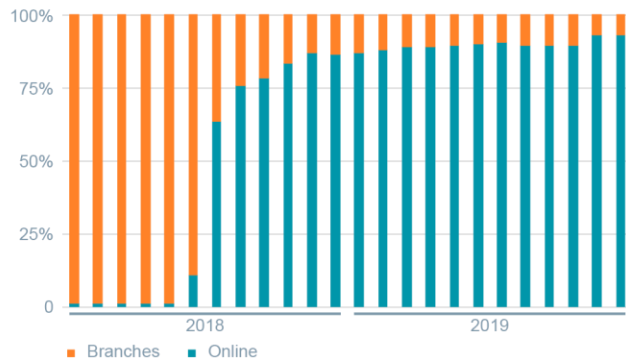


Excellent Self Service Ratio

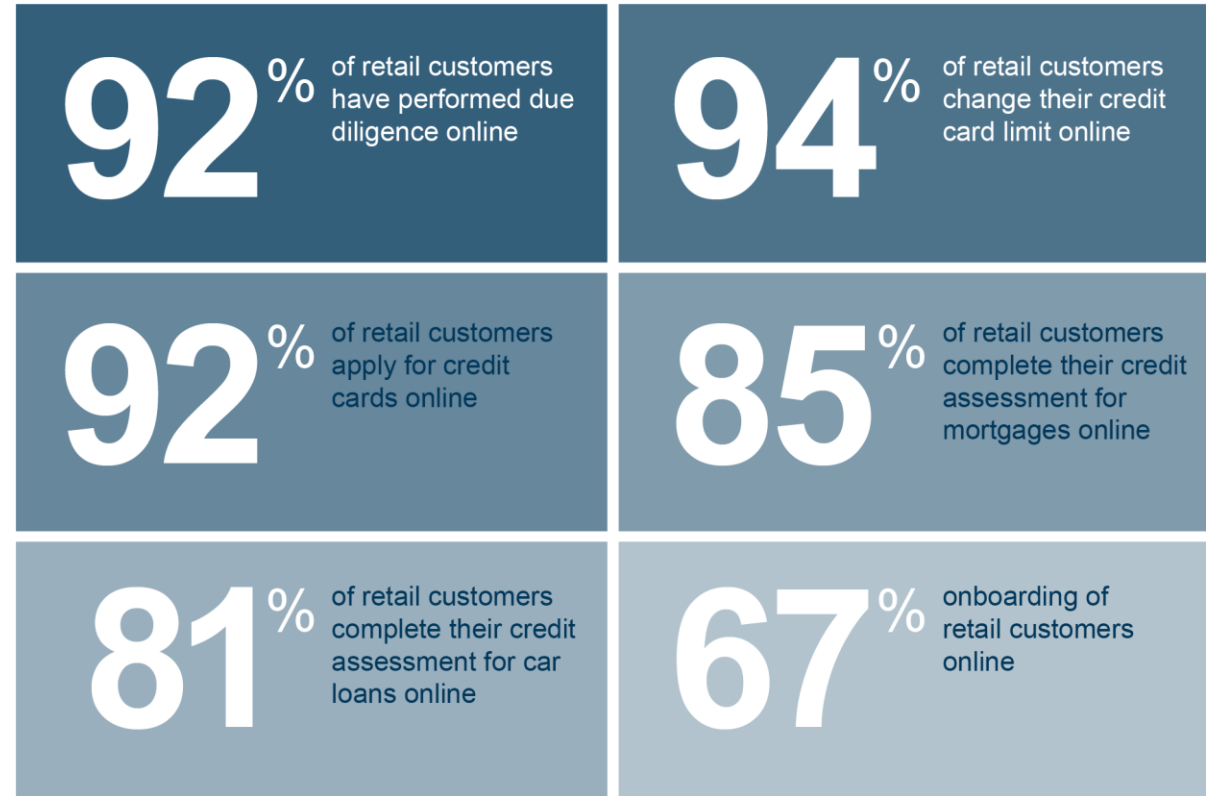
Number of sessions in app and desktop



Foreign transactions



Self-service ratio



Our Digital Journey

Landsbankinn will continue on its digitalisation journey with emphasis on offering great value proposition to customers.

We aim to provide an offering according to our customers' needs and demands, mainly through our online solutions such as Online bank, App and our main website.

The acceptance of our digital solutions the past few years has made it possible to adjust the number of FTEs needed without lowering the quality or quantity of service.

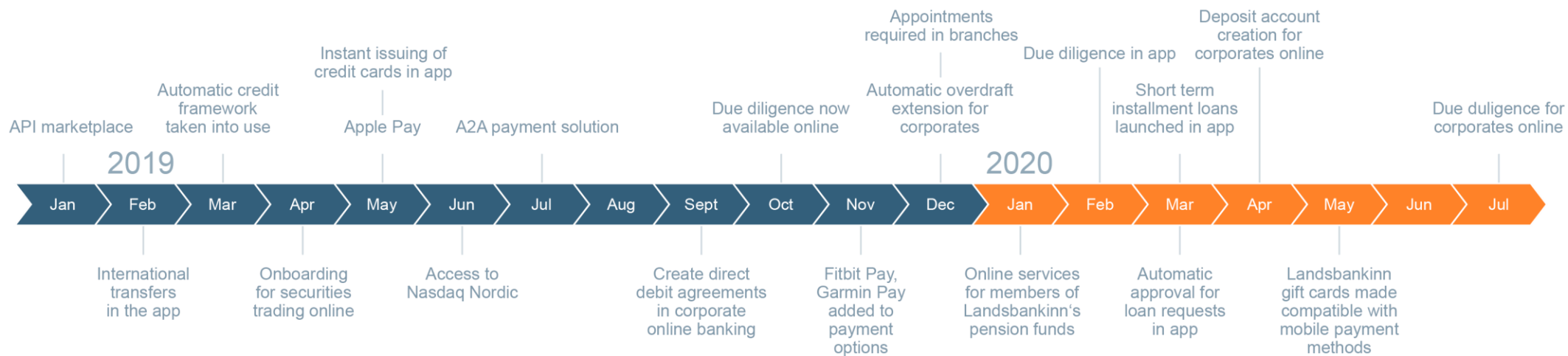
In contrast we have seen an increase of usage in every project we have simplified, automated or moved online.

With new solutions being introduced frequently, our staff must have the skills to both tutor and educate as well as serve. Therefore, we anticipate that future staff in our branches will be sought after.

This process will be a challenge in the next few years as the tasks and consultation in our branches will change.

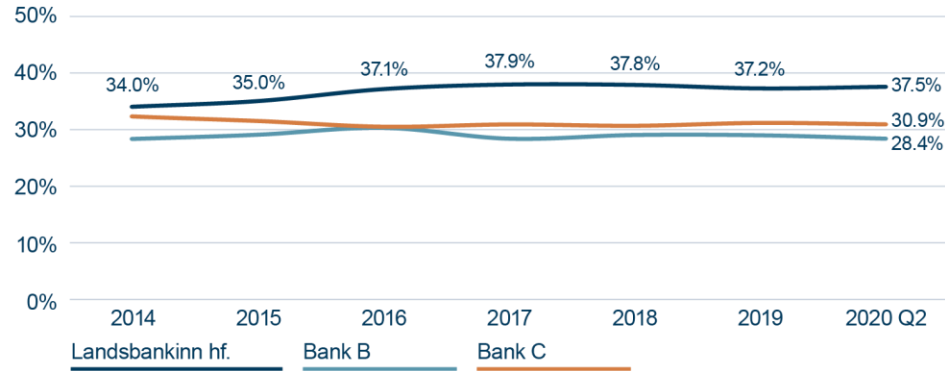
Our aim is for Landsbankinn to be as exciting and attractive workplace in the future as it has been in recent decades.

Highlights of our digital journey

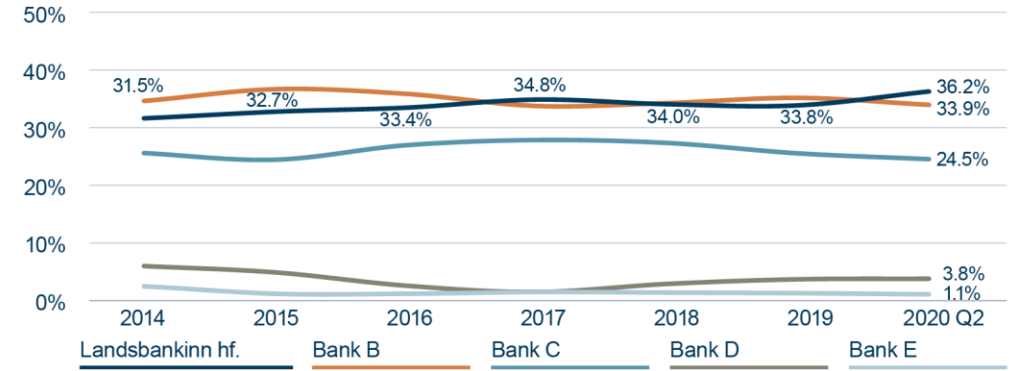


Landsbankinn's Successes

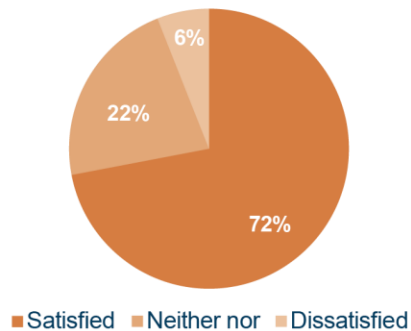
Market share – Retail banking



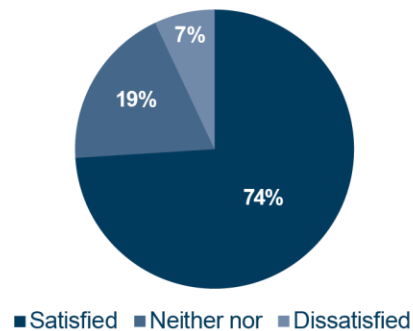
Market share – Corporate banking



Customer satisfaction – Individuals



Customer satisfaction – Corporates



Landsbankinn was ranked highest by banking customers in the Icelandic Performance Satisfaction Index 2019



International finance magazine Euromoney selected Landsbankinn as the best bank in Iceland

Source: Gallup



Leading in CSR



Leading in Europe, 2nd out of 382 banks

Landsbankinn has improved its score in a new ESG risk rating from Sustainalytics, decreasing its score from 17.5 to 13.5 on a scale to 100. Landsbankinn now ranks 2nd out of 382 European banks analysed by Sustainalytics. Sustainalytics considers Landsbankinn at low risk of experiencing material financial impacts from ESG factors.



UN Sustainable Development Goals

Landsbankinn has elected to focus on three of the UN Sustainable Development Goals (SDGs). The chosen SDGs all relate to the Bank's activities and as such allow the Bank to maximise the positive impact of its work on the environment and the community.



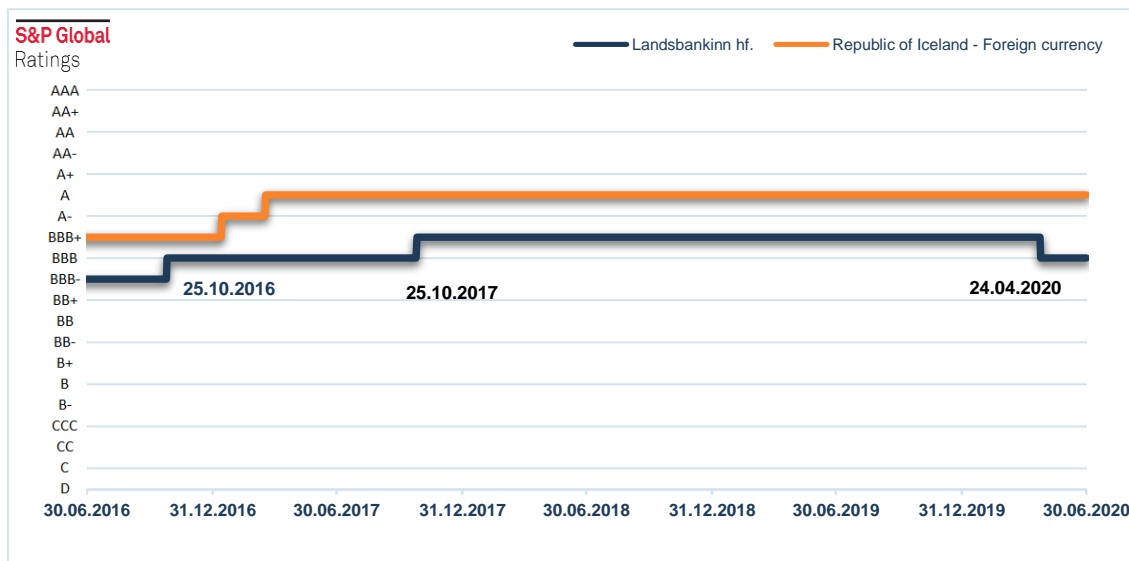
Responsible banking

Landsbankinn focuses on the new Principles for Responsible Banking from UNEP-FI and is a member of the UN Principles for Responsible Investment (UNPRI)

The bank has adopted the following goals to enable it to work systematically towards the UN's sustainable development goals (SDGs) and the Paris Climate Agreement through its core operation:

- Assess emissions from Landsbankinn's credit and asset portfolios
- Develop green lending
- Work to close the gender wage gap and boost gender equality in the labour market

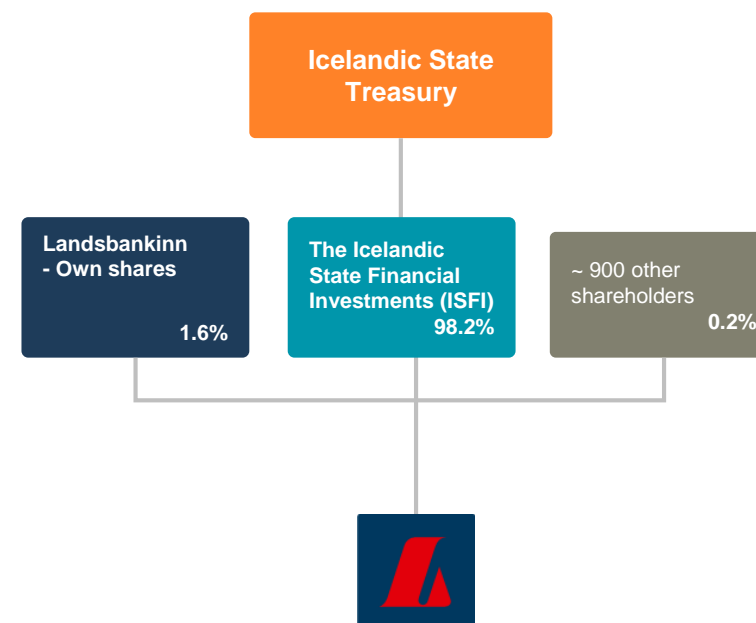
Ownership and credit rating



- The Ministry of Finance and Economic Affairs published an updated ownership policy in February 2020 with regards to equity holdings in undertakings 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 to ensure stability in the domestic financial sector.
- The remaining equity stake will not be sold until the government has sold its ownership in Islandsbanki in full.



	Icelandic sovereign	Landsbankinn hf.
Long-term rating	A	BBB
Short-term rating	A-1	A-2
Outlook	Stable	Stable
Last rating action	March 2017	April 2020

Financial Targets

	Objective	H1 2020	Guidelines
Return on equity, excluding bank levy ¹ (ROE)	≥ 10%	-2.0%	Due to the enormous uncertainty COVID-19 has on the Bank's ROE, the forecast for expected ROE in 2020 has been rescinded.
Cost-income ratio (C/I ratio)	≤ 45%	54.1%	Due to the enormous uncertainty COVID-19 has on the Bank's cost-income ratio, the forecast for expected cost-income ratio in 2020 has been rescinded.
Total capital ratio (TCR)	≥ 23%	24.9%	The Bank's target is to maintain capital ratios above FSA Iceland's capital requirements at any given time, plus a 1.5-2.5% management buffer. 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.
Common Equity Tier 1 capital (CET1)	≥ 18%	22.8%	The Bank will seek to issue subordinated funding on the market, provided that is deemed economic and favourable for its funding structure.
Dividend payout ratio ²	≥ 50%	-	The aim is also to make special dividend payments to optimise the Bank's capital structure.

¹ Special tax on financial institutions of 0.145% 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

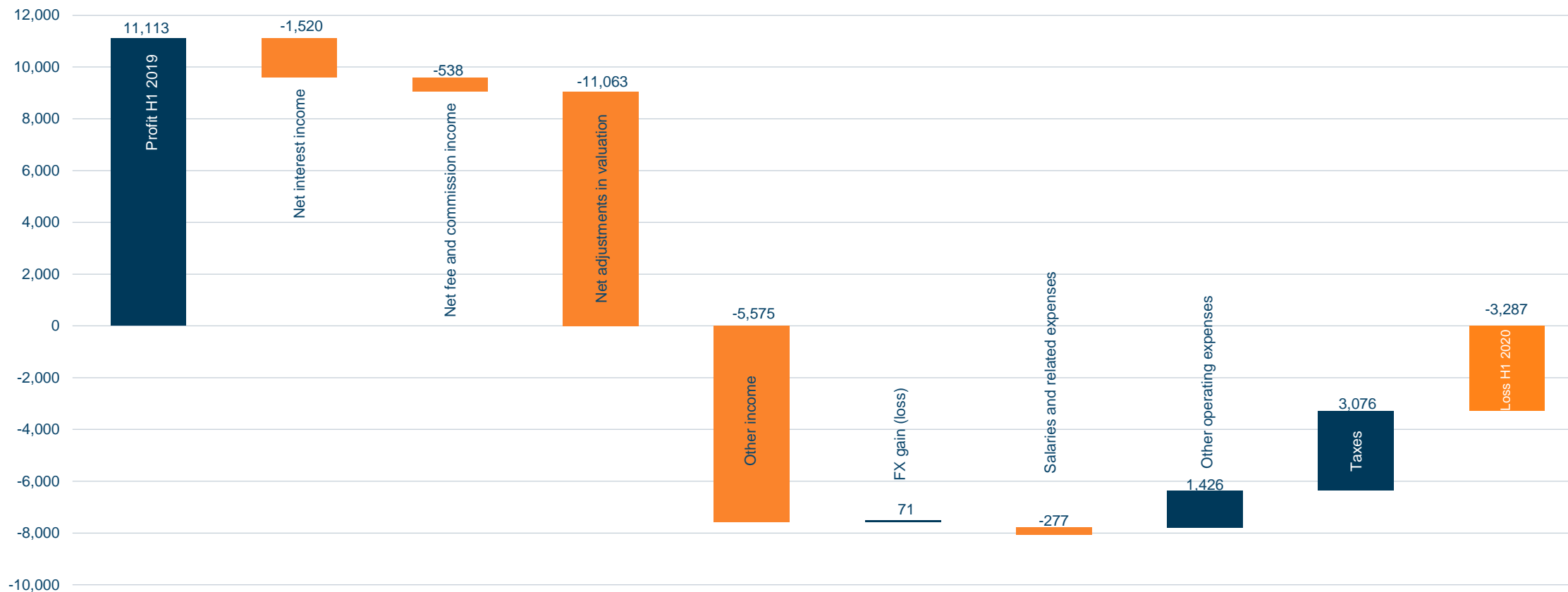
² Regular dividend payout ratio of last year profit.

An aerial photograph of a vast mountain valley. In the foreground, a wide, braided river flows through a valley floor. To the left, a dark, rocky volcanic landscape slopes down towards the river. In the middle ground, a small settlement with several buildings is visible near the river. The background features a range of rugged, brownish mountains under a sky filled with dramatic, grey clouds. A thin white horizontal line is positioned above the text, and another is positioned below it.

Income Statement

Income statement

Change from H1 2019 to H1 2020



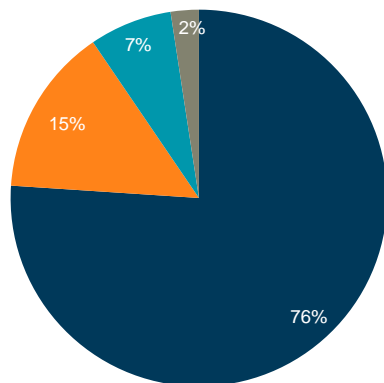
Amounts in ISKm

Income statement

	H1 2020	H1 2019	Change		Q2 2020	Q2 2019	Change	
Net interest income	18,939	20,459	-1,520	-7%	9,512	10,214	-702	-7%
Net fee and commission income	3,598	4,136	-538	-13%	1,653	2,076	-423	-20%
Net adjustments and impairment	-13,435	-2,372	-11,063	466%	-8,191	-1,378	-6,813	494%
Other net operating income	173	5,677	-5,504	-97%	2,901	1,955	946	48%
Total operating income	9,275	27,900	-18,625	-67%	5,875	12,867	-6,992	-54%
Salaries and related expenses	7,646	7,369	277	4%	3,802	3,689	113	3%
Other operating expenses	4,636	4,862	-226	-5%	2,206	2,340	-134	-6%
Tax on liabilities of financial institutions	875	2,075	-1,200	-58%	425	1,065	-640	-60%
Total operating expenses	13,157	14,306	-1,149	-8%	6,433	7,094	-661	-9%
Profit (loss) before tax	-3,882	13,594	-17,476	-129%	-558	5,773	-6,331	-110%
Income tax	-595	2,481	-3,076	-124%	-899	1,444	-2,343	-162%
Profit (loss) for the period	-3,287	11,113	-14,400	-130%	341	4,329	-3,988	-92%

Amounts in ISKm

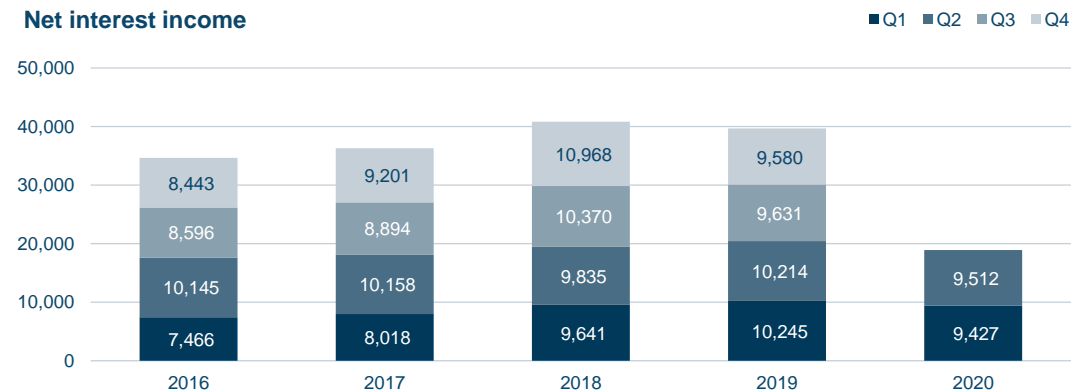
Net operating income



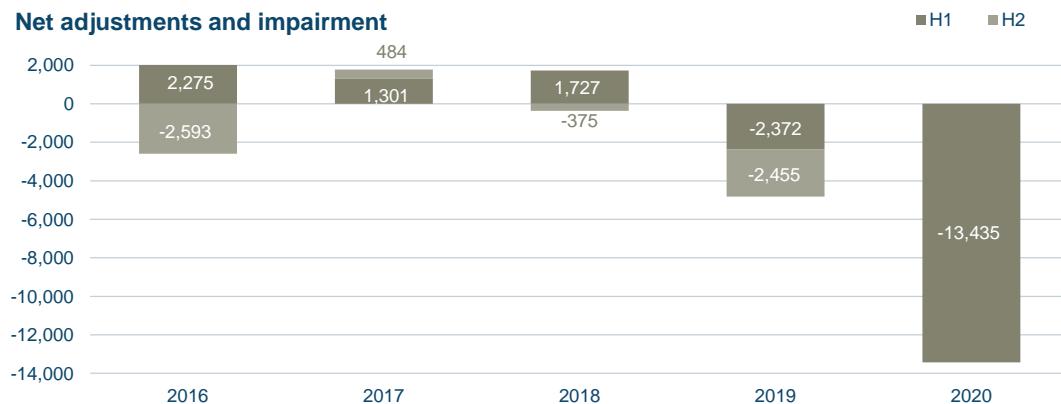
Income mix

- Net interest income
- Net fee and commission income
- Equities
- Bonds

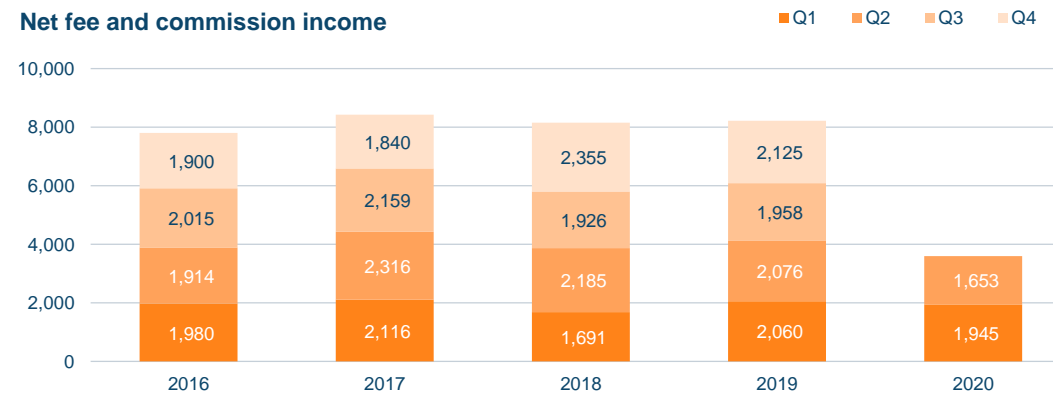
Net interest income



Net adjustments and impairment

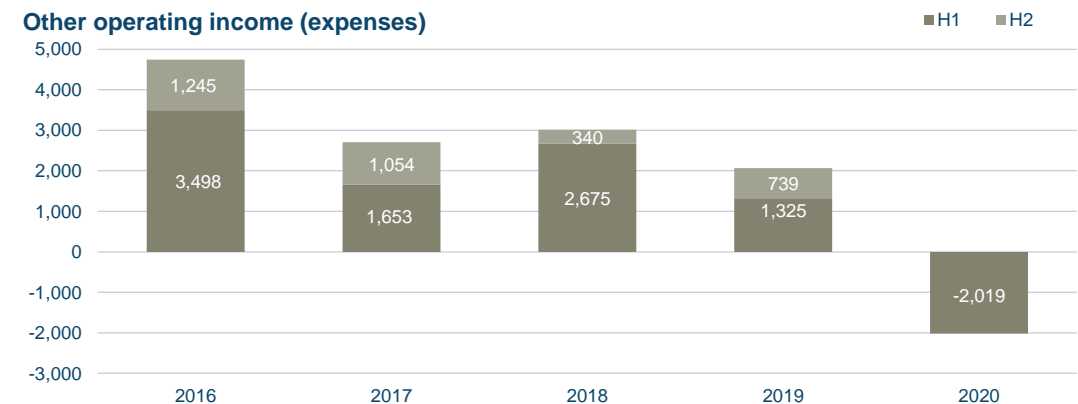
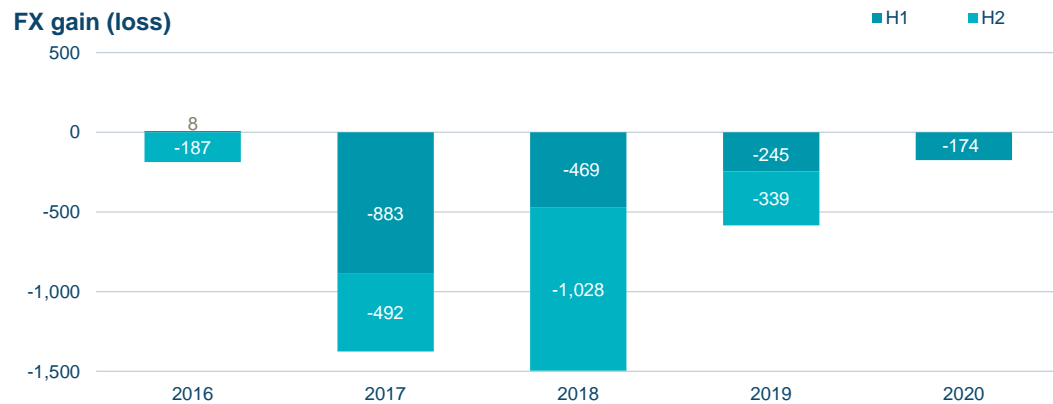
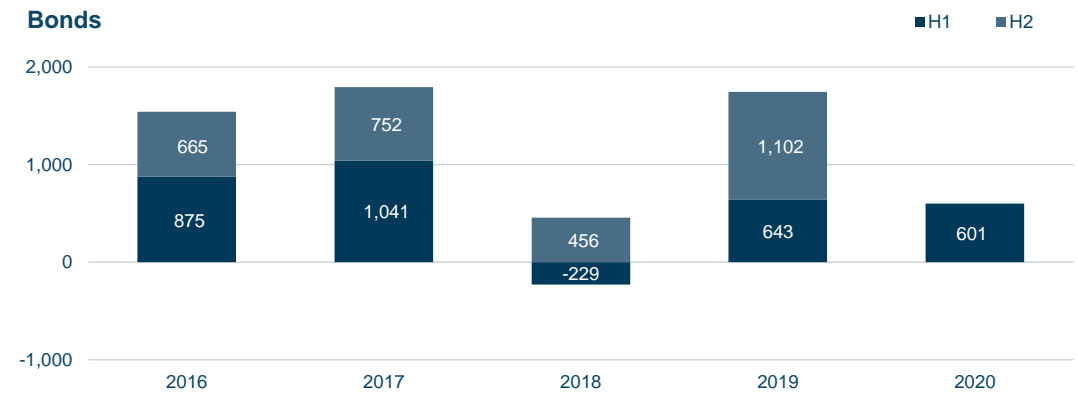
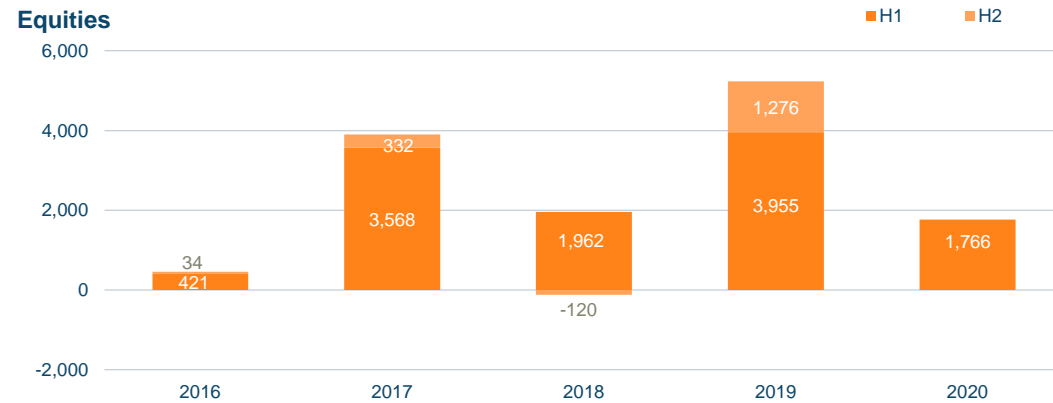


Net fee and commission income



Amounts in ISKm

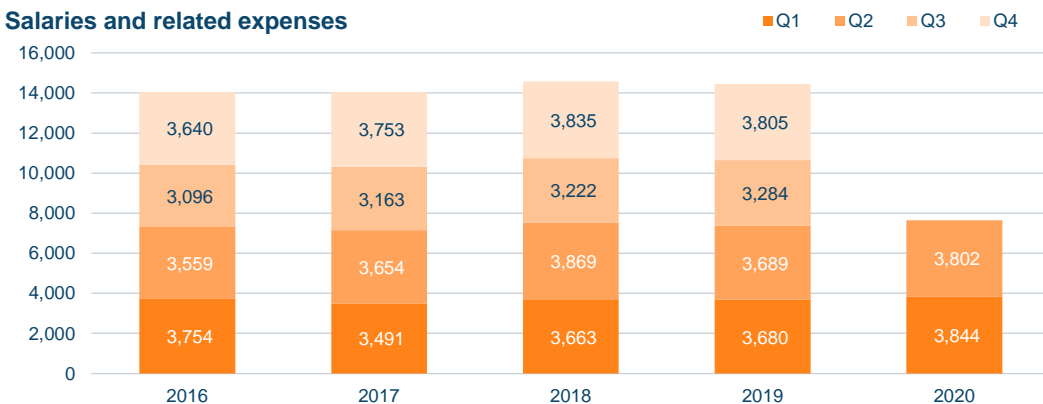
Net operating income



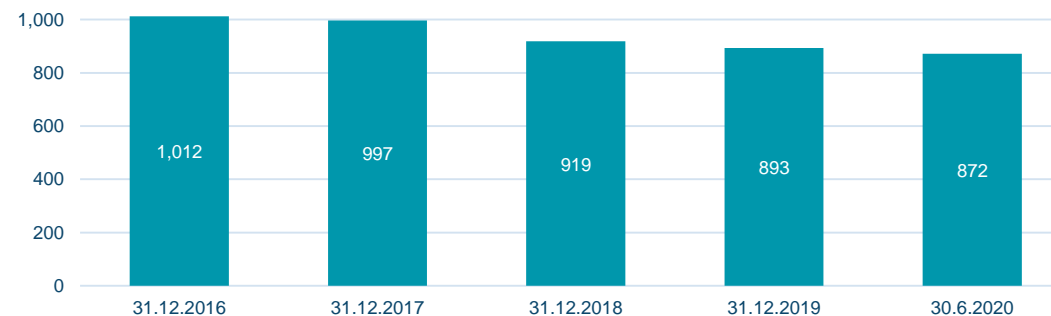
Amounts in ISKm

Operating expenses

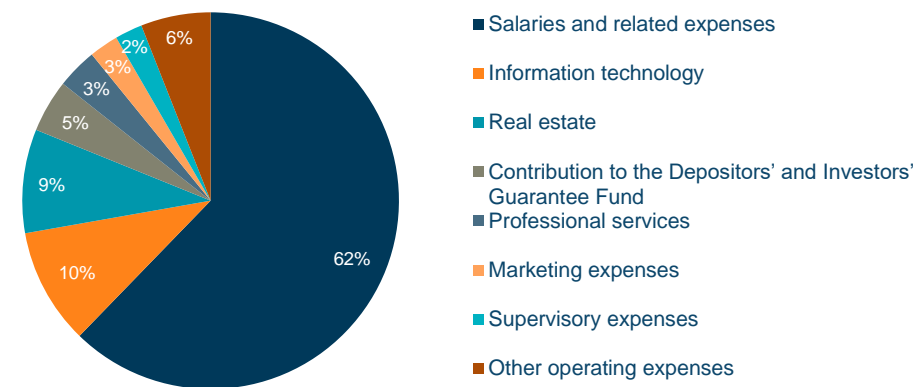
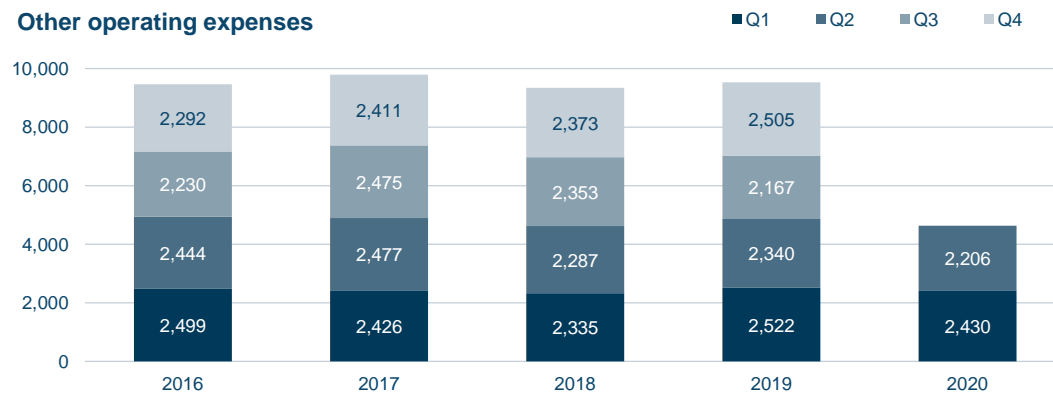
Salaries and related expenses



Full time eqv. positions



Other operating expenses



Amounts in ISKm

Taxes

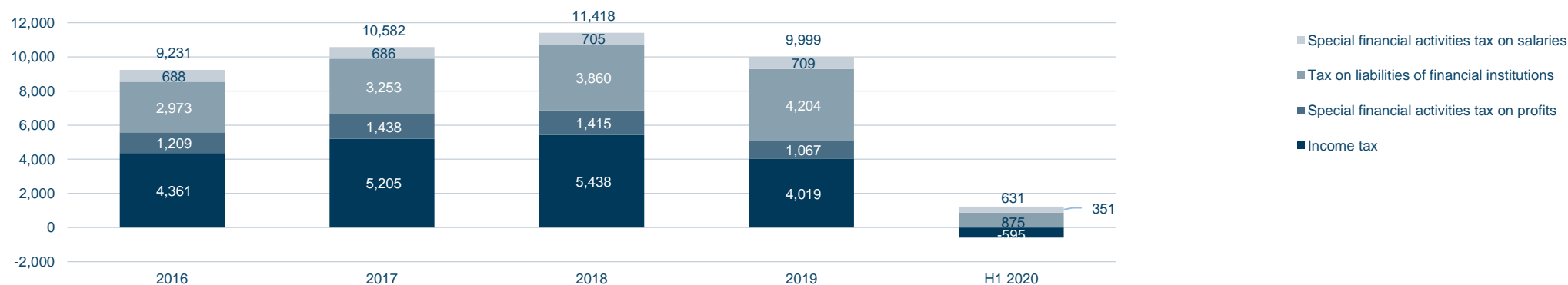
	H1 2020	H1 2019	Change	
Income tax	-595	1,983	-2,578	-130%
Special financial activities tax on profits ¹	0	498	-498	-100%
Income Tax	-595	2,481	-3,076	-124%
Tax on liabilities of financial institutions ²	875	2,075	-1,200	-58%
Special financial activities tax on salaries ³	351	354	-3	-1%
Total	631	4,910	-4,279	-87%

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

² Special tax on financial institutions of 0.145% (2019 0.376%) is levied of the carrying amount of total liabilities at year-end, excluding tax liabilities, in excess of ISK 50 bn 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

Taxes



Amounts in ISKm

A landscape photograph of a mountain range reflected in a calm lake. The mountains are rugged and rocky, with some green vegetation on the lower slopes. The sky is clear and blue. The text "Balance Sheet" is overlaid in the center of the image in a white, sans-serif font. Two thin white horizontal lines are positioned above and below the text, extending across the width of the image.

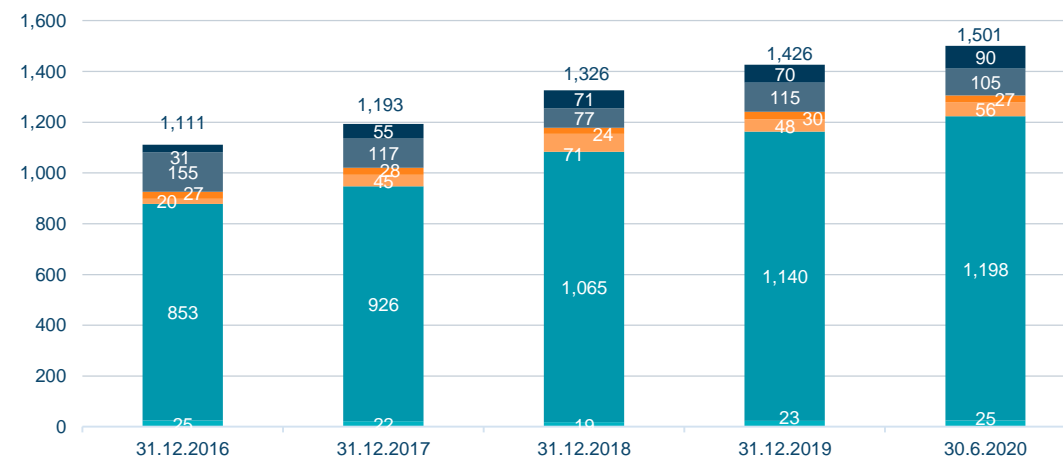
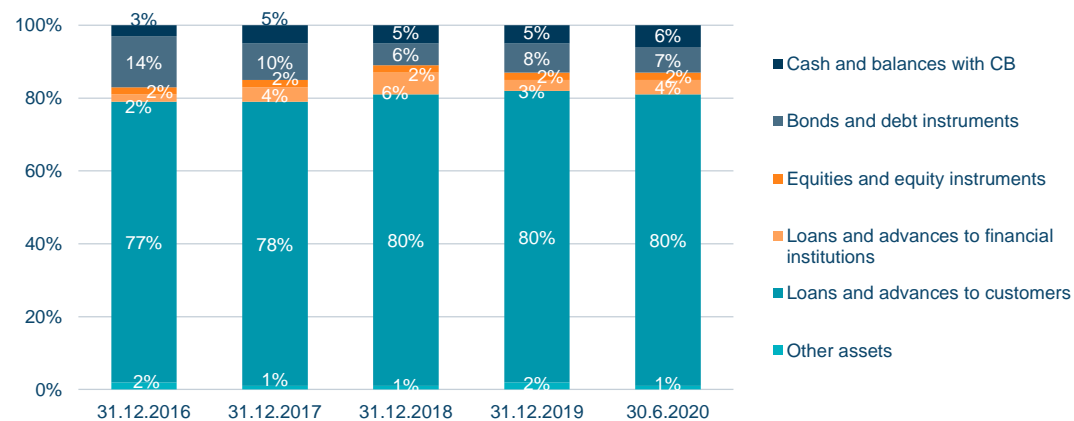
Balance Sheet

Total assets

	30.6.2020	31.12.2019	Change	
Cash and balances with CB	89,598	69,824	19,774	28%
Bonds and debt instruments	104,758	115,262	-10,504	-9%
Equities and equity instruments	26,794	30,019	-3,225	-11%
Loans and advances to financial institutions	56,394	47,929	8,465	18%
Loans and advances to customers	1,198,210	1,140,184	58,026	5%
Other assets	25,356	23,110	2,245	10%
Total	1,501,110	1,426,328	74,782	5%

Amounts in ISKm

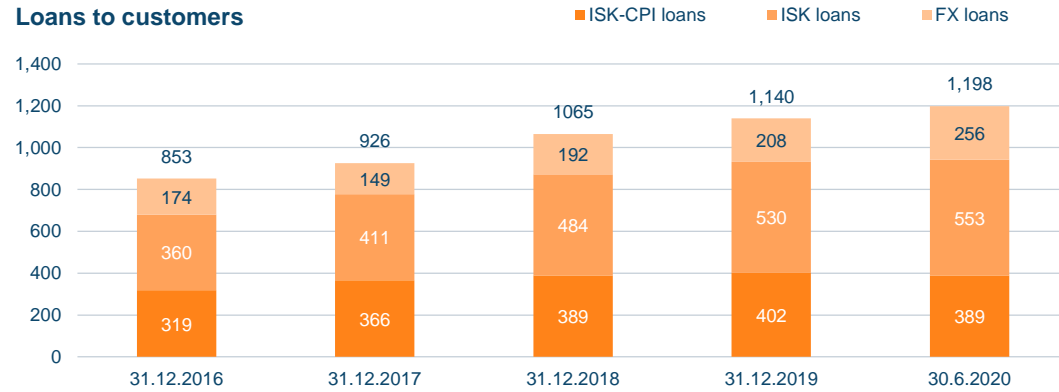
Assets



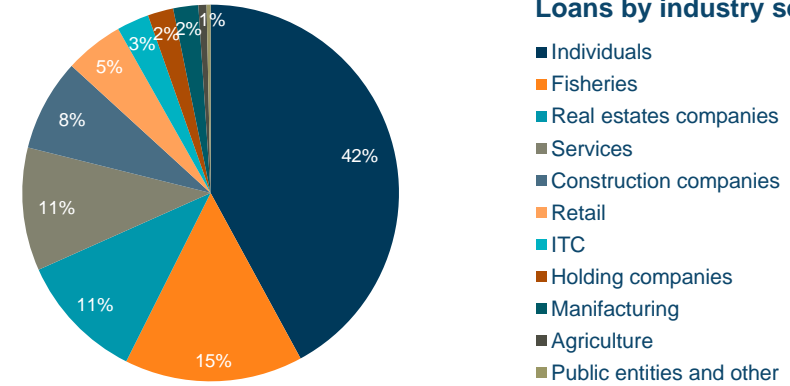
Amounts in ISKbn

Loans

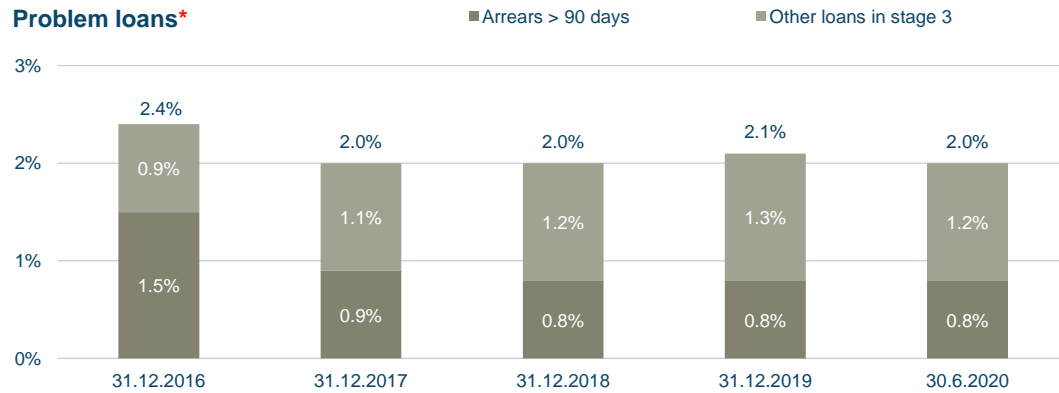
Loans to customers



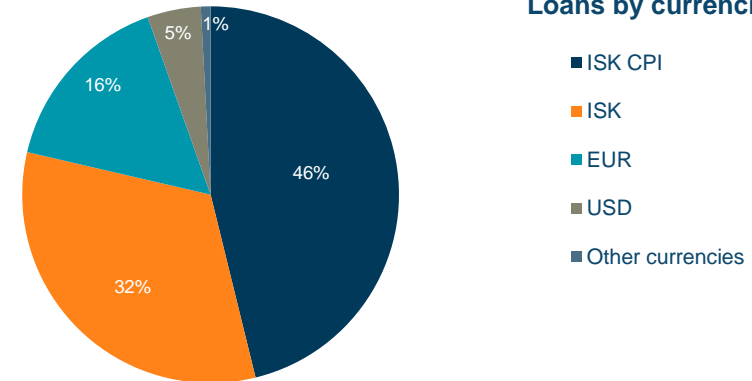
Loans by industry sectors



Problem loans*



Loans by currencies

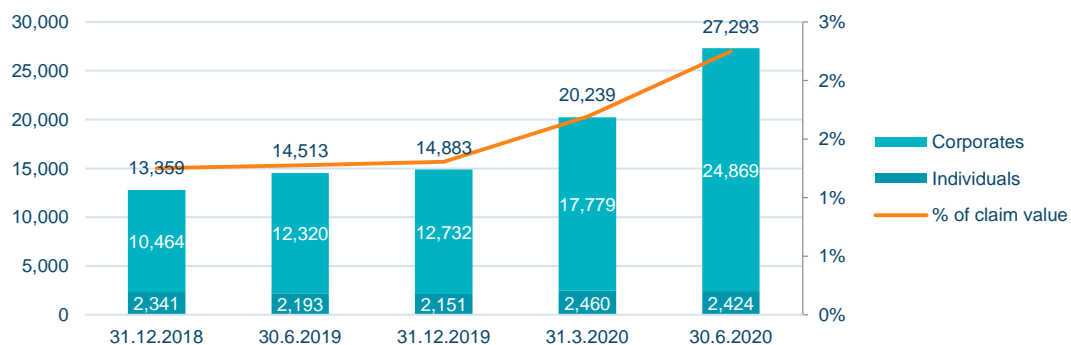


Amounts in ISKbn

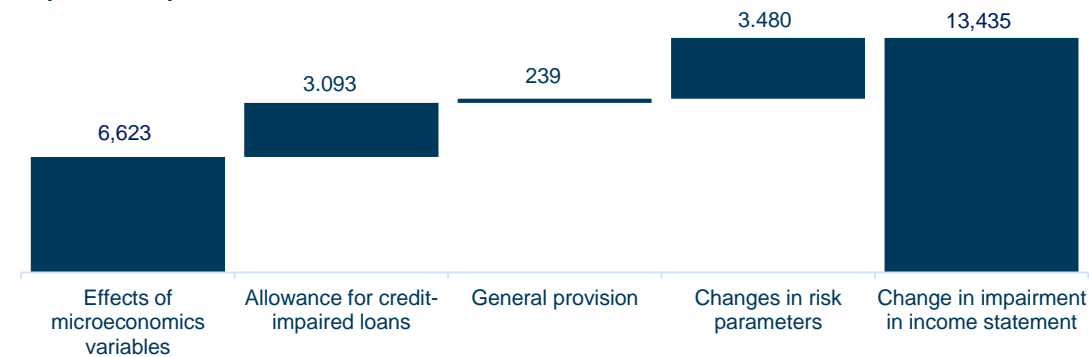
* until 31.12.2017 problem loans were defined as loans and advances with individual allowance and/or more than 90 days in arrears

Impairment on loans

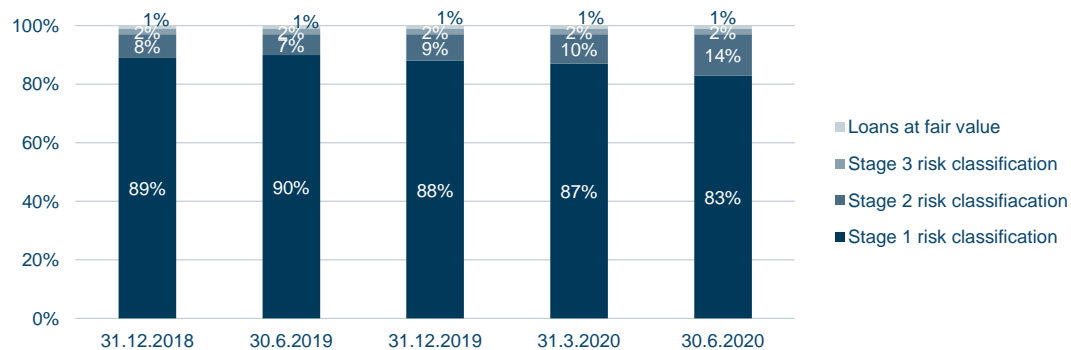
Allowance for impairment on loans and advances to customers



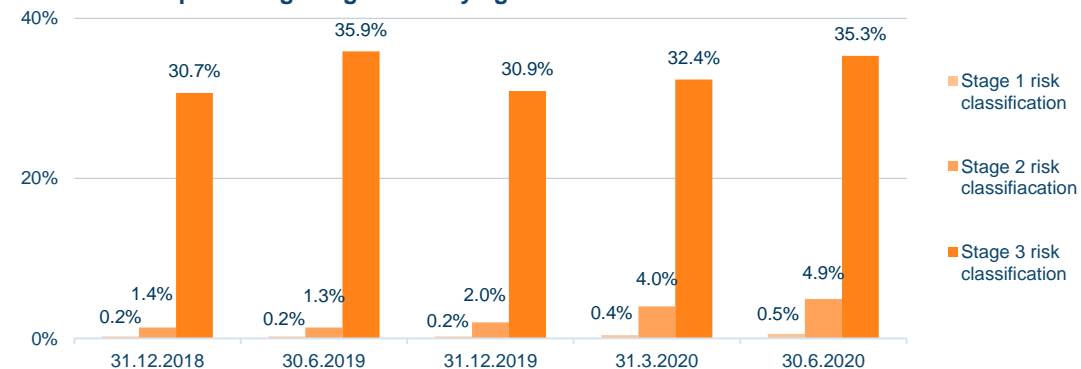
Impact on impairment in income statement 1H 2020



Loans by allocation



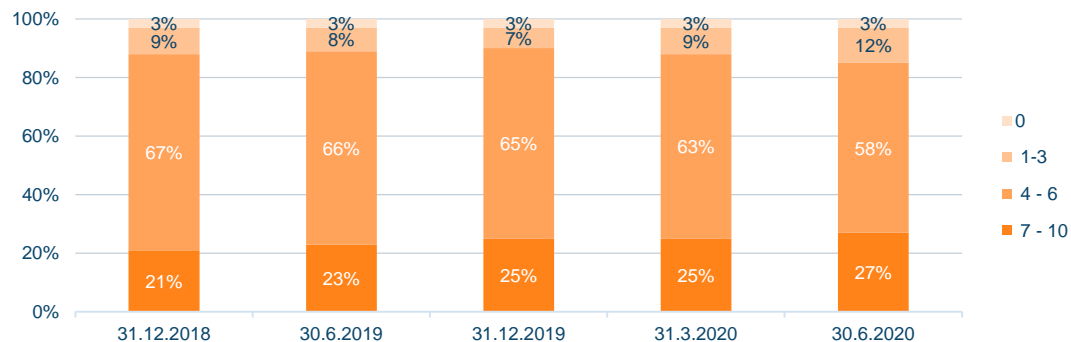
Allowance as percentage of gross carrying amount



Amounts in ISKm

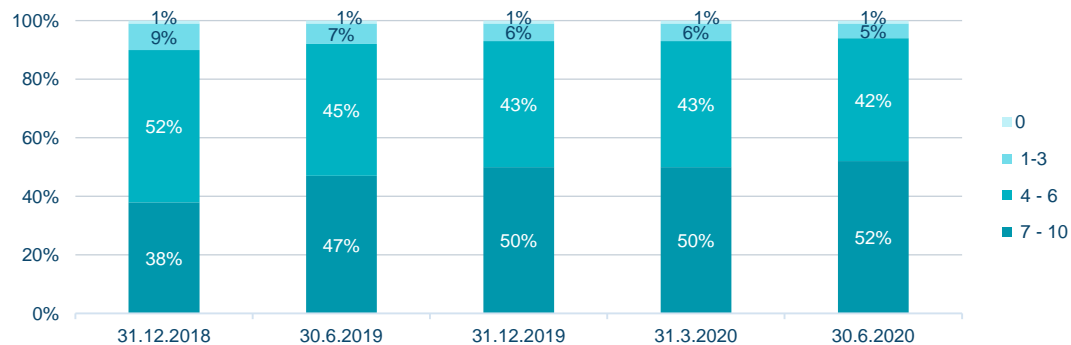
Development of credit ratings

Loans by rating grade

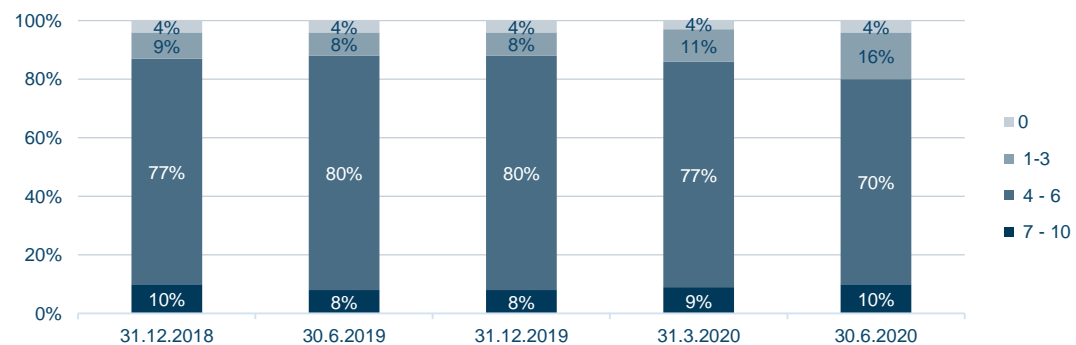


- Credit ratings of corporate customers developed negatively in Q2 2020 and probability of default (PD) increased considerably as a result of updated economic indicators.
- Credit ratings of individuals remain stable.
- Changes in economic conditions affect credit ratings of corporate customers sooner than individuals.

Loans to customers by rating grade



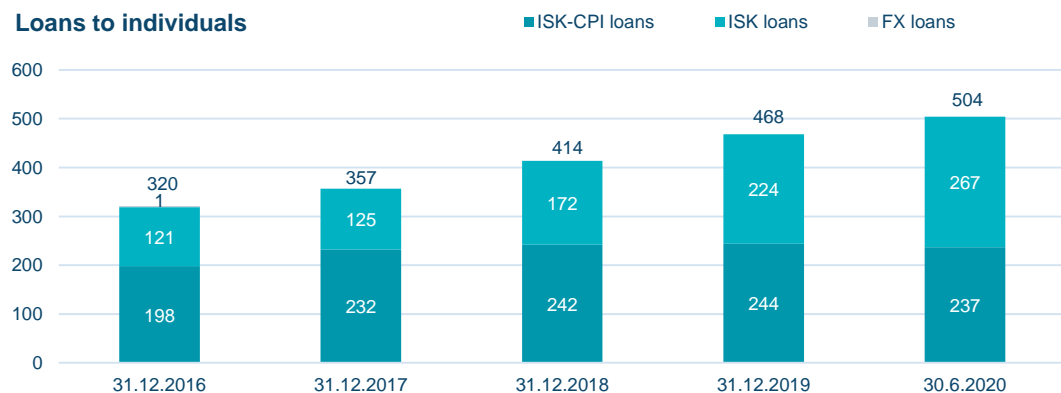
Loans to corporates by rating grade



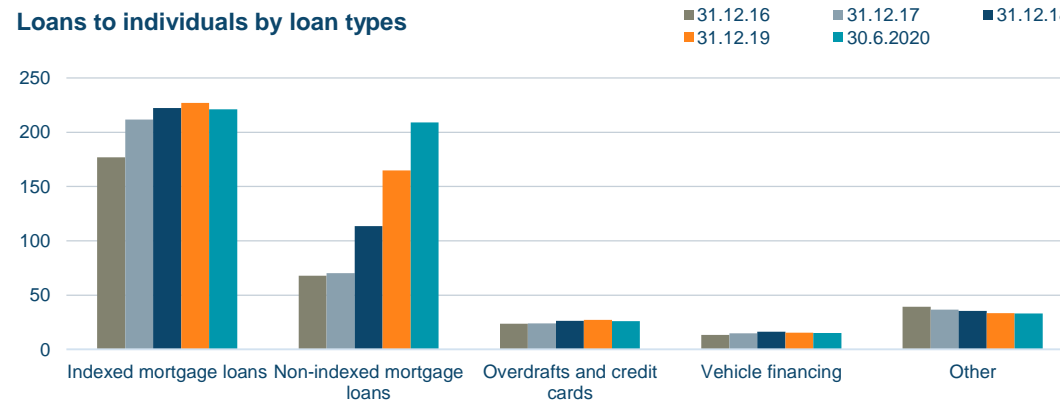
Amounts in ISKm

Loans to individuals

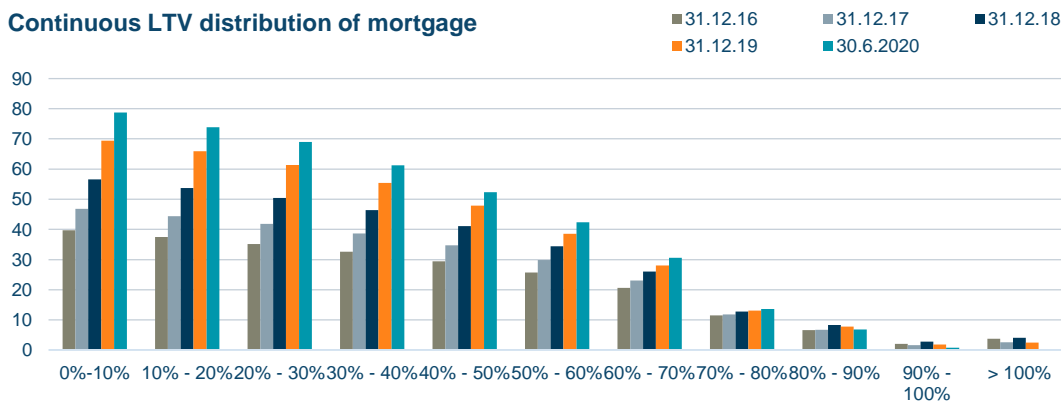
Loans to individuals



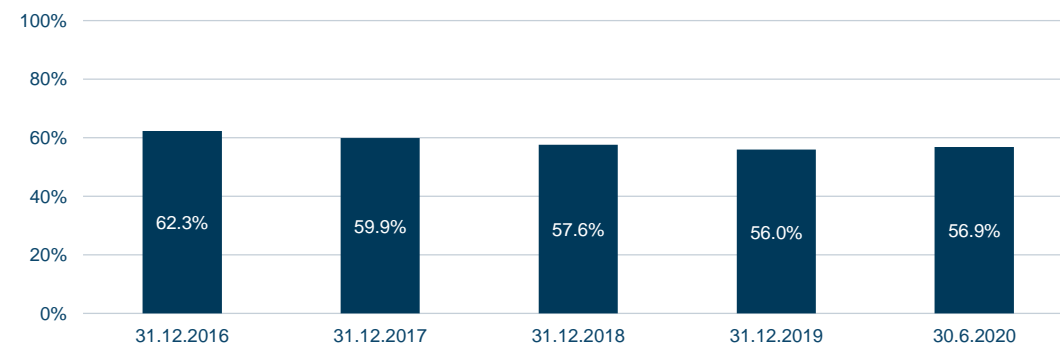
Loans to individuals by loan types



Continuous LTV distribution of mortgage



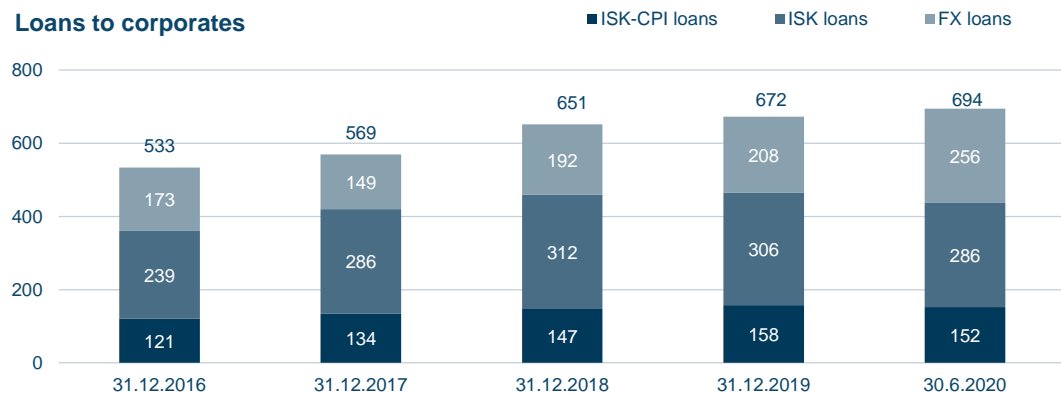
Weighted average LTV of mortgages



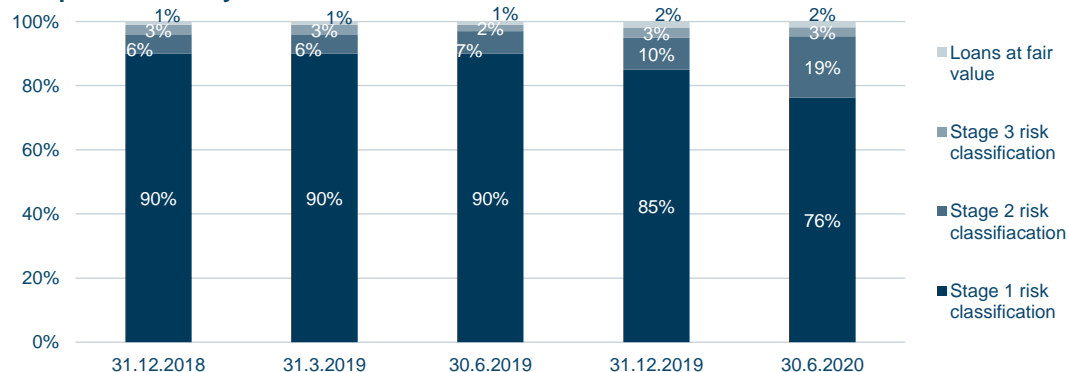
Amounts in ISKm

Loans to corporates

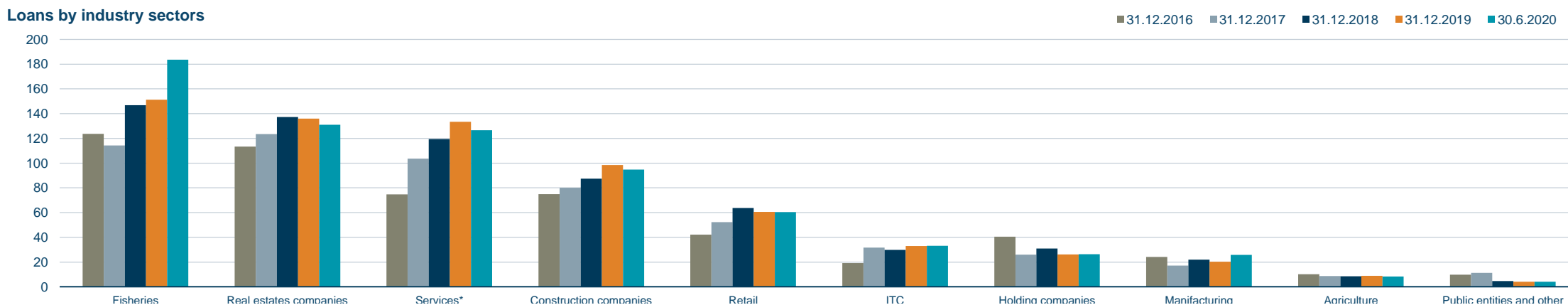
Loans to corporates



Corporate loans by allocation



Loans by industry sectors



Amounts in ISKbn

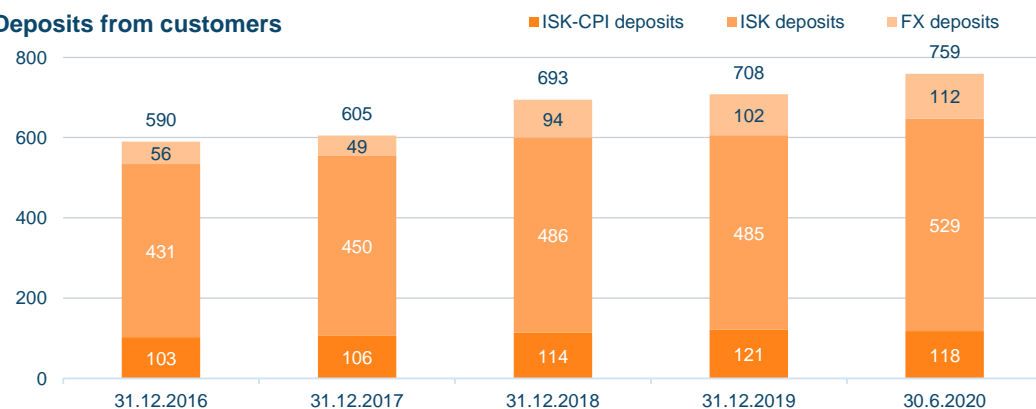
* Loans to travel industry amounted to ISK 91.9 bn 30.6.2020 (ISK 96.3 bn 31.12.2019)

Liabilities and equity

	30.6.2020	31.12.2019	Change	
Due to financial institutions and CB	37,226	48,062	-10,836	-23%
Deposits from customers	758,790	707,813	50,977	7%
Borrowings	408,097	373,168	34,928	9%
Other liabilities	31,023	30,470	553	2%
Subordinated liabilities	21,527	19,081	2446	13%
Equity	244,447	247,734	-3,287	-1%
Total	1,501,110	1,426,328	74,782	5%

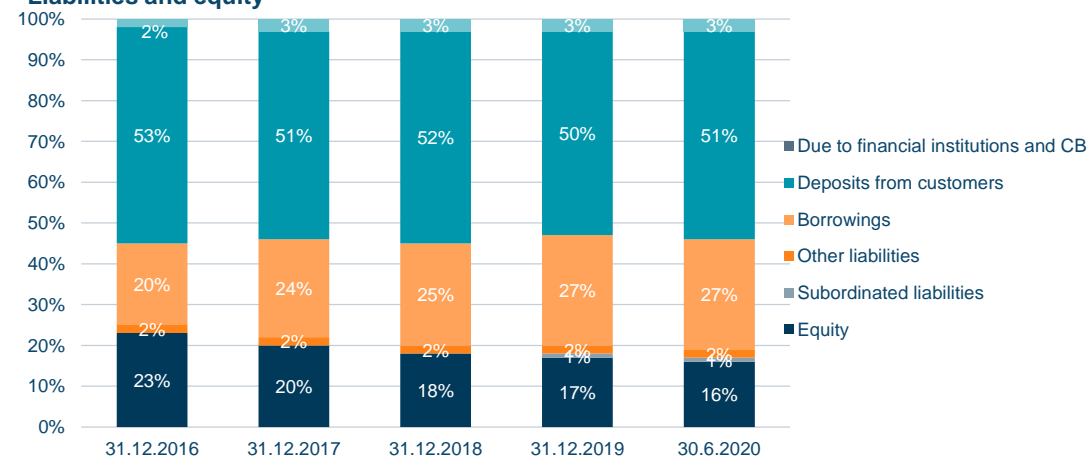
Amounts in ISKm

Deposits from customers

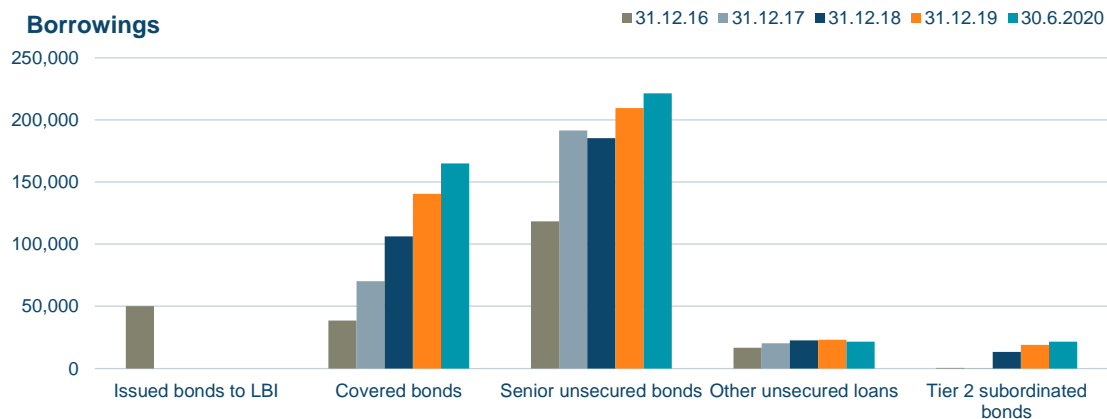


Amounts in ISKbn

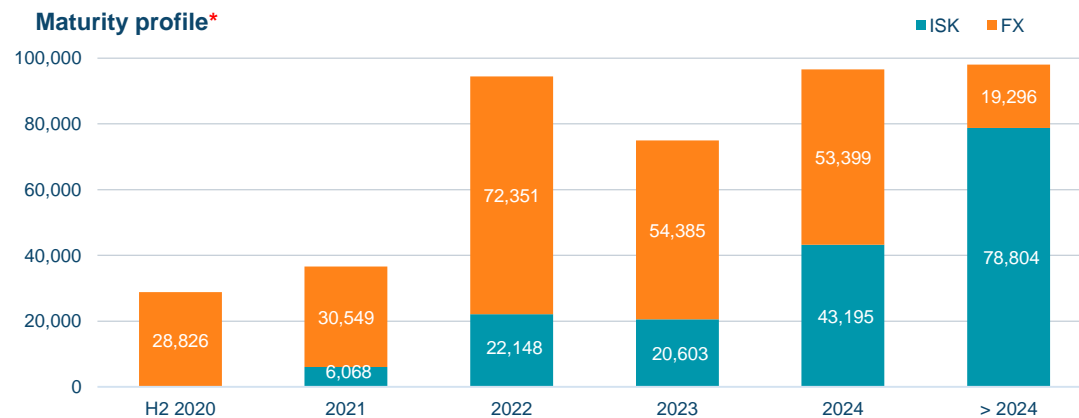
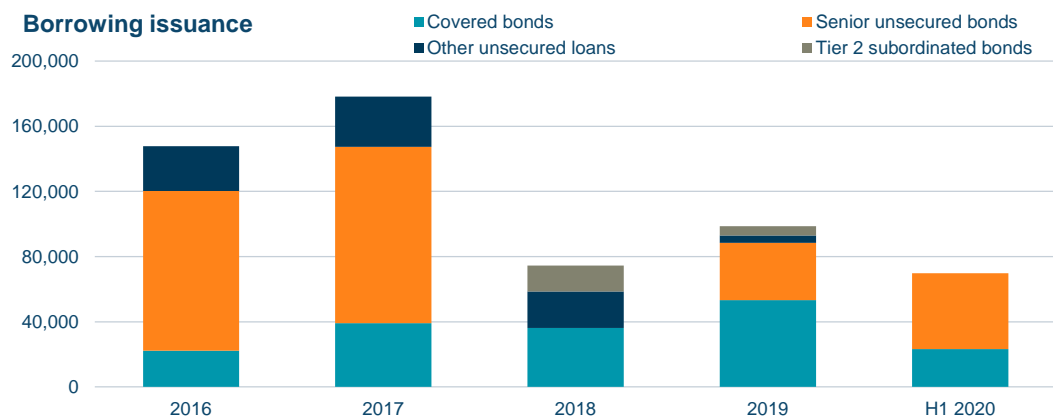
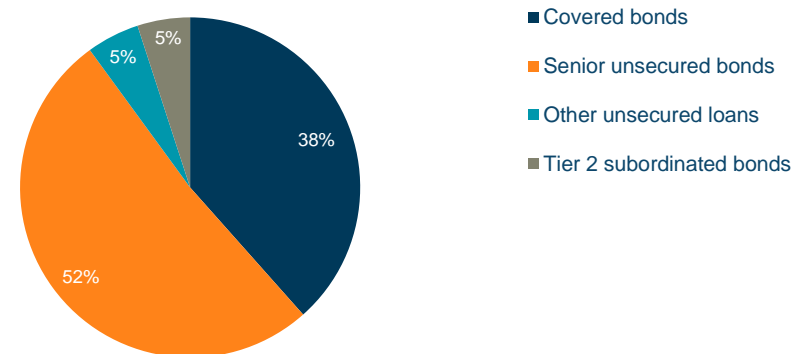
Liabilities and equity



Borrowings



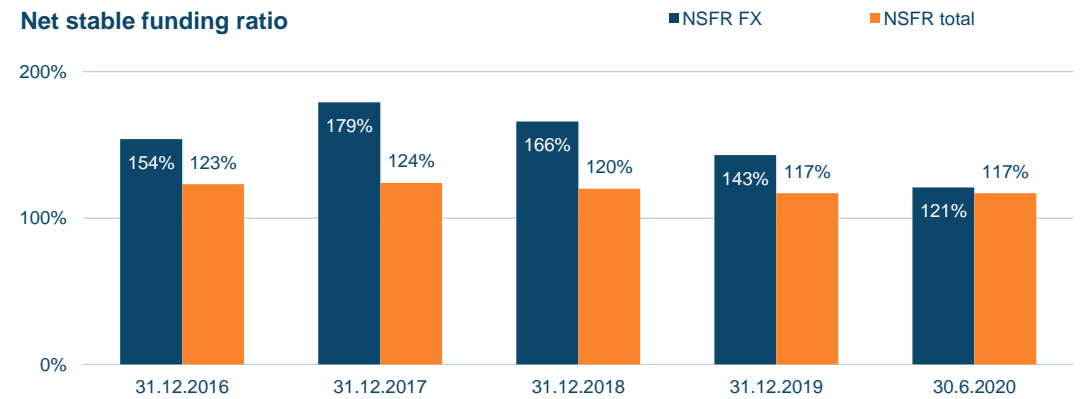
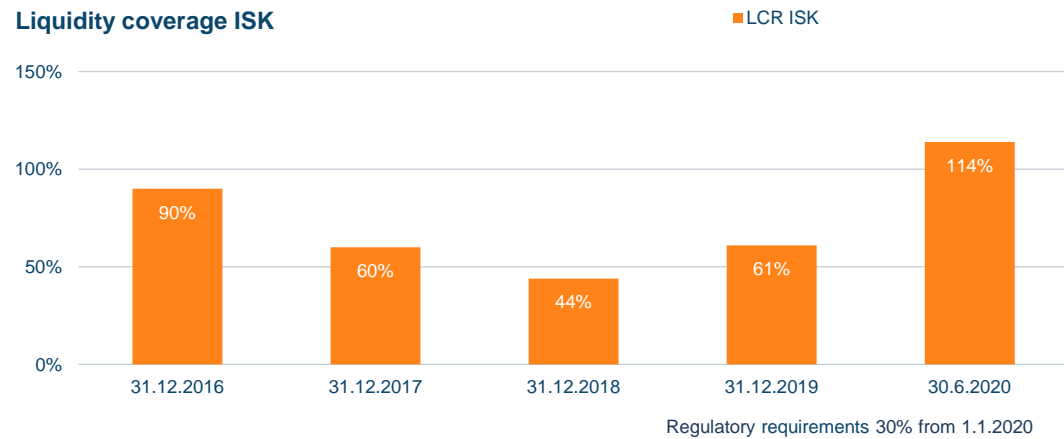
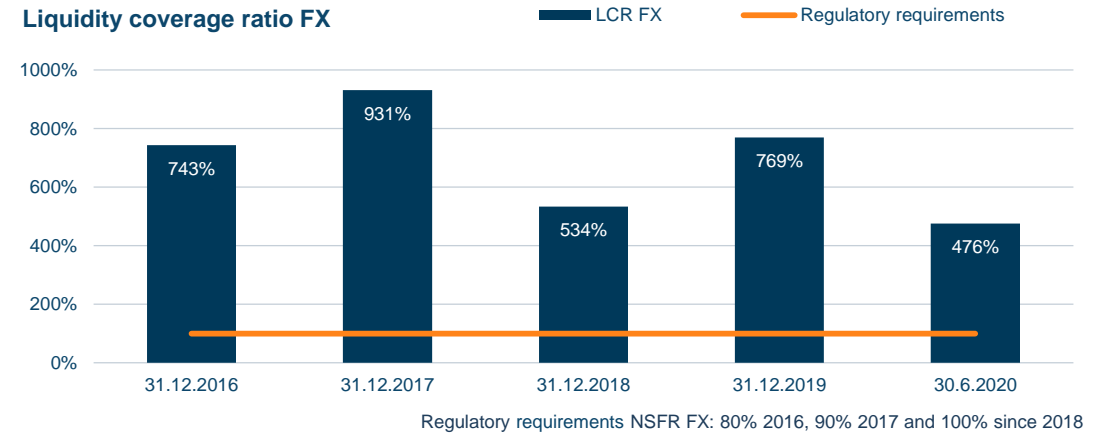
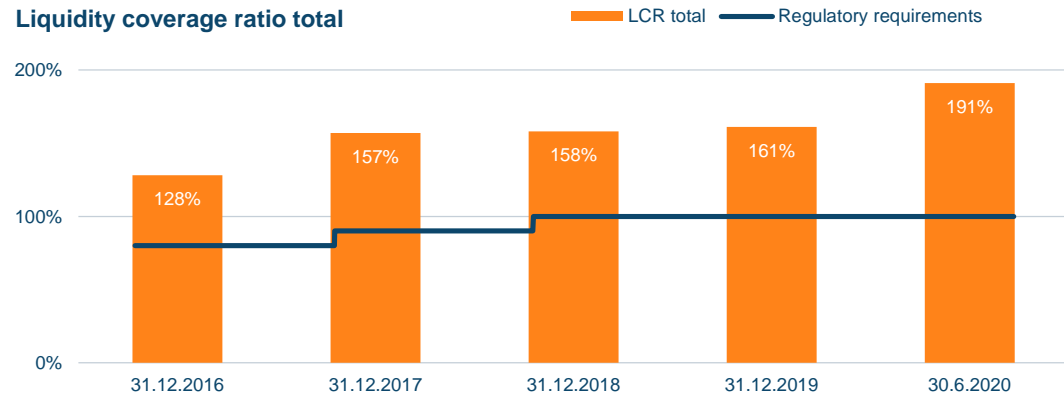
Borrowings 30.6.2020



Fjárhæðir í milljónum króna

*EUR 100 million Tier 2 Subordinated bonds maturing in 2028 are callable in 2023.
ISK 5.5 bn Subordinated bonds maturing in 2029 are callable in 2024.

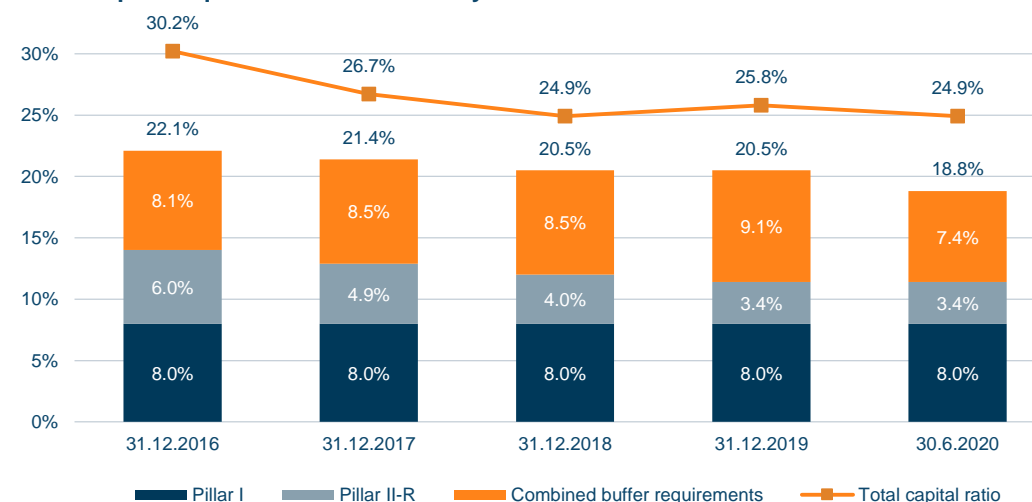
Liquidity ratios and net stable funding



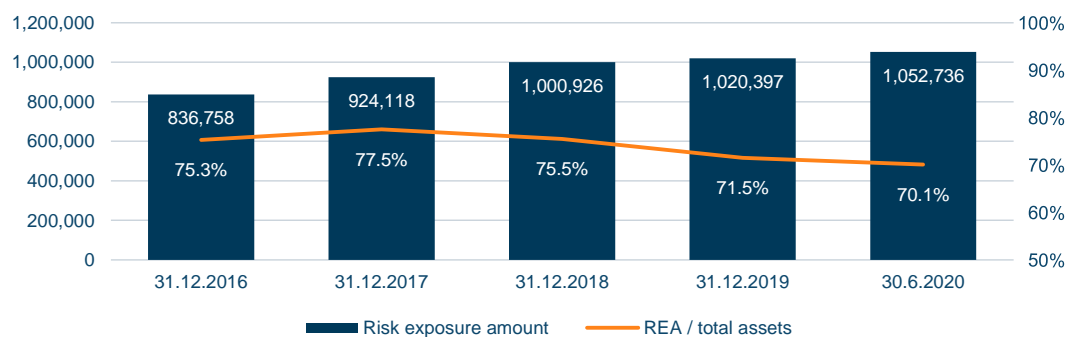
Capital requirements

	CET1	Tier 1	Total
Pillar I	4.5%	6.0%	8.0%
Pillar II-R	1.9%	2.6%	3.4%
Minimum requirements under Pillar I and Pillar II-R	6.4%	8.6%	11.4%
Systemic risk buffer	2.87%	2.87%	2.87%
Capital buffer for systematically important institutions	2.00%	2.00%	2.00%
Countercyclical capital buffer	0.00%	0.00%	0.00%
Capital conservation buffer	2.50%	2.50%	2.50%
Combined buffer requirements under Pillar II-G	7.37%	7.37%	7.37%
Total capital requirements	13.8%	16.0%	18.8%
Total capital ratio 30.6.2020	22.8%	22.8%	24.9%

Total capital requirements as defined by FME



Risk exposure amount



Amounts in ISKm

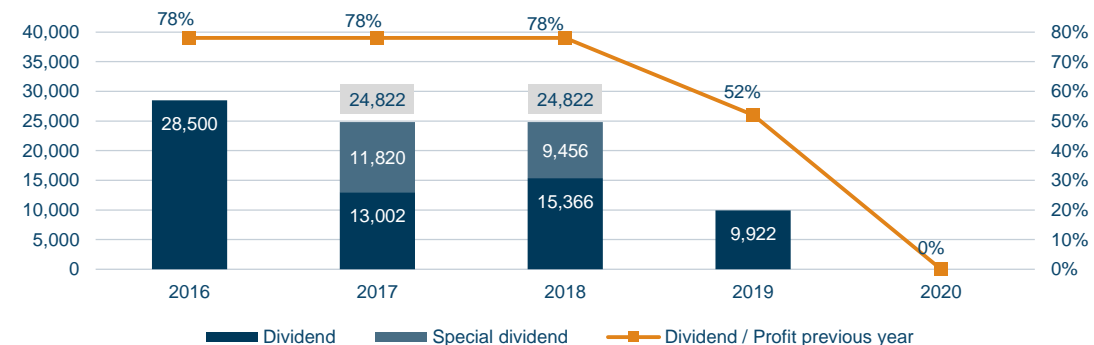
- Calculation of Pillar I capital requirements for credit and market risk is based on the standardised approach while calculation for operational risk is based on the basic indicator approach
- On 19 March 2020, it was decided to abolish the 2% countercyclical capital buffer requirement in response to the COVID-19 pandemic. Landsbankinn's total capital requirement at end of June 2020 is 18.8%

Dividends and capital ratio

Dividend proposal for 2020

- Landsbankinn's AGM, held on 22 April 2020, approved the motion of the Board of Directors to refrain from paying a dividend for the operating year 2019 in light of economic uncertainty and in line with directions from the Central Bank of Iceland.

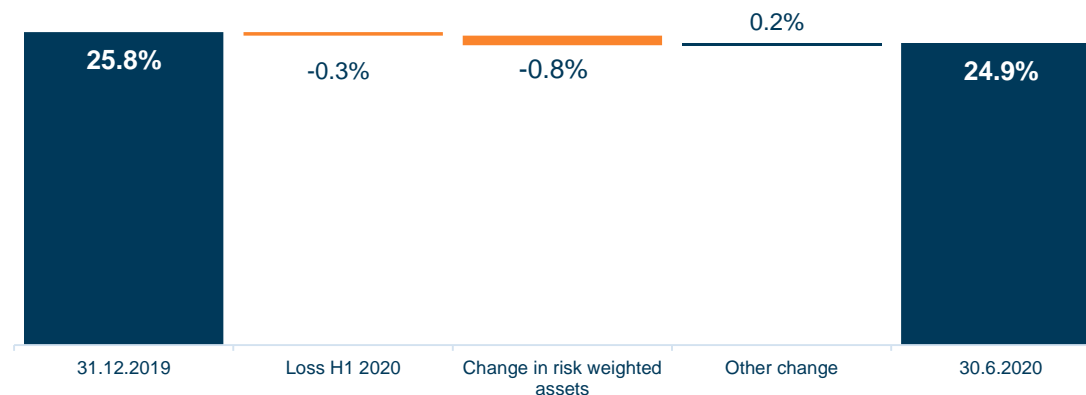
Dividend payments



Landsbankinn's dividend policy

- Landsbankinn aims to pay regular dividends to shareholders amounting in general to $\geq 50\%$ of the previous year's profit. In line with Landsbankinn's target capital ratio, the aim is also to make special dividend payments to optimise the Bank's capital structure.
- In determining the amount of dividend payments, it shall be ensured that the Bank maintains a very strong financial position. Regard shall be had for risk in the Bank's internal and external environment, growth prospects and the maintenance of a long-term, robust equity and liquidity position, as well as compliance with regulatory requirements of financial standing at any given time.

Total Capital Ratio, change H1 2020



Amounts in ISKm

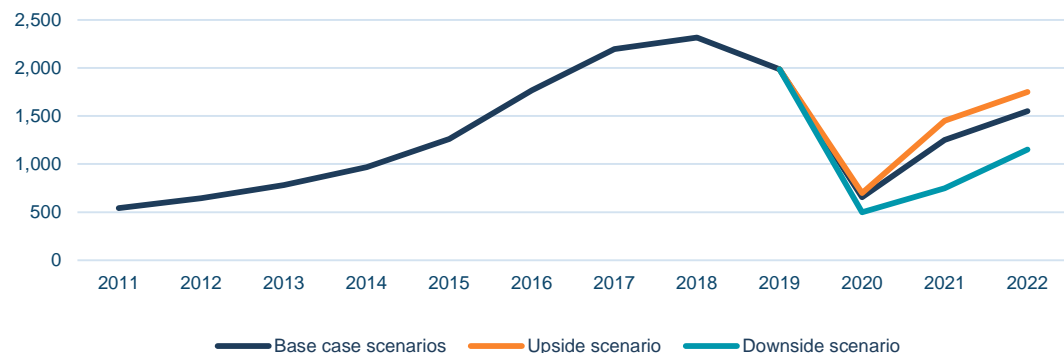
Annex

- further information



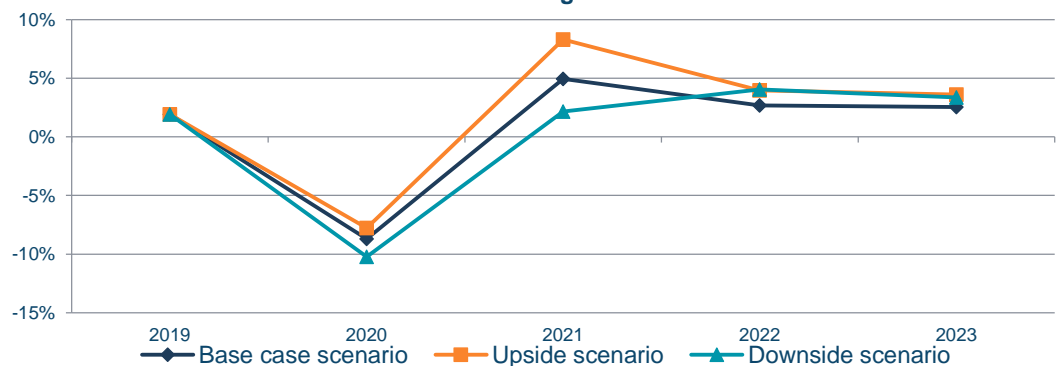
Economic scenarios used in modelling ECL

Scenarios - number of tourists (thousand people)

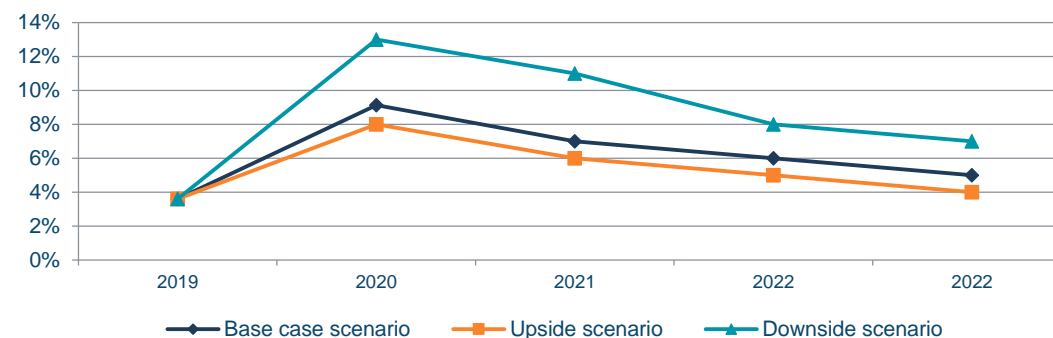


- The Bank's Economic Research Department provides scenarios with forecasts on relevant economic variables.
- Key macroeconomic variables used in modelling the allowance for credit losses for Stage 1 and Stage 2.
- Scenarios are averages for the next 12 months and then for the remainder of the forecast period, which represents a medium-term view.
- The upside scenario is assigned a weight of 25%, the base case scenario is assigned a weight of 50% and the downside scenario is assigned a weight of 25%.

Economic growth

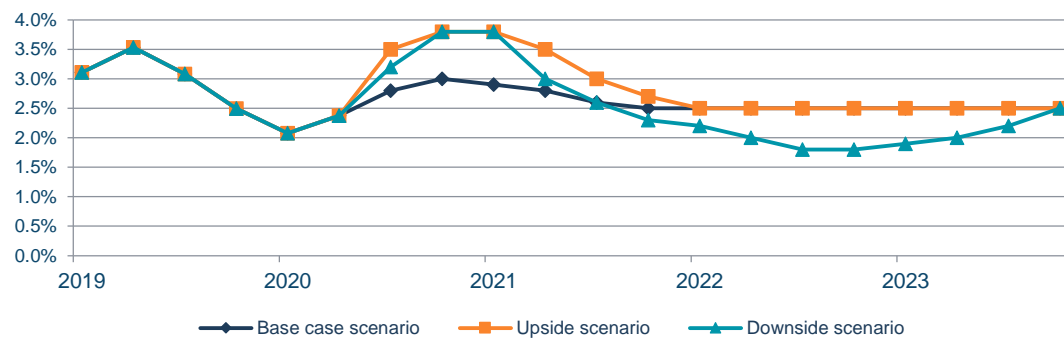


Unemployment

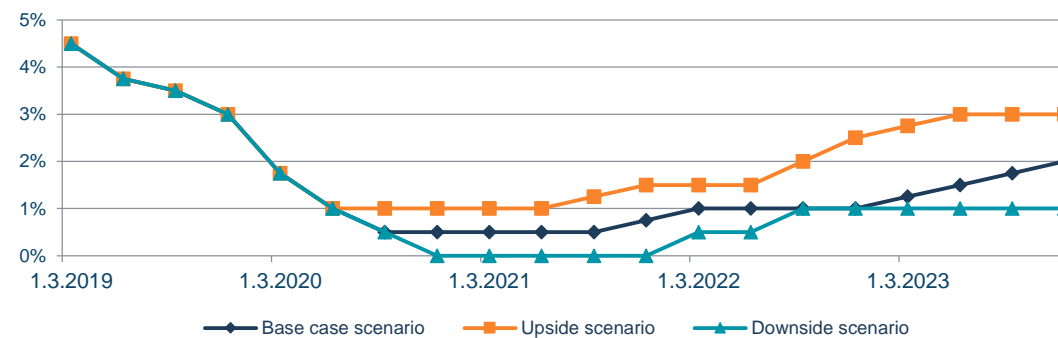


Economic scenarios used in modelling ECL

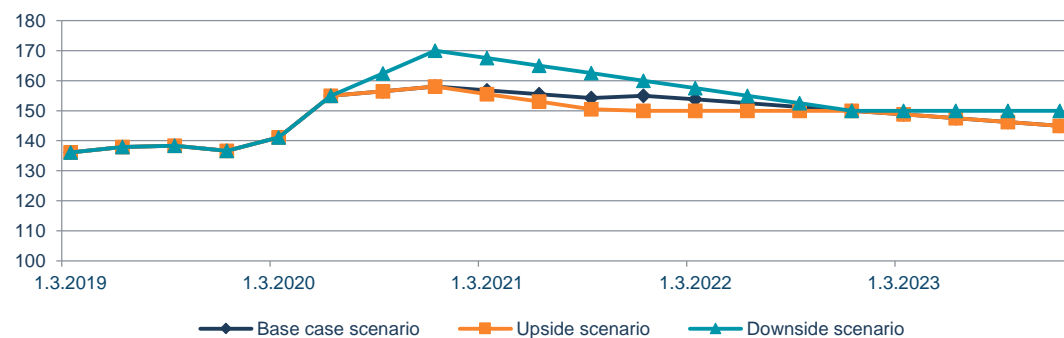
Inflation



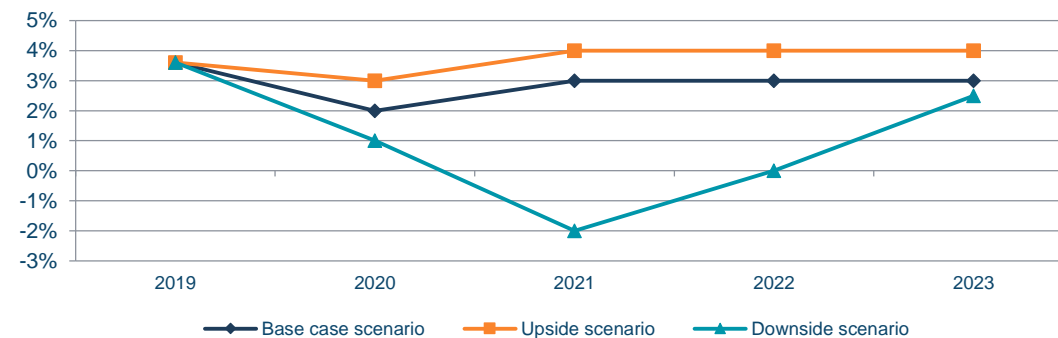
CB key interest rates (seven-day term deposit rate)



EURISK



Housing prices (YoY change)



Key financial ratios

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	H1 2020	2019	2018	2017	2016
Profit after taxes	341	-3,628	3,875	3,247	4,329	-3,287	18,235	19,260	19,766	16,643
Return on equity before taxes	-0.9%	-5.4%	8.0%	8.0%	9.5%	-3.2%	9.6%	11.1%	11.0%	8.7%
Return on equity after taxes	0.6%	-5.9%	6.3%	5.4%	7.1%	-2.7%	7.5%	8.2%	8.2%	6.6%
Return on equity, excluding bank levy	1.3%	-5.2%	8.0%	7.1%	8.9%	-2.0%	9.2%	9.8%	9.5%	7.7%
After tax return on average assets	0.1%	-1.0%	1.1%	0.9%	1.2%	-0.4%	1.3%	1.5%	1.7%	1.5%
Total capital ratio	24.9%	24.8%	25.8%	23.6%	23.7%	24.9%	25.8%	24.9%	26.7%	30.2%
Net interest income	9,512	9,427	9,580	9,631	10,214	18,939	39,670	40,814	36,271	34,650
Interest spread as a ratio of assets and liabilities	2.1%	2.2%	2.3%	2.3%	2.3%	2.1%	2.4%	2.7%	2.5%	2.3%
Cost-income ratio	42.7%	72.6%	46.2%	43.9%	42.3%	54.1%	42.6%	45.5%	46.1%	48.4%
Liquidity ratio LCR total	191%	196%	161%	186%	174%	191%	161%	158%	157%	128%
Liquidity LCR FX	476%	489%	769%	577%	555%	476%	769%	534%	931%	743%
Liquidity LCR ISK	114%	96%	61%	46%	45%	114%	61%	44%	60%	90%
Net stable funding ratio NSFR total	117%	115%	117%	119%	119%	117%	117%	120%	124%	123%
Net stable funding ratio NSFR FX	121%	127%	143%	158%	164%	121%	143%	166%	179%	154%
Operating expenses as a ratio of average total assets	1.6%	1.7%	1.8%	1.5%	1.7%	1.6%	1.7%	1.9%	2.0%	2.1%
Total assets	1,501,110	1,523,188	1,426,328	1,415,262	1,402,835	1,501,110	1,426,328	1,326,041	1,192,870	1,111,157
Loans / deposits ratio	157.9%	157.7%	161.1%	161.5%	162.0%	157.9%	161.1%	153.6%	153.0%	144.7%
Full-time eqv.positions	872	886	893	903	903	872	893	919	997	1,012

Amounts in ISKm

Operations

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	H1 2020	2019	2018	2017	2016
Net interest income	9,512	9,427	9,580	9,631	10,214	18,939	39,670	40,814	36,271	34,650
Net fee and commission income	1,653	1,945	2,125	1,958	2,076	3,598	8,219	8,157	8,431	7,809
Net valuation adjustments and impairment	-8,191	-5,244	-1,399	-1,056	-1,378	-13,435	-4,827	1,352	1,785	-318
Net foreign exchange gain (loss)	-259	85	-300	-39	-87	-174	-584	-1,497	-1,375	-179
Other net operating income	3,160	-2,813	2,257	860	2,042	347	9,039	5,084	8,400	6,738
Total operating income	5,875	3,400	12,263	11,354	12,867	9,275	51,517	53,910	53,512	48,700
Salaries and related expenses	3,802	3,844	3,805	3,284	3,689	7,646	14,458	14,589	14,061	14,049
Other operating expenses	2,206	2,430	2,505	2,167	2,340	4,637	9,534	9,348	9,789	9,465
Tax on liabilities of financial institutions	425	450	1,064	1,065	1,065	875	4,204	3,860	3,253	2,973
Total operating expenses	6,433	6,724	7,374	6,516	7,094	13,157	28,196	27,797	27,103	26,487
Profit (Loss) for the period before tax	-558	-3,324	4,889	4,838	5,773	-3,882	23,321	26,113	26,409	22,213
Income tax	-899	304	1,014	1,591	1,444	-595	5,086	6,853	6,643	5,570
Profit (Loss) for the period	341	-3,628	3,875	3,247	4,329	-3,287	18,235	19,260	19,766	16,643

Amounts in ISKm

Balance Sheet

	30.6.2020	31.12.2019	Change		31.12.2018	31.12.2017	31.12.2016
Cash and balances with CB	89,598	69,824	19,774	28%	70,854	55,192	30,662
Bonds and debt instruments	104,758	115,262	-10,504	-9%	77,058	117,310	154,892
Equities and equity instruments	26,794	30,019	-3,225	-11%	23,547	27,980	26,688
Loans and advances to fin institutions	56,394	47,929	8,465	18%	71,385	44,866	20,408
Loans and advances to customers	1,198,210	1,140,184	58,026	5%	1,064,532	925,636	853,417
Other assets	25,356	23,110	2,246	10%	18,665	21,886	25,090
Total	1,501,110	1,426,328	74,782	5%	1,326,041	1,192,870	1,111,157
Due to financial institutions and CB	37,226	48,062	-10,836	-23%	34,609	32,062	20,093
Deposits from customers	758,790	707,813	50,977	7%	693,043	605,158	589,725
Borrowings	408,097	373,168	34,929	9%	314,412	281,874	223,944
Other liabilities	31,023	30,470	553	2%	31,027	27,642	25,776
Subordinated liabilities	21,527	19,081	2,446	13%	13,340	77	388
Equity	244,447	247,734	-3,287	-1%	239,610	246,057	251,231
Total	1,501,110	1,426,328	74,782	5%	1,326,041	1,192,870	1,111,157

Amounts in ISKm

Segments

1.1 – 30.6 2020	Personal banking	Corporate Banking	Markets	Treasury	Support functions	Reconciliation	Total
Net interest income	8,466	9,430	193	910	-69	9	18,939
Net fee and commission income	1,600	349	1,904	-226	89	-118	3,598
Net valuation adjustments and impairments	-2,392	-11,031	-2	-8	-2	0	-13,435
Other net operating income	166	-1,872	-2	1,871	22	-12	173
Total operating income (expense)	7,840	-3,124	2,093	2,547	40	-121	9,275
Operating expenses	-3,306	-1,191	-1,252	-884	-5,777	128	-12,282
Tax on liabilities of financial institutions	-286	-291	-7	-282	-9	0	-875
Cost allocated from support functions to business segments	-2,094	-1,318	-725	-385	4,522	0	0
Profit (loss) before tax	2,154	-5,924	109	996	-1,224	7	-3,882
Income tax	-873	860	-444	-271	1,323	0	595
Profit (Loss) for the period	1,281	-5,064	-335	725	99	7	-3,287
Total assets	535,502	626,576	18,270	590,114	15,939	-285,291	1,501,110
Total liabilities	501,039	517,657	13,884	493,435	15,939	-285,291	1,256,663
Allocated capital	34,463	108,919	4,386	96,679	0	0	244,447

Amounts in ISKm