

direct/ Landsbanki Islands (UK) - Landsbanki Q1 2006 Results Presentation 11 am UK time

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Press release from: [Landsbanki Islands](#)

Mr Sigurjón Þ. Árnason and Mr Halldór J. Kristjánsson, CEOs of Landsbanki, will present Landsbanki's Q1 2007 results to analysts and investors, followed by a Q&A session. Conducted in English, the presentation will be available live on www.landsbanki.com/ir, where relevant data and presentation material will be posted simultaneously.

Live webcast and Conference call

For those who wish to join the meeting remotely, a webcast of the presentation can be accessed on www.landsbanki.com/ir. A dial-in will also be available, and to participate please call at least 10 minutes prior to the start to +44 (0) 1452 560 068.

Replay and presentation material

All presentation material, plus a replay of the webcast and a podcast of the telephone conference, will subsequently be available on www.landsbanki.com/ir.

Highlights of the Interim Financial Statements of Landsbanki Íslands hf. for Q1 of 2007

- The bank's after-tax profit in Q1 2007 was ISK 13.8bn (EUR 154m), as compared with ISK 14.3bn in Q1 2006. Profit in Q4 2006 was ISK 14.1 billion (bn).
- After-tax return on equity (ROE) in Q1 was 45.2% as compared with a ROE of 36.3% for 2006 as a whole.
- The group's core income (interest margin plus commission income) was ISK 20.6bn (EUR 230m), a YoY quarterly increase of ISK 4.8bn (EUR 54m) or 31%, and an increase of ISK 3.1bn (EUR 35m) or 17% from Q4 2006.
- Revenue from operations abroad was ISK 12.3bn (EUR 137m), or 42% of total operating revenue.
- Core income from operations abroad was ISK 10.7bn (EUR 119m) or 52% of the Group's core income in Q1 2007.
- The cost-income ratio for the period was 42.2%.
- Trading gains and investment income amounted to ISK 8.8bn (EUR 98m), as compared to ISK 11.2bn in Q1 2006.
- Landsbanki's total assets amounted to ISK 2,317bn as of the end of March 2007. Converted to EUR, the bank's total assets amounted to EUR 26.4bn at the end of March, up from EUR 23.2bn at the beginning of the year.
- Customer deposits grew by 34% in Q1 2007 to total ISK 913bn (EUR 10.4bn) at the end of March. They represent 62% of total customer lending as compared to 48% at the beginning of this year.
- The bank's capital adequacy ratio (CAD) was 13.4% at the end of March. Tier 1 capital was 11.7%.

CEO Sigurjón Þ. Árnason:

"Landsbanki's performance in the first quarter of 2007 was very gratifying. The bank's after-tax profit was around ISK 14bn and its ROE 45%. Income generation comes from a solid and broad base, as reflected in the strong growth of core income, which was up 17% from the previous quarter and 31% over the same period of the previous year. Integration of our subsidiaries and establishment abroad has progressed rapidly and supports the bank's successful international strategy aimed at serving mid-cap companies. Strong deposit growth continued this past quarter, in particular through Icesave. Currently 62% of Group lending is funded by deposits, reinforcing its balance sheet considerably. It's no exaggeration to say that the year has begun well at Landsbanki."

CEO Halldór J. Kristjánsson:

"The Q1 results, with very high profit and profitability, clearly reflect Landsbanki's strong position. The turbulence of past quarters concerning Icelandic financial enterprises appears to have subsided. Moody's has upgraded Landsbanki's ratings following its adoption of new JDA methodology. As a result, the bank's rating rose by two notches, from A2 to Aa3, and its financial strength outlook was changed from negative to stable. CDS spreads on Landsbanki's bonds have been dropping and

currently range around 20-22 bp for a 5Y maturity. An improved rating, high growth of overseas deposits and strong liquidity, together with continuing very credible growth of net interest and commission income, are all indicative of this quarter's positive outcome."

A copy of Landsbanki's interim financial statements for Q1 of 2007 is available on the Bank's website www.landsbanki.com/ir.

About Landsbanki - www.landsbanki.com/ir

Landsbanki is a growing European bank with total assets of ISK 2,317 billion (EUR 26.4 bn) at 31 March 2007 and a market capitalisation of ISK 383 billion (EUR 4.4 bn) at 3 May 2007. Headquartered in Reykjavik, Iceland, Landsbanki Islands hf. is traded on the OMX Nordic Exchange Iceland under the symbol . Landsbanki is rated by Moody's (Aa3 / P-1 / C / Stable) and Fitch (A / F1 / B/C / Stable).

Since its establishment in 1886, Landsbanki has been instrumental in the economic development of business and industry in Iceland. Landsbanki has positioned itself as Iceland's primary provider of general and specialised financial services to individuals, corporate entities and institutions. The bank holds a market share of over 30% in all major business segments and has the country's most extensive branch network.

Building on its strong foundation in Iceland, Landsbanki has successfully extended its financial operations into new markets, focusing on serving mid-cap corporates in Europe. The bank's unique product line includes access to both debt and equity markets; its research department. is among the most comprehensive in Europe, including some 90 analysts covering more than 800 European stocks locally. Landsbanki and its subsidiaries now operate in all major financial centres of Europe, and have North American representation in New York and Halifax. Through its extensive distribution network, Landsbanki has a strong platform to deliver targeted financial services based on local expertise.

Landsbanki Q1 2007 Consolidated Interim Financial Statement

Landsbanki Q1 2007 Press Release

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