

direct/ Landsbanki Islands (UK) - Landsbanki H1 Results - Presentation in Reykjavik and London

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Category: [Business, Economy, Finances, Banking & Insurance](#)

Press release from: [Landsbanki Islands](#)

Landsbanki will present its second quarter results in Reykjavik and London on Wednesday, 1 August 2007 - For further information see below.

Net After-tax Profit ISK 26.3 billion
Return on Equity (ROE) 39%
Deposits 76% of loans to customer

Highlights of the Consolidated Interim Financial Statements of Landsbanki Íslands hf. 30 June 2007:

- Landsbanki Íslands hf. reported an after-tax profit for the 1st half of 2007 of ISK 26.3 billion (EUR300m), as compared to ISK 20.4bn in H1 of 2006. The bank's pre-tax profit was ISK 29.5bn (EUR337m).

- After-tax ROE was 39%.

- The group's core income (interest margin plus fees and commissions) amounted to ISK 43.9bn (EUR502m) in H1 2007, increasing 21% YoY.

- Net fee and commission income was ISK 19.5bn, (EUR223m) of which ISK 12.8bn (EUR146m), or 65%, is derived from activities abroad compared to ISK 7.6bn, or 55% for H1 2006.

- Trading gains and investment income amounted to ISK 14.8bn (EUR169m), compared to ISK 9.7bn in H1 2006.

- The cost-income ratio for the period was 44%.

- The bank's total assets amounted to ISK 2,597bn (EUR30.8bn) at the end of June 2007 compared to ISK 2,173bn at the beginning of 2007.

- Customer deposits grew by 74% in H1 2007, to total ISK 1,187bn (EUR14.1bn) at the end of June. They represent 76% of total loans to customers as compared to 47% at the beginning of this year.

- The bank's equity ratio was 12.5% at the end of June. Tier 1 ratio was 11.1%.

Highlights of Q2 2007:

- The bank's after-tax profit amounted to ISK 12.5bn (EUR146m) in Q2 of this year, as compared to ISK 13.8bn in Q1 2007.

- Net operating revenues in Q2 were ISK 29.1bn (EUR340m).

- Net interest revenues in Q2 were ISK 13.5bn (EUR158m) compared to ISK 10.9bn in Q1.

- Net fees and commission income was ISK 9.7.1bn (EUR113m) in Q2.

- Customer deposits grew by ISK 274bn (EUR3.3bn) while customer lending increased by ISK 84bn (EUR997m) in Q2.

CEO Sigurjón Þ. Arnason:

"Landsbanki reports a very good performance in Q2 2007. Its after-tax profit was ISK 12.5bn (EUR146m), and total H1 profit is ISK 26.3bn (EUR300bn) and ROE 39%. Fees and commissions for the first six months of this year totalled ISK 19.5bn (EUR223m), making the two first quarters of this year the best ever in the bank's history. Landsbanki's overseas operations now account for 65% of the bank's total fee and commission income, compared with 55% during the first six months of last year. During the year to date, we have made considerable investment in further developing the group's international operations, for instance in Norway, Finland and the US. We have also expanded the activities of Landsbanki's London Branch and the acquisition of Bridgewell Securities will strengthen the bank's position in the UK market. All operating divisions are performing well and returning a good profit, reflecting Landsbanki's stability and diversified operations."

CEO Halldór J. Kristjánsson:

"It is gratifying to see Landsbanki's strength reflected in its results for the first six months of this year. The bank's funding pillars have been steadily reinforced by the rapid increase in its deposits, which have grown by 74% or over ISK 500bn (EUR5.9bn) year to date. The deciding factor here has been the highly successful Icesave on-line savings programme in the UK, which currently has around 100,000 customers and GBP 4bn in deposits. Deposits currently represent 76% of customer lending, compared to 47% at the beginning of this year and 34% at the beginning of the previous year. For Landsbanki, the change is highly significant, in particular in view of potential volatility on international financial markets. Building on the success of the first half of 2007, and the underlying solid core performance, the outlook for 2007 as a whole is bright."

Please find attached the interim financial statements of Landsbanki Íslands hf. as of 30 June 2007 in both pdf and excel-format, the 2Q 2007 press release and PPT-presentation, also available on the Bank's website: www.landsbanki.com/ir.

Presentation in London 1 August

Mr Sigurjón Þ. Arnason and Mr Halldór J. Kristjánsson, joint CEOs of Landsbanki, will present Landsbanki's Q2 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, where relevant data and presentation material will be posted simultaneously.

Time: 4pm UK summer time (3pm GMT and 5pm CET)

Venue: City Presentation Centre, 4 Chiswell Street, Finsbury Square, London EC1Y 4UP

Registration: Due to strict and time consuming security controls please ensure to complete your registration on www.landsbanki.is/english/registration/q22007results

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 567 098.

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.

Presentation in Reykjavík 1 August

Mr Sigurjón Þ. Arnason and Mr Halldór J. Kristjánsson, joint CEOs of Landsbanki, will present Landsbanki's Q2 2007 results to analysts and investors, followed by a Q&A session. The presentation will be held on Wednesday, 1 August, at 8:30 am at the Nordica Hotel in Reykjavík.

For further information contact:

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About Landsbanki - www.landsbanki.com/ir

Landsbanki is a growing European bank with total assets of ISK 2,597 billion (EUR 30.8 bn) at 30 June 2007 and a market

capitalisation of ISK 439 billion (EUR 5.3 bn) at 31 July 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 close to 900 European stocks locally. Landsbanki and its subsidiaries now operate in all major financial centres of Europe and have North American representation in New York, Winnipeg and Halifax. Through its extensive distribution network, Landsbanki has a strong platform to deliver targeted financial services based on local expertise.

Q2 2007 Landsbanki Consolidated Interim Financial Statements
(hugin.info/136348/R/1143292/216617.pdf)

EXCEL Q2 2007 Consolidated Interim Financial Statements
(www.directnewsroom.de/servlets/LoadBinaryServlet/2050878/...)

Q2 2007 Landsbanki Results Presentation Reykjavik and London
(hugin.info/136348/R/1143292/216621.pdf)

Q2 2007 Landsbanki Results Press Release
(hugin.info/136348/R/1143292/216625.pdf)

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