

direct/ Landsbanki Islands (UK) - Landsbanki Issues Tier 1 Capital in the US

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Press release from: [Landsbanki Islands](#)

On Friday 12 October 2007, Landsbanki closed a USD 400 million non-cumulative undated capital notes transaction, targeted at institutional investors in the U.S. market. The notes are perpetual with a call 10 years from the issue date. The issue has a coupon of 7.43% which is equivalent to 3-month USD LIBOR + 213bps. Joint lead managers in the transaction were Citigroup, Credit Suisse and JP Morgan.

The deal attracted strong interest from the U.S. institutional investor base as well as from European investors, where 92% of investor participation was from the U.S. A total of 32 investors participated in the issue. Due to the fact that the deal was more than twice oversubscribed, the deal was increased from the planned USD 300 million to USD 400 million.

Brynjólfur Helgason, Managing Director for International Banking said "The main purpose of this offering was to further strengthen Landsbanki's capital ratio to accommodate for Balance Sheet growth. We saw an opportunity in the market in line with our objectives this year and were very pleased to see the investor interest in this issue. This clearly underpins Landsbanki's continued strong performance."

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About Landsbanki

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 477 billion (EUR 5.6 bn) at 12 October 2007. Through its extensive distribution network of 2,317 employees in 16 countries, Landsbanki is set to deliver targeted financial services based on local expertise for mid-cap corporates in Europe. Landsbanki provides retail and corporate banking, investment banking, capital markets services, asset management and wealth management for private banking clients. Landsbanki's unique product line includes access to both debt and equity markets and its research department is among the most comprehensive in Europe, including some 90 analysts covering close to 900 European stocks.

The market leader of the Icelandic financial service sector, Landsbanki's growth in recent years has been primarily organic, based upon small strategically acquired platforms in the UK, Ireland and Continental Europe. Most recently, the bank acquired the securities broker and investment bank Bridgewell in the UK.

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).

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