

29 July 2008

# Confronting Challenge

Q2 2008 Results Presentation

Chief Executive Officer

**Sigurjón Þ. Árnason**

Chief Executive Officer

**Halldór J. Kristjánsson**

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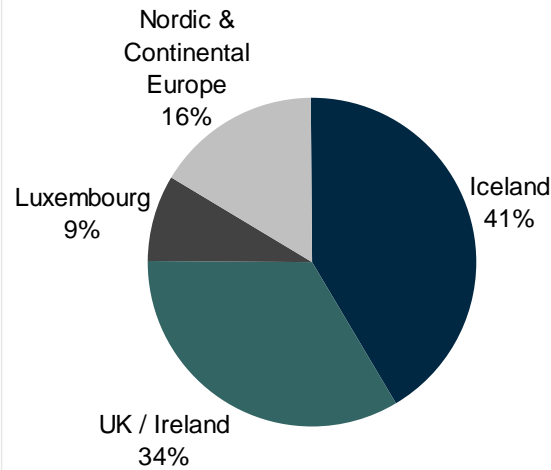
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- Solid Q2 2008 results and continued high core income profitability
- Diversified funding profile and strong liquidity position
- Iceland a flexible and resilient economy

## Strong results

- After-tax profit ISK 29.5bn (€270m), thereof ISK 12.0bn in Q2 2008
- After-tax ROE 35%

## Diversified revenue streams



**Net interest income and net fee and commission income**

	ISK / EUR
1 Jan 2008	91.65
30 Jun 2008	124.5
Average H1 2008	109.24
Average Q2 2008	119.08

## Strong balance sheet

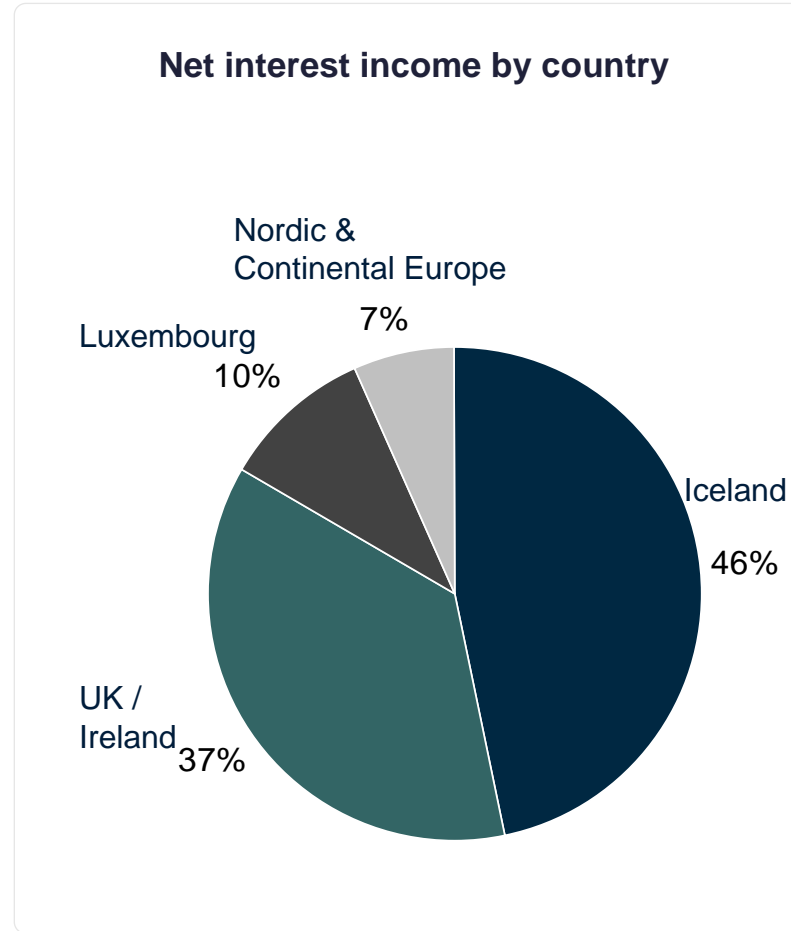
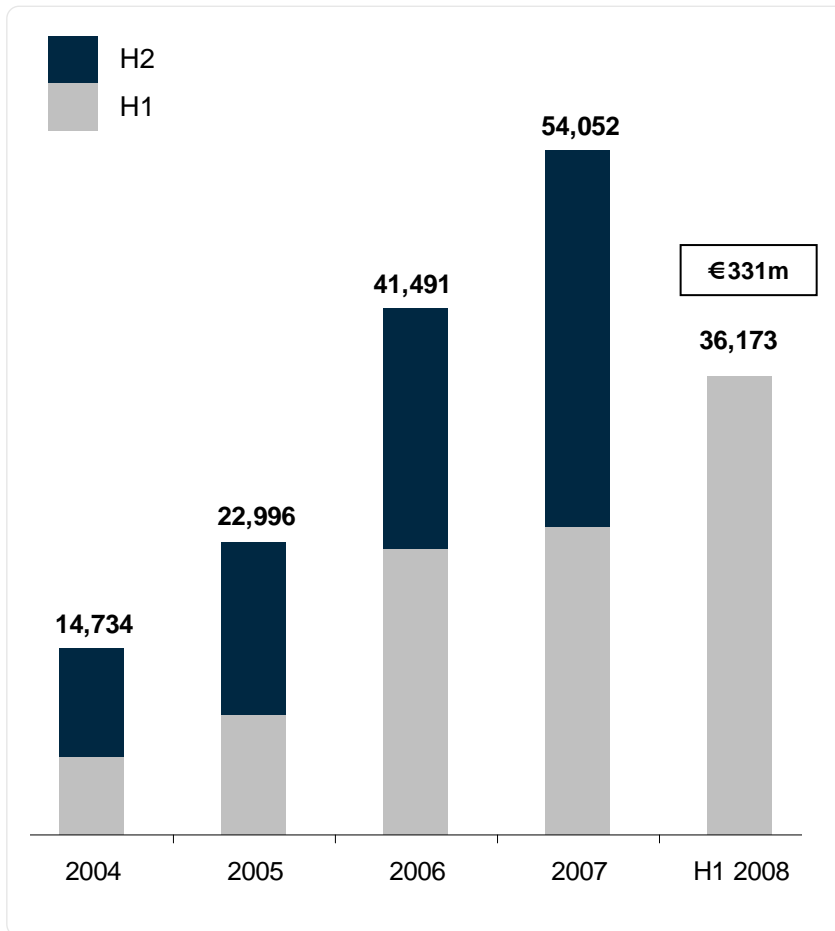
- Total assets ISK 3,970bn (€31.9bn), down from €33.4bn at beginning of year
- Shareholder equity ISK 198bn (€1.6bn)
- Equity ratio 10.3%

# Income Statement



		H1 2008	H1 2007	Diff	%	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	€ 331m	36,173	24,380	11,793	48%	20,918	15,255	15,227	14,445	13,500
Net fee and commission income	€ 200m	21,793	19,490	2,303	12%	10,890	10,904	9,660	10,218	9,729
Other operating income	€ 182m	19,838	14,754	5,084	34%	5,159	14,679	-68	1,918	5,955
<b>Net operating income</b>	<b>€ 712m</b>	<b>77,804</b>	<b>58,624</b>	<b>19,180</b>	<b>33%</b>	<b>36,967</b>	<b>40,837</b>	<b>24,819</b>	<b>26,582</b>	<b>29,184</b>
Salaries and related expenses	€ 197m	21,560	16,890	4,669	28%	10,927	10,633	10,769	10,029	8,919
Administrative expenses	€ 130m	14,238	9,175	5,063	55%	7,637	6,601	5,846	4,806	4,731
<b>Operating expenses</b>	<b>€ 328m</b>	<b>35,797</b>	<b>26,065</b>	<b>9,732</b>	<b>37%</b>	<b>18,564</b>	<b>17,233</b>	<b>16,615</b>	<b>14,835</b>	<b>13,650</b>
Impairment on loans and advances	€ 99m	10,867	3,050	7,817	256%	6,953	3,915	2,286	1,620	1,501
<b>Pre-tax profit</b>	<b>€ 285m</b>	<b>31,140</b>	<b>29,509</b>	<b>1,631</b>	<b>6%</b>	<b>11,450</b>	<b>19,690</b>	<b>5,919</b>	<b>10,127</b>	<b>14,033</b>
Income tax	€ 15m	1,667	3,206	-1,539	-48%	-598	2,265	997	1,402	1,490
<b>Net profit</b>	<b>€ 270m</b>	<b>29,473</b>	<b>26,303</b>	<b>3,170</b>	<b>12%</b>	<b>12,048</b>	<b>17,425</b>	<b>4,922</b>	<b>8,725</b>	<b>12,542</b>
<b>Attributable to:</b>										
Shareholders of Landsbanki	€ 267m	29,183	25,698	3,485	14%	11,876	17,307	4,584	8,518	12,248
Minority interests	€ 3m	290	605	-315	-52%	172	118	337	207	294

# Net Interest Income

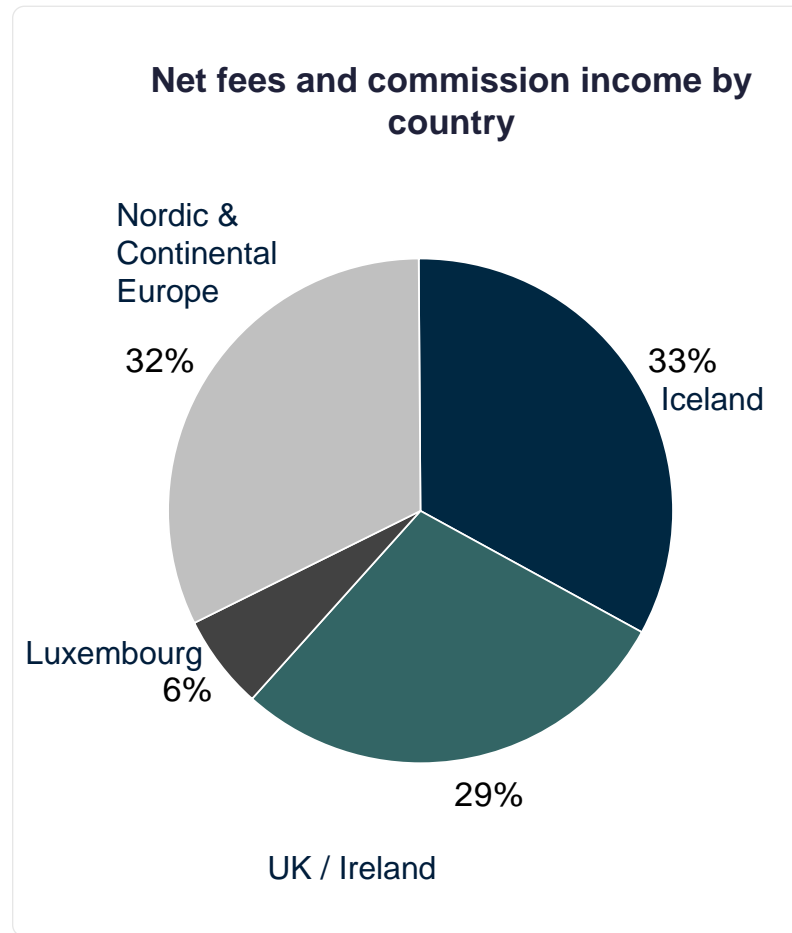
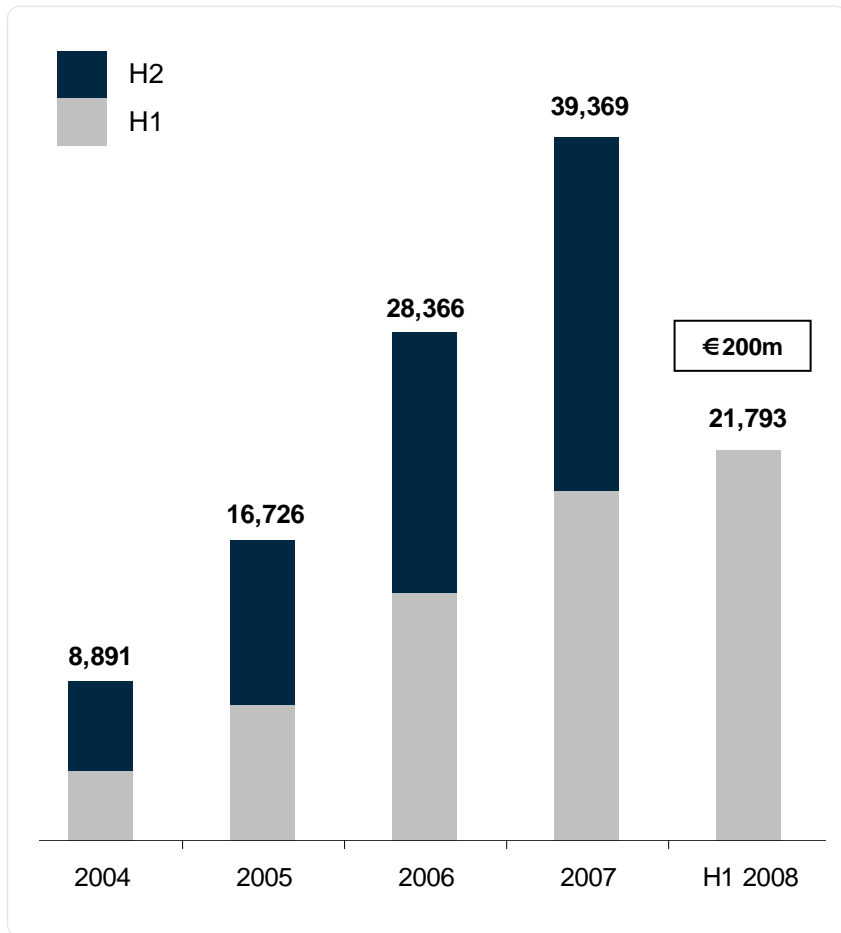


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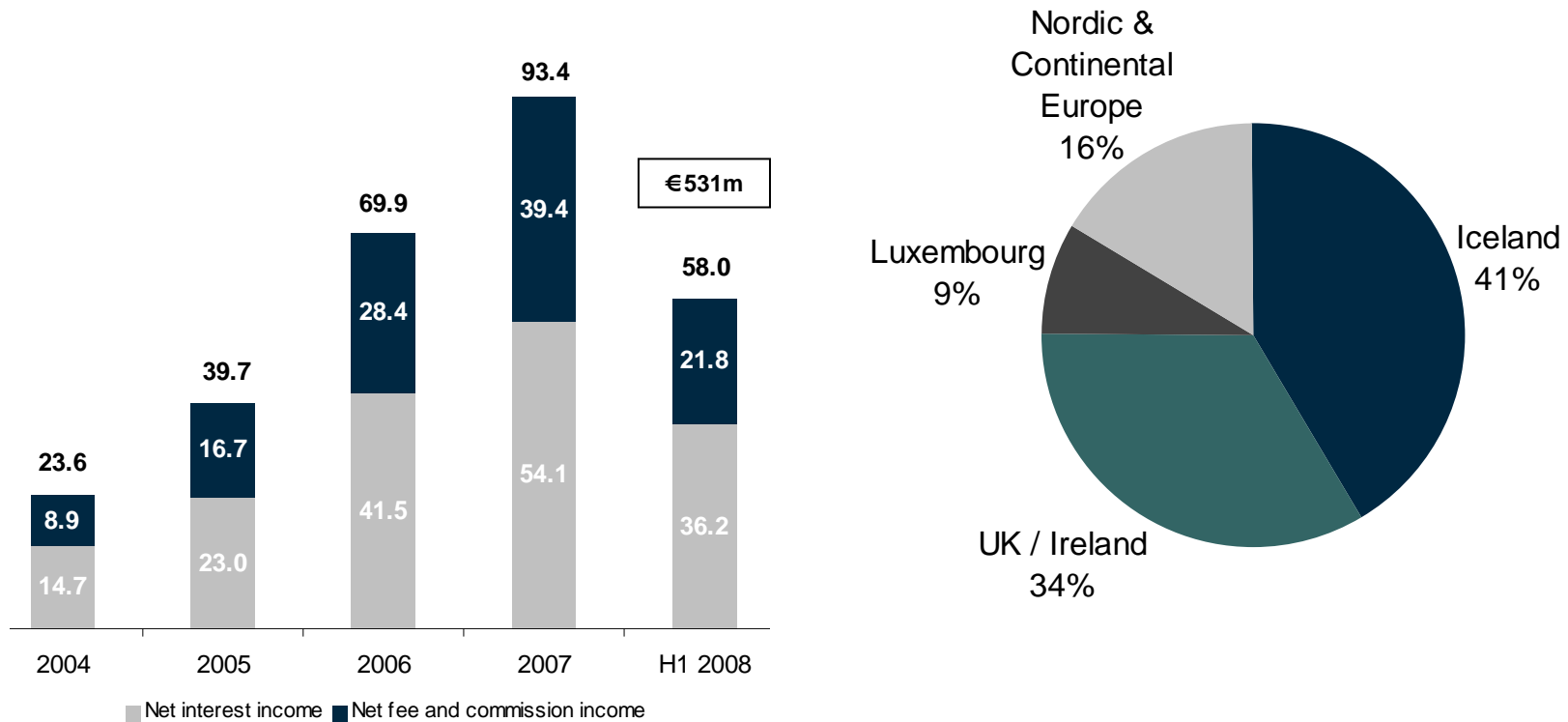
# Net Fee and Commission Income





# Diversified Revenue Streams by Type and Country

Net interest income & Net fee and commission income

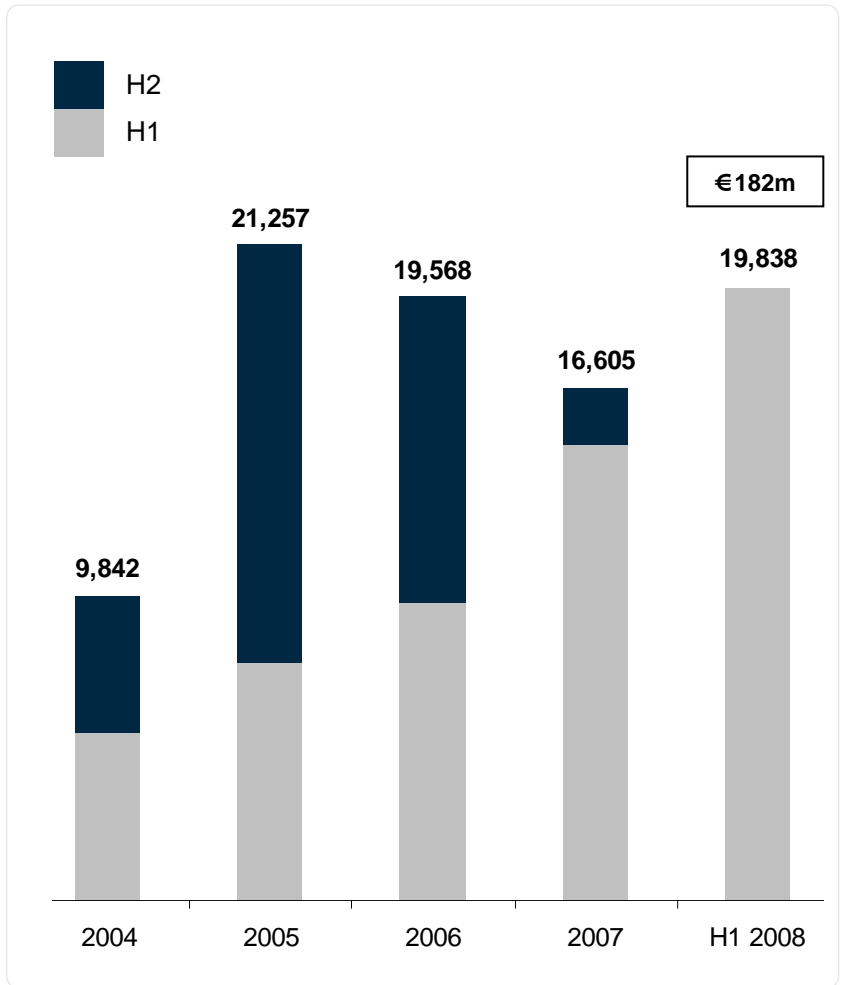


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# Other Operating Income



### Other operating income

	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Equities	0.1	-1.9	0.7	2.7	6.4	8.2
Fixed income, IRS & credit	-2.2	-8.1	-4.7	-3.2	-0.2	0.1
Foreign exchange	7.5	24.8	4.2	2.4	-0.3	0.6
Other	-0.2	0.0	-0.3	0.1	0.0	0.0
<b>Total</b>	<b>5.2</b>	<b>14.7</b>	<b>-0.1</b>	<b>1.9</b>	<b>6.0</b>	<b>8.8</b>

### FX Position

- Net FX exposure as of 30 June 2008 was ISK 199bn (€1.6bn)

# Fixed Income and Structured Credit Exposure



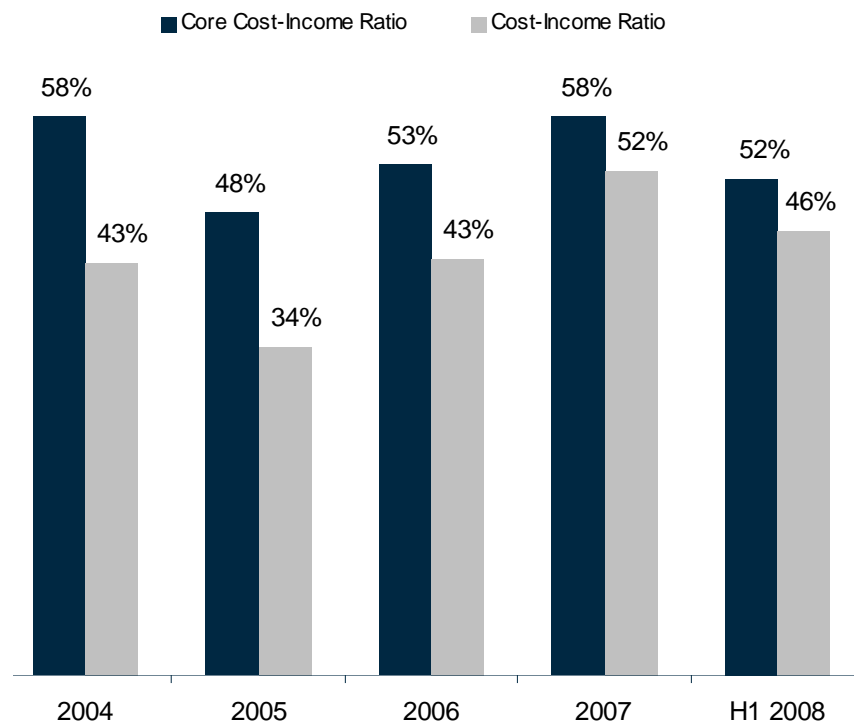
Listed bond portfolio	<p>As part of its liquidity strategy/reserves, Landsbanki has invested about ISK 470bn in listed bonds (mainly Floating Rate Notes). The highly rated portfolio consists mainly of financial and government paper.</p>	<table border="1"> <tr> <td>Financials</td> <td>64%</td> </tr> <tr> <td>Government bonds</td> <td>29%</td> </tr> <tr> <td>Corporate bonds</td> <td>7%</td> </tr> </table>	Financials	64%	Government bonds	29%	Corporate bonds	7%	<table border="1"> <tr> <td>AAA</td> <td>29%</td> </tr> <tr> <td>AA</td> <td>42%</td> </tr> <tr> <td>A</td> <td>21%</td> </tr> <tr> <td>BBB</td> <td>4%</td> </tr> <tr> <td>NR</td> <td>4%</td> </tr> </table>	AAA	29%	AA	42%	A	21%	BBB	4%	NR	4%
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Corporate synthetic CDOs	No exposure																		
ABS	No exposure																		
SIVs, conduits & liquidity lines	No exposure																		
Monolines	No exposure																		
Total return swaps	Landsbanki uses Total return swaps (TRS) which are marked to market to manage part of its portfolio of acquisitions and leveraged finance participations																		

# Income Statement

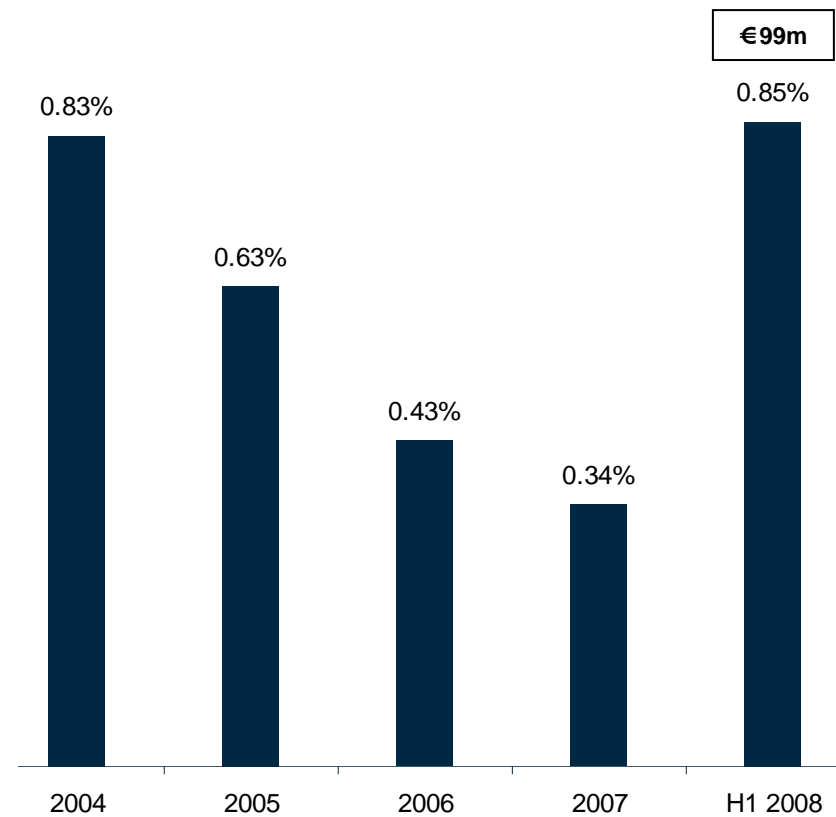
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# Cost-income Ratio & Impairment on Loans to Customers

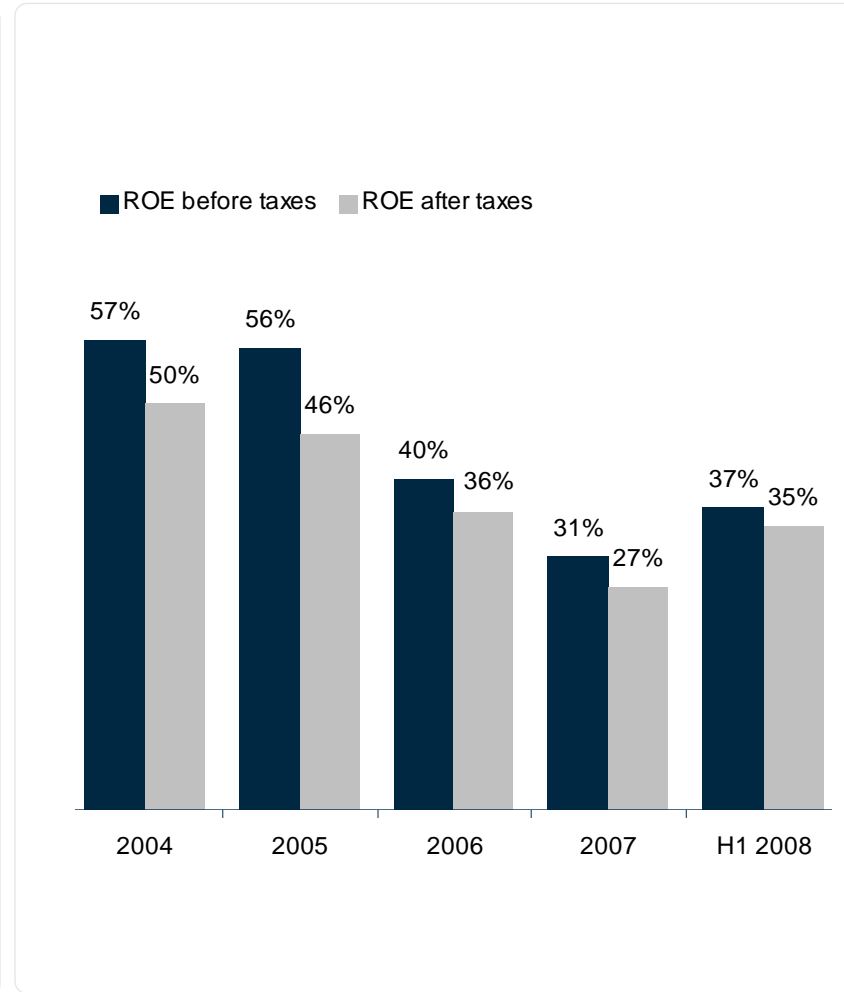
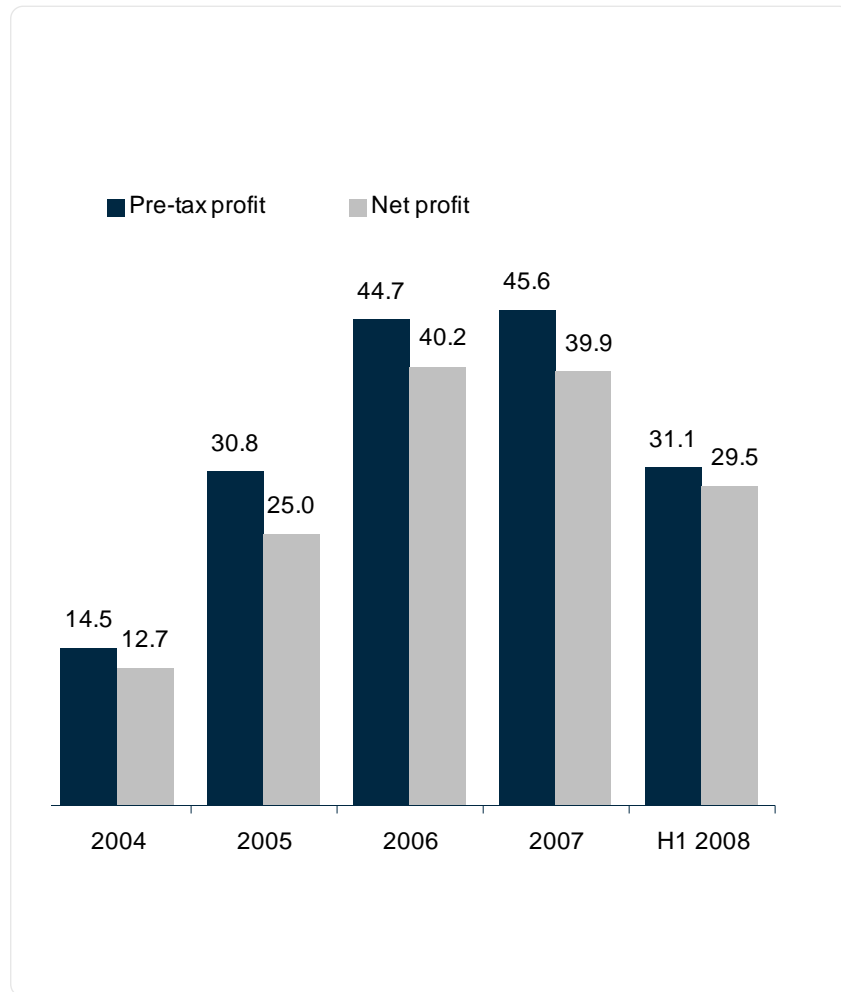
### Cost-income ratio



### Impairment on loans to customers

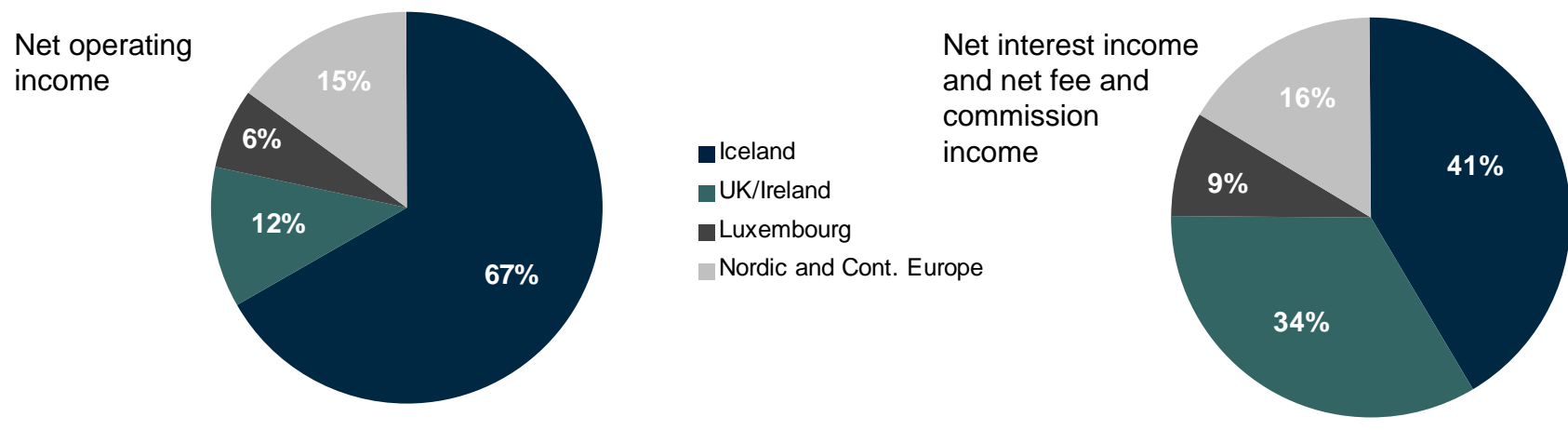


# Profit and Return on Equity



# Revenue Breakdown by Country

H1 2008	Iceland	UK / Ireland	Luxembourg	Nordic and Continental Europe	Total
Net interest income	16,866	13,244	3,631	2,432	36,173
Net fee and commission income	7,180	6,224	1,325	7,063	21,793
Other operating income	27,875	-10,339	65	2,238	19,838
<b>Net operating income</b>	<b>51,921</b>	<b>9,129</b>	<b>5,021</b>	<b>11,733</b>	<b>77,804</b>
	€ 475m	€ 84m	€ 46m	€ 107m	€ 712m
Share in net operating income	67%	12%	6%	15%	100%
Net interest revenues and net fees	41%	34%	9%	16%	100%

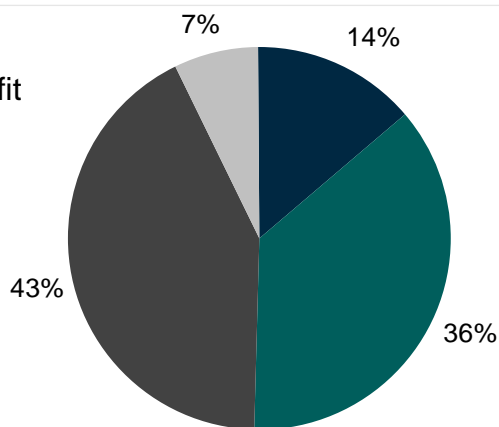




# Breakdown by Business Segment

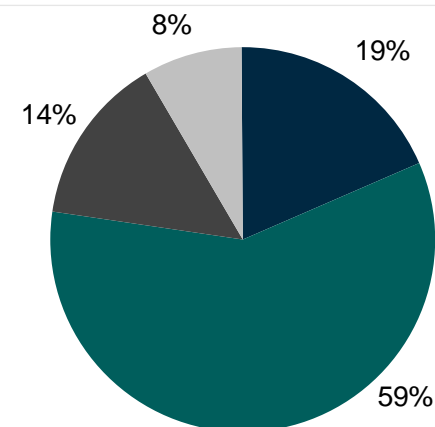
H1 2008	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Private Banking	Other	Group
Net interest income	10,424	26,122	-3,798	3,425	0	36,173
Net fee and commission income	1,458	2,644	14,951	2,740	0	21,793
Other operating income	-145	-2,692	22,414	261	0	19,838
<b>Net operating income</b>	<b>11,737</b>	<b>26,075</b>	<b>33,567</b>	<b>6,426</b>	<b>0</b>	<b>77,804</b>
<b>Operating expenses</b>	<b>5,413</b>	<b>6,491</b>	<b>17,887</b>	<b>3,458</b>	<b>2,547</b>	<b>35,797</b>
Impairment on loans and advances	1,677	7,342	1,271	578	0	10,867
<b>Net segment result</b>	<b>4,647</b>	<b>12,241</b>	<b>14,409</b>	<b>2,390</b>	<b>-2,547</b>	<b>31,140</b>
	€43m	€112m	€132m	€22m	€-23m	€285m

H1 2008 pre-tax profit



- Retail Banking
- Corporate Banking
- Investment Banking
- Asset Management & Private Banking

H1 2008 core profit



# Core Earnings

Pre-tax profit  
€285m

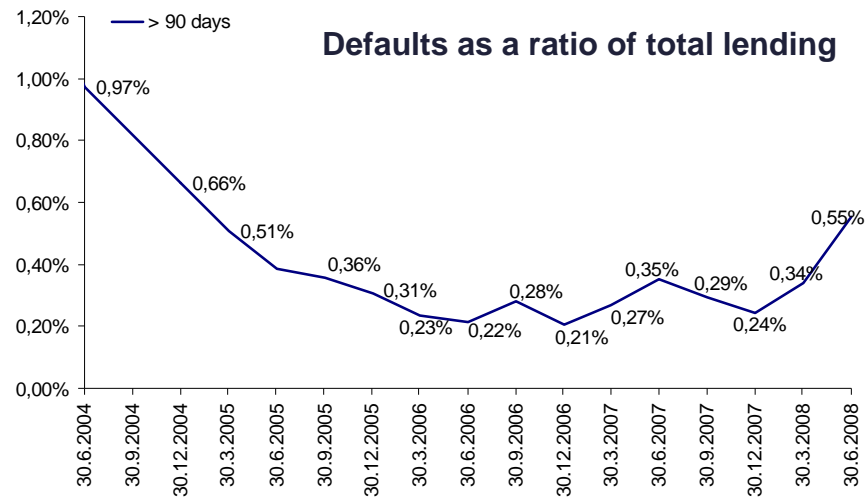
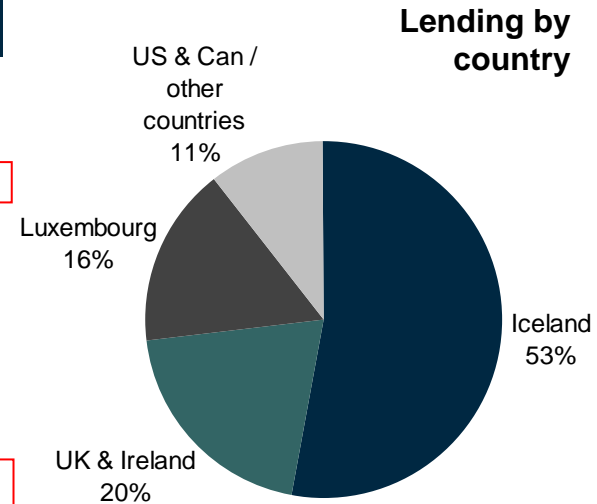
Core pre-tax profit  
€209m

Core pre-tax ROE  
26%

Actual results		H1 2008	2007	2006	2005	2004
Net interest revenues	€ 331m	36,173	54,052	41,491	22,996	14,734
Net commissions and fees	€ 200m	21,793	39,369	28,366	16,726	8,891
Net gain on equity, securities and FX	€ 182m	19,838	16,605	19,568	21,257	9,842
<b>Net operating revenues</b>	<b>€ 712m</b>	<b>77,804</b>	<b>110,025</b>	<b>89,426</b>	<b>60,978</b>	<b>33,467</b>
Operating expenses	€ 328m	35,797	57,515	38,588	20,967	14,460
Impairment on loans and advances	€ 99m	10,867	6,956	6,144	6,197	4,485
Impairment on goodwill	€ 0m	0	0	0	3,033	0
<b>Pre-tax profit</b>	<b>€ 285m</b>	<b>31,140</b>	<b>45,555</b>	<b>44,694</b>	<b>30,781</b>	<b>14,521</b>
<b>Cost-income Ratio</b>	<b>46%</b>	<b>46%</b>	<b>52%</b>	<b>43%</b>	<b>34%</b>	<b>43%</b>
<b>Pre-tax ROE</b>	<b>37%</b>	<b>37%</b>	<b>31%</b>	<b>40%</b>	<b>56%</b>	<b>57%</b>
<b>Adjustments</b>						
Net interest revenues	€ 105m	11,479	5,753	3,640	3,652	1,200
Net gain on equity, securities and FX	€ -182m	-19,838	-16,605	-19,568	-21,257	-9,842
Impairment on goodwill	€ 0m	0	0	0	3,033	0
	€ -77m	-8,360	-10,852	-15,929	-14,572	-8,642
<b>Core Earnings</b>						
<b>Pre-tax profit for core operations</b>	<b>€ 209m</b>	<b>22,780</b>	<b>34,703</b>	<b>28,765</b>	<b>16,210</b>	<b>5,879</b>
<b>Cost-income ratio for core operations</b>	<b>52%</b>	<b>52%</b>	<b>58%</b>	<b>53%</b>	<b>48%</b>	<b>58%</b>
<b>Pre-tax ROE for core operations</b>	<b>26%</b>	<b>26%</b>	<b>24%</b>	<b>26%</b>	<b>30%</b>	<b>23%</b>

# Balance Sheet – Assets as of 30 June 2008

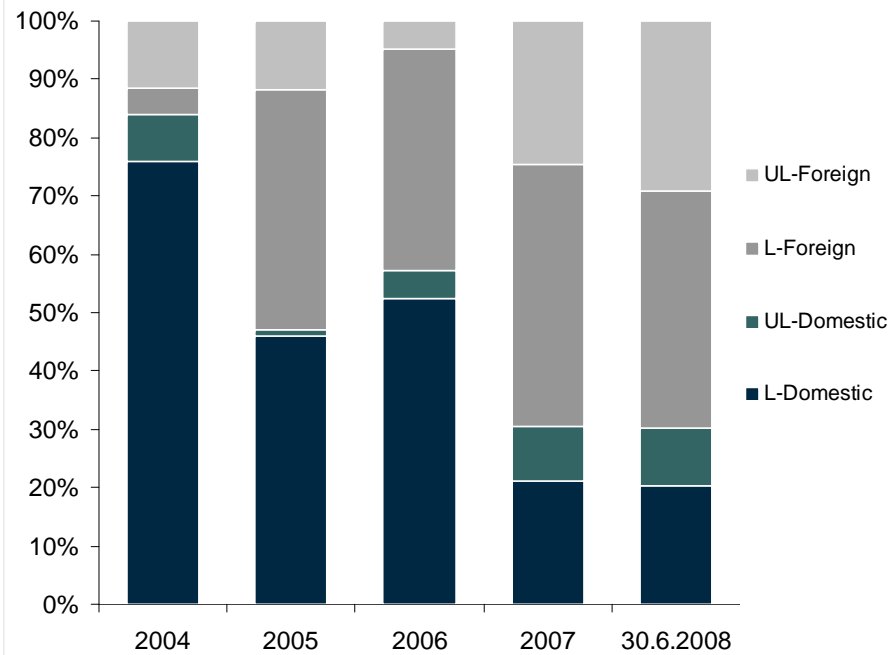
	30 Jun 2008	31 Dec 2007	Change	
Cash and cash balances with Central Bank	28	82	-54	
Loans and advances to financial institutions	337	163	174	
Loans and advances to customers	2,571	2,023	549	
Bonds and debt instruments	410	363	47	
Shares and equity instruments	99	64	34	
Hedged securities	180	176	3	
Derivatives held for trading	162	50	111	
Derivatives held for hedging	10	9	1	
Intangible assets	39	28	12	
Other assets	135	101	35	
<b>Total assets</b>	<b>3,970</b>	<b>3,058</b>	<b>913</b>	<b>30%</b>
	<b>€31.9bn</b>	<b>€33.4bn</b>	<b>€-1.5bn</b>	<b>-4%</b>



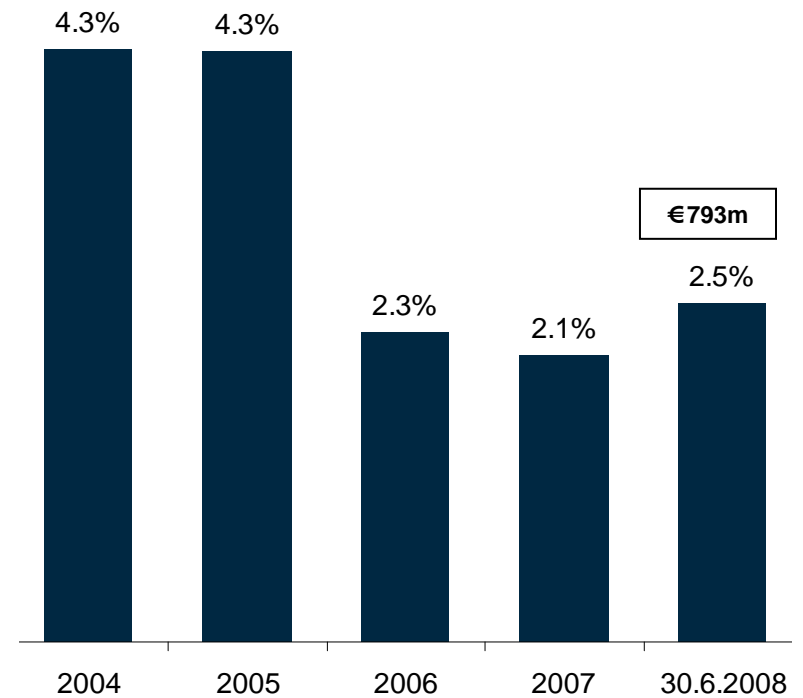
Provision account at 30 Jun 2008	32,118	€ 258m	1.16%
Total paym. overdue past 90 days / Loans	14,243	€ 115m	0.55%

# Net Equity Position

### Shares and equity instruments



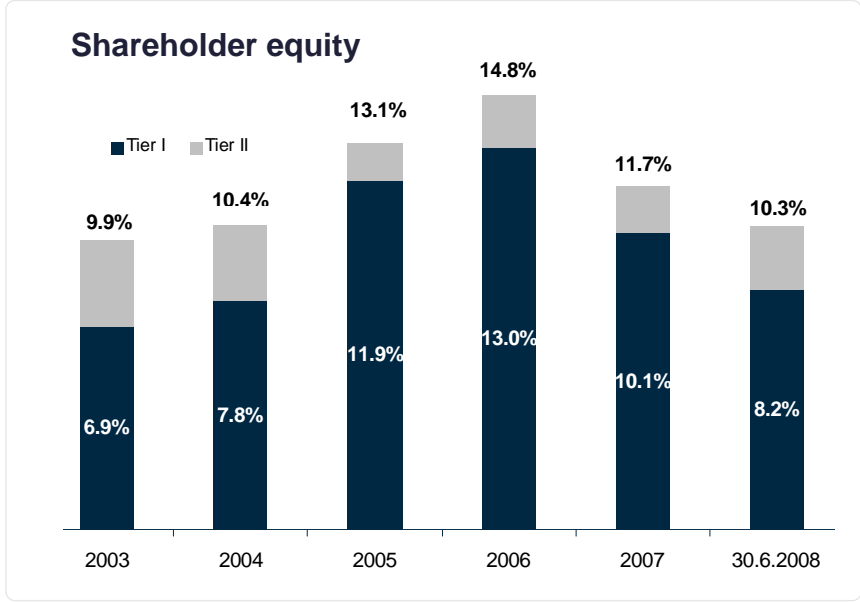
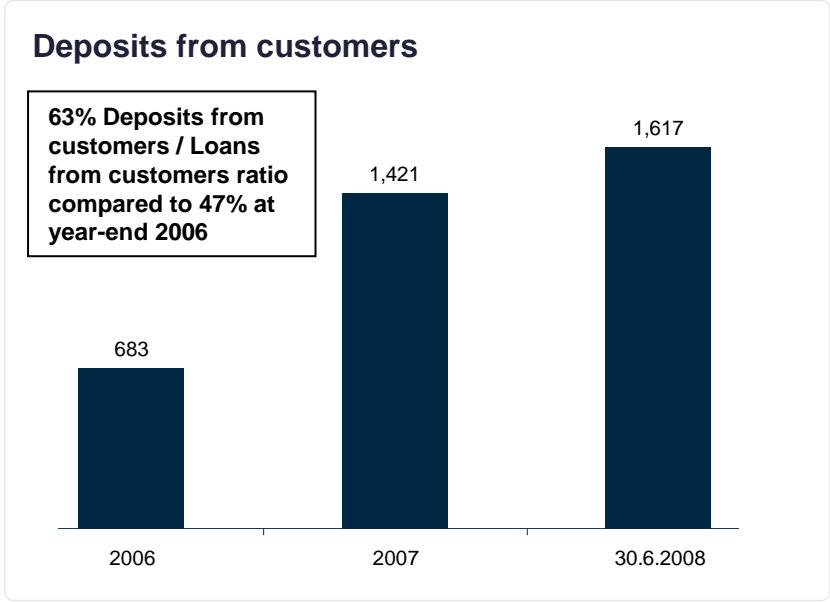
### Equity exposure as % of balance sheet



# Balance Sheet – Liabilities & Equity as of 30 June 2008



	30 Jun 2008	31 Dec 2007	Change	
Deposits from credit institutions	463	338	125	
Deposits from customers	1,617	1,421	196	
Borrowing	1,301	836	465	
Subordinated loans	153	112	41	
Other liabilities	234	166	68	
Minority interest	4	4	0	
Shareholder equity	198	180	18	
<b>Total liabilities and equity</b>	<b>3,970</b>	<b>3,058</b>	<b>913</b>	<b>30%</b>
	<b>€31.9bn</b>	<b>€33.4bn</b>	<b>€-1.5bn</b>	<b>-4%</b>



# Equity Overview



Share price ISK  
22.4 (28 July 2008)

Market cap ISK  
244bn (EUR 1.9bn)

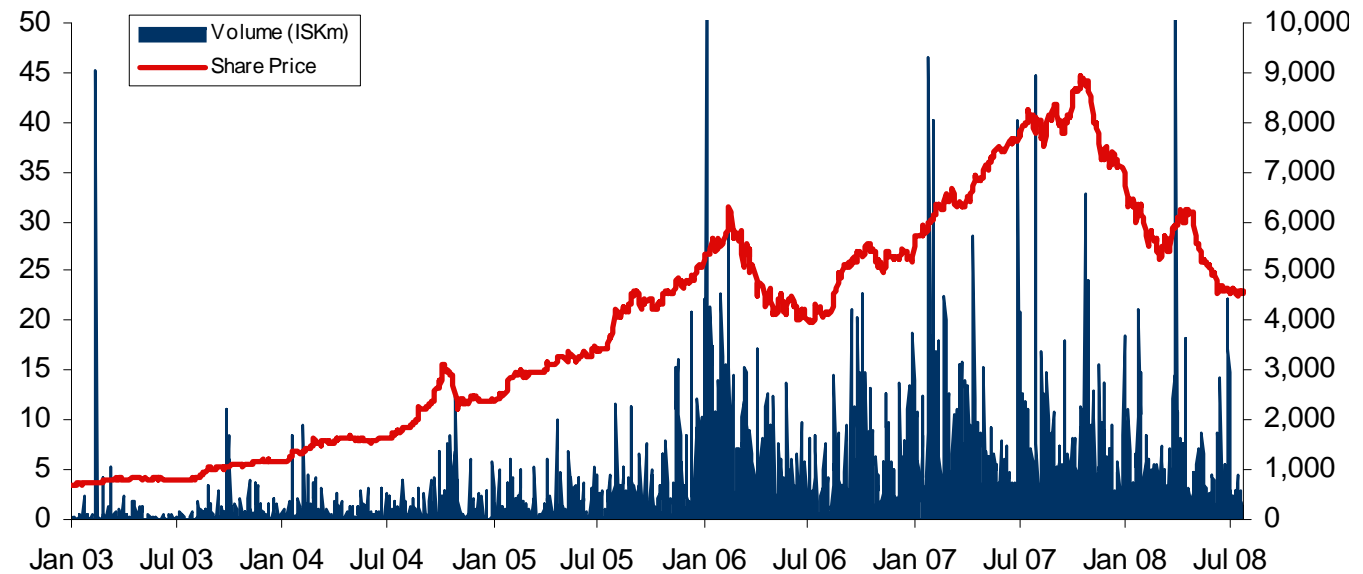
Equity ISK 198bn  
(EUR 1.6bn)

H1 2008 after-tax  
profit ISK 29.5bn  
(EUR 270m)

Last 12 month P/E:  
 $244/43.1 = 5.67$

P/B:  $244/198 = 1.23$

## Share price & trading volume



Trading volume 2007:  
ISK 361bn (€3.6bn)  
(17,070 transactions)

Shareholder structure	%
Samson eignarhaldsfélag	41.8%
Next 100 largest shareholders	49.8%
Approx. 26,700 shareholders	8.4%

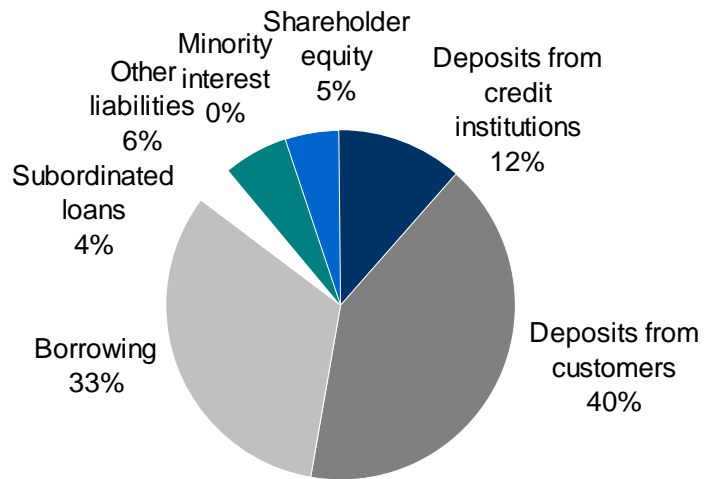
Trading volume YtD 2008:  
ISK 147bn (€1.2bn)  
(8,095 transactions)

- Solid Q2 2008 results and continued good profitability of core income
- **Diversified funding profile and strong liquidity position**
- Iceland – a flexible and resilient economy

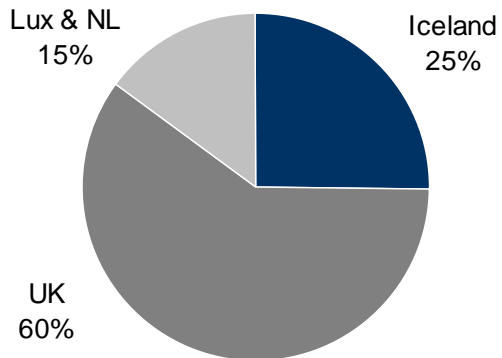
# Well Diversified Liability Side Backed by Solid Deposits



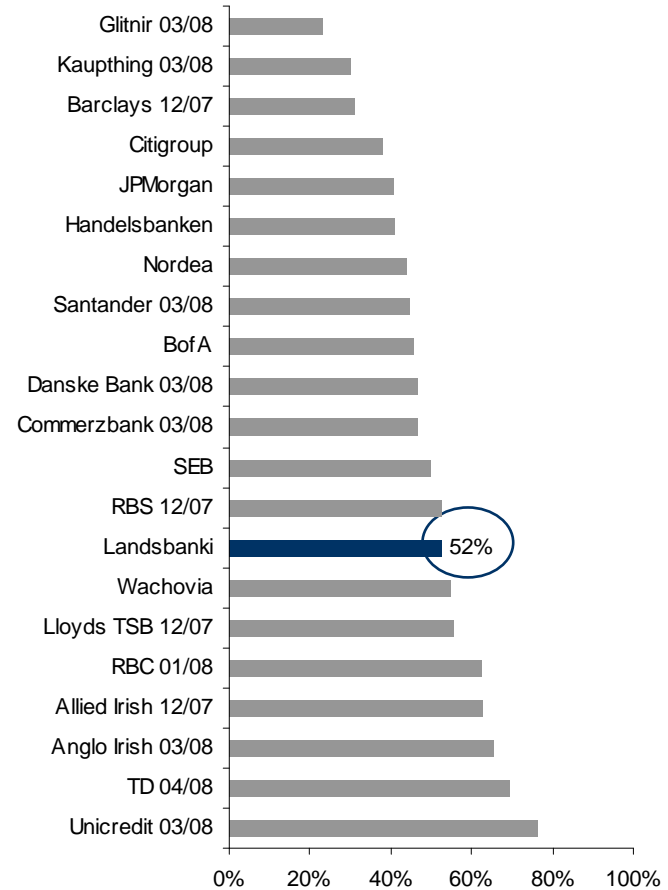
**Liabilities 30 Jun 2008**



**Deposits by country 30 Jun 2008**



**Total deposits / Total assets**



Q2 '08 or period ending in the month indicated.

Source: company reports

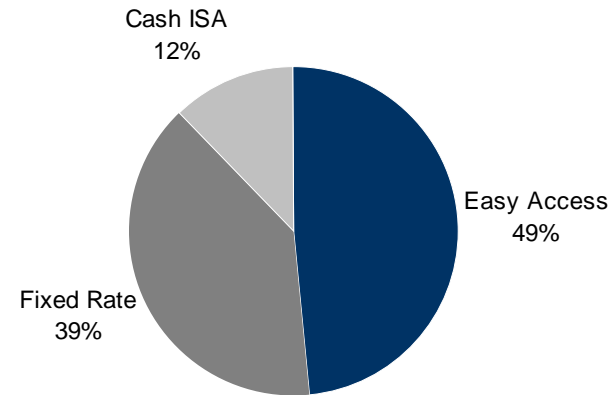


# Ongoing Growth and Diversification of Icesave



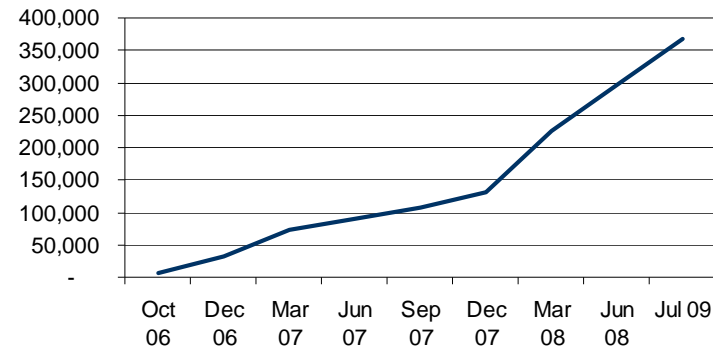
- Continued record number of account openings across markets
- UK emphasis on term deposits with fixed terms of 6M – 3Y
  - 39% in term deposits and 12% in cash ISAs
- Icesave platform extended to Continental Europe, first launch in Netherlands 29 May
  - Very well received as a fresh entry in a savings market dominated by local incumbent players
  - Fixed-term products introduced soon
- Behavioural trends show lower amounts spread over more accounts
- Over 200,000 new accounts opened in H1 2008

### ICESAVE UK Composition



25.07.2008

### Icesave account openings In UK and NL



25.07.2008

## Market Potential for Expanding Icesave Platform

- Operational platform of Icesave in Netherlands designed to be both flexible and robust, facilitating its adaptation to new markets
- Plan to further extend Icesave into selected European markets in coming months

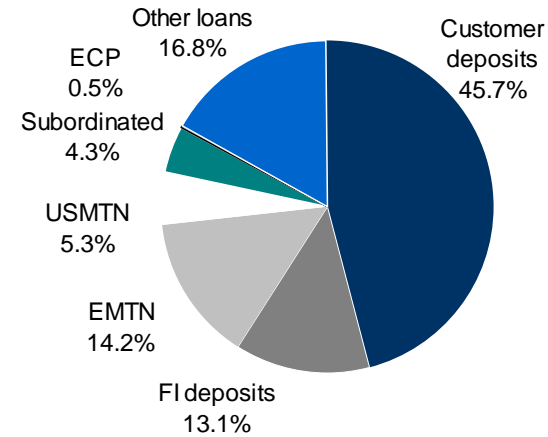
	Population	GDP (PPP, 2007)		Retail deposits	
	million	€ bn.	€ per capita	€ bn.	€ per capita
<b>UK</b>	60.6	1,465	24,081	1340	22,112
<b>Germany</b>	82.2	1,926	23,428	1580	19,221
<b>France</b>	64.5	1,403	22,747	980	15,194
<b>Italy</b>	59.5	1,224	20,869	910	15,294
<b>Spain</b>	45.2	926	20,644	640	14,159
<b>Netherlands</b>	16.4	438	26,378	280	17,073
<b>Belgium</b>	10.6	258	24,176	220	20,755
<b>Switzerland</b>	7.6	206	28,189	280	36,842
<b>Austria</b>	8.3	218	26,319	180	21,687
<b>Sweden</b>	9.2	229	25,013	90	9,783
<b>Norway</b>	4.8	170	36,352	90	18,750
<b>Denmark</b>	5.5	140	25,628	120	21,818
<b>Finland</b>	5.3	127	24,181	60	11,321

Source: Central bank websites & Datamonitor.

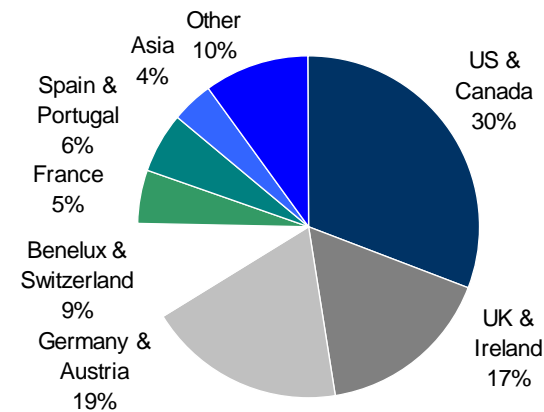
# Funding Activity in H1 2008

- New senior issuance to date amounts to EUR 1.5bn, consisting of private placements and bilateral loans
- Funding focus in 2008-9 to navigate challenging credit markets, while strengthening liquidity by developing new deposit initiatives
  - Ongoing focus on Icesave retail deposits in selected European markets
  - Covered bonds issuance and alternative asset backed issues
  - Pursuing zero growth with reduced balance sheet activities

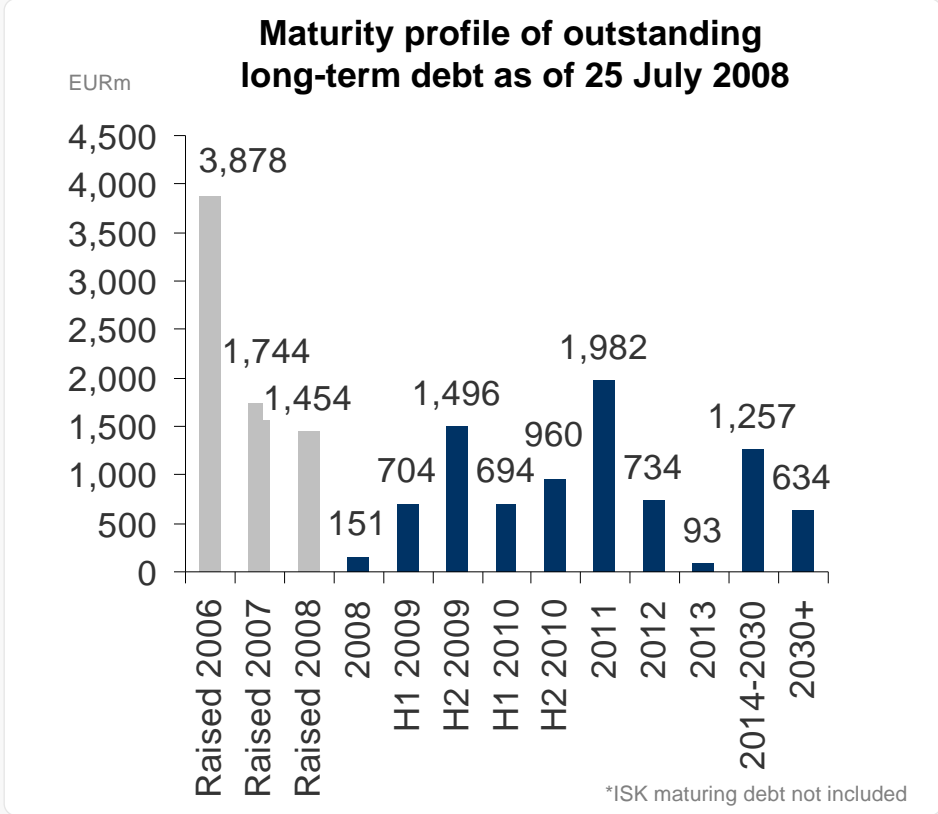
### Funding Mix



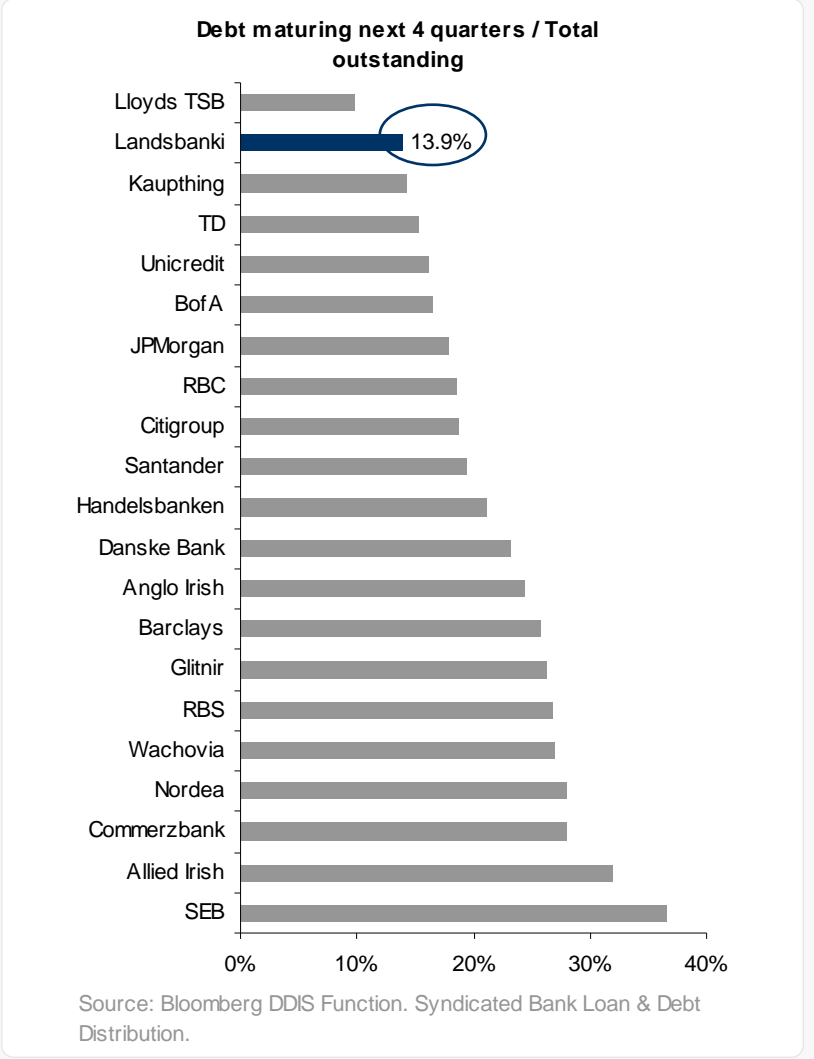
### Debt Investors Breakdown



# Strong Liquidity Position and Light Repayment Profile



- Pre-funding of 2009 proceeding well
- Liquid assets EUR 7.8bn as of 30 June 2008
- Long-term debt of EUR 855m falling due in next 12 months

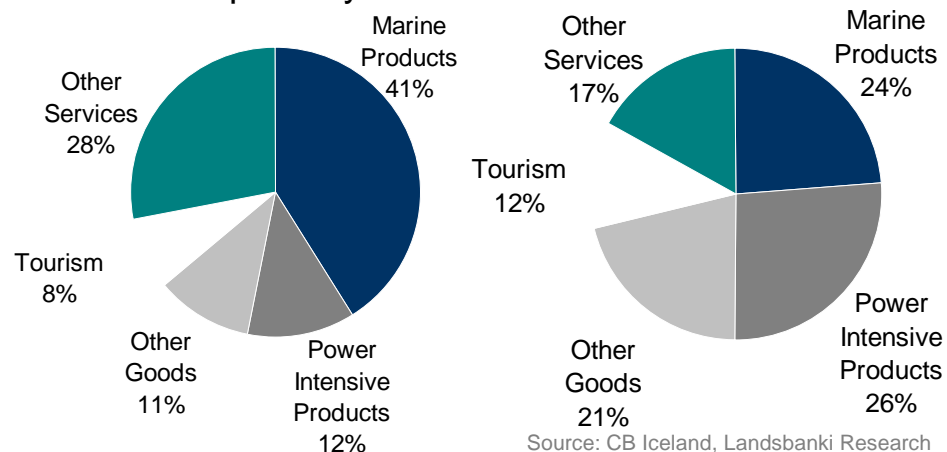


- Solid Q2 2008 results and continued profitability of core income
- Diversified funding profile and strong liquidity position
- **Iceland a flexible and resilient economy**

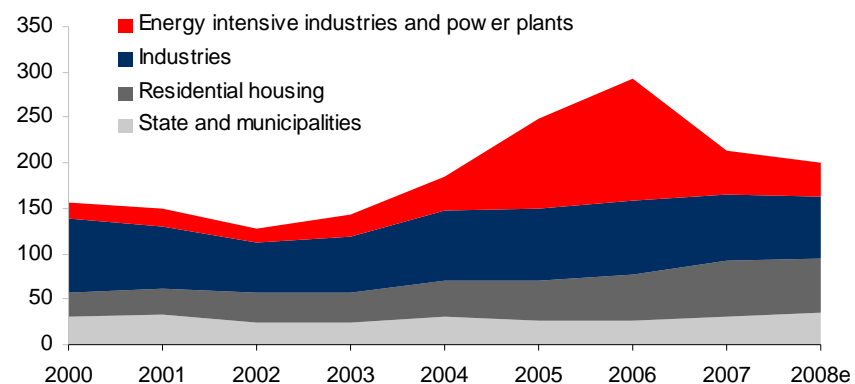
# Strong Fundamentals Translate into Good Long-term Prospects

- Increased diversification of the economy in recent years
  - EEA membership,
  - privatisation,
  - investment in export industries
- Solid and defensive export base in food and energy sectors, along with expanding tourism
- Fossil fuel consumption concentrated in transport and fishing. Oil price increases have limited effect on general industry and households
- Public sector debt very low - significant financial muscle when facing economic adversity. Net treasury debt is nil
- Pension fund assets amounting to 133% of GDP support long-term fiscal position
- ISK depreciation, together with surging energy prices, increases profitability of exploiting abundant energy resources and encourages FDI

Exports by sector in 2000 and 2008e



Composition of investment 2000-2008e

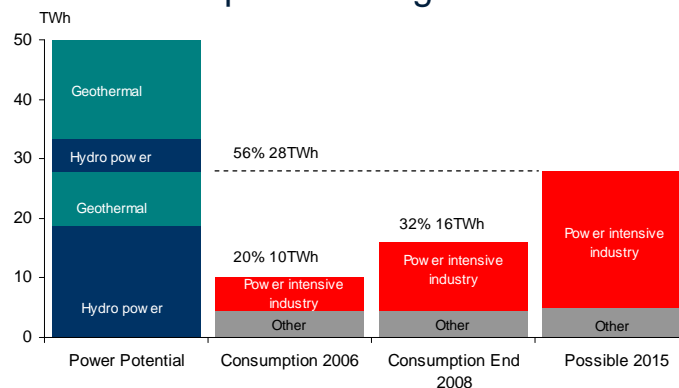


# Renewable Energy Catalyst for Potential Export Growth

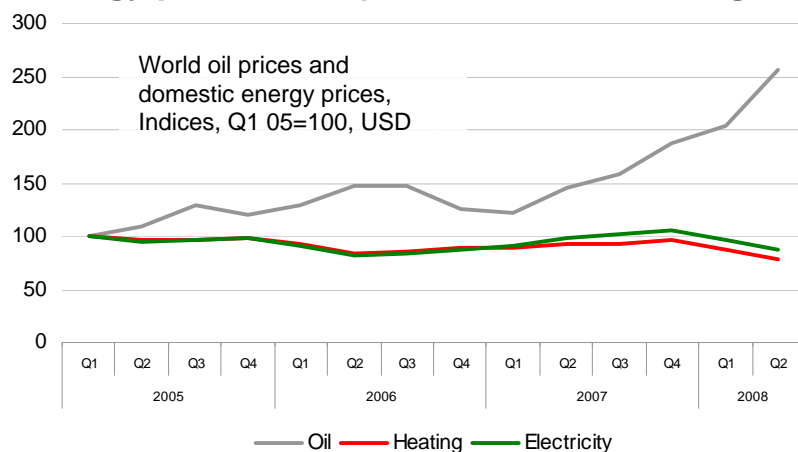


- Increased capacity in energy intensive sectors could increase the level of GDP by around 4%, equivalent to around 0.8% additional GDP growth annually for a period of 5 years
- Export growth could increase 42.5% in 7 year period or about 6% per annum, assuming
  - doubling of power intensive exports
  - 3.5% annual growth in value of marine exports
  - 2.5% annual growth in value of other exports

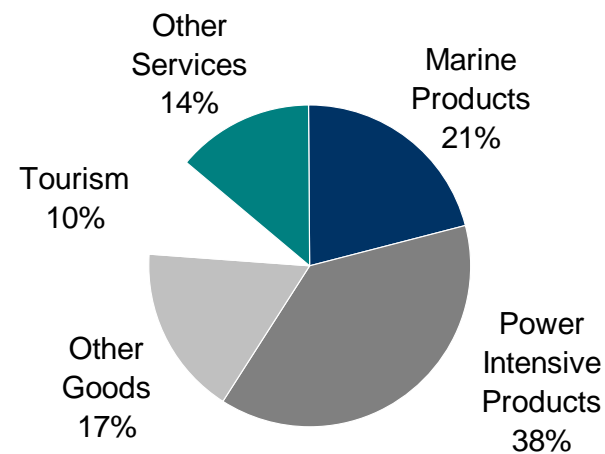
## Abundant renewable energy available for export-driven growth



## Energy price development – conducive to growth



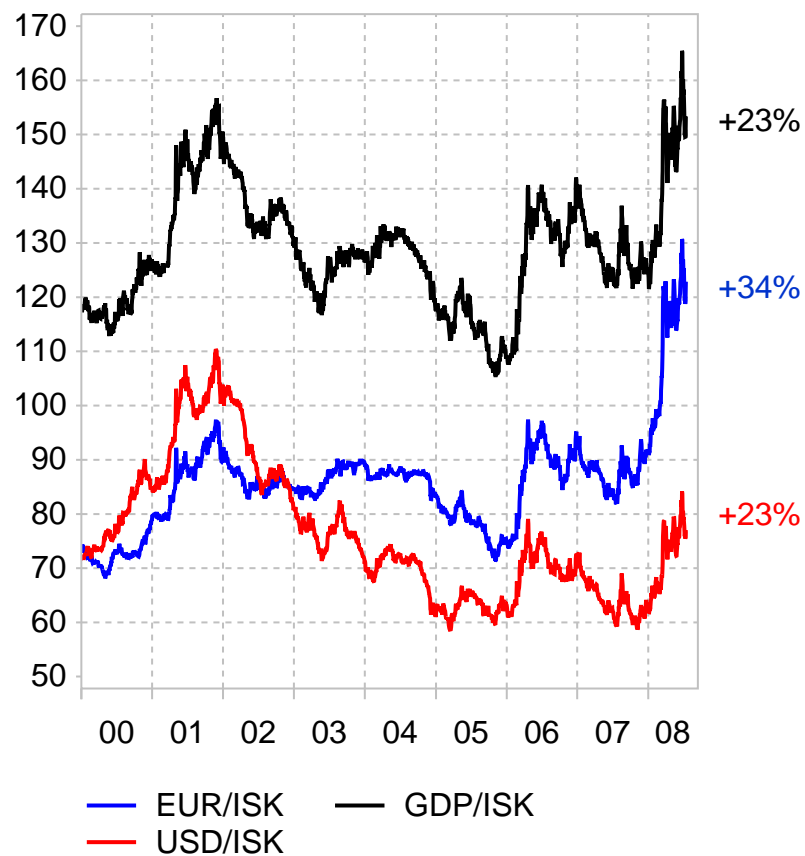
## Exports 2015 Projection



# ISK Depreciation Expected, but Clear Signs of Over-reaction

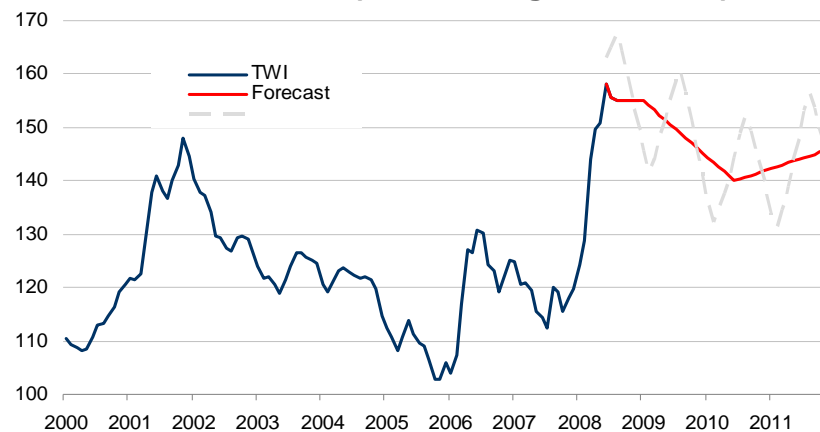


### EUR/ISK, USD/ISK, GDP/ISK



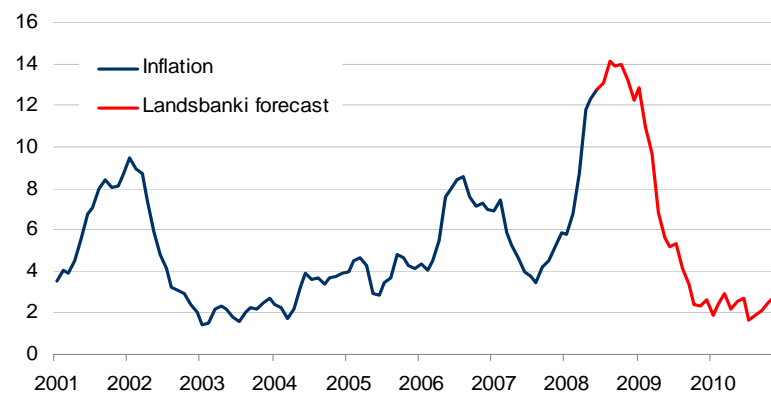
Source: Reuters EcoWin

### ISK forecast (Trade-weighted Index)



Source: Statistics Iceland, Landsbanki Research

### Inflation forecast



Source: Statistics Iceland, Landsbanki Research

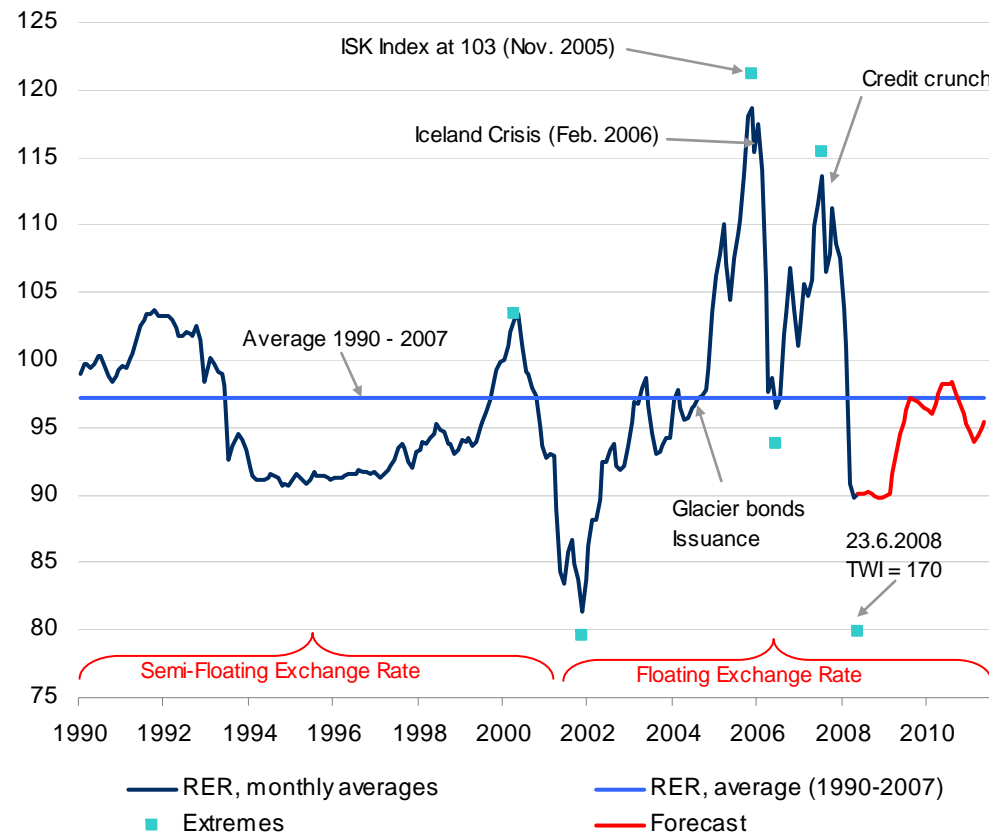


# Real Exchange Rate Below Historical Average



- ISK depreciation has overshot long-term equilibrium
- Structural changes in recent decades support an equilibrium level somewhat higher than the historical average
  - Diversification of the economy
  - Productivity gains
  - Globalisation of labour market
  - Access to increasingly global financial markets
  - Corporate tax cuts
- Current liquidity situation is likely to keep the ISK weak for some time
- Increased issuance of Treasury bonds
- We expect the ISK to return to more balanced levels late this year

**Real Exchange Rate 1990-2008, monthly averages**

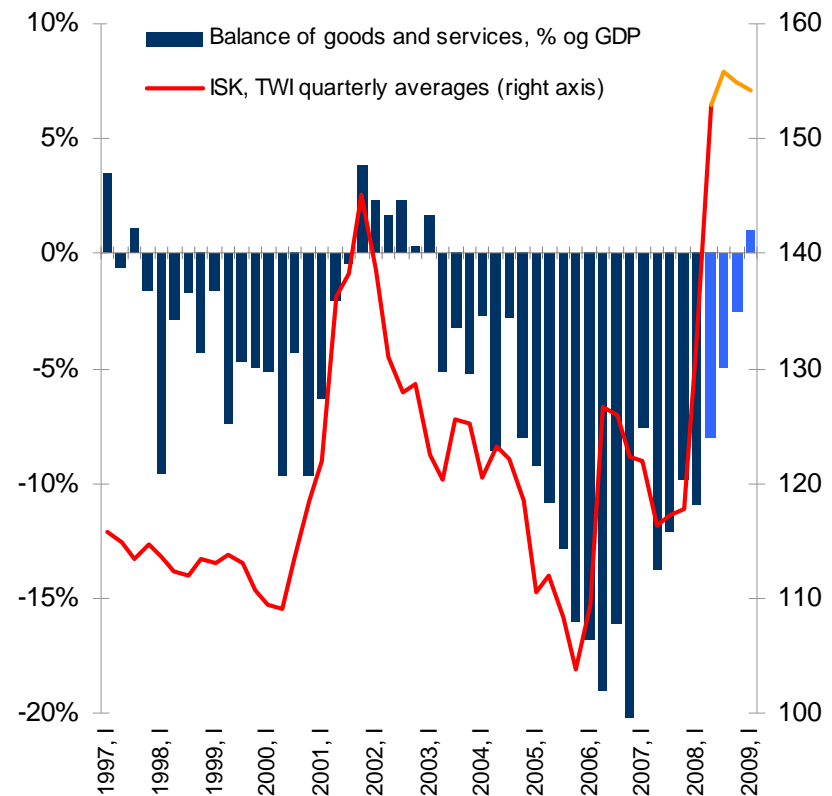


Source: Central Bank, Landsbanki Research

# ISK Depreciation Speeds up Adjustment

- The ISK plays a key role in the business cycle adjustment
  - In 2002 a CA deficit of over 10% of GDP was turned into a positive figure in 16 months
- Trade deficit expected to close in Q4 2008 and the balance of goods and services to turn positive in Q1 2009
  - Trade deficit fell from ISK 25bn in Q1 to ISK 9bn in Q2
- Negative factor income has become a large part of the reported CA deficit
  - -7% of GDP in 2006 and -5% of GDP in 2007
- Various measurement problems underestimate factor income but exaggerate factor expenditure
- Reported net factor income does not reflect actual cash flows or funds needed to service Iceland's net foreign position

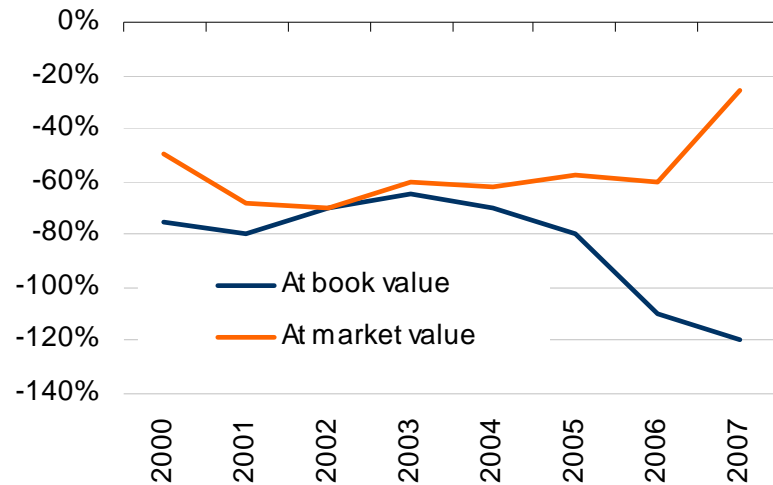
### ISK and Balance of Goods and Services



Source: Central Bank, Landsbanki Research

# External Imbalances are Overstated

### Net direct investment position

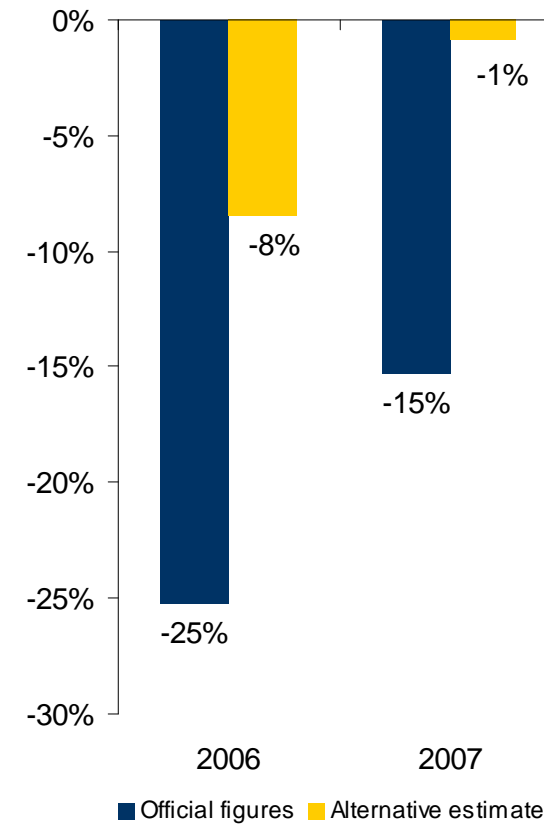


Source: Central Bank of Iceland

### Other factors contributing to reduced current account deficit:

- Income from outward FDI lags behind expenditure
- Factor income is underestimated
- Factor expenditure is overestimated

### Revalued current account balance 2006-7 Alternative estimate of balance of income, % of GDP



Source: Landsbanki Research

# Banks well Hedged Against ISK Weakening and Rising Inflation



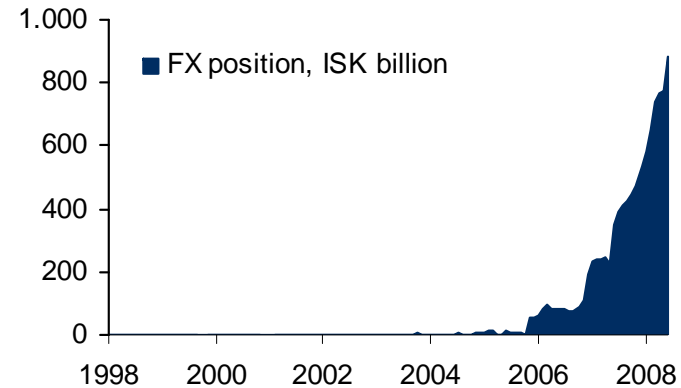
## Banking sector

- All Icelandic banks have taken measures to limit the negative impact of currency depreciation on their CAD ratio
  - Currently Icelandic banks have a positive FX balance of EUR 6.8bn
- As the Icelandic banking sector has a large positive indexation balance, the impact of rising inflation has a positive balance sheet effect
- The banks' equity exposures consist predominantly of foreign equities

## Effect on customers

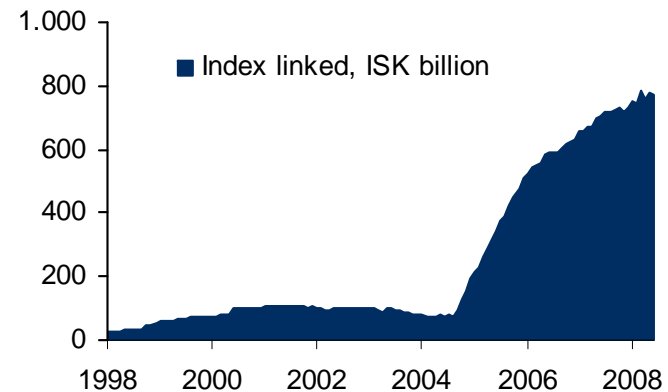
- The banks work actively with their corporate clients to hedge their FX exposures
- Households are partly sheltered against rising inflation as typical mortgages carry fixed real interest rates
- Lending growth of largest Icelandic banks mainly abroad or to domestic corporates with international exposure, reducing the impact of currency depreciation

## Banks' net FX position



Source: CB Iceland, Landsbanki Research

## Banks' indexation balance (loans and deposits)

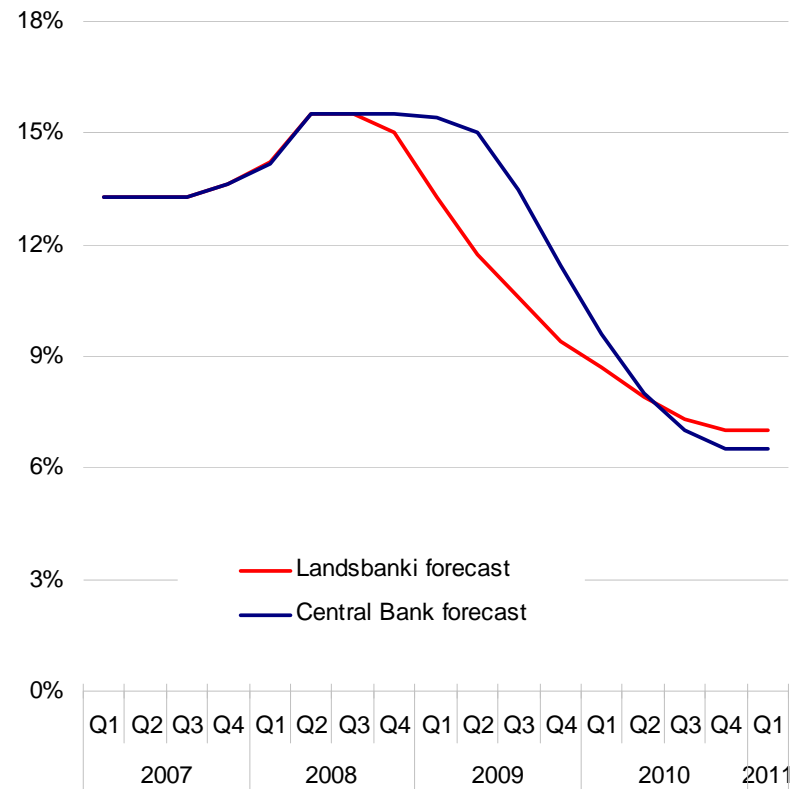


Source: CB Iceland, Landsbanki Research

# Tight Monetary Policy

- Central Bank is now focusing primarily on labour market indicators, as most collective bargaining contracts come up for review in Feb.-Mar. 2009
  - We forecast unemployment of 2.2% by year-end and 3.5% in 2009, very high figures in an Icelandic context
  - Foreign trade improvement will reduce pressure on ISK and rein in inflation expectations
- Sharp drop in inflation in H2 2008 will result in high real interest rates and effectively tighten the monetary stance
- CB will probably begin cutting its policy rate in November at the latest

### Central Bank policy rate



Source: Central Bank, Landsbanki Research

# Actions to Improve Market Situation and Increase Liquidity

## Central Bank:

- Deposits in foreign branches no longer included in the basis for required reserves
  - Harmonisation of rules with those of the ECB
- Easing of requirements for covered bonds accepted as collateral by CB
  - Improves access to liquidity for smaller financial companies
- Swap facility arrangement with three Nordic Central Banks
  - Total agreement EUR 1.5bn
  - CB “intends to further bolster its external liquidity in the period ahead”

## Government:

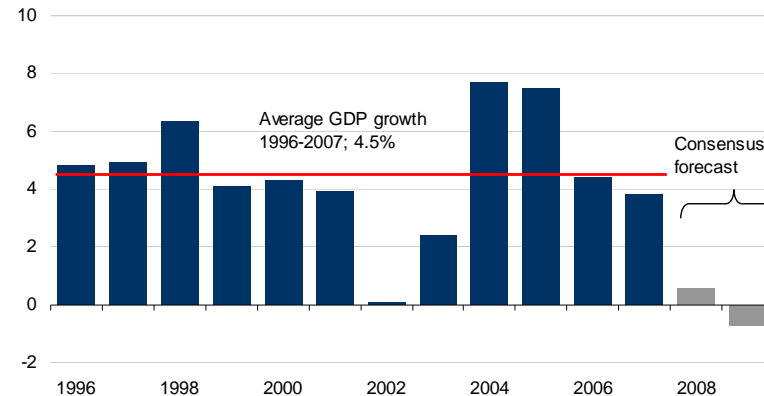
- Increased supply of government-guaranteed short-term ISK notes
  - Treasury note series due in June 2009 augmented by ISK 10bn in June
  - Treasury note series due in 2009 and 2010 will be increased by further ISK 50bn from July through October
  - CB increased lending to primary brokers by total ISK 28bn in two of the shortest note series
  - CB has auctioned ISK 75bn of new 26-week certificates of deposit
- Parliament has passed new legislation authorising CB borrowing of ISK 500 billion (EUR 4.3bn) in 2008
  - Largely intended to boost the CB’s foreign reserves
  - ISK 75bn reserved for issuance of Treasury notes
- Transitory measures to enhance HFF role as a step in further restructuring the housing financing system (19 June 2008)
  - HFF lending limits increased
  - New liquidity measures for banks’ housing loans

# Achieving Macroeconomic Balance Will Take Time, but Less than Many Forecasts Suggest



- After several years of strong growth, the Icelandic economy is slowing down
- Large investment projects in the export sector are complete, the housing market is cooling and domestic demand is beginning to decline
- The depreciating ISK, a sharp slowing of credit growth and falling asset prices speed up adjustment
- Strong counterbalancing stimulus from investment and growing exports
  - Aluminium smelter of 340 tpy producing at full capacity from April 2008
  - New foreign investment projects and growing public sector investment will stimulate GDP growth in 2009 and beyond
- Macro balance in the making
  - Inflation and interest rates will drop rapidly
  - Trade balance within reach
  - Moderate increase in unemployment
- Continued build-up in energy intensive sectors could increase GDP growth by 0.8% annually for a period of 5 years

**GDP Growth and consensus forecast, %**



Source: Statistics Iceland, Ministry of Finance, IMF, OECD

## Lower GDP growth all around

Forecaster		Date	2008	2009
Central Bank	Iceland	Jul-08	1.0%	-2.0%
Ministry of Finance	Iceland	Apr-08	0.5%	-0.7%
IMF	Iceland	Apr-08	0.4%	0.1%
OECD	Iceland	Jun-08	0.4%	-0.4%

Forecaster		Date	2008	2009
OECD	OECD	Jun-08	1.3%	2.2%
OECD	Eurozone	Jun-08	1.4%	1.7%
Consensus forecast	Eurozone	Jun-08	1.7%	1.4%
OECD	US	Jun-08	0.3%	1.9%
Consensus forecast	US	Jun-08	1.5%	1.7%

## Well positioned for challenging times

1. Solid 2Q 2008 results in challenging times
2. Strong liquidity and equity position and light repayment profile
3. Sound asset quality with no exposure to US subprime, structured credit exposure or monolines
4. Anchored in a flexible and resilient economy
5. "...the long-term economic prospects for the Icelandic economy remain enviable" (IMF 4 July 2008)

## Key goals in 2008-9 to demonstrate financial health & strengthen fundamentals

1. Producing solid results based on strong fundamentals, with diversified income streams and continued profitability of core revenue
  - Long on inflation and long on foreign currency
2. Navigating challenging credit markets while strengthening the liquidity position by developing new deposit initiatives
  - Ongoing focus on Icesave retail deposits in selected European markets
  - Covered bonds issuance and alternative asset backed issues
  - Pursuing zero growth with reduced balance sheet activities
3. Seeking cost efficiencies and taking advantage of potential synergies through continued consolidation and integration of operational platform





**Landsbanki**