

Landsbanki Íslands hf. – 6M Results 2008
Net After-tax Profit ISK 29.5 billion
Return on Equity (ROE) 35%

**Highlights of the Interim Financial Statements of Landsbanki Íslands hf.
for the first six months of 2008**

- Pre-tax profit for the first six months of 2008 amounted to ISK 31.1 billion (EUR 285m) The bank's after-tax profit was ISK 29.5bn (EUR 270m).
- After-tax ROE was 35%. At the end of June 2008, the Bank's capital ratio (CAD rules) was 10.3%.
- The group's core income (net interest income plus fees and commissions) was ISK 58bn (EUR 531m), an increase of close to 32% over 6M 2007.
- Core income from operations outside of Iceland amounted to ISK 33.9bn (EUR 310m) during the first half of 2008, equivalent to 59% of group core income.
- Trading gains and investment income amounted to ISK 19.8bn (EUR 181m), compared to the 6M 2007 figure of ISK 14.8bn.
- The bank's total assets amounted to ISK 3,970bn (EUR 31.9bn) at the end of June 2008 compared with ISK 3,058bn (EUR 33.4bn) at the beginning of 2008. Total assets have decreased in EUR terms by 4.4% during H1 2008.
- The bank's liquidity has continued strong, with liquid assets amounting to ISK 7.8bn at the end of June 2008.

Highlights of Q2 2008:

- The bank's after-tax profit in Q2 2008 was ISK 12.0bn (EUR 101m).
- Net interest income in Q2 were ISK 20.9bn (EUR 176m).
- Net fees and commissions were ISK 10.9bn (EUR 92m), the same figure as in Q1 2008. The bank's fees and commissions were at a record high in both these quarters.

CEO Sigurjón Þ. Árnason:

"Landsbanki's H1 financial results are very satisfying. This is not least significant in view of the challenging circumstances prevailing on international financial markets. The group's core income has increased by 32% over the first half of last year, and ROE for the same period was 35%. Landsbanki took a major step forward in Q2 when announcing the extension of its internet savings platform to continental Europe, with the introduction of the Icesave retail deposit programme in the Netherlands. There are now over 350,000 Icesave accounts in the UK and the Netherlands, and over 50% of Icesave UK deposits are now term deposits. Landsbanki will continue to augment the share of deposits in its funding. The operational platform of Icesave in Netherlands is designed to be both flexible and robust, facilitating its adaptation to other selected European markets in the coming months."

CEO Halldór J. Kristjánsson:

"The Icelandic economy is returning to balance after years of impressive growth. Developments in H1 reflect this adjustment, in particular the revaluation of the ISK and a temporary inflation spike. By taking long positions on both foreign currency and inflation, Landsbanki has limited the negative impact of currency depreciation on its equity ratio and balance sheet. Icelandic households are partly sheltered against short term effects from rising inflation, as typical mortgages carry fixed real interest rates. The fact that the lending growth of the largest Icelandic banks has been mainly abroad, or to domestic corporates with international exposure, also reduces the impact of currency depreciation.

The Icelandic economy is anchored in sectors not negatively impacted by the current market downturn, such as food production and technology as well as environmentally sustainable power generation. New power intensive projects have increased Iceland's export capacity and will facilitate ongoing economic adjustment. Increased profitability of exploiting abundant energy resources encourages FDI into energy intensive industry development. Additional energy production will increase the level of GDP by around 4%, 0.8% additional GDP growth annually for a period of 5 years."

A copy of Landsbanki's interim financial statements for H1 of 2008 is available on the Bank's website www.landsbanki.com/IR

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Consolidated Key Figures

Operations	2008	2007	%	2008	2008	%
	Q1-Q2	Q1-Q2		Q2	Q1	
Interest income	159,584	90,124	77%	89,097	70,486	26%
Interest expenses	123,411	65,745	88%	68,179	55,232	23%
Net interest income	36,173	24,380	48%	20,918	15,255	37%
Fee and commission income	27,700	21,900	26%	14,256	13,444	6%
Fee and commission expenses	5,907	2,409	145%	3,366	2,541	32%
Net fee and commission income	21,793	19,490	12%	10,890	10,904	0%
Net financial income	20,010	9,273	116%	5,253	14,757	-64%
Profit (losses) from associates	(180)	1,133	-116%	(100)	(80)	24%
Net gains of disposal groups held for sale, net of tax	8	4,348	-100%	6	2	184%
Other operating income	19,838	14,754	34%	5,159	14,679	-65%
Net operating income	77,804	58,624	33%	36,967	40,837	-9%
Salaries and related expenses	21,560	16,890	28%	10,927	10,633	3%
Administrative expenses	14,238	9,175	55%	7,637	6,601	16%
Operating expenses	35,797	26,065	37%	18,564	17,233	8%
Impairment provisions on loans and advances and assets held for sale	10,867	3,050	256%	6,953	3,915	78%
Pre-tax profit	31,140	29,509	6%	11,450	19,690	-42%
Income tax	1,667	3,206	-48%	(598)	2,265	-126%
Net profit	29,473	26,303	12%	12,048	17,425	-31%
Attributable to:						
Shareholders of Landsbanki Íslands hf.	29,183	25,698	14%	11,876	17,307	-31%
Minority interests	290	605	-52%	172	118	46%

Five-year summary

	Q1-Q2 2008	2007	2006	2005	2004
Net interest income	36,173	54,052	41,491	22,996	14,734
Net fee and commission income	21,793	39,369	28,366	16,726	8,891
Other operating income	19,838	16,605	19,568	21,257	9,842
Net operating income	77,804	110,025	89,426	60,978	33,467
Operating expenses	35,797	57,515	38,588	20,967	14,460
Impairment on goodwill	0	0	0	3,033	0
Impairment on loans and advances and assets held for sale	10,867	6,956	6,144	6,197	4,485
Pre-tax profit	31,140	45,555	44,694	30,781	14,521
Income tax	1,667	5,605	4,479	5,764	1,798
Net profit	29,473	39,949	40,215	25,017	12,723
Attributable to:					
Shareholders of Landsbanki Íslands hf.	29,183	38,800	38,906	24,740	12,574
Minority interests	290	1,150	1,309	277	149

Balance Sheet	30.6.2008	31.12.2007	Change	%	31.12.2006	31.12.2005	31.12.2004
Cash and cash balances with Central Bank	27,874	81,559	(53,685)	-66%	31,669	16,611	18,237
Loans and advances to financial institutions	337,003	162,929	174,074	107%	215,618	86,919	72,060
Loans and advances to customers	2,571,470	2,022,738	548,731	27%	1,438,395	984,593	542,215
Financial assets at fair value and associates	864,190	667,941	196,249	29%	376,809	218,894	64,730
Other assets	169,835	122,379	47,456	39%	110,432	98,443	39,900
Total assets	3,970,372	3,057,546	912,826	30%	2,172,924	1,405,460	737,141
Deposits from financial institutions	463,058	337,915	125,143	37%	141,105	144,596	63,476
Deposits from customers	1,617,298	1,421,410	195,887	14%	682,846	334,163	215,730
Borrowings	1,301,435	835,985	465,450	56%	1,014,976	689,989	375,084
Subordinated loans	152,506	111,890	40,616	36%	89,754	49,074	22,570
Other liabilities	234,259	166,342	67,917	41%	94,785	74,022	21,572
Equity	198,138	180,008	18,130	10%	144,282	110,059	37,705
Minority interests	3,679	3,996	(317)	-8%	5,175	3,557	1,004
Total liabilities and equity	3,970,372	3,057,546	912,826	30%	2,172,924	1,405,460	737,141

Consolidated Key Figures

Operations	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Interest income	89,097	70,486	57,935	54,036	49,078	41,046
Interest expenses	68,179	55,232	42,708	39,591	35,578	30,167
Net interest income	20,918	15,255	15,227	14,445	13,500	10,879
Fee and commission income	14,256	13,444	11,534	11,813	11,013	10,886
Fee and commission expenses	3,366	2,541	1,874	1,595	1,285	1,124
Net fee and commission income	10,890	10,904	9,660	10,218	9,729	9,762
Net financial income	5,253	14,757	(748)	3,029	4,754	4,518
Profit (losses) from associates	(100)	(80)	671	(1,171)	1,191	(58)
Net gains (losses) of disposal groups held for sale, net of tax	6	2	9	60	9	4,339
Other operating income	5,159	14,679	(68)	1,918	5,955	8,799
Net operating income	36,967	40,837	24,819	26,582	29,184	29,441
Salaries and related expenses	10,927	10,633	10,769	10,029	8,919	7,972
Administrative expenses	7,637	6,601	5,846	4,806	4,731	4,444
Operating expenses	18,564	17,233	16,615	14,835	13,650	12,415
Impairment provisions on loans and advances and assets held for sale	6,953	3,915	2,286	1,620	1,501	1,549
Pre-tax profit	11,450	19,690	5,919	10,127	14,033	15,476
Income tax	(598)	2,265	997	1,402	1,490	1,716
Net profit	12,048	17,425	4,922	8,725	12,542	13,760
Attributable to:						
Shareholders of Landsbanki Íslands hf.	11,876	17,307	4,584	8,518	12,248	13,450
Minority interests	172	118	337	207	294	311
Balance Sheet	30.6.2008	31.3.2008	31.12.2007	30.9.2007	30.6.2007	31.3.2007
Cash and cash balances with Central Bank	27,874	103,522	81,559	48,440	33,976	18,431
Loans and advances to financial institutions	337,003	268,285	162,929	134,379	278,072	251,881
Loans and advances to customers	2,571,470	2,488,165	2,022,738	1,840,584	1,567,895	1,483,887
Financial assets at fair value and associates	864,190	788,949	667,941	680,728	584,875	437,894
Other assets	169,835	187,217	122,379	142,552	132,329	125,097
Total assets	3,970,372	3,836,139	3,057,546	2,846,682	2,597,147	2,317,190
Deposits from financial institutions	463,058	445,247	337,915	210,332	161,826	117,378
Deposits from customers	1,617,298	1,636,910	1,421,410	1,390,022	1,187,254	913,183
Borrowings	1,301,435	1,141,777	835,985	749,629	781,541	903,780
Subordinated loans	152,506	145,503	111,890	82,517	77,766	83,524
Other liabilities	234,259	268,255	166,342	234,211	224,231	145,697
Equity	198,138	194,990	180,008	176,486	161,312	149,869
Minority interests	3,679	3,457	3,996	3,485	3,217	3,758
Total liabilities and equity	3,970,372	3,836,139	3,057,546	2,846,682	2,597,147	2,317,190
Key ratios	2008 Q1-Q2	2007	2006	2005	2004	
Return on equity before taxes	36.8%	30.9%	40.3%	56.3%	57.2%	
Return on equity after taxes	34.7%	27.1%	36.3%	45.8%	49.5%	
Tier 1 ratio	8.2%	10.1%	13.0%	11.9%	7.8%	
Equity ratio (CAD)	10.3%	11.7%	14.8%	13.1%	10.4%	
Cost-income ratio	46.0%	52.3%	43.2%	34.4%	43.2%	
Operating expenses as a ratio of average capital position	2.0%	2.2%	2.1%	2.0%	2.5%	
Interest spread as a ratio of average capital position	2.1%	2.1%	2.3%	2.2%	2.6%	
Deposits / loans to customers	62.9%	70.3%	47.5%	33.9%	39.6%	
Deposits / total assets	40.7%	46.5%	31.4%	23.8%	29.3%	
Ratio of provision to lending position at period-end	0.75%	0.32%	0.37%	0.58%	0.73%	
Loan loss ratio	0.27%	0.07%	0.13%	0.19%	0.33%	
Share price at period-end	23.05	35.50	26.50	25.30	12.10	
Change in share price adjusted for dividend payments	-35.1%	35.5%	5.9%	110.7%	110.3%	
Number of positions at period-end	2,690	2,640	2,117	1,725	1,121	
Exchange rates						
Exchange rate ISK / EUR for P/L period average	109.24	87.64	87.57	76.59	86.97	
Exchange rate ISK / EUR for balance sheet at period-end	124.38	91.65	93.72	74.7	83.51	

Impact of Reporting Currencies and Companies Acquired

The ISK exchange rate substantially affects figures in both the balance sheet and the income statement in H1 2008. Foreign-denominated assets and liabilities are recognised at the closing exchange rate as of 30 June 2008, whereas amounts in the income statement are recognised at the average exchange rate for the period. The following table shows exchange rate developments of foreign reporting currencies used by the Landsbanki Group and the ISK trade-weighted index.

	31/12/2007	Average H1	%	31/12/2007	30/06/2008	%
EUR	91.650	109.238	19%	91.650	124.375	36%
GBP	124.635	141.212	13%	124.635	157.300	26%
GVT	120.850	141.420	17%	120.850	159.350	32%

Landsbanki acquired the securities house **Bridgewell Group plc** in Q3 2007 and merged it with the bank's subsidiary Teather & Greenwood to form a new entity, Landsbanki Securities UK. Bridgewell's operations were consolidated in Landsbanki's accounts as of mid-Q3 2007. In Q1 2008 Landsbanki increased its stake in Merrion Landsbanki from 67% to 84%.

Highlights of the Income Statement and Balance Sheet

Comparison of Income Statement for H1 2008 with that of H1 2007

The after-tax profit of Landsbanki Íslands hf. during the first six months of 2008 amounted to ISK 29.5 billion (bn), compared to ISK 26.3bn for the same period of the previous year. Net pre-tax profit for the period amounted to ISK 31.1bn as compared to ISK 29.5bn for the same period the previous year.

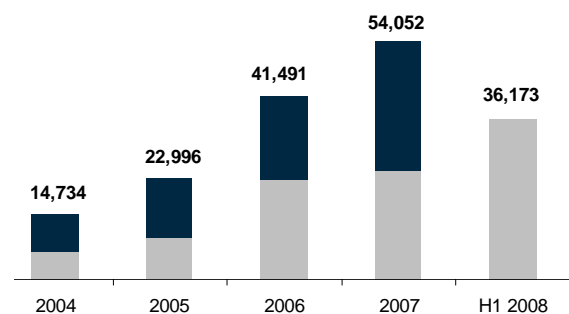
ISK bn	H1 2008	H1 2007	Change
Core income (net interest income plus fees and commissions)	58,0	43,9	14,1
Other operating income	19,8	14,8	5,0
Operating expenses	35,8	26,1	9,7
Impairment	10,9	3,1	7,8
Tax	1,7	3,2	(1,5)
Profit	29,5	26,3	3,2

After-tax ROE for H1 2008 was 34.7%.

Landsbanki's **net operating income** amounted to ISK 77.8bn in H1 2008, compared to ISK 58.6bn during the first six months of the previous year, or an increase of close to 33%.

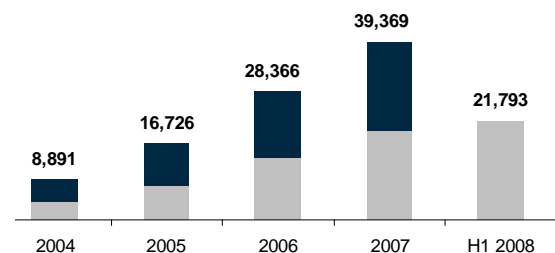
Net interest income increased by ISK 11.8bn, amounting to ISK 36.2bn as compared to ISK 24.4bn in H1 2007.

Net interest income



Landsbanki's **fees and commissions** amounted to ISK 21.8bn during the first six months of 2008, as compared to ISK 19.5bn during the same period in 2007.

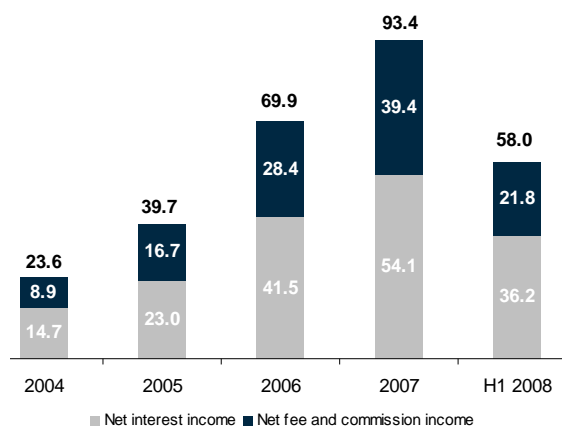
Fee and commission income



The bank's **trading and investment income** in the first 6M of 2008 amounted to ISK 19.8bn as compared to ISK 14.8bn during the same period in 2007. Trading gains during the period were primarily the result of the group's positive FX balance; there were trading losses on equities, bonds and derivatives. Trading gains in H1 2007 were chiefly the result of gains on equities plus profit realised on the sale of the real estate company Landsafl hf.

The bank's **core income** (net interest income plus fees and commissions) originating abroad amounted to ISK 33.9bn during the first 6M of 2008, compared to ISK 21.8bn for the first 6M

of 2007. It comprised 59% of the group's core income compared to 50% in H1 2007.



The group's **operating expenses** in the first 6M of 2008 totalled ISK 35.8bn, making its cost ratio for the period 46%.

Impairment on loans amounted to ISK 10.9bn in H1 2008. Impairment as a ratio of loans and receivables at the end of June was 0.75% on an annualised basis.

Q2 2008 compared to Q1 2008

The bank's after-tax **profit** amounted to ISK 12.0bn in Q2 of this year, as compared to ISK 17.4bn in Q1 2008.

ISK bn	Q2 2008	Q1 2008	Change
Core income (net interest income plus fees and commissions)	31,8	26,2	5,6
Other operating income	5,2	14,7	(9,5)
Operating expenses	18,6	17,2	1,4
Impairment	7,0	3,9	3,1
Tax	(0,6)	2,3	(2,9)
Profit	12,0	17,4	(5,4)

The bank's **net interest income** in Q2 2008 amounted to ISK 20.9bn as compared to ISK 15.3bn for Q1 this year. Increased interest income in Q2 from that of Q1 is primarily due to the impact of inflation on the bank's indexation balance (i.e. indexed assets exceed indexed liabilities).

Fees and commissions in Q2 remained unchanged from their Q1 level at ISK 10.9bn. The bank's fees and commissions were at a record high in both these quarters.

Landsbanki's **trading and investment income** dropped from ISK 14.7bn in Q1 to ISK 5.2bn in Q2 primarily due to lower FX profit.

Impairment on loans amounted to ISK 7.0bn in Q2 of 2008.

Balance sheet as of 30 June 2008

The group's **total assets** amounted to ISK 3,970bn at the end of June 2008 as compared to ISK 3,058bn at the beginning of the year. Total group assets in EUR decreased by 4.4%, or EUR 1.5bn, since the beginning of this year, amounting to ISK 31.9bn at the end of June.

Total customer lending amounted to ISK 2,571bn at the end of June 2008 as compared to ISK 2,023bn at the beginning of the year. Total provisions to the **credit loss allowance account** amounted to ISK 32.1bn or 1.16% of total loans and guarantees to customers at the end of June 2008. Provisions for credit losses do not reflect actual write-offs, but amounts set aside to cover estimated future credit losses. When and if loans are not recovered, the amount is credited from these provisions.

The group's **trading assets** were ISK 761bn at the end of June 2008 as compared to ISK 582bn at the beginning of the year. This includes market bonds and trading equities, as well as derivatives that are in the money. Market bonds held by the bank totalled ISK 408bn as compared with ISK 361bn at the beginning of 2008. **Trading equities** amounted to ISK 51bn at the end of June 2008, as compared to ISK 31bn at the beginning of the year.

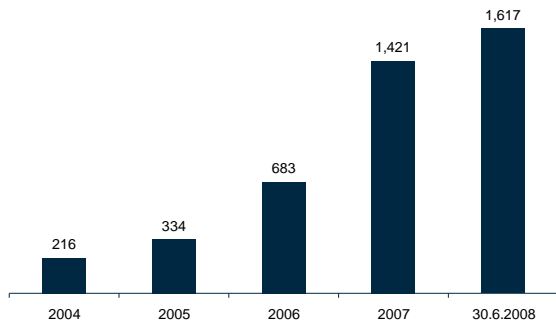
Other financial assets carried at fair value through profit and loss amounted to ISK 89bn at the end of June 2008. Equities totalled ISK 77bn, of which ISK 39bn were held against forward contracts.

Total assets under management amounted to ISK 576bn at the end of June 2008 as compared to ISK 513bn at the beginning of the year. At the same time, total assets in the group's custody were ISK 1,820bn.

Liabilities and equity

The group's **total deposits** amounted to ISK 2,080 bn as of the end of June 2008. Of this customer deposits were ISK 1,617bn as compared to ISK 1,421bn at the beginning of 2008. The ratio of customer deposits to customer lending was 63% at the end of June 2008.

Deposits

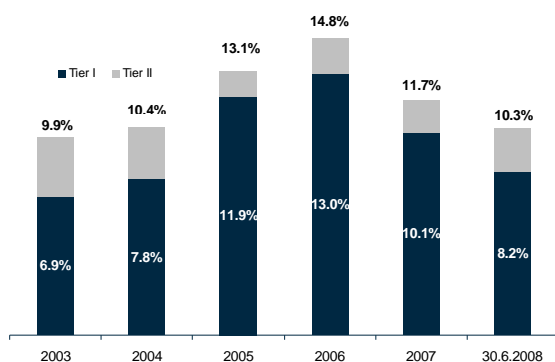


Borrowing at the end of June 2008 amounted to ISK 1,301bn, as compared to ISK 836 billion at the beginning of 2007. The group's **subordinated debt** amounted to ISK 153bn at the end of June compared to ISK 112bn at the beginning of this year, in particular due to ISK depreciation.

Capital ratio (CAD) 10.3%

Group **equity** was ISK 198bn at the end of June 2008 compared to ISK 180bn at the beginning of the year. The group's **capital ratio (CAD)** was 10.3% at the end of June 2008, of which 8.2% was Tier 1 capital.

Capital ratio (CAD)



Performance by Business Segment

Landsbanki Group's performance is comprised of the results of four business segments:

- Retail Banking,
- Corporate Banking,
- Investment Banking, and
- Asset Management and Private Banking.

The following tables give a summary of the performance of these four business segments and total assets (all figures mISK).

Summary of Business Segments

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
Net operating income	11,737	26,075	33,567	6,426	0	77,804
Operating expenses	5,413	6,491	17,887	3,458	2,547	35,797
Impairment on loans and advances	1,677	7,342	1,271	578	0	10,867
Net segment result	4,647	12,241	14,409	2,390	-2,547	31,140
	€ 43m	€ 112m	€ 132m	€ 22m	€ -23m	€ 285m
Total assets 30.6.2008	639,052	1,723,175	844,010	736,606	27,528	3,970,372

H1 2007	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Private Banking	Other	Group
Net interest income	8,585	16,220	-1,957	1,531	0	24,380
Net fee and commission income	1,434	1,085	14,894	2,077	0	19,490
Other operating income	-34	40	14,657	90	0	14,754
Net operating income	9,986	17,345	27,595	3,698	0	58,624
Operating expenses	5,080	4,797	12,126	2,547	1,516	26,065
Impairment on loans and advances	1,391	1,798	-188	50	0	3,050
Net segment result	3,515	10,751	15,657	1,102	-1,516	29,509
Total assets 31 December 2007	523,287	1,333,768	741,701	429,474	29,317	3,057,546

Retail Banking includes the parent company's branch network, Heritable Bank's commercial banking operations, SP Fjármögnun and Landsbanki Guernsey Ltd. The pre-tax profit from this business segment amounted to ISK 4.6bn in H1 2008.

Corporate Banking includes the parent company's Corporate Banking division, including its lending by its branches in London, Amsterdam, Canada and Norway, Heritable Bank's corporate business and the corporate banking activities of Landsbanki Luxembourg SA. Pre-tax profit in Corporate Banking for the first 6M of 2008 amounted to ISK 12.2bn.

Investment Banking is comprised of the parent company's Securities and Treasury division, both in Iceland and Continental Europe, plus the subsidiaries Landsbanki Securities UK, Landsbanki Kepler SA and Merrion Landsbanki. This segment includes securities brokerage, corporate advisory, FX and derivative trading, the bank's treasury and debt management and proprietary bond and equity trading. Investment banking pre-tax profit amounted to ISK 14.4bn in H1 2008.

Asset Management and Private Banking includes the parent company's Asset Management division, Landsvaki hf. and the asset management and private banking operations of Landsbanki Luxembourg SA. Pre-tax profit in Asset Management and Private Banking in H1 2008 amounted to ISK 2.4bn.

Funding

Difficult conditions on international capital markets continued in Q2 2008. After peaking in Q1, the CDS spreads of Landsbanki and other Icelandic banks declined sharply from April until mid-May. After that, however, quoted CDS spreads of Icelandic banks have gradually increased again, driven by technical factors, although Landsbanki's fundamentals remained strong.

Landsbanki has concluded new senior issuances amounting to EUR 1.5bn during the first half of 2008, in the form of private placements and bilateral loans, priced below CDS spreads. During the remainder of 2008, Landsbanki has only EUR 151m of long-term debt maturing and prefunding of 2009 is already well underway. The funding focus for 2008-2009 will be on private placements, bilateral facilities and extending current outstanding issues.

Deposits are an important part of the bank's funding and efforts to further boost deposits continued to be a success in Q2. In May, Landsbanki announced the extension of its internet savings platform to continental Europe, with the introduction of the Icesave retail deposit programme in the Netherlands. The operational platform of Icesave in the Netherlands is designed to be both flexible and robust, facilitating its adaptation to other selected European markets in the coming months. Further diversification of funding sources by type, geography and investor will also continue to be an important aspect of the bank's funding strategy going forward.

Core earnings

Pre-tax ROE of 26% on core earnings

The bank's **core income** in the first 6M of 2008 amounted to ISK 22.8bn as compared to ISK 18.0bn during the same period in 2007. Pre-tax ROE on core earnings for the first half of 2008 was 26% compared to 24% for 2007 as a whole.

In calculating the bank's core earnings, trading gains on equities of all types, as well as trading gains on bonds and FX, are deducted. The interest spread is then increased accordingly to reflect the cost to the group of financing bond and equity positions and an adjustment is made for the interest rate disadvantage resulting from the bank's positive FX position (FX assets in excess of liabilities). Nonetheless, maintaining a certain

level of equity, bond and FX exposures remains part of the bank's strategy and active risk management.

Outlook

The downturn affecting global financial markets will impact Landsbanki's operations, as it has those of other financial enterprises in 2008. In response to the altered environment, the bank's management currently emphasises consolidating and integrating its operations, while at the same time further reinforcing its financial foundations.

The bank's liquidity is very strong, enabling it to easily meet its debt repayment schedule for 2008 and 2009. In 2008, Landsbanki will continue to focus on expanding its overseas deposit programmes in selected European markets, and in so doing further strengthen its deposit to lending ratio. The bank's entry into the deposit market in the Netherlands in Q2 bodes well for its future efforts in this direction.

Landsbanki's credit risk is based on an asset portfolio which is well-diversified both in terms of sector and market region. Landsbanki has no exposure to US subprime loans or other structured credit, such as ABS, CDOs, CLOs or SIVs. The bank's moderate equity exposures comprised 2.5% of total assets as of the end of June 2008.

The group's income streams are well diversified, both geographically and by operating segment. The bank's core earnings have remained stable and its profitability is high, reflecting Landsbanki's strong fundamentals in adverse times.

In the estimation of Landsbanki's management, it is well positioned to meet the challenges presented by the global financial situation in 2008 and continue to pursue its strategy and objectives. The repricing of risk underway in international finance can be expected to increase the focus on traditional banking activities. This will prove to Landsbanki's benefit, as its advantage lies in particular in corporate banking and speciality loan finance.

It should be borne in mind, in assessing the outlook for financial enterprises, that their operations are highly dependent upon various external factors, such as economic developments in Iceland and abroad, price level and currency fluctuations, and developments on domestic and foreign financial markets.

Presentation for Investors and Analysts

in Reykjavík, on 29 July

Landsbanki's CEOs, Sigurjón Th. Árnason and Halldór J. Kristjánsson, will present the highlights of the bank's performance and respond to questions. Presentations will be made available concurrently on the Landsbanki website.

Time: 8:30 am (9:30 am UK and 10:30 am CET)

Location: Hilton Nordica Hótel, Reykjavík

in London, on 29 July

Landsbanki's CEOs, Sigurjón Th. Árnason and Halldór J. Kristjánsson, will present the highlights of the bank's results and respond to questions. A webcast of the presentation can be viewed on Landsbanki's website, www.landsbanki.com where all meeting documents will also be published concurrently.

Time: 3:00 pm (4:00 pm UK and 5:00 pm CET).

Location: Beaufort House, 15 St Botolph Street, London EC3A 7QR

The presentation will be broadcast in real time on the Landsbanki website: www.landsbanki.com Persons wishing to listen to the meeting via telephone should dial +44 (0) 1452 569 103 about 10 minutes prior to the start.

Meeting documentation plus an audio and video recording of the presentation will subsequently be available on www.landsbanki.com/ir.

2008 Financial Calendar

Scheduled publication of the bank's quarterly and annual financial statements for 2008 is as follows:

Q3	4 November
Q4	10 February 2009

A copy of Landsbanki's interim financial statements for Q2 of 2008 is available on the bank's website www.landsbanki.is

The financial statements have been reviewed by the auditors.

For further information, contact Landsbanki's CEOs: Sigurjón Þ. Árnason +354 410 4009 / +354 898 0177 and Halldór J. Kristjánsson +354 410 4015 / +354 820 6399.