

Consolidated Interim Financial Statements

Press Release
Landsbanki
31 March 2006



Consolidated Key Figures

Operations	2006	2005	%	2006	2005	%
	Q1	Q1		Q1	Q4	
Interest revenues	27,535	12,461	121%	27,535	21,073	31%
Interest expenses	18,601	8,172	128%	18,601	13,818	35%
Net interest revenues	8,934	4,289	108%	8,934	7,255	23%
Fee and commission income	7,797	3,481	124%	7,797	5,359	45%
Fee and commission expenses	940	361	161%	940	598	57%
Net fee and commission income	6,857	3,120	120%	6,857	4,761	44%
Dividend income	1,834	105	1647%	1,834	191	862%
Net gain on financial assets and liabilities held for trading	750	1,978	-62%	750	5,503	-86%
Net gain on financial assets designated at FV through P/L	7,680	2,490	208%	7,680	1,205	537%
Fair value adjustments in hedge accounting	(96)	216	-144%	(96)	(361)	-73%
Foreign exchange difference	(49)	97	-151%	(49)	92	-153%
Share of profit of associates	843	484	74%	843	643	31%
Net gain of disposal groups held for sale	188	0		188	63	199%
Other operating revenues	11,150	5,370	108%	11,150	7,337	52%
Operating revenues	26,942	12,779	111%	26,942	19,352	39%
Salaries and related expenses	5,249	2,355	123%	5,249	4,136	27%
Administrative expenses	2,839	1,683	69%	2,839	2,933	-3%
Operating expenses	8,088	4,037	100%	8,088	7,069	14%
Impairment on loans and advances and assets held for sale	1,555	1,345	16%	1,555	1,805	-14%
Profit before impairment on goodwill and income tax	17,299	7,396	134%	17,299	10,479	65%
Impairment on goodwill	0	0		0	(259)	-100%
Income tax	3,023	1,351	124%	3,023	1,929	57%
Net profit	14,276	6,045	136%	14,276	8,809	62%
Attributable to:						
Shareholders of Landsbanki Íslands hf.	13,995	6,011		13,995	8,734	
Minority interests	280	34		280	75	
Return on equity after taxes on year basis	63.5%	81.7%	-22%			
Cost-income ratio on year basis	30.0%	31.6%	-5%			

Five-year summary

Operations	Q1 2006	2005	2004	2003	2002
Net interest revenues	8,934	22,996	14,734	9,331	7,732
Net fee and commission income	6,857	16,726	8,891	6,116	4,076
Other operating revenues	11,150	21,257	9,842	3,535	2,109
Operating revenues	26,942	60,978	33,467	18,982	13,916
Operating expenses	8,088	20,967	14,460	10,815	8,505
Impairment on loans and advances and assets held for sale	1,555	6,197	4,485	4,656	2,863
Profit before impairment on goodwill and income tax	17,299	33,815	14,521	3,512	2,549
Impairment on goodwill	0	3,033	0	0	0
Income tax	3,023	5,764	1,798	457	475
Net profit	14,276	25,017	12,723	3,055	2,074
Attributable to:					
Shareholders of Landsbanki Íslands hf.	13,995	24,740	12,574	2,956	2,028
Minority interests	280	277	149	99	45

Balance Sheet	31.3.2006	31.12.2005	Change	%	31.12.2004	31.12.2003	31.12.2002
Cash and cash balances with Central Bank	19,403	16,611	2,792	17%	18,237	48,772	18,893
Loans and advances	1,284,107	1,071,513	212,594	20%	614,274	326,400	214,787
Trading assets	300,780	218,894	81,886	37%	64,730	63,744	36,337
Other assets	165,613	98,443	67,170	68%	39,900	9,323	7,808
Total assets	1,769,902	1,405,460	364,441	26%	737,141	448,239	277,824
Deposits	607,426	478,759	128,667	27%	279,206	196,160	138,971
Borrowing	806,627	689,989	116,638	17%	375,084	209,357	108,479
Subordinated loans	83,514	49,074	34,439	70%	22,570	13,090	8,216
Other items	151,130	74,022	77,108	104%	21,572	6,389	5,057
Equity	117,187	110,059	7,128	6%	37,705	22,382	16,309
Minority interests	4,019	3,557	461	13%	1,004	862	792
Total liabilities and equity	1,769,902	1,405,460	364,441	26%	737,141	448,239	277,824

Consolidated Key Figures

Operations	2006	2005	2005	2005	2005	2004
	Q1	Q4	Q3	Q2	Q1	Q4
Interest revenues	27,535	21,073	18,594	14,309	12,461	10,879
Interest expenses	18,601	13,818	12,272	9,180	8,172	6,268
Net interest revenues	8,934	7,255	6,322	5,129	4,289	4,611
Fee and commission income	7,797	5,359	4,775	4,864	3,481	3,191
Fee and commission expenses	940	598	392	403	361	382
Net fee and commission income	6,857	4,761	4,383	4,461	3,120	2,809
Dividend income	1,834	191	161	616	105	11
Net gain on financial assets and liabilities held for trading	750	5,503	3,550	(163)	1,978	(41)
Net gain on financial assets designated at FV through P/L	7,680	1,205	1,167	1,003	2,490	(2,220)
Fair value adjustments in hedge accounting	(96)	(361)	232	(81)	216	0
Foreign exchange difference	(49)	92	359	(161)	97	122
Share of profit of associates	843	643	505	275	484	(79)
Net gain of disposal groups held for sale	188	63	270	817	0	0
Other operating revenues	11,150	7,337	6,243	2,307	5,370	(2,207)
Operating revenues	26,942	19,352	16,949	11,898	12,779	5,213
Salaries and related expenses	5,249	4,136	3,077	3,114	2,355	2,112
Administrative expenses	2,839	2,933	1,905	1,764	1,683	1,749
Operating expenses	8,088	7,069	4,982	4,879	4,037	3,862
Impairment on loans and advances and assets held for sale	1,555	1,805	1,687	1,359	1,345	1,223
Profit before impairment on goodwill and income tax	17,299	10,479	10,280	5,660	7,396	128
Impairment on goodwill	0	(259)	3,293	0	0	0
Income tax	3,023	1,929	1,882	602	1,351	(829)
Net profit	14,276	8,809	5,105	5,058	6,045	957
Attributable to:						
Shareholders of Landsbanki Íslands hf.	13,995	8,734	4,995	5,000	6,011	905
Minority interests	280	75	110	58	34	53
Balance Sheet	31.03.2006	31.12.2005	30.9.2005	30.6.2005	31.3.2005	31.12.2004
Cash and cash balances with Central Bank	19,403	16,611	8,134	8,211	14,136	18,237
Loans and advances	1,284,107	1,071,513	891,668	828,342	687,883	614,274
Trading assets	300,780	218,894	156,243	119,208	82,630	64,730
Other assets	165,613	98,443	86,212	66,311	65,993	39,900
Total assets	1,769,902	1,405,460	1,142,258	1,022,072	850,642	737,141
Deposits	607,426	478,759	413,988	355,410	298,063	279,206
Borrowing	806,627	689,989	531,417	521,870	417,947	375,084
Subordinated loans	83,514	49,074	47,224	49,394	49,327	22,570
Other items	151,130	74,022	48,804	34,378	30,241	21,572
Equity	117,187	110,059	98,749	58,954	53,988	37,705
Minority interests	4,019	3,557	2,076	2,066	1,076	1,004
Total liabilities and equity	1,769,902	1,405,460	1,142,258	1,022,072	850,642	737,141
Key ratios	Q1 2006	Q1 2005	2005	2004	2003	2002
Return on equity before impairment on goodwill and taxes	80.1%	106.1%	61.8%	57.2%	20.9%	17.0%
Return on equity after taxes	63.5%	81.7%	45.8%	49.5%	17.6%	13.5%
Tier 1 ratio	12.4%	9.7%	11.9%	7.8%	6.9%	7.7%
Equity ratio (CAD)	13.0%	14.4%	13.1%	10.4%	9.9%	10.6%
Cost-income ratio	30.0%	31.6%	34.4%	43.2%	57.0%	61.1%
Operating expenses as a ratio of average capital position	2.1%	2.1%	2.0%	2.5%	3.0%	3.1%
Interest spread as a ratio of average capital position	2.3%	2.2%	2.2%	2.6%	2.6%	2.8%
Ratio of provision to lending position at period-end	0.49%	0.78%	0.58%	0.73%	1.47%	1.33%
Share price at period-end	24.50	14.95	25.30	12.10	5.80	3.65
Share price increase adjusted for dividend payments	-2.0%	25.2%	110.7%	110.3%	61.6%	10.6%
Number of positions at period-end	1,851	1,248	1,725	1,121	1,025	986

Profit ISK 14.3 billion

Landsbanki Íslands hf. returned a record profit before tax of ISK 17.3 billion (bn) in Q1 2006, compared with a pre-tax profit of ISK 7.4 bn in Q1 2005, or a year-over-year (YoY) increase of 134%.

The Bank's net after-tax profit was ISK 14.3 billion, as compared with ISK 6.0 billion in Q1 2005.

After-tax ROE for the period was 63.5%.

The operations of Teather & Greenwood have been included in the consolidation as of Q2 2005, Kepler Equities as of the beginning of December 2005 and Merrion Capital Group at year-end 2005. This should be borne in mind when making comparisons with figures for Q1 2005 and Q4 2005.

The ISK weakening affects figures in both the balance sheet and the income statement. Foreign-denominated balance sheet assets and liabilities are recognised at the closing exchange rate as of 31 March 2006, whereas amounts in the income statement are recognised at the average Q1 exchange rate. The following table shows exchange rate developments of foreign reporting currencies used by the Group and the ISK trade-weighted index (GVT):

	31.12.2005	Average	%	31.12.2005	31.3.2006	%
EUR	74,7	78,72	5%	74,7	86,76	16%
GBP	108,85	114,565	5%	108,85	124,42	14%
GVT	104,9	110,13	5%	104,90	120,80	15%

Highlights of the Income Statement and Balance Sheet

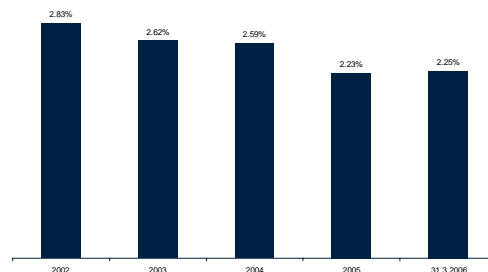
Income Statement

Q1 2006 compared to Q1 2005

Landsbanki's **operating revenues** amounted to ISK 27.0 bn in Q1 of 2006 as compared to ISK 12.8 bn the previous year. This is a YoY increase of 111%.

The Bank's **net interest income** was ISK 8.9 bn, as compared with ISK 4.3 bn in Q1 2005.

Interest spread

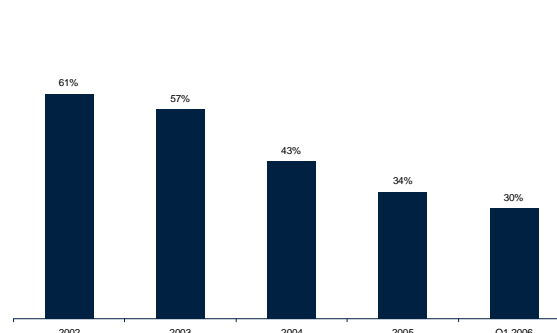


Landsbanki's **net fees and commissions** have more than doubled, amounting to ISK 6.9 bn in Q1 as compared to ISK 3.1 bn in Q1 the previous year. This is an increase of 120%. If consideration is had for the increase in fees and commissions contributed by subsidiaries included in the consolidated accounts after Q1 2005, the like-to-like increase is 32%.

The Bank's **financial income** in Q1 2006 amounted to ISK 11.2 bn as compared to ISK 5.4 bn during the same period in 2005. The increase is due in particular to trading gains on Landsbanki's foreign equity holdings. Its equity portfolio underwent major changes increasing the weighting of foreign equities.

The Bank's **operating expenses** in Q1 2006 amounted to ISK 8.1 bn, making its cost-income ratio for the quarter 30% compared to 32% for the same period in 2005. The composition of the Group's income and cost has been altered by the addition of Teather & Greenwood, Kepler Equities and Merrion Capital Group, as securities brokers in general have a considerably higher cost-income ratio than banks. As previously mentioned, none of these companies was included in Landsbanki's consolidated accounts in Q1 2005.

Cost-income ratio



Impairment on loans and assets held for sale in Q1 2006 amounted to ISK 1.6 bn, as compared to ISK 1.3 bn in Q1 2005. Impairment as a percentage of loans and receivables at the end of March was 0.49%, as compared to 0.78% at end of March 2005.

Q1 2006 compared to Q4 2005

After-tax profit in Q1 2006 grew by 62% over Q4 2005. Operating revenues have increased by 39% or ISK 7.6 bn over the previous quarter, while operating expenses grew by 14%, or ISK 1.0 bn.

The Bank's **net interest income** was ISK 8.9 bn, as compared with ISK 7.3 bn in Q4 2005.

Net fees and commissions grew by 44%, or by ISK 2.1 bn. Net fees and commissions of the parent company were unchanged in Q1 2006 from Q4 2005, which was record quarter for the parent company. The increased fees and commissions for the Group result in particular from the addition of Kepler Equities and Merrion Capital: Kepler was included in the consolidation from 1 December 2005 and Merrion from 1 January 2006.

The Bank's financial **income** in Q1 2006 amounted to ISK 11.2 bn as compared to ISK 7.3 bn during Q4 2005, increasing by 52%. Of this, ISK 10.3 bn was trading gains, as compared with ISK 6.9 bn in Q4 2005.

The Group's **cost-income ratio** dropped from 37% in Q4 2005 to 30% in Q1 2006.

Impairment on loans and assets held for sale decreased from ISK 1.8 bn in Q4 2005 to ISK 1.6 bn in Q1 2006, a drop of 14%.

49% of net operating income from operations outside of Iceland

Net income from operations outside of Iceland amounted to ISK 13.3 bn during the first quarter of this year, as compared to ISK 1.9 bn for the same period of the previous year. This income now comprises 49% of total Group income as compared with 15% during Q1 2005.

Balance Sheet

Total assets of the Group amounted to ISK 1,770 bn at the end of March 2006, rising from ISK 1,405 billion at the beginning of this year,

an increase of ISK 364 billion or 26% during the year. If the ISK depreciation is taken into consideration, the real balance sheet increase is 14%.

Amounts due from financial institutions amounted to ISK 83 bn, as compared to ISK 87 bn at the beginning of this year.

Loans to customers were ISK 1,202 bn at the end of March as compared to ISK 985 bn at the beginning of the year, increasing by 22%. Allowing for the impact of ISK depreciation and the impact of inflation on indexed loans, the real increase in loans to customers amounts to ISK 104 bn or 9%.

Loans to foreign clients and lending by foreign subsidiaries totalled ISK 488 bn at the end of March 2006, as compared to ISK 349 bn at the beginning of the year. They represent 38% of total loans to clients as compared to 35% at the beginning of this year.

Total provisions for credit losses amounted to ISK 14.7 billion or 1.09% of total loans at the end of March 2006. Provisions for credit losses do not reflect actual write-offs, but amounts set aside to cover calculated future credit losses. If and when loans are not recovered, the provisions for credit losses account is reduced by the unrecoverable amount.

The Group's **trading assets** were ISK 301 bn at the end of March as compared to ISK 219 bn at the beginning of this year. This includes market bonds and trading equities, as well as derivatives that are in the money.

Market bonds and other fixed-income securities amounted to ISK 115 bn at the end of March 2006. The Bank has entered into forward contracts against these holdings in the amount of ISK 59 bn, making its net exposure ISK 56 bn at the end of March 2006 of which listed market bonds amounted to ISK 55.7 bn.

The Group's current equities amounted to ISK 142 bn as of the end of March. Taking forward contracts into consideration, its net assets at the end of Q1 were ISK 31 bn, as compared to ISK 24 bn at the beginning of this year. The real increase is however ISK 3 bn as a result of capital gain and weakening of the ISK. Of the ISK 31 bn, ISK 25 bn were listed equities and ISK 6 bn unlisted equities. Domestic trading equities amounted to ISK 11 bn and foreign equities to ISK 20 bn as of the end of Q1 2006.

Other financial assets carried at fair value through profit and loss amounted to ISK 47 bn as compared to ISK 34 bn at the beginning of 2006. These figures include only equities. Listed equities were ISK 45.5 bn and unlisted equities

ISK 1.5 bn. Foreign financial assets carried at fair value amounted to ISK 28 bn and domestic to ISK 19 bn as of the end of Q1. If consideration is had for the sale of the Bank's holding in the Nordic investment bank Carnegie in April 2006, other financial assets carried at fair value through profit and loss decrease by half.

Total assets under management amounted to ISK 307 bn at the end of March 2006, rising from ISK 281 billion at the beginning of this year, an increase of 9% during the year. At the same time, total assets in the Group's custody amounted to ISK 1,701 bn as compared to ISK 1,321 bn at the beginning of this year, an increase of 29%.

Liabilities and equity

The Group's **total deposits** amounted to ISK 607 bn as of the end of March 2006. Of this customer deposits were ISK 469 bn as compared to ISK 334 bn at the beginning of 2006. Customer deposits have thus increased 40% in the first three months of 2006 and now comprise 27% of the Bank's total financing.

Total borrowing at the end of first quarter 2006 amounted to ISK 807 bn, as compared to ISK 690 bn at the beginning of the year.

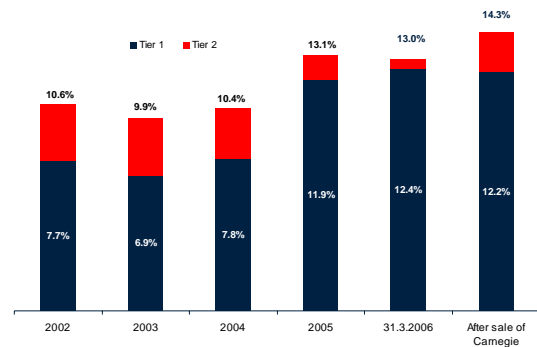
The Group's **subordinated debt** was ISK 83.5 bn at the end of March as compared to ISK 49 bn at the beginning of the year. Landsbanki issued subordinated bonds classified as Tier 1 capital in the amount of EUR 375 million during the quarter.

Capital adequacy ratio 13.0%

Group **shareholder equity** was ISK 117 bn at the end of March 2006, compared to ISK 110 bn at the beginning of the year. The change in equity is the result of profit during the period, transactions in own shares and dividends.

The group's **capital adequacy ratio** according to CAD rules was 13.0% at the end of March 2006, compared with 13.1% at the beginning of this year. The Tier 1 capital ratio was 12.4% as compared with 11.9% at the beginning of this year. The Bank's capital adequacy has never been higher. If consideration is had for the sale of the Bank's holding in Carnegie, its capital ratio is 14.6%.

Capital ratio (CAD)



Performance by Division

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

- Retail Banking,
- Corporate Banking,
- Securities Trading and Treasury, and
- Asset Management and Private Banking.

The following tables give a summary of divisional performance and total assets (all figures mISK).

Divisional Summary

Q1 2006	Retail Banking	Corporate Banking	Securities and Trading	Asset Management & Private Banking	Other	Group
Net interest revenue	3,375	5,227	-76	408	0	8,934
Net commission and fees	644	373	5,193	647	0	6,857
Other revenues	35	295	10,648	173	0	11,150
Net operating revenue	4,054	5,895	15,765	1,227	0	26,942
Operating expenses	1,954	1,211	4,378	467	78	8,088
Impairment on loans and advances	181	839	510	25	0	1,555
Profit before income tax	1,919	3,846	10,876	735	-78	17,299
Total assets	282,335	779,718	445,292	254,693	7,864	

Q1 2005	Retail Banking	Corporate Banking	Securities and Trading	Asset Management & Private Banking	Other	Group
Net interest revenue	2,065	2,355	-480	349	0	4,289
Net commission and fees	814	317	1,686	303	0	3,120
Other revenues	16	235	5,092	27	0	5,370
Net operating revenue	2,895	2,907	6,298	679	0	12,779
Operating expenses	1,798	693	816	357	374	4,037
Impairment on loans and advances	460	844	0	41	0	1,345
Profit before income tax	637	1,370	5,482	282	-374	7,396
Total assets	261,638	636,014	285,568	215,144	7,012	

Retail Banking includes the parent company's branch network, Heritable Bank's mortgage operations and SP Fjármögnun. The division's pre-tax profit amounted to ISK 1.9 bn in the first quarter of this year, as compared to ISK 0.6 bn for the same period of the previous year. The division's **total assets** were ISK 282 bn at the end of March 2006 as compared to ISK 262 bn at the beginning of the year

Corporate Banking includes the parent company's Corporate Banking division, including

its London Branch, and Heritable Bank's Corporate Banking Division. The division's pre-tax profit amounted to ISK 3.8 bn in the first quarter of this year, as compared to ISK 1.4 bn for the same period of the previous year. The division's **total assets** were ISK 779 bn at the end of March as compared to ISK 636 bn at the beginning of the year.

Securities Trading is comprised of the parent company's Securities division plus the subsidiaries Teather & Greenwood, Kepler Equities and Merrion Capital. This division includes securities brokerage, corporate advisory, FX and derivative trading, the Bank's treasury and debt management and proprietary bond and equity trading. The division's pre-tax profit amounted to ISK 10.9 bn in the first quarter of this year, as compared to ISK 5.5 bn for the same period of the previous year. The division's **total assets** were ISK 445 bn at the end of March 2006 as compared to ISK 286 bn at the beginning of the year. All three subsidiaries in this division were acquired in 2005. Teather & Greenwood is included in the division from the beginning of Q2, Kepler Equities from the beginning of December and Merrion Capital from year-end 2005 (no impact on 2005 operations). None of them therefore affected the results in Q1 2005.

Asset Management and Private Banking includes the parent company's Asset Management division, Landsvaki hf. and Landsbanki Luxembourg SA. Pre-tax profit in Asset Management and Private Banking during the first three months of 2006 amounted to ISK 0.7 bn, as compared to a profit of ISK 0.3 bn in Q1 2005. The division's **total assets** were ISK 255 bn at the end of March 2006 as compared to ISK 215 bn at the beginning of the year.

Funding

The funding situation encountered by Landsbanki in Q1 was characterised by volatility on international capital markets and increased credit spreads on the secondary market in Europe. This had limited increasing effect on Landsbanki's funding cost in the first quarter of 2006. A total of 19 funding transactions were concluded during the quarter, the average maturity of which was 4.2 years. The largest ones being a sub-ordinated Tier I capital notes of EUR 375 million and a USD 300 million private placement in the USA.

Landsbanki's funding strategy will continue to focus on increasing funding diversity, both by type of investor and geography. This entails exploring further opportunities in the US, where the Bank is currently setting up an MTN programme, and in Asia. Landsbanki has

already securitised some of its asset portfolios of syndicate participations and mortgages, and will continue these actions. Emphasis is placed on increasing deposits accepted by Heritable Bank and Landsbanki London Branch, with the aim of having both entities fully self-funded.

Moody's affirmed Landsbanki's A-2 and P-1 credit ratings at the beginning of April 2006. At the same time, Moody's changed to outlook for the Bank's financial strength from stable to negative. The outlook is based on an assessment of the Bank's more difficult operating environment and equity exposure. The sale of Landsbanki's holding in Carnegie has substantially reduced its equity exposure.

Core Income Pre-tax ROE of 30%

The Bank's core income before tax amounted to ISK 7.4 bn in the first quarter of this year, as compared to ISK 2.7 bn for the same period of the previous year. Return on equity (ROE) based on core income for Q1 of 2006 was 30%. A summary of actual performance and core income for Q1 2006 as compared to Q1 2005 is shown in the following table (amounts in mISK):

	2006 Q1	2005 Q1	%
Profit before income tax	17.299	7.397	134%
Adjusted net gain on equity, securities and FX	(11.150)	(5.370)	108%
Adjusted net interest revenues	1.211	651	86%
Core income before income tax	7.359	2.678	175%
Adjusted profit before income tax	48%	50%	-5%
Adjusted Core Cost Income Ratio	30%	32%	-7%

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 rate margin is increased accordingly to reflect the cost to the Group of financing tied up in bond and equity positions. Nonetheless, maintaining a certain level of equity and bond exposures remains part of the Bank's strategy and active risk management.

Outlook

The outlook for Landsbanki's operations is generally positive. In the past year or two, the Bank's core earnings have been increasing steadily and the underlying ROE before taxes has ranged from 25 to 30%.

The Group's income streams are well diversified, with 49% of the Group's net operating income now originating from activities abroad.

Landsbanki's credit risk is based on an asset portfolio which is well-diversified both in terms of sector and geography. 38% of its loans are connected to operations outside of Iceland or to Icelandic corporates operating abroad.

Market conditions abroad have been favourable for the Bank while at the same time domestic FX and equities markets have been subject to volatility. Both Landsbanki and its domestic customers have, however, been able to meet the market fluctuations without suffering long term negative impact, as their revenues are generally in foreign currencies as well as their funding.

The Bank's equity holdings are well balanced and comprise 4.4% of its total assets, compared to 4.1% at year-end 2005. At the end of April this ratio had been further reduced to 3% following the sale of Carnegie. As part of active risk management, the weighting of foreign equities has also been increased.

Landsbanki's capital adequacy has never been higher and is currently well above the average in the Nordic countries, the US and the UK. Furthermore, the results of stress tests carried out by the Icelandic Financial Supervisory Authority (FME) attest to its strong capital adequacy position.

In view of the above, Landsbanki's management are convinced of the Bank's strong position and that it has every capability of continuing to deliver a high ROE. Landsbanki target for after-tax ROE is 15-17%.

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.

Presentations for investors and market traders: in London, 2 May 2006

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 will be available on Landsbanki's website, www.landsbanki.com where all meeting documentation will also be published concurrently.

Time: 11:00 am UK summer time (10:00 Icelandic time). Location: The City Presentation

Centre, 4 Chiswell Street, London, EC1Y 4UP, London.

The presentation will be broadcast in real time on the Landsbanki website: www.landsbanki.com Persons wishing to listen to the meeting via phone conference should dial +44 (0) 1452 556 620 about 10 minutes prior to the start and give the access code 859 3344.

Until 15 May, a recording of the presentation will be available from www.landsbanki.com or by calling +44 (0) 1452 55 0000 and giving the access code 859 3344#.

in Reykjavík, 3 May 2006

Sigurjón Þ. Árnason, Landsbanki's CEO, will present the highlights of the Bank's results and respond to questions. The presentation will be held at Landsbanki's headquarters beginning at 8:30 am. Meeting material and documentation will be published concurrently on the Landsbanki website.

2006 Financial Calendar

Scheduled publication of the Bank's interim and annual financial statements for 2006 is as follows:

2nd quarter: 27 July
3rd quarter: 26 October
Annual financial statements for 2006: 26 January 2007

A copy of Landsbanki's interim financial statements for Q1 of 2006 will be available on the Bank's website www.landsbanki.is

The financial statements have been examined by the Bank's 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.