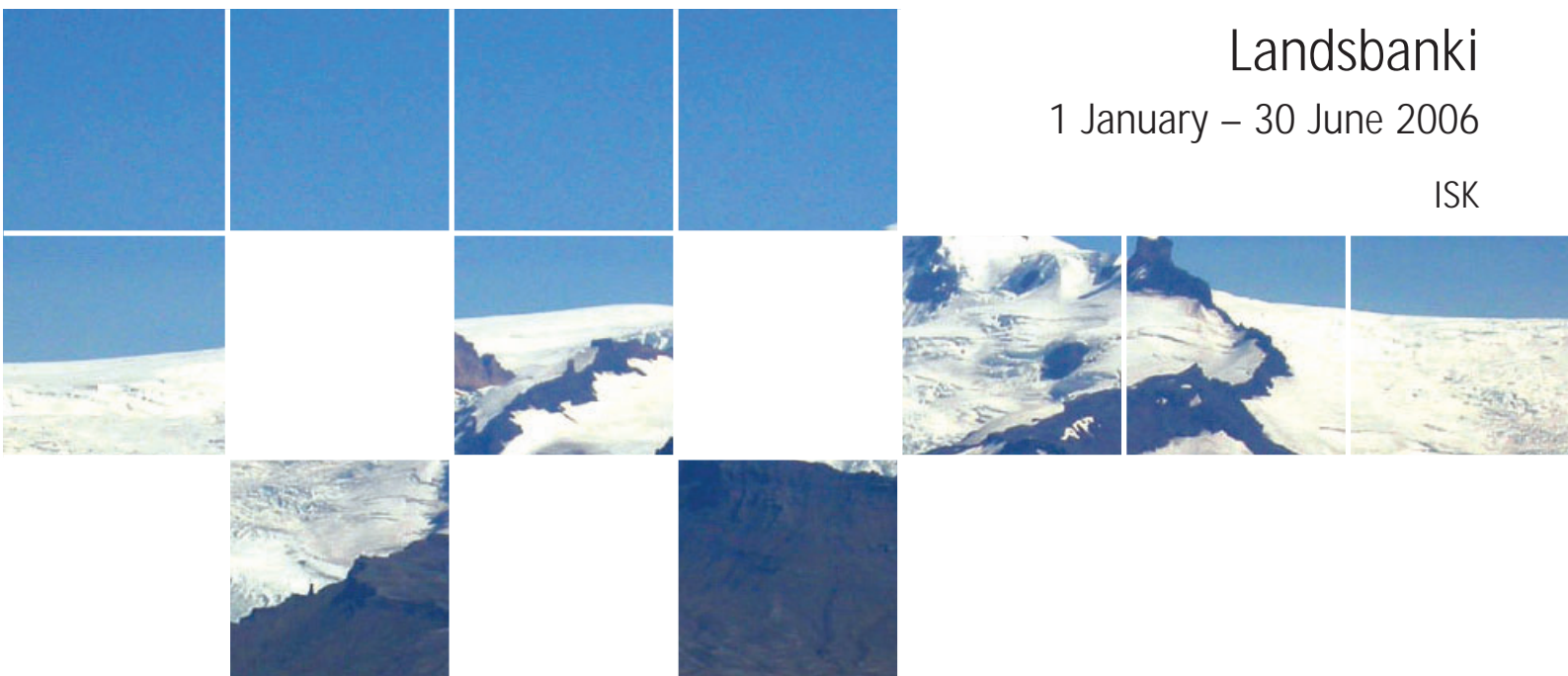


Consolidated Interim Financial Statements

Landsbanki

1 January – 30 June 2006

ISK



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Report of the Board of Directors and Group Managing Directors & CEOs

The Condensed Consolidated Interim Financial Statements for the first six months of 2006 comprise the Consolidated Financial Statements of the Landsbanki Íslands hf. and its subsidiaries. The Condensed Consolidated Interim Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS).

At 30 June 2006, shareholders in Landsbanki numbered 29,328. Samson eignarhaldsfélag ehf. is the only shareholder with a stake over 10%, namely a 41.37% stake.

According to the income statement, the Group's after tax profit for the first six months amounted to ISK 20,418 million. The Landsbanki Group's equity at period-end totalled ISK 127,480 million. The capital adequacy ratio (CAD) of the Group was 15.1%. Total assets of the Group were ISK 1,811,468 million at the end of June 2006.

The Board of Directors of the Bank and the Group Managing Directors & CEOs hereby confirm the Consolidated Interim Financial Statements of Landsbanki Íslands hf. for the six months of 2006 with their signatures.

Reykjavik, 26 July 2006

Board of Directors

Björgólfur Guðmundsson
Chairman

Kjartan Gunnarsson

Porgeir Baldursson

Pór Kristjánsson

Guðbjörg Matthíasdóttir

Group Managing Directors and Chief Executive Officers

Sigurjón Þ. Árnason

Haldór J. Kristjánsson

Auditor's Review Report

To the Shareholder and Board of Directors of Landsbanki Íslands hf.

We have reviewed the Consolidated Interim Balance sheet of Landsbanki Íslands hf. and its subsidiaries as of 30 June 2006 and the related Interim Statements of Income, Changes in Shareholders' Equity, Cash Flows and the accompanying Notes for the six months then ended. These Interim Statements have been prepared in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting. These Consolidated Interim Financial Statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these Consolidated Interim Financial Statements based on our review.

We conducted our review in accordance with the International Standard of Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the Consolidated Interim Financial Statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Consolidated Interim Financial Statements do not give a true and fair view in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Reykjavik, 26 July 2006

PricewaterhouseCoopers hf.

Vignir Rafn Gíslason

Þórir Ólafsson

