

Glitnir hf.

Statement of Assets and Liabilities

Incorporating an estimate of the value of assets as at 31 March 2014 and a computation of liabilities

23 May 2014

Disclaimer



This document includes a Statement of Assets and Liabilities as at 31 March 2014 (the “Statement”). You should carefully review the financial information and read the Supplementary Notes and Valuation Methodologies included as appendices. The actual realisable value of Glitnir’s assets and the amount of its liabilities may differ materially from the estimated value of assets and computation of liabilities set forth in this presentation. Certain factors that might cause the actual value of Glitnir’s assets and amount of liabilities to differ are set forth in Appendix 2, Supplementary Note 2, Limitations.

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The Statement of Assets and Liabilities has been prepared by Glitnir hf. The assumptions and estimates incorporated in the Statement of Assets and Liabilities and Notes remain the sole responsibility of Glitnir hf.

1. Introduction

2. Statement of Assets and Liabilities as at 31 March 2014

3. Notes to the Statement of Assets and Liabilities as at 31 March 2014

Introduction

- The Statement is presented in ISK throughout (with certain supporting analyses also shown in EUR) and, unless otherwise stated, foreign currency values are translated at the mid rates published by the Icelandic Central Bank for 31 March 2014 (as detailed in Appendix 1). A significant proportion of the assets of Glitnir are denominated in foreign currencies. As a result, movements in foreign exchange rates may have a material impact on the estimated values presented herein. Comparative balances have not been retranslated from the foreign exchange rates used as at that date. Detail on Glitnir's FX strategy was published on its website on 22 September 2010.
- The Combined Balance Sheet includes the sum of the Assets and Liabilities of Glitnir and its subsidiaries, except for Íslandsbanki hf. and Reviva Capital SA.
- Glitnir's claim register is denominated in ISK based on foreign exchange rates on 22 April 2009. As a result, the eventual amount of ISK liabilities will be determined by the claims determination process and will not be subject to exchange rate movements. Where the liabilities presented in the Statement have been translated from ISK into EUR, this is for informational purposes only and the foreign exchange rate as at 31 March 2014 was used.
- The notes and appendices included in this presentation form an integral part of the Statement and should be reviewed in conjunction with it, along with the Statements of Assets and Liabilities as at 31 December 2013 and associated notes and appendices.
- The Winding-Up board and the management of Glitnir are solely responsible for the valuation of the assets included in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities have not been audited by Glitnir's external auditors.

1. Introduction

2. Statement of Assets and Liabilities as at 31 March 2014

3. Notes to the Statement of Assets and Liabilities as at 31 March 2014

Statement of Assets and Liabilities - Combined



31 March 2014

| | ISKm Combined 31 March 2014 | ISKm Combined 31 Dec 2013 | ISKm Combined 31 Dec 2012 | EURm Combined 31 March 2014 | EURm Combined 31 Dec 2013 | EURm Combined 31 Dec 2012 |
|-------------------------------------|--------------------------------------|------------------------------------|------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Assets | | | | | | |
| Loans to customers | 108.015 | 130.166 | 243.930 | 695 | 821 | 1.437 |
| Derivatives claims | 24.506 | 24.355 | 32.387 | 158 | 154 | 191 |
| Bonds and debt instruments | 11.282 | 11.894 | 31.139 | 73 | 75 | 183 |
| Shares and equity investments | 33.097 | 40.312 | 39.142 | 213 | 254 | 231 |
| Investments in subsidiaries | 165.480 | 157.974 | 117.027 | 1.065 | 997 | 689 |
| Cash and cash equivalents | 581.457 | 556.736 | 462.079 | 3.741 | 3.513 | 2.721 |
| Other assets | 8.882 | 6.199 | 9.881 | 57 | 39 | 58 |
| Total assets | 932.719 | 927.637 | 935.585 | 6.002 | 5.853 | 5.510 |
| Liabilities | | | | | | |
| Claims | 2.365.249 | 2.389.735 | 2.428.494 | 15.219 | 15.077 | 14.302 |
| Other liabilities | 4.188 | 3.880 | 4.303 | 27 | 24 | 25 |
| Total liabilities | 2.369.437 | 2.393.615 | 2.432.797 | 15.246 | 15.102 | 14.327 |
| Equity | (1.436.718) | (1.465.977) | (1.497.212) | (9.245) | (9.249) | (8.818) |
| | 932.719 | 927.637 | 935.585 | 6.002 | 5.853 | 5.510 |

Statement of Assets and Liabilities

Key trends summary

The logo for Glitnir, featuring the word "GLITNIR" in white capital letters on a red rectangular background. A white curved line is positioned below the text, resembling a stylized wave or a swoosh.

Assets

- Total combined assets have increased by ISK5.1bn from ISK927.6bn as at 31 December 2013 to ISK932.7bn as at 31 March 2014. The key drivers for this were:
 - a negative net impact of ISK11.6bn due to movements in FX rates, principally the strengthening of the ISK against various currencies (USD, EUR and GBP);
 - an increase in the value of the loan portfolio and interest income of ISK2.3bn,
 - an increase in the value of investments in subsidiaries of ISK7.7bn and;
 - an increase in the value of the derivatives claims of ISK4.3bn
- Total combined assets in EUR have increased from EUR5,853m to EUR6,002m over the period.
- Glitnir's cash balance has increased by ISK24.7bn from ISK 556.7bn as at 31 December 2013 to ISK581.5bn as at 31 March 2014.

Liabilities

- As a result of the Winding-up Board's continuing work on registered claims, certain adjustments have been made to the amount of registered claims recorded initially to arrive at the estimated computation of liabilities shown in page 6. In the current year, these adjustments resulted in a reduction to total claims of ISK24.5bn since 31 December 2013 to ISK2,365.2bn as at 31 March 2014. Further detail on these adjustments is provided in Note H of this document.
- In December 2013 an amendment to the law of taxation of Financial Institutions was passed by the Parliament to extend the taxation to the former banks in winding up proceedings. The tax rate was also increased from 0.041% to 0.376%. According to the law the tax base is the total debt at the end of each year as submitted in tax returns. The Winding up Board of Glitnir is of the opinion that this taxation of the former banks in winding up proceedings is questionable from legal perspective and expects to challenge the taxation in court. The tax is not accounted for in the financial statements. The projected tax payable in 2014 according to the law is ISK 8.8bn for Glitnir.

Statement of Assets and Liabilities

Reconciliation of Glitnir's combined assets



| ISKm | Balance as at 31.12.2013 | Cash movements and other changes | FX movements | Changes in valuation and netting | Balance as at 31.3.2014 |
|-------------------------------------|-----------------------------|---|------------------|--|----------------------------|
| Assets | | | | | |
| Loans to customers | 130.166 | (23.119) | (1.310) | 2.278 | 108.015 |
| Derivatives claims | 24.355 | (3.865) | (273) | 4.289 | 24.506 |
| Bonds and debt instruments | 11.894 | (204) | 0 | (408) | 11.282 |
| Shares and equity investments | 40.312 | (6.799) | (392) | (24) | 33.097 |
| Investment in subsidiaries | 157.974 | (190) | (4) | 7.699 | 165.480 |
| Cash and cash equivalents | 556.736 | 34.373 | (9.652) | 0 | 581.457 |
| Other assets | 6.199 | 2.532 | (6) | 157 | 8.882 |
| Total assets | 927.637 | 2.728 | (11.636) | 13.990 | 932.719 |

- The table above provides an analysis of the key factors which affect the movement in the estimated realisable value of Glitnir's consolidated asset portfolio between 31 December 2013 and 31 March 2014.
- The changes in valuation and netting include interest income during the period.

Statement of Assets and Liabilities

Foreign currency analysis of combined assets



31 March 2014

| ISKm | EUR | ISK | NOK | USD | GBP | CAD | SEK | Other | Total |
|--|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|----------------|
| Loans to customers | 14.972 | 32.133 | 32.332 | 7.030 | 8.834 | 322 | 2.551 | 9.840 | 108.015 |
| Derivatives claims | 233 | 10.185 | 0 | 14.088 | 0 | 0 | 0 | 0 | 24.506 |
| Bonds and debt instruments | 0 | 11.282 | 0 | 0 | 0 | 0 | 0 | 0 | 11.282 |
| Shares and equity investments | 886 | 18.605 | 7.588 | 862 | 1.873 | 3.283 | 0 | 0 | 33.097 |
| Investments in subsidiaries | 90 | 165.389 | 0 | 0 | 0 | 0 | 0 | 0 | 165.480 |
| Cash and cash equivalents | 211.304 | 64.696 | 65.387 | 121.871 | 77.708 | 26.460 | 9.758 | 4.271 | 581.457 |
| Other assets | 1.017 | 6.499 | 570 | 450 | 302 | 0 | 22 | 21 | 8.882 |
| Total assets | 228.504 | 308.790 | 105.878 | 144.300 | 88.718 | 30.065 | 12.332 | 14.132 | 932.719 |
| <i>Percentage of total</i> | <i>24,5%</i> | <i>33,1%</i> | <i>11,4%</i> | <i>15,5%</i> | <i>9,5%</i> | <i>3,2%</i> | <i>1,3%</i> | <i>1,5%</i> | <i>100,0%</i> |
| <i>Percentage of total (ISK without ISB)</i> | | <i>15,4%</i> | | | | | | | |
| Total assets as at 31 December 2013 | 230.699 | 300.429 | 106.035 | 141.606 | 90.163 | 31.796 | 6.557 | 20.353 | 927.637 |
| <i>Percentage of total 31.12.2013</i> | <i>24,9%</i> | <i>32,4%</i> | <i>11,4%</i> | <i>15,3%</i> | <i>9,7%</i> | <i>3,4%</i> | <i>0,7%</i> | <i>2,2%</i> | <i>100,0%</i> |
| <i>Percentage of total (ISK without ISB)</i> | | <i>15,4%</i> | | | | | | | |

- The table above shows the estimated split of Glitnir's combined assets by currency as at 31 March 2014.
- The investment in Islandsbanki is assumed to be denominated solely in ISK (although the investment may not ultimately be monetised wholly in ISK).

Statement of Assets and Liabilities

Assets classified as Icelandic and non-Icelandic



31 March 2014

| ISKm | ISK assets | Fx from Icelandic counterparties | Total Icelandic assets | Non Icelandic assets | Combined 31 March 2014 | Icelandic assets 31 December 2013 | Non Icelandic assets 31 December 2013 | Combined 31 December 2013 |
|---------------------------------------|----------------|----------------------------------|------------------------|----------------------|------------------------|-----------------------------------|---------------------------------------|---------------------------|
| Assets | | | | | | | | |
| Loans to customers | 32.133 | 7.051 | 39.184 | 68.831 | 108.015 | 38.362 | 91.804 | 130.166 |
| Derivatives claims | 10.185 | 0 | 10.185 | 14.321 | 24.506 | 10.778 | 13.577 | 24.355 |
| Bonds and debt instruments | 11.282 | 0 | 11.282 | 0 | 11.282 | 11.894 | 0 | 11.894 |
| Shares and equity investments | 18.605 | 0 | 18.605 | 14.492 | 33.097 | 18.645 | 21.667 | 40.312 |
| Investments in subsidiaries | 165.389 | 0 | 165.389 | 90 | 165.480 | 157.718 | 256 | 157.974 |
| Cash and cash equivalents | 64.696 | 28.314 | 93.009 | 488.448 | 581.457 | 90.870 | 465.865 | 556.736 |
| Other assets | 6.499 | 0 | 6.499 | 2.383 | 8.882 | 5.900 | 300 | 6.199 |
| Total assets | 308.790 | 35.364 | 344.154 | 588.564 | 932.719 | 334.168 | 593.469 | 927.637 |
| Proportion - Icelandic- non Icelandic | 33% | 4% | 37% | 63% | 100% | 36,0% | 64,0% | 100% |

- The table above shows the split of Glitnir's combined assets by Icelandic and non-Icelandic counterparties as at 31 March 2014 with comparable to 31 December 2013.
- The Icelandic assets are loan agreements, bonds, shares and cash generated from Icelandic counterparties.
- The Icelandic assets are split between assets in ISK and assets in foreign currency from Icelandic counterparties.

1. Introduction

2. Statement of Assets and Liabilities as at 31 March 2014

3. Notes to the Statement of Assets and Liabilities as at 31 March 2014

Asset / liability class analysis

A: Loans to customers – reconciliation



| 31 March 2014 | 31.3.2014 | 31.3.2014 | | 31.12.2013 | 31.12.2013 | |
|-----------------------------------|----------------|----------------------------|-------------|----------------|----------------------------|-------------|
| ISKm | Carrying value | Estimated realisable value | Re-covery % | Carrying value | Estimated realisable value | Re-covery % |
| Opening balance | 270.666 | 130.166 | 48% | 424.684 | 243.930 | 57% |
| Capital repayments | (22.056) | (22.056) | | (80.001) | (80.001) | |
| Interest repayments | (1.377) | (1.377) | | (7.576) | (7.576) | |
| Write off | (3.471) | 0 | | (34.058) | (3.127) | |
| Reclass | (59) | 0 | | (3.798) | (9.002) | |
| New loans | 313 | 313 | | 0 | 0 | |
| Valuation changes & netting | 1.020 | 2.278 | | 2.168 | 4.143 | |
| Fx impact | (1.937) | (1.310) | | (30.752) | (18.200) | |
| Total Loans to Customers | 243.099 | 108.015 | 44% | 270.666 | 130.166 | 48% |

- The above table sets out the changes in the loan portfolio from 1 January 2014 to 31 March 2014 compared with changes in the portfolio during 2013.
- The carrying values in the table above represents the values recorded in Glitnir's accounting records before any credit risk adjustments.

Asset / liability class analysis

A: Loans to customers – industry analysis



| 31 March 2014 | 31.3.2014 | 31.3.2014 | | 31.12.2013 | 31.12.2013 | |
|------------------------------------|----------------|----------------------------|-------------|----------------|----------------------------|-------------|
| ISKm | Carrying value | Estimated realisable value | Re-covery % | Carrying value | Estimated realisable value | Re-covery % |
| Holding Companies | 90.574 | 3.208 | 4% | 95.857 | 7.532 | 8% |
| Seafood | 10.501 | 8.869 | 84% | 10.867 | 8.996 | 83% |
| Offshore-& Transport service | 15.685 | 13.458 | 86% | 24.021 | 21.718 | 90% |
| Manufacturing | 10.344 | 7.213 | 70% | 10.609 | 7.479 | 70% |
| Property & Real Estate | 71.629 | 47.439 | 66% | 83.723 | 56.546 | 68% |
| Financial Institutions | 867 | 448 | 52% | 878 | 455 | 52% |
| Retail | 16.121 | 10.131 | 63% | 17.298 | 10.191 | 59% |
| Other | 27.378 | 17.249 | 63% | 27.412 | 17.249 | 63% |
| Total Loans to Customers | 243.099 | 108.015 | 44% | 270.666 | 130.166 | 48% |

- Whilst loans to holding companies represents the largest element of the portfolio by carrying value (37%), it has the lowest estimated realisable value when compared to carrying value (3%).
- Property and real estate loans represents the largest element of the portfolio by estimated realisable value (44% of the total). The majority of property and real estate loans relate to the Luxembourg property portfolio.

Asset / liability class analysis

A: Loans to customers – geographical analysis



| 31 March 2014 | 31.3.2014 | 31.3.2014 | | 31.12.2013 | 31.12.2013 | |
|---------------------------------|----------------|----------------------------|-------------|----------------|----------------------------|-------------|
| ISKm | Carrying value | Estimated realisable value | Re-covery % | Carrying value | Estimated realisable value | Re-covery % |
| Iceland | 127.667 | 39.184 | 31% | 135.039 | 38.362 | 28% |
| Norway | 48.493 | 38.802 | 80% | 57.196 | 47.845 | 84% |
| United States | 9.265 | 2.458 | 27% | 9.388 | 2.542 | 27% |
| UK | 23.262 | 12.986 | 56% | 23.017 | 18.485 | 80% |
| Germany | 19.974 | 10.192 | 51% | 27.239 | 17.074 | 63% |
| Denmark | 7.537 | 1.177 | 16% | 10.807 | 1.633 | 15% |
| Sweden | 1.999 | 1.504 | 75% | 3.008 | 2.481 | 100% |
| Other | 4.903 | 1.712 | 35% | 4.973 | 1.744 | 66% |
| Total Loans to Customers | 243.099 | 108.015 | 44% | 270.666 | 130.166 | 48% |

- Norway and Iceland represents the most significant element of the loans to customers portfolio by estimated realisable value, Norway 36% and Iceland 36% of the total.

Asset / liability class analysis

A: Loans to customers – currency analysis



| 31 March 2014 | 31.3.2014 | 31.3.2014 | | 31.12.2013 | 31.12.2013 | |
|---------------------------------|-----------------------|-----------------------------------|--------------------|-----------------------|-----------------------------------|--------------------|
| ISKm | Carrying value | Estimated realisable value | Re-covery % | Carrying value | Estimated realisable value | Re-covery % |
| ISK | 88.562 | 32.133 | 36% | 114.910 | 32.610 | 41% |
| EUR | 55.809 | 14.972 | 27% | 54.222 | 26.954 | 45% |
| NOK | 39.173 | 32.332 | 83% | 46.544 | 40.098 | 91% |
| USD | 10.727 | 7.030 | 66% | 12.652 | 7.525 | 66% |
| GBP | 13.889 | 8.834 | 64% | 9.698 | 8.865 | 83% |
| DKK | 15.243 | 5.854 | 38% | 15.961 | 6.275 | 44% |
| SEK | 2.762 | 2.551 | 92% | 3.794 | 3.556 | 100% |
| CHF | 10.301 | 1.545 | 15% | 7.108 | 1.530 | 32% |
| CAD | 355 | 322 | 91% | 375 | 340 | 80% |
| JPY | 5.632 | 1.796 | 32% | 4.766 | 1.777 | 41% |
| Other | 646 | 646 | 100% | 637 | 637 | 100% |
| Total Loans to Customers | 243.099 | 108.015 | 44% | 270.666 | 130.166 | 57% |

- NOK, ISK, EUR and GBP represents the most significant element of the loans to customers portfolio by estimated realisable value, NOK 30%, ISK 30%, EUR 14% and GBP 8%.

Asset / liability class analysis

B: Derivative claims analysis



| | 2014 | 2013 |
|---|--|--|
| ISKm | Derivative claims - estimated realisable value | Derivative claims - estimated realisable value |
| Opening balance | 24.355 | 32.387 |
| Cash payments | (3.142) | (8.201) |
| Valuation & netting changes | 4.289 | 2.043 |
| Claims paid with loans and equity | (723) | (468) |
| Fx impact | (273) | (1.404) |
| Total derivative claims | 24.506 | 24.355 |
| Domestic counterparties | 10.185 | 10.778 |
| International counterparties | 14.321 | 13.577 |
| Total derivative claims | 24.506 | 24.355 |

- The table shows the changes in the derivative claims for the period from 1 January 2014 to 31 March 2014 compared to changes during 2013.
- Claims that have not been settled have been referred to courts.
- In April 2014 a settlement was agreed with one counterparty. As a result of the settlement the value of the claim has been increased. The claim (ISK14bn) will be paid in Q2 2014.

Asset / liability class analysis

C: Bonds and debt instruments analysis



| 31 March 2014 | | |
|------------------------------------|---|--|
| ISKm | Estimated realisable value as at 31.3.2014 | Estimated realisable value as at 31.12.2013 |
| Opening balance | 11.894 | 31.139 |
| Repayments and sale of bonds | (204) | (23.044) |
| Valuation & netting changes | (408) | 5.128 |
| Reclass | 0 | (543) |
| Fx impact | 0 | (786) |
| Total value of bonds | 11.282 | 11.894 |
| ISKm | Estimated realisable value as at 31.3.2014 | Estimated realisable value as at 31.12.2013 |
| Bond positions | | |
| Icelandic sovereign | 10.769 | 10.799 |
| Other Icelandic | 513 | 1.095 |
| Total value of bonds | 11.282 | 11.894 |

- The table shows the movements in the bond assets from 1 January 2014 to 31 March 2014 compared to the movements during 2013.

Asset / liability class analysis

D: Shares and equity investments analysis

| 31 March 2014 | | |
|-------------------------------|---|--|
| | Estimated realisable value 31.3.2014 | Estimated realisable value 31.12.2013 |
| ISKm | | |
| Opening balance | 40.312 | 39.142 |
| Dividend/Sale | (7.249) | (10.500) |
| Equity conversion | 450 | 8.371 |
| Valuation changes | (24) | 5.293 |
| Fx impact | (392) | (1.994) |
| | 33.097 | 40.312 |
| | | |
| Listed equities | 3.733 | 410 |
| Investment funds | 3.336 | 3.419 |
| Other unlisted equities | 26.029 | 36.483 |
| | 33.097 | 40.312 |
| | | |
| UK | 3.620 | 4.258 |
| Iceland | 18.605 | 18.645 |
| Norway | 7.588 | 7.640 |
| Sweden | 0 | 6.287 |
| Canada | 3.283 | 3.480 |
| Other | 1 | 1 |
| | 33.097 | 40.312 |

- The table shows the movements in the equities from 1 January 2014 to 31 March 2014 compared to the movements during 2013.

Asset / liability class analysis

E: Investment in subsidiaries analysis



| ISKm | Value 31.3.2014 | Value 31.12.2013 |
|--|-----------------|------------------|
| Glitnir hf. | | |
| Íslandsbanki (95%) | 165.389 | 157.718 |
| Reviva Capital SA (51%) | 90 | 256 |
| Total investments in subsidiaries | 165.480 | 157.974 |

- The estimated value of 95% share in Íslandsbanki is based on book value of equity.
- The estimated value of Reviva is based on book value of equity.

F: Other assets

| Other assets | | |
|-------------------------------------|-----------------|------------------|
| ISKm | Value 31.3.2014 | Value 31.12.2013 |
| Accounts receivable | 2.117 | 1.326 |
| Claims on bankruptcy companies | 273 | 964 |
| Escrow accounts | 6.492 | 3.910 |
| Total other assets | 8.882 | 6.199 |

Asset / liability class analysis

G: Cash flow analysis



| ISKm | Q1 2014 |
|--|-----------------|
| Cash inflow: | |
| Principal loans to customers repayments | 22.056 |
| Interest on loans to customers receipts | 1.377 |
| Principal loans to banks repayments | 7 |
| Derivatives claims repayments | 3.142 |
| Sale of bonds and maturities | 204 |
| Dividends and sale of shares | 7.437 |
| Interest income on cash balance | 964 |
| Other inflow | 870 |
| Total cash inflows | 36.057 |
| Cash outflow: | |
| Operational costs | (1.673) |
| Payment of Claims | 303 |
| Total cash outflows | (1.684) |
| Total cash movement | 34.373 |
| Effect of exchange rate fluctuations | (9.652) |
| Opening cash balance | 556.736 |
| Closing cash balance | 581.457 |

- The adjacent table summarises Glitnir's cash flow for Q1 2014. The cash flow analysis is combined for Glitnir hf., GLB Holding ehf., Steinvirki ehf., Glitnir Luxembourg SA and for Haf and Holt.
- The most significant cash inflows is related to the repayment of principal and interest from loans to customers, sale of equity and dividend payments.
- The yield on the total cash balance for Q1 2014 was 0.7%, on average, 1.5% on deposits and 0.6% on bonds.
- The total negative impact of foreign currency movements on the cash and cash equivalents balances was ISK9.6bn.

Asset / liability class analysis

G: Cash and cash equivalents analysis



| ISKm | 31 December | | | |
|--|----------------|-------------|----------------|-------------|
| | 31 March 2014 | % | 2013 | % |
| Cash balance held with: | | | | |
| Icelandic banks | 62.161 | 11% | 65.184 | 12% |
| Skandinavian banks | 73.024 | 13% | 68.592 | 12% |
| European banks | 33.536 | 6% | 17.338 | 3% |
| Canadian bank | 9.111 | 2% | 9.339 | 2% |
| Icelandic T-bills | 32.303 | 6% | 31.114 | 6% |
| International T- bills | 371.322 | 64% | 365.168 | 66% |
| Total | 581.457 | 100% | 556.736 | 100% |
| Liquid asset deposited in Iceland | 94.463 | 16% | 96.299 | 17% |
| Liquid asset deposited in other jurisdictions | 486.994 | 84% | 460.437 | 83% |
| | 581.457 | 100% | 556.736 | 100% |
| Total deposits | 177.832 | 31% | 159.890 | 29% |
| International T-bills | 371.322 | 64% | 365.168 | 66% |
| Icelandic T-bills | 32.303 | 6% | 31.678 | 6% |
| | 581.457 | 100% | 556.736 | 100% |

| ISKm | 31 December | | | |
|------------------------------------|----------------|-------------|----------------|-------------|
| | 31 March 2014 | % | 2013 | % |
| Liquid assets in currencies | | | | |
| EUR | 211.304 | 36% | 199.213 | 36% |
| USD | 121.871 | 21% | 122.873 | 22% |
| GBP | 77.708 | 13% | 78.848 | 14% |
| NOK | 65.387 | 11% | 58.141 | 10% |
| ISK | 64.696 | 11% | 62.884 | 11% |
| CAD | 26.460 | 5% | 27.977 | 5% |
| DKK | 476 | 0% | 256 | 0% |
| Other | 13.553 | 2% | 6.544 | 1% |
| Total | 581.457 | 100% | 556.736 | 100% |

- The aim of Glitnir's cash management strategy is to minimise risk within the portfolio.
- The current liquidity strategy is to hold 10-30% of total cash and cash equivalents deposited in Iceland and 70-90% in other jurisdictions.
- The investment policy is to hold 50-100% of liquid assets in government bonds and bills and 0-50% in cash and term deposits.

Asset / liability class analysis

G: Cash and cash equivalents analysed by maturity

T-bill portfolio analysis



| Liquid assets - Maturity profile | | | | |
|----------------------------------|----------------|----------------|----------------|-------------|
| ISKm | | | | |
| | Deposits | T-bills | Total | |
| Maturity: | | | | |
| 0-3 months | 52.132 | 100.635 | 152.767 | 26% |
| 3-6 months | 101.137 | 191.158 | 292.295 | 50% |
| 6-9 months | 22.774 | 104.390 | 127.164 | 22% |
| 9-12 months | 1.790 | 0 | 1.790 | 0% |
| + 12 Months | 0 | 7.441 | 7.441 | 1% |
| | 177.832 | 403.625 | 581.457 | 100% |

| | 31.3.2014 | | 31.12.2013 | |
|-----------------------------|----------------|-------------|----------------|-------------|
| ISKm | | | | |
| USA | 101.941 | 25% | 128.467 | 32% |
| Germany | 100.488 | 25% | 43.416 | 11% |
| Norway | 57.470 | 14% | 57.364 | 14% |
| UK | 58.798 | 15% | 46.591 | 12% |
| France | 17.039 | 4% | 48.248 | 12% |
| Netherland | 9.788 | 2% | 11.728 | 3% |
| Canada | 24.929 | 6% | 26.362 | 7% |
| Iceland | 32.303 | 8% | 31.678 | 8% |
| Denmark | 0 | 0% | 2.991 | 1% |
| Sweden | 867 | 0% | 0 | 0% |
| Other bonds | 0 | 0% | 0 | 0% |
| Total liquid T-bills | 403.625 | 100% | 396.846 | 100% |

- The table on the left summarises the maturity profile of Glitnir's liquid asset portfolio.
- The most significant element of Glitnir's combined cash and cash equivalents relates to T-bills portfolio as analysed in the table on the right.

Asset / liability class analysis

H: Analysis of liabilities

- The tables in this section set out an analysis of Glitnir's liabilities presented in the Statement (page 6).
- The first table summaries the claims made against Glitnir and includes the following amounts:
 - Claimed amounts – representing the amounts claimed by Glitnir's creditors and as presented at the first claims registration creditors' meeting on 17 December 2009;
 - Changes to the claims register – since 17 December 2009, certain amendments have been made to the claims register, principally in relation to correction of errors and where claims have been withdrawn;
 - Adjustments – this column includes (1) where claims have been rejected, withdrawn or closed with set-off or settlement; (2) where accepted priority claims have been paid; (3) where there were errors or duplications in the claims registration list; and
 - Estimated set-off – a high level estimate of the set-off of Glitnir, based upon a review of the claims register.
- The estimates of set-off made above are preliminary estimates only and may be subject to change in the future. The Winding-up Board's work is continuing on the claims position of Glitnir.
- The Winding-up Board's work regarding the claims registration process is continuing. As a result, there are certain material claims included in the liabilities included in the Statement that the Winding-up Board does not expect to be ultimately settled. As a result, the ultimate liabilities of Glitnir are likely to be lower than, and creditor ranking may be materially different to, that set-out in the Statement.

Asset / liability class analysis

H: Analysis of liabilities



| ISKm | Article no. | Claims registration | Adjustments | Adjusted claimed amounts | Estimated set-off | Estimated liabilities after set-off as at 31.3.2014 | Estimated liabilities after set-off as at 31.12.2013 |
|--------------------------|-------------|---------------------|------------------|--------------------------|-------------------|---|--|
| Third party assets | 109 | 33.660 | (22.523) | 11.137 | (5.063) | 6.074 | 6.428 |
| Approval Costs | 110 | 25.313 | (25.313) | 0 | 0 | 0 | 0 |
| Secured | 111 | 37.327 | (35.195) | 2.133 | 0 | 2.133 | 2.133 |
| Priority | 112 | 156.245 | (156.111) | 134 | 0 | 134 | 656 |
| Unsecured | 113 | 2.880.832 | (512.304) | 2.368.528 | (18.912) | 2.349.616 | 2.373.171 |
| Defered | 114 | 106.012 | (98.719) | 7.292 | 0 | 7.292 | 7.348 |
| Total | | 3.239.388 | (850.164) | 2.389.224 | (23.975) | 2.365.249 | 2.389.735 |

| Changes in net claims | |
|--|------------------|
| ISKm | |
| Net claims as at 31.12.2013 | 2.389.735 |
| Disputed 112 claims accepted as 113 claims | 141 |
| Changes in set-off | (648) |
| Decisions | (23.978) |
| Net claims as at 31.3.2014 | 2.365.249 |

- The table above provides an analysis of claims recorded in the Statement (see page 6)
- The table below shows the changes of the claim register since 31 December 2013 to 31 March 2014.

Asset / liability class analysis

H: Analysis of liabilities - Disputed priority claims



| Priority claims in dispute | |
|--|---------------|
| Disputed claims - 16 March 2012 | 52.979 |
| Accepted as 113 claim | (569) |
| Rejected / withdrawn | (13.759) |
| Disputed 112 claims 31.12.2012 | 38.650 |
| Accepted as 112 claim | (25.846) |
| Accepted as 113 claim | (12) |
| Rejected / withdrawn | (2.035) |
| Disputed 112 claims 31.12. 2013 | 10.756 |
| Accepted as 113 claim | (141) |
| Rejected / withdrawn | (2.753) |
| Disputed 112 claims 31.3. 2014 | 7.862 |

- On 16 March 2012 payments were made to priority claimholder that had undisputed claims. On that date sufficient cash was placed into escrow accounts to fully pay disputed priority claims. The claims in dispute on 16 March 2012 were ISK 53.0bn. These escrow accounts are not included in the Balance Sheet of Glitnir. Amounts that are not paid to priority claimholders when the disputes are resolved are paid back to Glitnir. The table shows changes in the escrow accounts from 16 March 2012 to end of March 2014.
- The tables below provides an analysis of the amounts in the escrow accounts broken down by currencies. The amounts are based on foreign exchange rates on 22 April 2009.
- The balance which includes accrued interests is based on foreign exchange rate on 31 March 2014

| | Priority claims in dispute in escrow accounts 31.3.2014 | Balance 31.3.2014 with accrued interest |
|-----------|---|---|
| | ISKm | ISKm |
| EUR | 2.804 | 2.591 |
| GBP | 918 | 913 |
| ISK | 1.500 | 1.640 |
| NOK | 1.274 | 1.303 |
| USD | 1.367 | 1.190 |
| | 7.862 | 7.637 |

I: Operating expenses analysis

| | Q1 2014 | Q1 2013 |
|---|--------------|--------------|
| ISKm | | |
| Salaries and Salary- related costs | 198 | 149 |
| Islandsbanki Service Agreement | 81 | 77 |
| Winding-Up Board fee | 57 | 59 |
| External Legal Services | 360 | 304 |
| <i>Domestic</i> | 165 | 110 |
| <i>International</i> | 194 | 195 |
| Other External Advisors | 482 | 577 |
| <i>Domestic</i> | 154 | 108 |
| <i>International</i> | 327 | 469 |
| Other Expenses | 110 | 176 |
| Total Expenses | 1.287 | 1.343 |

- The table sets out the operating costs of Glitnir hf. (subsidiaries not included) for the 3 months ended 31 March 2014 compared with the operating costs for the 3 months ended 31 March 2013.



Appendices

A wide-angle landscape photograph of a mountain range with colorful, eroded peaks in shades of red, orange, and brown. The foreground is a flat, rocky plain. The sky is blue with some light clouds. A solid red horizontal bar is positioned below the image.

Appendix 1: Foreign exchange rates

Appendix 2: Supplementary notes to financial information

Appendix 3: Valuation methodology

Appendix 4: Consolidated Income statement

Appendix 1

Foreign exchange rates

| Currency | 22 April 2009 | 31 December 2011 | 31 December 2012 | 31 December 2013 | 31 March 2014 | Changes from 31 Dec 2013 to 31 March 2014 |
|----------|---------------|------------------|------------------|------------------|---------------|---|
| EUR | 168,76 | 158,84 | 169,80 | 158,50 | 155,41 | -1,9% |
| USD | 130,40 | 122,71 | 128,74 | 115,03 | 112,70 | -2,0% |
| GBP | 190,62 | 189,43 | 208,15 | 190,21 | 187,57 | -1,4% |
| CAD | 105,16 | 120,21 | 129,36 | 108,07 | 101,97 | -5,6% |
| DKK | 22,66 | 21,37 | 22,83 | 21,25 | 20,82 | -2,0% |
| NOK | 19,26 | 20,40 | 23,04 | 18,92 | 18,79 | -0,7% |
| SEK | 15,28 | 17,79 | 19,76 | 17,95 | 17,37 | -3,3% |
| CHF | 111,68 | 130,66 | 140,64 | 129,19 | 127,44 | -1,4% |
| JPY | 1,33 | 1,59 | 1,50 | 1,10 | 1,09 | -0,3% |

- All rates quoted above are the Central Bank of Iceland mid rates at the given dates.

Appendix 2

Supplementary notes to financial information

1. Basis of preparation

- The financial information has been prepared on the basis that Glitnir is able to manage the realisation of its assets and transact its ongoing business having appropriate regard to the interests of all its creditors. Accordingly, the estimate of value attributed to each asset is dependent on the realisation strategy presently adopted for assets, which varies between available for sale, manage to sale, or hold to maturity. As such, the estimated values for certain asset classes represented in the financial information are not necessarily intended to represent prices at which an orderly transaction could take place between market participants as at 31 March 2014. Rather, such values are intended to represent the value of assets based on a longer term estimate of recoverable values.
- The reported liabilities as at 31 March 2014 have been based upon the claims received by Glitnir as part of the claims registration process. The process for agreeing claims is ongoing and so the liabilities included in the financial information may not be complete or accurate as a number of the existing and potential liabilities are subject to legal uncertainty. As a result, the liabilities included in the financial information will be subject to change and clarification when the claims registration process is complete. It is likely that the ultimate liabilities determined by the Winding-Up Board or Courts will be less than those reported in the financial information presented here.

Appendix 2

Supplementary notes to financial information

2. Limitations

Estimated value

- The methodology used to estimate the values of assets within each asset class has been based on the application of Glitnir's present asset realisation strategy. The methodology does not represent an exhaustive attempt to take into account all factors that Glitnir or other market participants would consider when performing an in-depth valuation exercise.
- The asset realisation strategy and valuation methodology are likely to change over time as Glitnir continues its systematic assessment and categorisation of each asset class and refines its approach to realisation having appropriate regard to the interests of all its creditors.
- The assumptions used to estimate the value of assets are sensitive to changes in market conditions (including interest rates, foreign exchange rates, equity prices, market indices and counterparty credit worthiness) and, as such, the values presented are estimates based on the application of a high-level asset realisation strategy at a point in time.
- The financial information is presented in ISK throughout (with certain supporting analyses in EUR), with asset values translated at the mid rates published by the Icelandic Central Bank for 31 March 2014 (see Appendix 1). A significant proportion of the assets and liabilities of Glitnir are denominated in foreign currencies. As a result, the estimated asset values and the computation of liabilities presented here in ISK may be materially impacted by future movements in foreign exchange rates. Where comparative balances are presented, these have not been retranslated from the foreign exchange rates used as at that date.
- Given the current economic climate there are limited active markets for many of the financial instruments held by Glitnir. To the extent that the estimated asset values and computation of liabilities are based on inputs that are less observable or unobservable in the market, the estimation of value requires more judgment. Accordingly, the Winding-up Board has applied considerable judgement in determining the estimate of values for certain assets and liabilities, notably those relating to loans to customers, unlisted equity instruments and complex derivative products.

Appendix 2

Supplementary notes to financial information

2. Limitations (continued)

Estimated value (continued)

- An agreement between Glitnir and the Icelandic government was reached regarding the recapitalisation of Islandsbanki. As part of this agreement, Glitnir took 95 percent shareholding of Islandsbanki. The investment in Islandsbanki is valued at 95% shareholders equity. The ultimate value realised through the shareholding in Islandsbanki could be materially higher or lower than the equity value. The value of, timing of and mechanism for realising value from the shareholding remains subject to considerable uncertainty.

Information included in the financial information

- Financial information provided in this document was prepared using Glitnir's records, based on current available data and assumptions, which is subject to confirmation and change. Glitnir may amend, supplement or otherwise change the financial information it has previously provided. Due to the related uncertainties, the actual realisable value of Glitnir's assets and the amount of its liabilities may differ materially from the values set forth in this document.

3. Valuation principles

- A detailed description of the methodology for each asset category is shown in Appendix 3.

Appendix 3

Valuation methodology

1. Loans to customers

- The estimated values have been derived after consideration of Glitnir's present asset realisation strategy. The measurement methodology is designed on the assumption that the loan portfolio will not be subject to forced market sales in the near-term and loans will be held to maturity or worked out over the relevant timeframe. As such, the estimated values represented in the Statement of Assets and Liabilities are not necessarily intended to represent prices at which an orderly transaction could take place between market participants as at 31 March 2014. Rather, such values are intended to represent the value of assets based on a longer term estimate of recoverable values.
- Within the risk categories the portfolio was subject to a high level review of borrower performance, collateral quality and subordination levels as well as a review of more general information about the economic outlook of each underlying sector. In the absence of specific indicators of a deterioration of value at a borrower level, default and recovery assumptions have been applied consistently.

2. Derivatives

- Derivative assets amounts in the Statement of Assets and Liabilities represent net positions after consideration of the effects of set-off and valuation adjustments.
- Given the volume of business undertaken by Glitnir and the complexities involved in reviewing the population of transactions, a number of assumptions have been made regarding the legal status of derivative positions in the Statement of Assets and Liabilities.

Appendix 3

Valuation methodology

3. Bonds

- The estimated value of the bond portfolio assumed to be unencumbered is based primarily on observable market inputs. The values represent an estimate of prices at which an orderly transaction could have been expected to take place between market participants on 31 March 2014 and accordingly has been based on quoted prices or indicative broker quotes.

4. Equities

- The estimated value for the listed equities portfolio assumed to be unencumbered is based primarily on observable market inputs. The value represents an estimate of prices at which an orderly transaction could have been expected to take place between market participants on 31 March 2014 and accordingly has been based on quoted prices or indicative broker quotes.
- The estimated value for the unlisted equities portfolio assumed to be unencumbered is based primarily on unobservable market inputs. Glitnir has estimated values based on the fundamentals of each holding, including the initial transaction price and an underlying analysis of the performance of each issuer. The values also include assumptions as to the liquidity of positions.

5. Investment in subsidiaries

- The estimated value for investment in subsidiaries is based on equity of the subsidiaries.

6. Cash and cash equivalents

- The estimated value for cash and cash equivalents is book value.

Appendix 4



Consolidated Income Statement

| January - March 2014 | |
|---|----------------------|
| | ISKm Consolidated |
| Net interest income | 13.123 |
| Valuation adjustments and provisions | 2.633 |
| Claims rejected and other changes in the claims | 26.732 |
| Net financial income and expenses * | <u>(11.539)</u> |
| Net interest income less impairment losses and write-offs | 30.949 |
| Net fee and commission expenses | (257) |
| Administrative expenses | <u>(1.410)</u> |
| Profit before tax | 29.282 |
| Taxes | <u>(1)</u> |
| Profit for the period | <u>29.281</u> |

| * Net financial income and expenses: | |
|--------------------------------------|-----------------|
| Dividend income | 13 |
| Net trading income | 892 |
| Net foreign exchange losses | <u>(12.445)</u> |
| | <u>(11.539)</u> |