Glitnir hf.

Statement of Assets and Liabilities

Incorporating an estimate of the value of assets as at 30 June 2011 and a computation of liabilities

31 August 2011

Disclaimer

This document includes a Statement of Assets and Liabilities as at 30 June 2011 (the "Statement"). You should review carefully 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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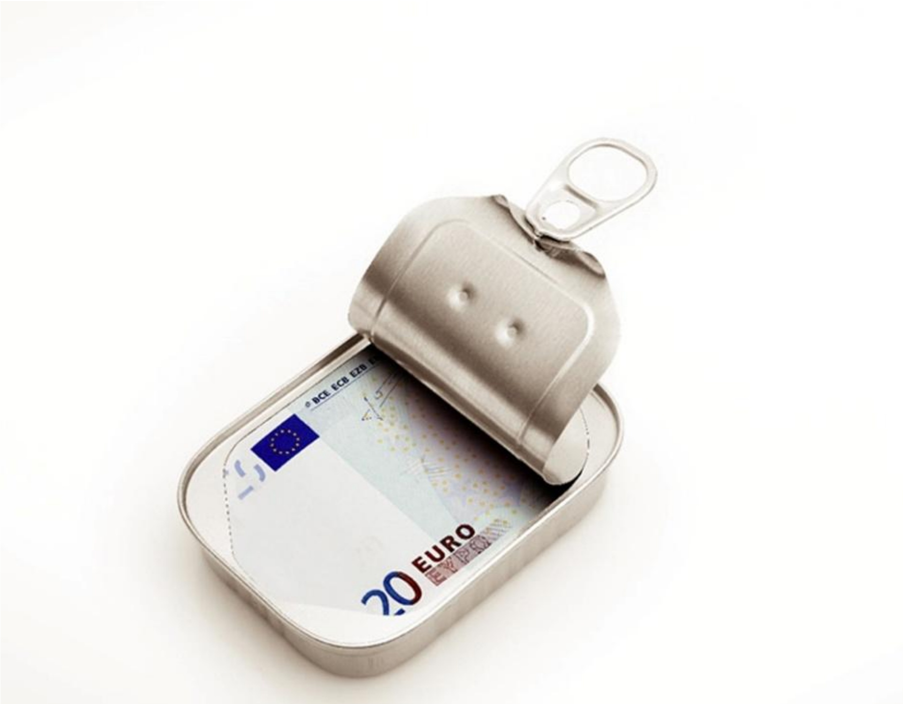
The Statement of Assets and Liabilities has been prepared by the Resolution Committee and Winding-Up Board with the assistance of Deloitte LLP ("Deloitte"). Deloitte accepts no duty of care to any party other than Glitnir for its assistance in the preparation of the Statement of Assets and Liabilities. Deloitte has assisted the Resolution Committee in preparing the format of this Statement of Assets and Liabilities and documenting the assumptions and accounting policies used as set out in the Notes. Deloitte has not conducted an audit of the Statement of Assets and Liabilities and Notes nor has Deloitte conducted any verification of the underlying financial data. Deloitte does not have any responsibility for, nor has it formed an independent view on, the assumptions made by the Resolution Committee or the estimates of recoverable amounts represented in the Statement of Assets and Liabilities and Notes. The assumptions and estimates incorporated in the Statement of Assets and Liabilities and Notes remain the sole responsibility of the Resolution Committee.


20 EURO

Introduction

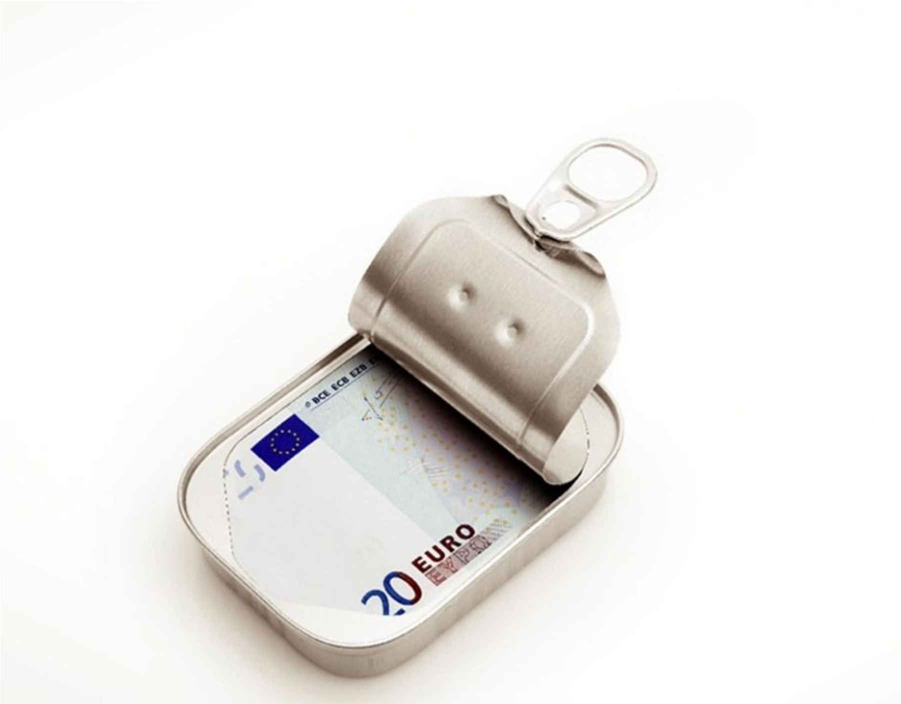
- The Statement of Assets and Liabilities is presented in ISK throughout (with certain supporting analyses shown in EUR also) and, unless otherwise stated, foreign currency values are translated at the mid rates published by the Icelandic Central Bank for 30 June 2011 (as detailed in Appendix 4). A significant proportion of the assets and liabilities of Glitnir are denominated in foreign currencies. As a result, the estimated values presented herein may be materially impacted by movements in foreign exchange rates. Comparative balances have not been retranslated from the foreign exchange rates used as at these dates. Further details regarding Glitnir's FX strategy were published on its website on 22 September 2010.

- Glitnir's liabilities are denominated in ISK based upon the foreign exchange rate for 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 movement. Where the liabilities presented in the Statement of Assets and Liabilities have been translated from ISK into Euro this has been at the foreign exchange rate for 30 June 2011.

- Certain numerical information and other amounts and percentages presented in the Statement of Assets and Liabilities may not total due to rounding. In addition, certain figures have been rounded to the nearest whole number.

- The notes and appendices included in this presentation form an integral part of the Statement of Assets and Liabilities and should be reviewed in conjunction with it, along with the Statements of Assets and Liabilities and associated notes as at 31 December 2010.

- KMPG, as external auditor to Glitnir, has reviewed the valuation of assets as included in the Statement of Assets as at 30 June 2011. Glitnir s management remains solely responsible for the valuation of assets included in the Statement. Based on KPMG s review, nothing has come to their attention that causes it to believe that the valuation of the assets in the Statement is not, in all material respects, based on the same methods applied in Glitnir s financial statements as at 31 December 2010, as published on Glitnir s website.


EURO

Statement of Assets and Liabilities

GLITNIR

	ISKbn				EURm			
	30.6.2011	31.12.2010	31.12.2009	Movement 31.12.2010 - 30.6.2011	30.6.2011	31.12.2010	31.12.2009	Movement 31.12.2010 - 30.6.2011
Assets								
Loans to customers	126	143	197	*(12)%*	758	927	1,097	*(18)%*
Loans to banks	2	4	89	*(36)%*	15	25	493	*(41)%*
Derivatives claims	21	23	45	*(11)%*	126	152	252	*(17)%*
Bonds and debt instruments	7	7	11	*3%*	43	44	59	*(4)%*
Shares and equity investments	46	46	45	*1%*	280	298	251	*(6)%*
Investment in subsidiaries	352	332	289	*6%*	2,125	2,161	1,609	*(2)%*
Cash and cash equivalents	302	259	131	*17%*	1,823	1,685	730	*8%*
Other assets	0	0	0	*(5)%*	2	2	1	*(12)%*
Total assets[1]	857	814	808	*5%*	5,171	5,295	4,493	*(2)%*
Liabilities								
Third party assets	25	22	33	*17%*	152	140	184	*9%*
Approval costs	2	3	25	*(8)%*	14	17	137	*(14)%*
Secured claims	27	27	29	*2%*	164	173	162	*(6)%*
Priority claims	154	154	168	*(0)%*	928	1,004	935	*(8)%*
Unsecured claims	2,537	2,542	2,612	*(0)%*	15,311	16,531	14,521	*(7)%*
Deferred claims	37	43	106	*(14)%*	221	277	587	*(20)%*
Other liabilities	1	1	-	*4%*	5	5	-	n/a
Total liabilities	2,783	2,791	2,973	*(0)%*	16,796	18,148	16,526	*(7)%*

1. There is considerable uncertainty regarding the ultimate realisable value of Glitnir's assets. In order to illustrate this uncertainty, the Resolution Committee has made an estimate of the range of likely outcomes for asset realisation of 'Total assets' being ISK780bn to ISK900bn (EUR4.8bn to EUR5.5bn). Due to the extent of the uncertainty and other factors that may change, the actual outcome may fall materially outside this range.
2. Attention is drawn to Note H, which contains details regarding certain claims for additional penalty interest not included in the liabilities shown above.

Statement of Assets and Liabilities

Key trends summary

Total assets

- Total assets have increased by ISK43bn from ISK814bn as at 31 December 2010 to ISK857bn as at 30 June 2011. The key drivers for this were:
  - an upward impact arising from movements in FX rates, principally the weakening of the ISK against various currencies (EUR, NOK and GBP). The Resolution Committee estimates the total net impact of movements in FX rates to be ISK29bn; and
  - an upward revaluation in investment in subsidiaries of ISK12bn, driven by an increase in the valuations of Islandsbanki and the assets underlying the investment in Glitnir Luxembourg.
- Total assets in EUR have decreased from EUR5,295m to EUR5,171m over the period. The key driver for this decrease (in addition to those listed above) related to the strengthening of the Euro against various currencies during the period. Approximately 28% of assets are held in Euro as at 30 June 2011.
- Glitnir's cash balance has increased by ISK43bn from ISK259bn as at 31 December 2010 to ISK302bn as at 30 June 2011. This was driven by principal and interest repayments received from the loans portfolio to customers.

Total liabilities

- As a result of the Winding-Up Board's continuing work on registered claims, certain adjustments have been made to the initial registered claims in arriving at the estimated computation of liabilities shown on the previous page. As a result of these adjustments, total liabilities have reduced by ISK8bn since 31 December 2010 to ISK 2,783bn 30 June 2011. Further detail regarding these adjustments is shown in Note H of this document.
- 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 set-forth in the financial information as at 30 June 2011 that the Winding-Up Board does not expect to be ultimately accepted. Accordingly, 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 of Assets and Liabilities.

Statement of Assets and Liabilities

Summary reconciliation – 6 months ending 30 June 2011

Reconciliation of movement in assets ISKbn	Balance as at 31.12.2010	Cash movements	FX movements	Changes in valuation	Balance as at 30.6.2011
Assets					
Loans to customers	143	(28)	7	3	126
Loans to banks	4	(0)	(0)	(1)	2
Derivatives claims	23	(3)	0	(0)	21
Bonds and debt instruments	7	(0)	0	0	7
Shares and equity investments	46	(1)	1	1	46
Investment in subsidiaries	332	-	8	12	352
Cash and cash equivalents	259	31	12	-	302
Other assets	0	(0)	-	-	0
Total assets	814	(1)	29	15	857

- The above table shows an estimate of the key factors affecting the movement in estimated realisable value of Glitnir's asset portfolio between 31 December 2010 and 30 June 2011.
- Details regarding the movements shown in the table are provided later in this document in the relevant asset class note.

Statement of Assets and Liabilities

Summary foreign currency analysis

Foreign Currency Analysis as at 30 June 2011

ISKbn	EUR	ISK	NOK	USD	GBP	CAD	DKK	CHF	Other	Total
Loans to customers	16	6	54	17	16	9	2	4	1	126
Loans to banks	0	0	2	1	-	-	-	-	0	2
Derivatives claims	0	21	-	0	-	-	-	-	-	21
Bonds and debt instruments	1	3	-	-	3	-	-	-	-	7
Shares and equity instruments	3	7	1	3	30	3	0	-	0	46
Investment in subsidiaries	89	149	25	32	8	7	11	10	22	352
Cash and cash equivalents	129	33	38	65	22	10	4	0	1	302
Other assets	-	0	-	-	-	-	-	-	-	0
Total assets	**238**	**219**	**119**	**117**	**78**	**29**	**17**	**14**	**24**	**857**
Percentage of total	*27.8%*	*25.5%*	*13.9%*	*13.7%*	*9.1%*	*3.4%*	*2.0%*	*1.7%*	*2.9%*	*100%*
Percentage of total (ISK without ISB)		*12.5%*								
Total assets as at 31 December 2010	**189**	**210**	**115**	**127**	**85**	**29**	**17**	**16**	**26**	**814**
Percentage of total 31.12.2010	*23.2%*	*25.8%*	*14.2%*	*15.6%*	*10.4%*	*3.6%*	*2.0%*	*1.9%*	*3.3%*	*100%*
Percentage of total (ISK without ISB)		*12.0%*								

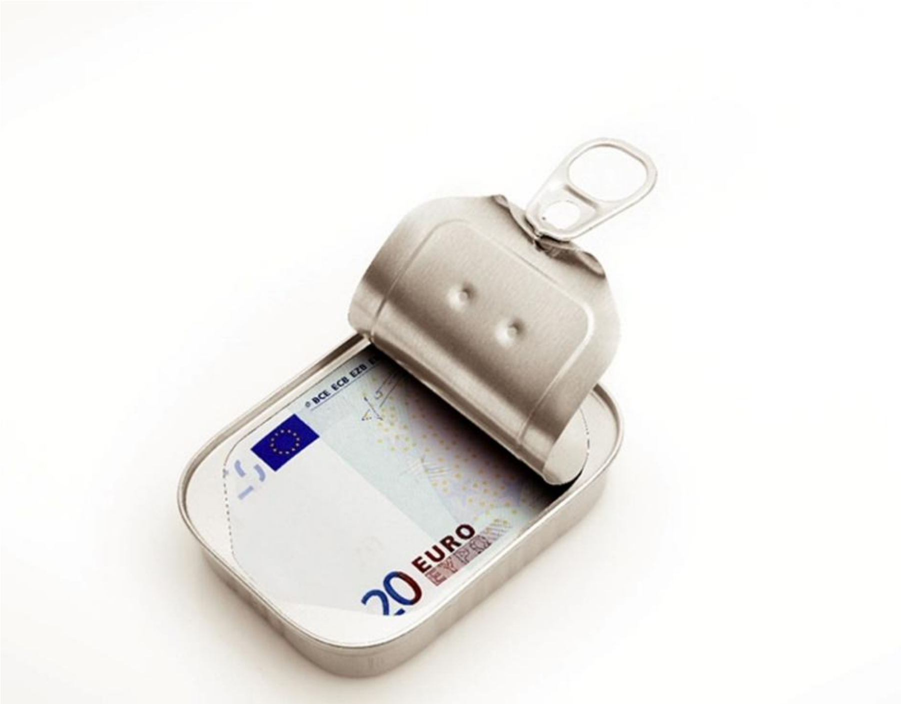
- The above table shows the estimated split of Glitnir’s asset by currency as at 30 June 2011.
- The investment in Islandsbanki is assumed to be denominated solely in ISK (although the investment may not ultimately be monetised wholly in ISK). The estimated realisable value arising from Glitnir Luxembourg is denominated in the currencies of the underlying assets and liabilities.
- As previously disclosed, Glitnir’s foreign currency strategy is to keep the proceeds of asset monetisation in the currency of the asset pre-monetisation.

Assets breakdown

Asset concentration analysis

Estimated value of assets 30 June 2011 ISKbn			Cumulative
Cash and cash equivalents	302	34.5%	34.5%
Loan portfolio - Haf and Holt	138	15.8%	50.3%
Loan portfolio - Glitnir	126	14.3%	64.7%
Íslandsbanki 95% share	117	13.4%	78.0%
Property loan portfolio - Glitnir Luxembourg SA	83	9.4%	87.5%
Shares and equity	50	5.7%	93.2%
Other assets	23	2.6%	95.8%
Derivatives claims	21	2.4%	98.2%
Bond portfolio - Holm	9	1.0%	99.2%
Bonds and debt instruments	7	0.8%	100.0%
Total assets	**875**	100.0%	
Obligation to BCL (net of cash residing in SPVs)	(19)		
Net assets	**857**		

- The adjacent table summarises the concentration of individual key assets and asset portfolios within Glitnir.
- Other than cash and cash equivalents, no portfolio accounted for more than 18% of gross assets as at 30 June 2011.
- Certain assets have been reclassified from their disclosure in the Statement of Assets and Liabilities, for example equity holdings in GLB have been disclosed as Shares and equity in the adjacent table analysis, as opposed to the investments in subsidiaries classification disclosed in the Statement of Assets and Liabilities.



1. Introduction

2. Statement of Assets and Liabilities

3. Asset / liability class analysis

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Asset / liability class analysis

A: Loans to customers – carrying value reconciliation

Loans to customers - carrying value reconciliation				
ISKm		**30.6.2011**		**31.12.2010**
Carrying value reconcilation		804		825
Carrying value of pledged assets				
TRS	(164)		(152)	
HAF	(114)		(120)	
HOLT	(93)		(102)	
		(371)		(374)
Carrying value of unpledged assets		**433**		**451**
Estimated realisable value of unpledged assets		**126**		**143**

- The carrying value refers to the value as recorded in the accounting records by Glitnir before any credit risk adjustments.
- The above table shows the carrying value of the loans to customers balance, both before and after the impact of pledged assets, together the estimated realisable value of unpledged loans to customers (which reconciles to the estimated realisable value shown on the Statement of Assets and Liabilities).
- Pledged assets relate to the Haf and Holt SPVs, comprised of loans allocated to an ongoing repo agreement with the BCL, and loans previously sold under TRS agreements. The Haf and Holt SPVs are recorded as an asset within Investment in Subsidiaries, further detail is shown in Note F.
- The carrying value of the pledged assets within Haf and Holt has decreased as the loans contained within the SPVs have been paid down during the period. The carrying value of TRS loans has changed due to FX movements only.

Asset / liability class analysis

A: Loans to customers – industry analysis

ISKbn	30.6.2011 Carrying value	30.6.2011 Estimated realisable value	30.6.2011 %	31.12.2010 Carrying value	31.12.2010 Estimated realisable value	31.12.2010 %
Loans to Customers after set-off						
Holding Companies	243	6	3%	255	9	4%
Seafood	22	16	74%	23	17	75%
Offshore-& Transport service	67	63	94%	69	66	95%
Manufacturing	33	23	69%	32	22	69%
Property & Real Estate	32	3	10%	30	4	14%
Financial Institutions	7	1	9%	9	5	56%
Retail	12	6	50%	14	8	56%
Utilities	0	0	95%	1	1	91%
Other	16	8	50%	18	10	58%
Total Loans to Customers	**432**	**126**	**29%**	**451**	**143**	**32%**

- Loans to holding companies remained the largest proportion of the portfolio by carrying value (56%).
- Offshore and Transport service remained the largest proportion of the portfolio by estimated realisable value (50%).

Asset / liability class analysis

A: Loans to customers – geographical analysis

ISKbn	30.6.2011 Carrying value	30.6.2011 Estimated realisable value	30.6.2011 %	31.12.2010 Carrying value	31.12.2010 Estimated realisable value	31.12.2010 %
Loans to Customers after set-off						
Iceland	281	10	3%	286	10	4%
Norway	84	73	86%	89	80	90%
United States	15	8	50%	18	10	54%
UK	15	13	88%	22	21	92%
Germany	8	3	42%	8	3	38%
Canada	13	9	67%	13	8	67%
Denmark	4	1	31%	4	2	36%
Other	11	9	83%	11	9	84%
Total Loans to Customers	**432**	**126**	**29%**	**451**	**143**	**32%**

- The adjacent analysis shows the loans to customers portfolio by geography of borrower.
- The breakdown of the portfolio by carrying value has been broadly stable across the period.
- By estimated realisable value, the proportion of the portfolio from Norway continued to represent the most significant portion of the portfolio 58% as at 30 June 2011.

Asset / liability class analysis

A: Loans to customers – currency analysis

ISKbn	30.6.2011 Carrying value	30.6.2011 Estimated realisable value	30.6.2011 %	31.12.2010 Carrying value	31.12.2010 Estimated realisable value	31.12.2010 %
Loans to Customers after set-off						
ISK	124	6	5%	137	6	5%
EUR	101	16	16%	98	18	18%
NOK	61	54	90%	68	63	93%
USD	30	17	58%	37	24	64%
GBP	31	16	52%	31	17	55%
Other	87	16	18%	80	15	18%
Total Loans to Customers	**433**	**126**	**29%**	**451**	**143**	**32%**

- By estimated realisable value, the proportion of the loans to customers portfolio denominated in the five main currencies (ISK, EUR, NOK, USD and GBP) remained broadly stable.
- NOK continued to be the most significant currency with approximately 43% of estimated realisable value as at 30 June 2011.
- The most significant currencies shown within ‘Other’ are CHF, CAD and DKK.

Asset / liability class analysis

A: Loans to customers – risk categorisation analysis

ISKbn	30/06/2011 Carrying value	30/06/2011 Estimated realisable value	30/06/2011 %	31/12/2010 Carrying value	31/12/2010 Estimated realisable value	31/12/2010 %
Loans to Customers after set-off						
A	81	77	96%	93	89	96%
B	15	13	88%	8	7	78%
C	7	6	79%	8	7	87%
D	20	13	66%	11	8	73%
E	27	11	42%	91	27	30%
F	283	6	2%	241	6	2%
Total Loans to Customers	**432**	**126**	**29%**	**451**	**143**	**32%**

- The adjacent analysis summarises the risk categorisation of the loan portfolio. The methodology used to derive the risk categorisation is as in the Statement of Assets and Liabilities as at 30 June 2011, and as detailed in the Appendices.
- Glitnir's loans to customer assets are generally of a lower quality than those in the Haf and Holt. As a result, the risk rating analysis tends to be of a lower rating.

Asset / liability class analysis

B: Loans to banks analysis

ISKbn	Estimated realisable value as at 30.6.2011	Estimated realisable value as at 31.12.2010
Loans to Banks		
Recorded balance sheet amount	23	47
Loans subject to set-off	(20)	(43)
	2	4
Net loans to Icelandic counterparties	0	0
Net loans to international counterparties	2	4
Net loans to former subsidiaries	0	0
Total Loans to Banks	**2**	**4**

ISKbn	Estimated realisable value as at 30.6.2011	Estimated realisable value as at 31.12.2010
Loans to Banks		
USD	1	1
NOK	2	3
EUR	0	0
Other	0	0
Total Loans to Banks	**2**	**4**

- The estimated realisable value for ‘Loans to Banks’ is shown after eliminating balances included in derivative claims by international counterparties (representing collateral on derivative transactions under ISDA CSA contracts).
- The recorded balance sheet amount has decreased as a result of a significant set-off agreement with one counterparty.

Asset / liability class analysis

C: Derivatives analysis: domestic counterparties

ISKbn	Estimated value of derivative claim as at 30.6.2011	Recovered funds 01.01.2011 - 30.6.2011
Domestic counterparties		
Pension funds	12.5	0.0
Investment companies	4.2	0.5
Banks and other financial institutions	0.0	0.0
Seafood industry	1.1	1.0
Public bodies	2.3	0.0
Other companies	0.0	0.9
Individuals	0.1	0.0
Total domestic counterparties	20.2	2.4

- There are 82 domestic counterparties. Business was principally undertaken under Glitnir's general Terms and Conditions (i.e. Non-ISDA agreements). The counterparties are split between pension funds, investment companies, banks, seafood businesses, public bodies and individuals. As at 30 June 2011, Glitnir has recorded a net derivative asset position of ISK20bn, made up of 42 counterparties.

- To date, Glitnir has focussed on the maximisation of recovery value from domestic derivatives. Of the domestic counterparties, Glitnir has settled with 20, 18 of which have been settled in cash, and two in the form of equity. The recovered funds column in the adjacent table above relates to those amounts settled in cash or equity during the period from 1 January 2011 to 30 June 2011.
- As the domestic counterparties were not undertaken under the ISDA framework, there is no fixed settlement mechanism behind the settlement of the relevant derivative claims. As a result, the settlement process is relatively time consuming, as it is considered on a counterparty by counterparty basis.
- Furthermore, relying upon domestic Market Terms as part of the settlement process raises various significant issues which have yet to be resolved (for example, the date at which to value certain of the derivative contracts).
- In the majority of the approximately 60 cases that remain to be settled, however, Glitnir is already in the process of negotiating with the counterparty or has reached a point where it is clear that the settlement will be disputed before the Icelandic courts.

Asset / liability class analysis

C: Derivatives analysis: international counterparties

ISKbn	Estimated value of derivative claim as at 30.6.2011	Recovered funds 01.01.2011 - 30.6.2011
International conterparties		
Banks and other financial institutions	0.1	0.0
Seafood industry	0.4	0.0
Other companies	0.0	0.2
Total international counterparties	**0.6**	0.2

- There are 52 derivative counterparties under ISDA contracts, including one domestic counterparty. The counterparties are split between banks, other financial institutions and seafood companies. As at 30 June 2011, Glitnir has recorded a net derivative asset position of ISK0.6bn, made up of 3 counterparties.
- To date, Glitnir has focussed on the maximisation of recovery value from ISDA derivatives. All counterparties with a material estimated recoverable value are currently being worked on by Glitnir. This work has included the completion of all initial calculations and detailed review of legal documentation. The recovered funds column in the adjacent table above relates to those amounts settled in cash during the period from 1 January 2011 to 30 June 2011.

Asset / liability class analysis

D: Bonds and debt instruments analysis

ISKbn	Estimated realisable value as at 30.06.2011	Estimated realisable value as at 31.12.2010
Bond positions		
Recorded balance sheet amount	23	23
Amounts subject to set-off relating to Icelandic banks	(16)	(16)
Net bond position	**7**	**7**

ISKbn	Estimated realisable value as at 30.06.2011	Estimated realisable value as at 31.12.2010
Bond positions		
Icelandic sovereign	3	3
Other Icelandic	0	0
International	4	4
Net bond position	**7**	**7**

- There has been limited movement in the estimated realisable value of the bond and debt instrument portfolio during the period.

Asset / liability class analysis

E: Shares and equities analysis

ISKbn	Estimated realisable value 30.6.2011	Estimated realisable value 31.12.2010
Equities		
Listed equities	3	2
Unlisted equities	44	43
	46	**46**
UK	30	32
Iceland	7	6
Norway	1	1
USA	1	1
Sweden	0	0
Denmark	0	0
Canada	3	2
Other	5	4
	46	**46**

- There has been limited movement in the estimated realisable value of the shares and equities portfolio during the period.

Asset / liability class analysis

F: Investment in subsidiaries analysis

ISKbn	Country	Estimated value of underlying net assets as at 30.6.2011	Estimated value of underlying net assets as at 31.12.2010
GLB Holding	Iceland		
ISB Holding (Íslandsbanki)		117	112
SAT Holding (Sjóvá)		1	1
Other subsidiaries of GLB Holding		1	1
Other assets		19	18
Total GLB Holding		139	133
Other subsidiaries of Glitnir bank	Sweden	0	0
Glitnir Luxemburg S.A.	Luxemburg	213	199
Total investmetns in subsidiaries		352	332

- The estimated value of ISB has been based upon a high level analysis of ISB's forecast performance and median trading multiples for ISB's peer group in the Euro area (principally Price to Book Value and Price to Net Income).
- The estimated value for investments in all other subsidiaries is based on the estimated value of the underlying net assets held in the subsidiaries.
- The other assets held within GLB Holding relate to certain bond and equity positions, including equity positions as a result of various debt for equity transactions within the loan portfolio.
- In addition, certain sovereign bond positions are held within GLB Holding to ensure that the entity has sufficient liquidity, in the unlikely event that additional liquidity was required to support ISB.

Asset / liability class analysis

F: Luxembourg update

ISKbn	Carrying value as at 30.6.2011	Estimated realisable value as at 30.6.2011	Carrying value as at 31.12.2010	Estimated realisable value as at 31.12.2010
Underlying net assets in subsidiary				
Property loan portfolio	120	83	119	83
Other assets	2	2	2	2
	122	85	121	85
SPV activity				
Haf	114	85	120	92
Holt	93	54	102	67
Holm	15	9	19	11
	222	147	240	170
Cash residing in SPVs		7		9
Obligation to BCL		(26)		(65)
Total investmetns in subsidiaries		213		199

- The value attributed to Glitnir Luxembourg is principally a function of (1) the value attributed to the property loan portfolio; (2) the value attributed to the three SPVs; less (3) the outstanding obligation owed to the Central Bank of Luxembourg.
- The principal movements relate to:
  - the estimated realisable value of the property loan portfolio has increased due to FX changes, partially offset by repayments;
  - the estimated realisable value of the three SPVs (Haf, Holt and Holm) has decreased due to cash repayments; and
  - the BCL obligation has reduced as a result of repayments made during the period.

Asset / liability class analysis

F: Luxembourg update – analysis of Haf and Holt

ISKbn	30.6.2011 Carrying value	30.6.2011 Estimated realisable value	30.6.2011 %	31.12.2010 Carrying value	31.12.2010 Estimated realisable value	31.12.2010 %
Haf and Holt						
Iceland	152	90	60%	154	97	63%
UK	17	12	70%	24	21	88%
United States	9	8	95%	9	8	93%
Canada	7	7	100%	7	7	100%
Germany	5	5	94%	5	5	94%
Spain	7	7	100%	6	6	100%
Other	11	9	85%	16	14	89%
Total Haf and Holt	**207**	**138**	**67%**	**222**	**159**	**72%**

- The geographical composition of the Haf and Holt portfolio broadly mirrors that of the Glitnir loans to customers portfolio.
- Iceland represents the most significant portion of the portfolio (65% of estimated realisable value as at 30 June 2011).
- The geographical mix of the portfolio has remained broadly stable during the six month period to 30 June 2011.

Asset / liability class analysis

F: Luxembourg update – analysis of Haf and Holt

ISKbn	30.6.2011 Carrying value	30.6.2011 Estimated realisable value	30.6.2011 %	31.12.2010 Carrying value	31.12.2010 Estimated realisable value	31.12.2010 %
Haf and Holt						
EUR	93	69	75%	94	72	76%
USD	34	27	80%	42	35	83%
GBP	16	6	37%	23	16	68%
ISK	29	10	33%	27	9	32%
CHF	16	10	61%	16	10	66%
JPY	9	8	86%	10	9	88%
CAD	7	7	100%	7	7	100%
Other	3	2	49%	3	2	50%
Total Haf and Holt	**207**	**138**	**67%**	**222**	**159**	**72%**

- The currency mix of the Haf and Holt portfolios has remained broadly stable over the six month period to 30 June 2011.
- EUR represents the most significant portion of the portfolio (50% of estimated realisable value as at 30 June 2011).

Asset / liability class analysis

F: Luxembourg update – analysis of Haf and Holt

ISKbn	30.6.2011 Carrying value	30.6.2011 Estimated realisable value	30.6.2011 %	31.12.2010 Carrying value	31.12.2010 Estimated realisable value	31.12.2010 %
Loans to Customers after set-off						
A	81	72	89%	51	50	98%
B	22	21	94%	40	34	86%
C	0	0	0%	28	24	87%
D	47	36	77%	31	24	79%
E	44	9	21%	36	25	70%
F	13	0	0%	36	1	4%
Total Loans to Customers	**207**	**138**	**67%**	**222**	**159**	**72%**

- The Haf and Holt portfolios are generally of a higher quality than those in the Glitnir loans to customers portfolio. As a result, the risk rating analysis tends to be of a higher rating.

Asset / liability class analysis

F: Luxembourg update – summary cash flow

January - June 2011 BCL cash reconciliation	ISKbn	EURm
Opening principal balance as at 1 January 2011	**65**	**422**
Receipts from Haf		
Capital	(12)	(75)
Interest	(1)	(9)
	(13)	**(84)**
Receipts from Holt		
Capital	(13)	(83)
Interest	(1)	(7)
	(14)	**(90)**
Receipts from Holm		
Capital	(4)	(25)
Interest	(0)	(1)
	(4)	**(26)**
Transfer of Glitnir Luxembourg assets	(10)	(65)
BCL charges levied	0	0
Total BCL obligation repayments	(42)	(264)
FX movements on translating to ISK	3	-
Carrying principal balance As at 30 June 2011	**26**	**158**

- The adjacent table summarises the cash movements against the BCL obligation for the six months to 30 June 2011. Amounts have been translated from EUR into ISK at the average FX rate for the period, and so should be seen as indicative only.
- The principal source of the repayments is from the three SPVs which in aggregate generated EUR199m of cash during the period.
- The EUR65m of transfer from Glitnir Luxembourg assets relates to cash generated from the property portfolio within Glitnir Luxembourg.

Asset / liability class analysis

F: Luxembourg update – progress against BCL repayment plan

EURm	Per BCL repayment plan	Per BCL Payment plan (cumulative)	Actual payments made	Actual payments (cumulative)
Obligation to BCL				
Repayment profile				
2009	157	157	351	351
2010	157	314	272	623
2011	209	523	264	887
2012	261	784		
2013	261	1,045		
	1,045	**1,045**	**887**	**887**

- The above table sets out the repayment plan to the BCL, as extracted from the agreement with the BCL dated 4 March 2009. All amounts are in EUR.
- Under the repayment plan, EUR523m is due to be repaid by the end of 2011. Total actual payments made up to 30 June 2011 were EUR887m (i.e. repayments are EUR364m ahead of schedule) .
- Early repayment of the BCL obligation reduces the interest cost for Glitnir Luxembourg, and reduces the time Glitnir is required to wait before it can recapture the remaining potential value for creditors.
- It is expected that the BCL obligation will be fully repaid before the end of 2011.

Asset / liability class analysis

G: Cash flow analysis

ISKm	Q1 2011	Q2 2011	1.1.2011-30.6.2011
Cash inflow:			
Loans to customers portfolio			
Principal loans to customers repayments	9,061	14,188	23,249
Interest loans to customers reciepts	1,804	2,283	4,088
Principal loans to banks repayments	156	26	182
Interest loans to banks reciepts	55	2	56
Derivatives claims repayments	601	1,145	1,746
Dividend and bonds maturities	3,523	497	4,020
Interest income on cash balance	828	1,187	2,014
Other inflow	0	112	112
Total cash inflows	16,028	19,439	35,467
Cash outflow:			
Operational costs	(1,186)	(1,190)	(2,377)
Set off of debts	(325)	0	(325)
Principal loans to customers - new loan	(1,302)	0	(1,302)
Total cash outflows	(2,814)	(1,190)	(4,004)
Total cash movement	13,214	18,249	31,463
Effect of exchange rate fluctuations	8,564	3,056	11,620
Opening cash balance	259,136	280,915	259,136
Closing cash balance	**280,915**	**302,219**	**302,219**

- The adjacent table summarises Glitnir's cash flow for the six months to 30 June 2011. The cash flow is for Glitnir only, and therefore does not take account of cash flows arising in Glitnir Luxembourg or GLB Holding.
- The most significant cash inflows related to the repayment of principal and interest from loans to customers. Other cash inflows related to dividends received on the shares and equities portfolio, derivative repayments and interest income.
- The total positive impact of foreign currency movements on the cash and cash equivalents balances was ISK11.6bn

Asset / liability class analysis

G: Cash and cash equivalents

ISKbn	30.6.2011	%	30.12.2010	%
Cash balance held with:				
Icelandic bank	34	11%	35	12%
European bank	44	14%	70	25%
European bank	1	0%	3	1%
US-based bank	3	1%	0	0%
European bank	0	0%	1	0%
Icelandic Gov bonds	8	3%	11	4%
International Gov bonds	150	50%	136	48%
International Gov bonds - UBS	58	19%	0	0%
Other	4	1%	4	1%
Total	302	100%	259	100%
Liquid asset deposited in Iceland	42	14%	46	18%
Liquid asset deposited in other jurisdictions	260	86%	213	82%
Total	302	100%	259	100%
Total deposits	86	29%	112	43%
International Gov bonds	208	69%	136	52%
Icelandic Gov bonds	8	3%	11	4%
Total	302	100%	259	100%

- The aim of the 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.
- Cash and cash equivalents deposited in Iceland has reduced from 18% as at 31 December 2010 to 14% as at 30 June 2011.
- The proportion of deposits in banks has reduced from 43% of cash and cash equivalents as at 31 December 2010 to 29% as at 30 June 2011
- In May 2011, UBS was engaged to provide investment management services in respect of a portfolio of international government bonds.
- The yield on the total cash balance for the first six months of 2011 was 1.2%, analysed as1.6% on deposits and 0.9% on bonds.

Asset / liability class analysis

G: Cash and cash equivalents

	Balance as at 30.6.2010	%	Balance as at 31.12.2010	%
Liquid assets in currencies				
ISK	33	11%	28	11%
USD	65	21%	59	23%
GBP	22	7%	14	6%
CAD	10	3%	9	4%
DKK	4	1%	3	1%
NOK	38	13%	24	9%
EUR	129	43%	121	47%
Other	2	1%	1	1%
Total cash and cash equivalents	**302**	**100%**	**259**	**100%**

- The adjacent table sets out the currency analysis of Glitnir's cash and cash equivalents portfolio as at 30 June 2011 and 31 December 2010.
- Glitnir has decided that Glitnir s cash and cash equivalents portfolio will be maintained in the same currencies as assets are redeemed. Over the six month period to 30 June 2011, there has been an increase in the proportion of cash held in GBP and NOK and a corresponding decrease in the proportion held in EUR and USD.

Asset / liability class analysis

G: Cash and cash equivalents bond portfolio

Liquid assets - International bonds portfolio ISKbn		
US Treasury Bill	45	21%
German Treasury Bill	42	20%
Norway Treasury Bill	31	15%
France Treasury Bill	23	11%
Government guaranteed (Managed by UBS)	23	11%
Dutch Treasury Bill	15	7%
UK Treasury Bill	15	7%
Canadian Treasury Bill	10	5%
Denmark Treasury Bill	3	2%
Other	2	1%
Total international bonds	**208**	100%

- The most significant element (69% as at 30 June 2011) of the cash and cash equivalents related to an international government bond portfolio (as analysed in the adjacent table), including a portfolio managed by UBS on behalf of Glitnir.
- The proportion of the portfolio held within international government bonds has increased from 52% as at 31 December 2010 to 69% as at 30 June 2011.
- Glitnir, in conjunction with its investment advisers, carefully monitors the risk within its cash and cash equivalents portfolio, particularly in light of the current concerns regarding sovereign debt levels.

Asset / liability class analysis

H: Liabilities analysis

- The tables in this section set out an analysis of the liabilities of Glitnir as presented in the Statement of Assets and Liabilities.

- 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 (4) claims from Glitnir Luxembourg and the two SPVs (Haf and Holt) as Glitnir believes these claims will be withdrawn when the BCL obligation is fully repaid; and
  - Estimated set-off – a high level estimate of the set-off of Glitnir, based upon a review of the claims register.

- The adjustments made above are preliminary estimates only and may be subject to material change in the future. The Winding-Up Board's work is continuing on the claims position of Glitnir and further details will be disclosed at the claims registration creditors' meeting on 31 August 2011.

- 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 of Assets and Liabilities as at 30 June 2011 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 of Assets and Liabilities as at 30 June 2011.

Asset / liability class analysis

H: Liabilities analysis

Unclear and disputed claims for additional penalty interest

- Some of Glitnir's creditors filed claims for contractual interest in the tables provided on the claim form but referred separately to a claim for penalty interest in an addendum to the claim form. Accordingly, because these claims were unclear and disputed, the additional amounts for penalty interest were not included when these creditors' claims were originally entered into the claims register. They total ISK 109.8bn, all in respect of unsecured claims. The Winding-Up Board has rejected other similar claims. No concerns have been raised by the creditors in question about how their claims were recorded in the claims register, but notwithstanding this the Winding-Up Board has decided that it is prudent to inform creditors that the said amounts are not included in the claims register.

Asset / liability class analysis

H: Liabilities analysis

ISKbn	Article no.	Claimed amounts	Changes to claims registration	Claims registration	Adjustments	Adjusted claimed amounts	Estimated set-off	Estimated liabilities after set-off as at 30.6.2011	Estimated liabilities after set-off as at 31.12.2010
Third party assets	109	33	-	33	(3)	30	(3)	27	22
Approval Costs	110	25	(0)	25	(23)	2	-	2	3
Secured	111	41	(3)	37	(1)	36	(11)	25	27
Priority	112	258	(94)	164	(6)	158	(4)	154	154
Unsecured	113	2,973	(98)	2,875	(289)	2,586	(49)	2,537	2,542
Deferred	114	106	0	106	(69)	37	(0)	37	43
Total		3,436	(195)	3,241	(392)	2,849	(66)	2,783	2,790

ISKbn	Article no.	Adjusted claimed amounts	Accepted	Rejected, subord. or Withdrawn	Under conciliation
Third party assets	109	33	3	31	27
Approval Costs	110	25	0	25	1
Secured	111	37	-	37	14
Priority	112	164	0	164	153
Unsecured	113	2,875	2,243	632	1,665
Defered	114	106	-	106	19
Total		3,241	2,245	995	1,879

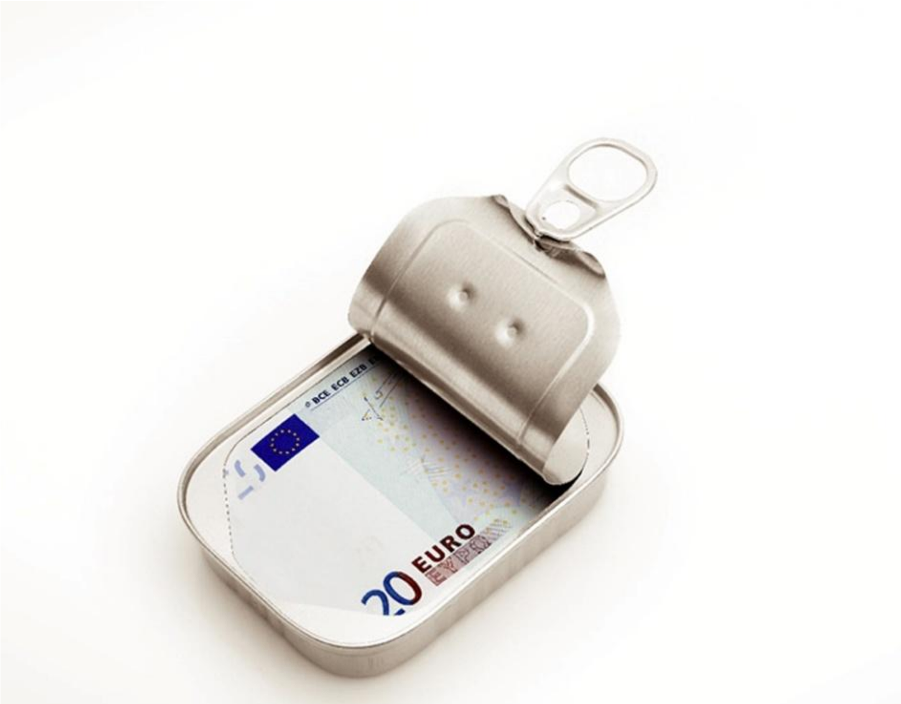
- The table above sets out an analysis of the claims as they are recorded in the Balance Sheet.
- The table on left sets out an analysis of the Winding-Up Board's decisions to date together with an analysis of how many decisions are under conciliation as a result of being objected to.
- The Winding-Up Board has made decisions on all claims.

Asset / liability class analysis

I: Operating expenses analysis

ISKm	Q1	Q2	Actual Jan-June 2011	Budget Jan-June 2011	Variance to budget 2011
Salaries and salary related costs	142	166	308	260	48
RC and WUB fee	112	89	201	181	20
Islandsbanki service agreement	86	71	157	210	(53)
External legal services	428	455	883	1,071	(188)
Other external advisors	401	344	746	739	6
Other expenses	142	101	243	215	28
Total expenses	1,311	1,227	2,538	2,676	(138)

- The above table sets out the operating costs of Glitnir (i.e. for the activities of both the Resolution Committee and the Winding-Up Board) for the six months ended 30 June 2011.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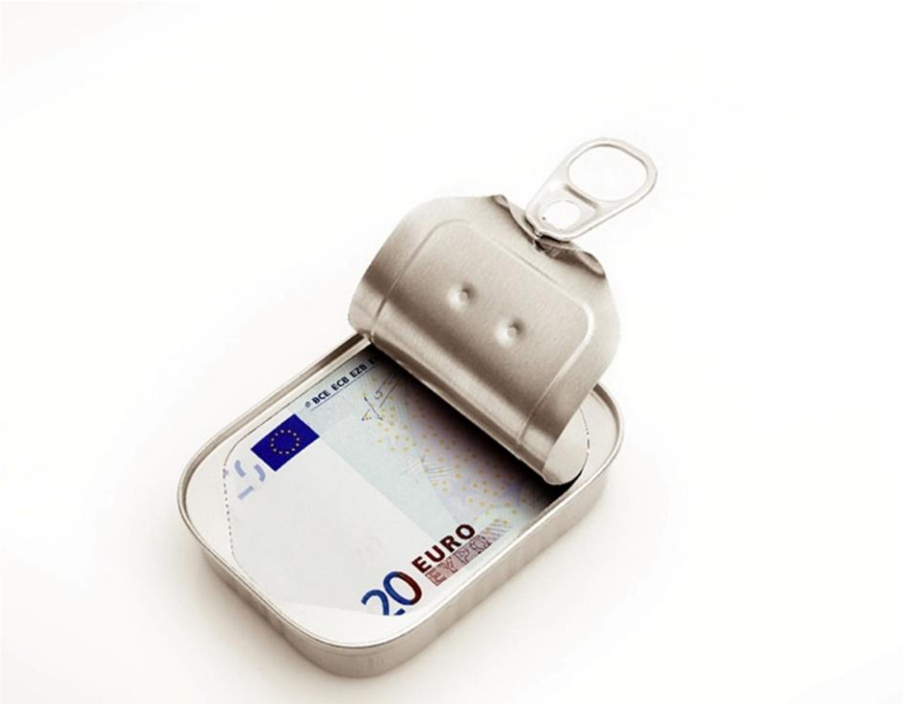

Appendices

1. Glossary of terms
2. Supplementary notes to financial information
3. Valuation methodology
4. Foreign exchange rates
5. Income statement

Appendix 1

Glossary of terms

Act	Act No. 125 / 2008
BCL	Banque centrale du Luxembourg
Carrying value	Asset value as recorded in the accounting records of Glitnir before any credit risk adjustments
CSA	Credit Support Annex
EUR	Euro
FME	The Icelandic Financial Supervisory Authority
Glitnir	Glitnir hf.
Glitnir Luxembourg	Glitnir Luxembourg S.A.
ICC	Informal Creditors' Committee
IRS	Interest rate swap
ISK	Icelandic Krona
Islandsbanki or ISB	Islandsbanki hf.
NA	Not applicable
OTC	Over the counter
Repo	Sale and repurchase agreement
Resolution Committee	The Resolution Committee of Glitnir hf.
TRS	Total return swap
Winding-Up Board	The Winding-Up Board at Glitnir hf.

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 30 June 2011. Rather, such values are intended to represent the value of assets based on a longer term estimate of recoverable values.
- The Statement of Assets and Liabilities is shown on an unconsolidated basis. The estimated values attributable to investment in subsidiaries are based upon an estimate of the value of the underlying net assets of the subsidiaries and not the carrying value of the investment in the stand-alone company accounts.
- The reported liabilities as at 30 June 2011 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 and that the categorisation of liabilities by priority will also change.
- The Act No. 125 / 2008 (the “Act”) provides for claims for ‘deposits’ to have priority when distributing the assets of a bankrupt financial undertaking. It remains to be resolved which liabilities or deposits of Glitnir this provision applies to, and how this Act should be implemented. It is possible that certain deposit creditors of Glitnir will have an entitlement to be paid out in full, and that there will be a corresponding decrease in the assets available to make distributions to other unsecured creditors.

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 30 June 2011 (see Appendix 4). 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. Comparative balances as at 31 December 2010, 31 December 2009, 30 June 2009, and 31 December 2008 where presented, have not been retranslated from the foreign exchange rates used as at that date.
- Given the current economic climate, particularly the financial and liquidity crisis, 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 Resolution Committee 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 has taken a 95 percent shareholding in Islandsbanki. For the financial information presented as at 30 June 2011, 31 December 2010 and 31 December 2009, the Resolution Committee has estimated the value of the shareholding in Islandsbanki based upon the projected performance of Islandsbanki and trading multiples for Islandsbanki peer group in the Euro area. The ultimate value realised through the shareholding in Islandsbanki could be materially higher or lower than the estimate provided. The value of, timing of and mechanism for realising value from the shareholding remains subject to considerable uncertainty.

Information included in the financial information

- The determination of the ownership of certain assets is not complete and in particular current estimates of Glitnir's collateral will be subject to subsequent legal findings including rights of set-off and other claims. If the ownership of Glitnir's collateral changes as compared to the current understanding, the estimate of value of Glitnir's assets and the computation of its liabilities may be materially impacted.
- The financial information was prepared using Glitnir's information, based on current available data and assumptions, which is subject to confirmation and change. Glitnir may amend, supplement or otherwise change the information it provided for the preparation of the financial information. 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 the financial information.

Appendix 2

Supplementary notes to financial information

3. Balances subject to set-off

- As at 30 June 2011, 30 December 2010 and 31 December 2009, Glitnir has presented a Statement of Assets and Liabilities after the impact of set-off. Where applicable, details of set-off amounts have been provided.
- Balances subject to set-off included in the financial information represent an estimate of the effect of both legal set-off and creditor set-off based on an interpretation of the potential rights of Glitnir and its counterparties. If the rights of Glitnir and the counterparties were ultimately to prove different to that assumed, the estimated value of Glitnir s assets and the computation of its liabilities may be materially impacted.

3.1 Legal set-off

- As part of the development of the realisation strategy, Glitnir is undertaking a review of all default and close-out notices received on a counterparty-by-counterparty basis across all relevant financial instruments.
- Derivatives – given the volume of business undertaken by Glitnir and the complexities involved in reviewing the population of transactions where many have been executed under master agreements and are now part of the default and close-out notice review, a number of assumptions have been made regarding the legal status (including set-off between different legal entities in a group) and value of derivative positions in the financial information.

3.2 Creditor offset

- For assets and liabilities held with the same counterparty Glitnir has used the claims registration database as the known source of liabilities and netted against corresponding identifiable asset positions with the same counterparty.

Appendix 2

Supplementary notes to financial information

5. Valuation principles

- The valuation principles underlying the estimated value for each major asset category are shown below. A detailed description of the methodology for each asset category is shown in Appendix 3.

Asset class	Valuation methodology
Loans to customers	Credit adjusted valuation based on a 'hold to sale' or 'hold to maturity' strategy
Loans to banks	Credit adjusted valuation based on a 'hold to maturity' strategy
Derivative assets / liabilities international counterparties	For ISDA counterparties: Realisable value estimated based on an assumed close-out on 7 October 2008. Realisable value includes valuation adjustment for credit, valuation and legal uncertainties.
Derivative assets / liabilities Icelandic counterparties	For Icelandic counterparties: Realisable value estimated based on an assumed close-out at the earlier of transaction maturity and 22 April 2009. Realisable value includes valuation adjustment for credit, valuation and legal uncertainties.
Bonds and debt instruments	Realisable value based on directly or indirectly observable valuation inputs
Listed equities	Realisable value based on observable valuation inputs
Unlisted equities	Realisable value based on valuation inputs that are not quoted in markets that are active or for which significant inputs are not directly observable

Appendix 3

Valuation methodology

1. Loans to customers and banks

- 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 30 June 2011. 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.

Risk weighting	Indicative categorisation factors
A	– Performing on or close to budget. – No covenant breaches.
B	– Loans with a reasonable chance of encountering difficulty in the near term. – Yet to breach covenant or miss interest or debt repayment.
C	– Covenant breaches. – Meeting interest and debt repayments.
D	– Loans in or likely going into a restructuring as a consequence of not meeting interest and debt repayments.
E	– Loans subject to a completed restructuring exercise as a consequence of not meeting interest and debt repayments.
F	– Companies in bankruptcy proceedings with status not expected to change within 2 – 3 years.

Appendix 3

Valuation methodology

2. Derivatives

- Derivative assets and liabilities amounts on 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. For the purposes of the Statement of Assets and Liabilities only, the following assumptions have been applied to derive the estimated values:
  - **International counterparties -** for both net derivative assets and liabilities positions with international counterparties, Glitnir has made the assumption that all positions crystallised under default notices during October 2008. Where close-out notices were received on dates other than 7 October 2008 the valuation reflects the use of different close-out dates. Additionally, there are a number of international counterparties who are not covered by ISDA master agreements. It has been assumed that these positions were closed out on 7 October 2008 and, again, the statement does not reflect the valuation differences that may arise from the use of different close-out dates.
  - **Icelandic counterparties -** for both net derivative asset and liabilities positions with Icelandic counterparties Glitnir has made the assumption that the positions remained open (subject to eliminating maturing trades) until 22 April 2009.

Realisable Value

- The determination and complexity of realisable value is driven by the underlying product and the terms of each transaction. A significant proportion of the OTC derivative products have been valued using a series of transparent techniques, including closed-form analytic models.

Appendix 3

Valuation methodology

2. Derivatives (continued)

Realisable Value

- Other derivative products, typically the newest and most complex products or those where pricing inputs may not now be observable, require more judgment in the implementation of the valuation technique applied due to the complexity of the valuation assumptions and the reduced observability of inputs. Accordingly, many of these have been valued using simulation techniques or other recognised modelling approaches.
- A significant valuation adjustment has been applied on a counterparty basis for net derivative asset positions to reflect Glitnir's present estimate of credit, valuation and legal uncertainties with each counterparty and position respectively. This assessment is based on current and historical counterparty performance, information related to the quality of collateral associated with each counterparty and on initial negotiations with counterparties and representative sector bodies with derivative exposures to Glitnir.

3. Bonds

- The estimated value for 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 30 June 2011 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 30 June 2011 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.

Appendix 3

Valuation methodology

5. Investment in subsidiaries

- The estimated value for investment in subsidiaries is based on the estimated value of the underlying net assets held in the subsidiaries. The methodologies employed to estimate the value of the underlying assets and liabilities are the same as those employed for assets and liabilities held directly by Glitnir.

6. Cash and cash equivalents

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

Appendix 4

Foreign exchange rates

Currency	22 April 2009	31 December 2009	30 June 2010	31 December 2010	30 June 2011	Changes from 31 December 2010 to 30 June 2011
EUR	168.76	179.88	156.75	153.8	165.72	7.8%
USD	130.4	124.9	127.62	115.05	114.49	-0.5%
GBP	190.62	201.6	191.87	178.47	183.12	2.6%
CAD	105.16	119.04	121.58	115.26	118.46	2.8%
DKK	22.656	24.172	21.042	20.635	22.218	7.7%
NOK	19.258	21.672	19.721	19.674	21.322	8.4%
SEK	15.284	17.515	16.456	17.155	18.082	5.4%
CHF	111.68	121.26	118.15	122.91	137.21	11.6%
JPY	1.3319	1.3516	1.4402	1.4143	1.424	0.7%

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

Appendix 5

Income Statement for the six months ended 30 June 2011

ISKm	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Net interest income	52,474	54,794
Net impairment losses	(67,585)	(241,986)
Net financial income and expenses	67,492	(61,269)
	52,381	(248,461)
Net fee and commission income	603	308
Administrative expenses	(2,538)	(2,272)
Profit (loss) for the period	50,446	(250,425)