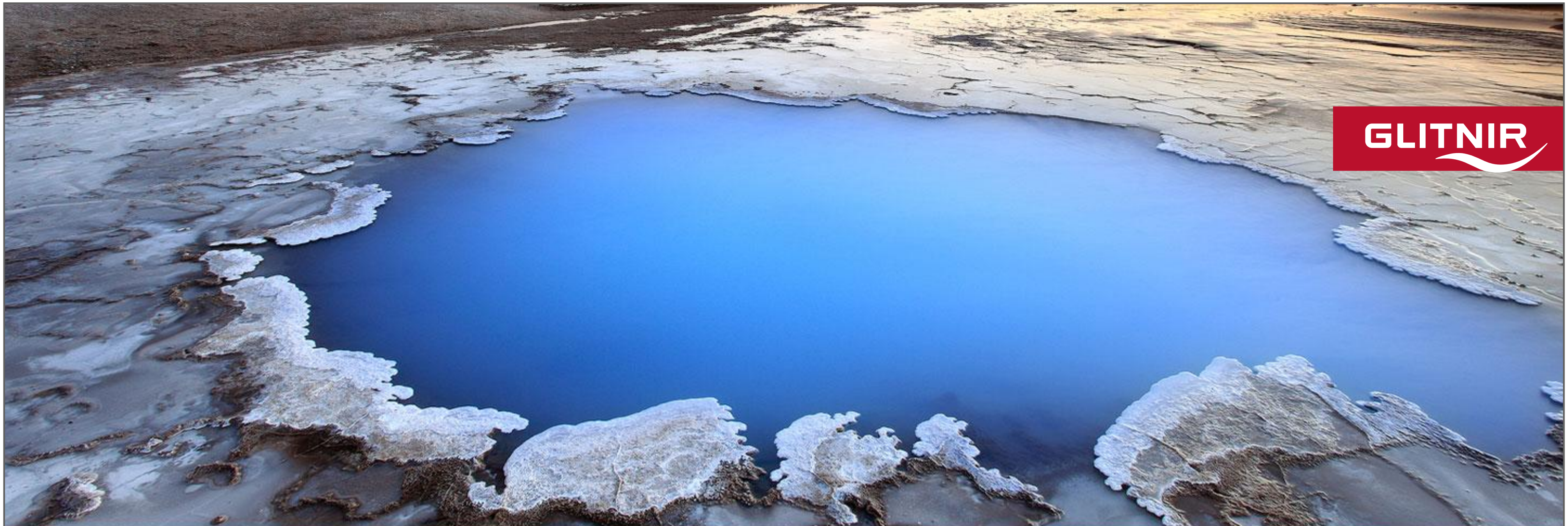


Glitnir hf.

Statement of Assets and Liabilities

Incorporating an estimate of the value of assets as at 30 June 2012 and a computation of liabilities

19 September 2012

Disclaimer

This document includes a Statement of Assets and Liabilities as at 30 June 2012 (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.

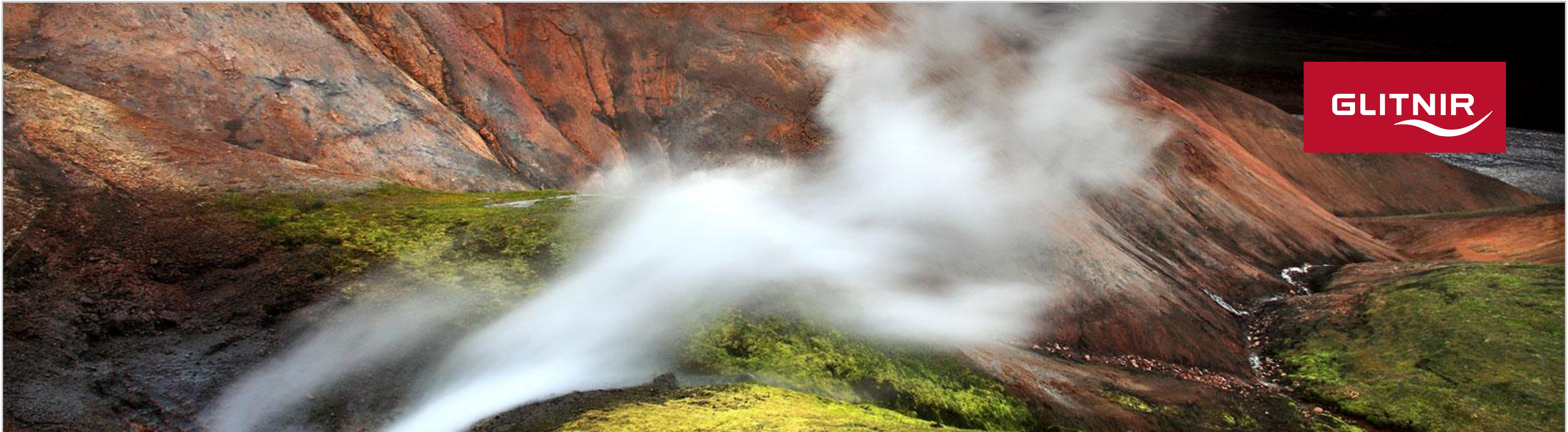
The use of Glitnir’s material, works or trademarks is forbidden without written consent except were otherwise expressly stated. Furthermore, it is prohibited to publish material prepared or provided by Glitnir without written consent.

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.


GLITNIR

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 30 June 2012 (as detailed in Appendix 4). A significant proportion of the assets and liabilities 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, Steinvirki ehf. 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 30 June 2012 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 2011 and associated notes and appendices.
- Management of Glitnir are solely responsible for the valuation of assets included in the Statement of Assets and Liabilities. KMPG, as Glitnir's external auditor, has reviewed the valuation of assets included in the Statement of Assets and Liabilities as at 30 June 2012. 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 2011, as published on Glitnir s website.



1. Introduction

2. Statement of Assets and Liabilities as at 30 June 2012

3. Notes to the Statement of Assets and Liabilities as at 30 June 2012

Statement of Assets and Liabilities - Combined

Combined Balance Sheet

30 June 2012

	Glitnir	GLB Holding	Haf / Holt	Glitnir Lux	Adjustments	ISKm Combined 30 June 2012	ISKm Combined 31 December 2011	EURm Combined 30 June 2012	EURm Combined 31 December 2011
Assets									
Loans to customers	130.503	0	79.059	69.334	0	**278.896**	**311.206**	1.763	1.959
Loans to banks	9.060	0	0	0	0	**9.060**	**2.490**	57	16
Derivatives claims	31.634	0	0	0	0	**31.634**	**20.313**	200	128
Bonds and debt instruments	5.412	16.363	0	21.120	(13.124)	**29.771**	**34.385**	188	216
Shares and equity investments ..	22.090	2.690	3.279	4.989	0	**33.048**	**58.094**	209	366
Investments in subsidiaries	377.270	124.197	0	10	(384.745)	**116.732**	**111.379**	738	701
Cash and cash equivalents	277.627	3.253	4.375	67.524	0	**352.780**	**346.358**	2.230	2.181
Other assets	6.294	127	4.533	868	(1.922)	**9.899**	**1.291**	63	8
Total assets	**859.890**	**146.630**	**91.246**	**163.845**	**(399.791)**	**861.821**	**885.517**	**5.447**	**5.575**
Liabilities									
Claims	2.509.557	0	0	0	0	**2.509.557**	**2.680.743**	15.860	16.877
Other liabilities	2.868	2.532	91.246	1.321	(93.168)	**4.799**	**3.192**	30	20
Total liabilities	2.512.425	2.532	91.246	1.321	(93.168)	**2.514.357**	**2.683.935**	15.891	16.897
Equity	(1.652.535)	144.098		162.525	(306.622)	**(1.652.535)**	**(1.798.418)**	(10.444)	(11.322)
	859.890	**146.630**	**91.246**	**163.845**	**(399.791)**	**861.821**	**885.517**	**5.447**	**5.575**

1. There is considerable uncertainty regarding the ultimate realisable value of Glitnir's assets.
2. Payments to priority creditors was made on 16 March 2012. The payment amounted to ISK 105.6bn at the exchange rate of 22 April 2009, but ISK 108.4bn at the exchange rate of 16 March 2012 (EUR 650.1m)

Statement of Assets and Liabilities

Key trends summary

Total assets

- Total combined assets have decreased by ISK23.7bn from ISK885.5bn as at 31 December 2011 to ISK861.8bn as at 30 June 2012. The key drivers for this were:
  - decrease by ISK 108.4bn cash payment of priority claims
  - a positive net impact of ISK11.9bn due to movements in FX rates, principally the weakening of the ISK against various currencies (USD, EUR, NOK and GBP);
  - an increase in the value of the loan portfolio of ISK28.9bn;
  - an increase in the value of loans to banks of ISK7.1bn
  - an increase in the value of bonds, debt instruments, shares and equity investments of ISK6.5bn; and
  - an increase in the value of derivative claims of ISK33.8bn.
  - an increase in the value of subsidiaries of ISK5.4bn.
- Total combined assets in EUR have decreased by EUR128m from EUR5,575m to EUR5,447m over the period.
- Glitnir's cash balance has increased by ISK 6.4bn from ISK 346bn as at 31 December 2011 to ISK353bn as at 30 June 2012. This increase was driven by principal and interest repayments received from the portfolio of loans to customers, sale of equity and reduced by ISK108.4bn payment of priority claims

Total 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 ISK171bn since 31 December 2011 to ISK2,510bn as at 30 June 2012. Further detail on these adjustments is provided in Note I of this document.
- As the Winding-up Board's work on the claims registration process is continuing, there are certain material claims included in the computation of liabilities in the previous page that the Winding-Up Board does not ultimately expect to be 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.

Statement of Assets and Liabilities

Reconciliation of Glitnir's Combined assets

GLITNIR

Reconciliation of movement in assets					
ISKm	Balance as at 1.1.2012	Cash movements and other changes	FX movements	Changes in valuation and netting	Balance as at 30.6.2012
Assets					
Loans to customers	311.206	(67.196)	5.994	28.893	278.896
Loans to banks	2.490	(606)	69	7.108	9.060
Derivatives claims	20.313	(22.445)	0	33.767	31.634
Bonds and debt instruments	34.385	(7.603)	(23)	3.012	29.771
Shares and equity investments	58.094	(30.473)	1.886	3.540	33.048
Investment in subsidiaries	111.379	0	(3)	5.356	116.732
Cash and cash equivalents	346.358	2.391	4.030	0	352.780
Other assets	1.291	8.282	(1)	327	9.899
Total assets	885.517	(117.651)	11.952	82.003	861.821

- 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 2011 and 30 June 2012.
- Further detail on each of the reconciling items shown in the table above are provided later in the relevant asset class note in the next section.

Statement of Assets and Liabilities

Foreign currency analysis of Combined assets

GLITNIR

Foreign Currency Analysis as at 30 June 2012									
ISKm	**EUR**	**ISK**	**NOK**	**USD**	**GBP**	**CAD**	**DKK**	**Other**	**Total**
Loans to customers	71.803	28.976	73.008	33.565	25.053	11.781	12.082	22.627	278.896
Loans to banks	0	0	1.648	7.412	0	0	0	0	9.060
Derivatives claims	1.375	14.835	0	15.424	0	0	0	0	31.634
Bonds and debt instruments	4.252	19.156	0	2.455	3.908	0	0	0	29.771
Shares and equity investments	1.405	13.564	4.445	3.491	6.288	3.461	15	379	33.048
Investments in subsidiaries	176	116.556	0	0	0	0	0	0	116.732
Cash and cash equivalents	143.268	29.957	35.424	76.097	45.526	16.612	3.893	2.002	352.780
Other assets	2.188	4.499	239	1.020	380	13	48	1.512	9.899
Total assets	**224.467**	**227.544**	**114.764**	**139.464**	**81.155**	**31.868**	**16.039**	**26.520**	**861.821**
Precentage of total	*26,0%*	*26,4%*	*13,3%*	*16,2%*	*9,4%*	*3,7%*	*1,9%*	*3,1%*	*100,0%*
Precentage of total (ISK without ISB)		*13,0%*							
Total assets as at 31 December 2011	**246.287**	**222.648**	**121.829**	**124.409**	**86.497**	**30.933**	**24.173**	**28.741**	**885.517**
Precentage of total 31.12.2011	*27,8%*	*25,1%*	*13,8%*	*14,0%*	*9,8%*	*3,5%*	*2,7%*	*3,2%*	*100,0%*
Precentage of total (ISK without ISB)		*12,6%*							

- The table above shows the estimated split of Glitnir's combined assets by currency as at 30 June 2012.
- The investment in Islandsbanki is assumed to be denominated solely in ISK (although the investment may not ultimately be monetised wholly in ISK).
- As previously disclosed, Glitnir's foreign currency strategy is to keep the proceeds of asset monetisation in the currency of the asset pre-monetisation.


GLITNIR

Asset / liability class analysis

A: Loans to customers – reconciliation

30 June 2012	Glitnir			Glitnir Lux			Haf / Holt			Total		
ISKm	Carrying value	Estimated realisable value		Carrying value	Estimated realisable value		Carrying value	Estimated realisable value		Carrying value	Estimated realisable value	%
Opening balance	405.035	108.803	27%	110.782	73.144	66%	194.443	129.260	66%	**710.259**	**311.206**	44%
Capital repayments	(10.683)	(10.683)		(3.611)	(3.611)		(50.611)	(50.611)		**(64.905)**	**(64.905)**	
Interest repayments	(3.809)	(3.809)		(1.408)	(1.408)		(6.364)	(6.364)		**(11.581)**	**(11.581)**	
Write off	(11.875)	0					(5.290)	(83)		**(17.165)**	**(83)**	
Reclass	(150.221)	(2.382)		(6.760)	(6.760)		(12.858)	(4.033)		**(169.838)**	**(13.175)**	
New loans	26.854	22.384		81	81		0	0		**26.934**	**22.465**	
Valuation changes	3.796	13.423		0	6.925		3.319	8.628		**7.115**	**28.976**	
Fx impact	5.367	2.768		2.078	963		3.934	2.263		**11.379**	**5.994**	
Total Loans to Customers	**264.463**	**130.503**	**49%**	**101.163**	**69.334**	**69%**	**126.573**	**79.059**	**62%**	**492.199**	**278.896**	**57%**

- The carrying values in the table above represents the values recorded in Glitnir's accounting records before any credit risk adjustments.
- Claims on bankrupt companies have been reclassified to other assets since the claims are not interest bearing and are fixed ISK amounts (see page 20)
- New loans are mainly related to settlements of derivatives claims that have been settled with loan agreements and a loan related to sale of equity investment
- As a result of reclassification of the claims on bankrupt companies the average recovery rate on the loan portfolio has increased from 44% in beginning of 2012 to 57% at the end of June 2012

Asset / liability class analysis

A: Loans to customers – industry analysis

30 June 2012	Glitnir			Glitnir Lux			Haf / Holt			Total		
ISKm	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%
Holding Companies	106.860	4.486	4%	0	0	0%	43.312	8.426	19%	**150.172**	**12.911**	9%
Seafood	20.820	18.906	91%	0	0	0%	19.763	19.217	97%	**40.583**	**38.123**	94%
Offshore-& Transport service	54.251	49.908	92%	0	0	0%	0	0	0%	**54.251**	**49.908**	92%
Manufacturing	28.850	22.120	77%	0	0	0%	12.738	10.937	86%	**41.588**	**33.057**	79%
Property & Real Estate	6.103	1.398	23%	92.807	68.756	74%	32.779	25.710	78%	**131.688**	**95.863**	73%
Financial Institutions	3.506	941	27%	0	0	0%	2.225	2.224	100%	**5.731**	**3.165**	55%
Retail	9.286	9.261	100%	8.356	579	7%	8.652	5.473	63%	**26.294**	**15.313**	58%
Utilities	368	349	95%	0	0	0%	0	0	0%	**368**	**349**	95%
Other	34.419	23.134	67%	0	0	0%	7.104	7.073	100%	**41.523**	**30.208**	73%
Total Loans to Customers	**264.463**	**130.503**	**49%**	**101.163**	**69.334**	**69%**	**126.573**	**79.059**	**62%**	**492.199**	**278.896**	**57%**

- Whilst loans to holding companies represents the largest element of the portfolio by carrying value (31%), it has the lowest estimated realisable value when compared to carrying value (5%)
- Property & real estate loans represents the largest element of the portfolio by estimated realisable value (35%). The majority of property & real estate loans relate to the Luxembourg property portfolio.

Asset / liability class analysis

A: Loans to customers – geographical analysis

30 June 2012	Glitnir			Glitnir Lux			Haf / Holt			Total		
ISKm	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%
Iceland	127.796	22.703	18%	5.314	420	8%	97.201	50.279	52%	**230.312**	**73.402**	32%
Norway	71.651	57.939	81%	25.635	25.683	100%	0	0	0%	**97.286**	**83.622**	86%
United States	11.471	3.111	27%	0	0	0%	5.072	4.494	89%	**16.543**	**7.605**	46%
UK	20.324	19.654	97%	9.794	7.757	79%	6.099	5.900	97%	**36.218**	**33.311**	92%
Germany	6.705	5.184	77%	33.866	22.095	65%	4.497	4.170	93%	**45.068**	**31.450**	70%
Canada	14.272	14.250	100%	0	0	0%	0	0	0%	**14.272**	**14.250**	100%
Luxembourg	4.793	4.793	100%	0	0	0%	46	46	100%	**4.840**	**4.840**	100%
Denmark	4.879	917	19%	11.288	3.431	30%	0	0	0%	**16.166**	**4.348**	27%
Sweden	221	178	80%	9.760	7.095	73%	0	0	0%	**9.981**	**7.273**	73%
Nederland	748	360	48%	0	0	0%	3.118	3.118	100%	**3.866**	**3.478**	90%
Other	1.602	1.412	88%	5.506	2.853	52%	10.539	11.051	105%	**17.647**	**15.317**	87%
Total Loans to Customers	**264.463**	**130.503**	**49%**	**101.163**	**69.334**	**69%**	**126.573**	**79.059**	**62%**	**492.199**	**278.896**	**57%**

- Norway and Iceland represents the most significant element of the loans to customers portfolio by estimated realisable value, Norway 30% and Iceland 26%.

Asset / liability class analysis

A: Loans to customers – currency analysis

30 June 2012	Glitnir			Glitnir Lux			Haf / Holt			Total		
ISKm	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%	Carrying value	Estimated realisable value	%
ISK	81.230	20.879	26%	0	0	0%	22.313	8.097	36%	**103.543**	**28.976**	28%
EUR	52.991	15.903	30%	40.325	25.121	62%	44.494	30.779	69%	**137.809**	**71.803**	52%
NOK	54.450	47.350	87%	26.861	25.311	94%	473	347	73%	**81.784**	**73.008**	89%
USD	21.930	12.634	58%	118	0	0%	27.748	20.931	75%	**49.796**	**33.565**	67%
GBP	24.844	19.428	78%	0	0	0%	11.191	5.625	50%	**36.035**	**25.053**	70%
DKK	4.872	917	19%	17.242	11.062	64%	108	103	95%	**22.222**	**12.082**	54%
SEK	13	13	98%	10.011	7.506	75%	543	434	80%	**10.567**	**7.954**	75%
CHF	8.432	1.064	13%	3.362	333	10%	11.961	6.341	53%	**23.755**	**7.738**	33%
CAD	11.447	11.445	100%	0	0	0%	420	336	80%	**11.868**	**11.781**	99%
JPY	3.383	0	0%	3.244	0	0%	7.322	6.064	83%	**13.949**	**6.064**	43%
Other	871	871	100%	0	0	0%	0	0	0%	**871**	**871**	100%
Total Loans to Customers	**264.463**	**130.503**	**49%**	**101.163**	**69.334**	**69%**	**126.573**	**79.059**	**62%**	**492.199**	**278.896**	**57%**

- NOK and EUR represents the most significant element of the loans to customers portfolio by estimated realisable value, NOK 26% and EUR 26%.
- In terms of estimated realisable value, the loans to customers portfolio is concentrated in five main currencies, EUR, NOK, USD, ISK and GBP. In total, these currencies represent 83% of the loans to customers portfolio by estimated realisable value.

Asset / liability class analysis

B: Loans to banks analysis

ISKm	2012 Estimated realisable value	2011 Estimated realisable value
Opening balance	2.490	3.905
Capital repayments	(551)	(320)
Interest repayments	(56)	(86)
Changes in netting	3.249	
Valuation changes	3.859	(924)
Fx impact	69	(85)
Total Loans to Banks	**9.060**	**2.490**
Loans to Banks		
USD	7.412	888
NOK	1.648	1.601
Total Loans to Banks	**9.060**	**2.490**

- The estimated realisable value of 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 main changes in valuation is related to changes in estimated netting against claims and recognition of bank deposits and cash collateral.

Asset / liability class analysis

C: Derivative claims analysis

ISKm	2012 Derivative claims - changes in value	2011 Derivative claims - changes in value
Opening balance	20.313	23.405
Cash payments	(2.274)	(5.617)
Equity conversion	0	(854)
Valuation changes	54.427	10.003
Claims paid with loans	(20.171)	0
Changes in netting assumptions	(20.661)	(6.676)
Fx impact	0	52
Total derivative claims	**31.634**	**20.313**

ISKm	Estimated value of derivative claim as at 30.6.2012	Estimated value of derivative claim as at 31.12.2011
Total domestic counterparties	**14.835**	**18.669**
Total international counterparties	**16.799**	**1.644**
Total derivative assets	**31.634**	**20.313**

- To date, Glitnir has focussed on the maximisation of recovery value from domestic derivatives.
- As derivatives with 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.
- In the majority of domestic derivative cases that remain to be settled, 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.
- International derivatives comprise derivative contracts under the ISDA framework undertaken.

Asset / liability class analysis

D: Bonds and debt instruments analysis

30 June 2012 ISKm	Glitnir Estimated realisable value as at 30.6.2012	Glitnir Lux Estimated realisable value as at 30.6.2012	GLB Holding Estimated realisable value as at 30.6.2012	Total Estimated realisable value as at 30.6.2012
Opening balance	5.735	8.388	20.263	34.385
Repayments	(656)	(2.558)	(4.389)	(7.603)
Valuation changes	324	2.199	489	3.012
Fx impact	9	(32)	0	(23)
			0	0
Net bond position	**5.412**	**7.996**	**16.363**	**29.771**
Bond positions				
Icelandic sovereign	2.868	0	14.800	17.668
Other Icelandic	132	0	1.356	1.488
International	2.412	7.996	207	10.615
Net bond position	**5.412**	**7.996**	**16.363**	**29.771**

- The international bonds in Glitnir Luxembourg SA relates to the bonds that were transferred from the Holm Capital SPV to Glitnir Luxembourg SA.

Asset / liability class analysis

E: Shares and equity investments analysis

30 June 2012	Glitnir	GLB Holding	Haf / Holt	Glitnir Lux	Total
ISKm	Estimated realisable value 30.6.2012	Estimated realisable value 30.6.2012	Estimated realisable value 30.6.2012	Estimated realisable value 30.6.2012	Estimated realisable value 30.6.2012
Opening balance	49.020	2.001	2.421	4.652	58.094
Dividend/Buy/Sale	(30.998)	1	0	0	(30.997)
Equity conversion	0	136	0	388	524
Valuation changes	2.152	552	845	(9)	3.540
Fx impact	1.916	0	12	(41)	1.886
	22.090	**2.690**	**3.279**	**4.989**	**33.048**
Listed equities	218	0	0	0	218
Investment funds	10.246	107	0	0	10.353
Other unlisted equities	11.626	2.583	3.279	4.989	22.477
	22.090	**2.690**	**3.279**	**4.989**	**33.048**
UK	10.609	0	0	291	10.900
Iceland	7.878	2.690	2.996	0	13.564
Norway	126	0	0	4.318	4.445
Canada	3.461	0	0	0	3.461
Other	16	0	283	379	678
	22.090	**2.690**	**3.279**	**4.989**	**33.048**

- In March 2012 Glitnir sold its 10.4% share in Iceland Foods Ltd. The payment was in cash and partly with vendor loan. The vendor loan is reported under loans to customers in the Balance Sheet.
- Investments in three investment funds in the UK is 31% of the total value of the equity investments

Asset / liability class analysis

F: Investment in subsidiaries analysis (unconsolidated)

ISKm	Value 30.6.2012
Íslandsbanki (95%)	115.836
Steinvirki (100%)	720
	116.556
Reviva Capital SA (51%)	176
	176
Total investments in subsidiaries	**116.732**

- The estimated value of 95% share in Íslandsbanki is based on 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 of the other subsidiaries that are not combined is based on equity value

.

Asset / liability class analysis

G: Other assets

Other assets ISKm	Glitnir	Glitnir Lux	Haf og Holt	GLB Holding	Total
Accounts receivable	413	868	0	127	1.407
Claims on bankruptcy companies	3.959	0	0	0	3.959
Escrow accounts	0	0	4.533	0	4.533
Total other assets	**4.372**	**868**	**4.533**	**127**	**9.899**

- The claims on 14 bankruptcy companies have been reclassified from loans to customers. The carrying value of the claims is ISK 165.3bn. The estimated recovery is therefore 2.4%.

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Asset / liability class analysis

H: Cash flow analysis

ISKm	Q1 2012	Q2 2012	1.1.2012-30.6 2012 Total
Cash inflow:			
Principal loans to customers repayments	59.932	4.973	64.905
Interest loans to customers reciepts	7.760	3.821	11.581
Principal loans to banks repayments	0	551	551
Interest loans to banks reciepts	0	56	56
Derivatives claims repayments	1.645	307	1.953
Bonds maturities	4.357	116	4.472
Sale of shares and dividend	27.451	75	27.526
Interest income on cash balance	847	567	1.414
Other inflow	545	3.382	3.926
Total cash inflows	102.537	13.847	116.384
Cash outflow:			
Operational costs	(1.846)	(1.909)	(3.755)
New loans to customers	0	(73)	(73)
Other	(1.222)	(250)	(1.472)
Payment of Claims	(108.423)	(269)	(108.692)
Total cash outflows	(111.491)	(2.501)	(113.993)
Total cash movement	(8.955)	11.346	2.391
Effect of exchange rate fluctuations	17.638	(13.607)	4.031
Opening cash balance	346.358	355.041	346.358
Closing cash balance	**355.041**	**352.780**	**352.780**

- The adjacent table summarises Glitnir's cash flow for the first two quarters of 2012. The cash flow analysis is combined for Glitnir hf., GLB Holding ehf., Glitnir Luxembourg SA and for the SPV s Haf and Holt.
- The most significant cash inflows related to the repayment of principal and interest from loans to customers and sale of shares.
- In March 2012 priority claims of ISK 108.4bn were paid to priority creditors. Thereof ISK 52.8bn was paid into escrow accounts due to disputed claims.
- The yield on the total cash balance for the period from 1 January 2012 to 30 June 2012 was 0.9%, on average 1.4% on deposits and 0.5% on bonds.
- The total positive impact of foreign currency movements on the cash and cash equivalents balances was ISK4.0bn.

Asset / liability class analysis

H: Cash and cash equivalents analysis

30. June 2012 ISKm	Glitnir	%	Glitnir Lux	%	GLB Holding	%	Haf / Holt	%	Total	%
Cash balance held with:										
Icelandic bank	20.480	7%	4.419	7%	3.253	100%	4.125	94%	32.278	9%
Skandinavian banks	3.662	1%	-	-	-	-	-	-	3.662	1%
European banks	790	0%	22.461	33%	-	-	250	6%	23.501	7%
Canadian bank	3.351	1%	6.914	10%	-	-	-	-	10.265	3%
US- bank	24.307	9%	-	-	-	-	-	-	24.307	7%
Icelandic Gov bonds	5.730	2%	-	-	-	-	-	-	5.730	2%
International Gov bonds	219.307	79%	33.730	50%	-	-	-	-	253.037	72%
Total	**277.627**	100%	**67.524**	100%	**3.253**	100%	**4.375**	100%	**352.780**	100%
Liquid asset deposited in Iceland	26.210	10%	4.419	1%	3.253	100%	4.125	94%	38.008	11%
Liquid asset deposited in other jurisdictions	251.416	90%	63.105	99%	-	-	250	6%	314.772	89%
	277.627	100%	**67.524**	100%	**3.253**	100%	**4.375**	100%	**352.780**	100%
Total deposits	52.590	19%	33.794	50%	3.253	100%	4.375	100%	94.013	27%
International bonds	219.307	79%	33.730	50%	-	-	-	-	253.037	72%
Icelandic Gov bonds	5.730	2%	-	-	-	-	-	-	5.730	2%
	277.627	100%	**67.524**	100%	**3.253**	100%	**4.375**	100%	**352.780**	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

H: Cash and cash equivalents analysed by currencies and maturity

30. June 2012 ISKm	Glitnir	%	Glitnir Lux	%	GLB Holding	%	Haf / Holt	%	Total	%
Liquid assets in currencies										
ISK	24.642	9%	2.039	3%	3.252	100%	25	1%	**29.957**	8%
USD	69.142	25%	6.920	10%	0	0%	35	1%	**76.097**	22%
GBP	44.822	16%	689	1%	-	0%	15	0%	**45.526**	13%
CAD	9.698	3%	6.914	10%	-	0%	0	0%	**16.612**	5%
DKK	2.401	1%	1.490	2%	-	0%	2	0%	**3.893**	1%
NOK	33.808	12%	1.616	2%	-	0%	0	0%	**35.424**	10%
EUR	92.935	33%	46.061	68%	1	0%	4.270	98%	**143.268**	41%
Other	177	0%	1.796	3%	-	0%	28	1%	**2.002**	1%
Total	**277.627**	100%	**67.524**	100%	**3.253**	100%	**4.375**	100%	**352.780**	100%

Liquid assets - Maturity profile

ISKm	Deposits	Bonds	Total	
Maturity:				
0-3 months	78.951	95.305	174.256	49%
3-6 months	0	147.542	147.542	42%
6-9 months	10.783	13.444	24.226	7%
9-12 months	4.270	0	4.270	1%
+ 12 Months	9	2.476	2.484	1%
	94.013	**258.767**	**352.780**	**100%**

- The above table sets out the currency analysis of Glitnir's cash and cash equivalents portfolio as at 30 June 2012.
- The adjacent table summarises the maturity profile of the liquid assets.
- Glitnir s cash and cash equivalents portfolio is maintained in the same currencies as assets are redeemed.

Asset / liability class analysis

H: Cash and cash equivalents - bond portfolio analysis

Liquid assets - Bonds portfolio				
ISKm	30.6.2012		31.12.2011	
USA	61.417	24%	50.056	23%
Germany	57.909	22%	28.488	13%
Norway	35.042	14%	29.300	13%
UK	31.976	12%	10.872	5%
France	26.157	10%	20.486	9%
Finland	3.628	1%	4.866	2%
Netherland	19.315	7%	32.180	14%
Canada	6.314	2%	7.912	4%
Iceland	5.730	2%	11.642	5%
Denmark	5.355	2%	6.322	3%
Sweden	3.268	1%	3.154	1%
Government guaranteed	0	0%	13.055	6%
Austria	0	0%	1.905	1%
Other bonds	2.656	1%	1.845	1%
Total liquid Bonds	**258.767**	100%	**222.084**	100%

- The most significant element of Glitnir's combined cash and cash equivalents relates to its government bond portfolio (as analysed in the adjacent table), this includes a portfolio managed by UBS on behalf of Glitnir.
- The international bond portfolio is held within Glitnir hf. and Glitnir Bank Luxembourg SA
- Glitnir, in conjunction with its investment advisers, carefully monitors the risk within its cash and cash equivalents portfolio, particularly in light of the current sovereign debt concerns.

Asset / liability class analysis

H: Cash and cash equivalents – currency control

ISKm	Glitnir	Glitnir Lux	GLB Holding	HAF/HOLT	Total 12.3.2012
ISK	23.204	895	3.795	0	**27.894**
USD	65.249	4.774	1	32	**70.057**
GBP	44.119	326	0	13	**44.458**
CAD	9.679	6.039	0	0	**15.719**
DKK	3.443	623	0	0	**4.065**
NOK	30.748	283	0	0	**31.031**
EUR	91.406	38.554	646	101	**130.707**
Other	850	1.070	0	64	**1.984**
	268.698	**52.564**	**4.443**	**210**	**325.915**

- The cash balances in foreign currencies are calculated to ISK at the exchange rate of 30 June 2012

- On 13 March 2012 the Icelandic parliament introduced changes to the Currency Controls in Iceland. One of the changes was a withdrawal of a statutory exemption for Glitnir from the general prohibition of cross border foreign exchange capital movements. However, foreign currency cash deposits held as registered at the close of business of 12 March 2012 are exempt from the prohibition and therefore available for distribution to creditors.
- The adjacent table summarises Glitnir's cash balance as of 12 March 2012 (after payment of priority claims on 16 March 2012).
- Further, the Amendment says that the Central Bank shall as soon as possible promulgate rules on how exemptions from the prohibition shall be granted in relation to foreign currency cash deposits accrued after 12 March 2012, which are held with foreign banks and the Central Bank. The Central Bank has not yet issued the rules for the exemptions.

Asset / liability class analysis

I: 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 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 creditors' meeting on 20 September 2012.
- 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

I: Analysis of liabilities

ISKm	Article no.	Claimed amounts	Changes to claims registration	Claims registration	Adjustments	Adjusted claimed amounts	Estimated set-off	Estimated liabilites after set-off as at 30.6.2012	Estimated liabilites after set-off as at 31.12.2011
Third party assets	109	33.146	514	33.660	(9.341)	24.319	(4.710)	19.610	23.954
Approval Costs	110	25.316	(3)	25.313	(25.251)	62	0	62	392
Secured	111	40.725	(3.398)	37.327	(13.788)	23.539	0	23.539	12.583
Priority	112	258.129	(101.884)	156.245	(156.132)	113	0	113	102.106
Unsecured	113	2.973.195	(92.534)	2.880.661	(389.113)	2.491.548	(50.224)	2.441.324	2.505.790
Defered	114	105.722	290	106.012	(80.789)	25.223	(313)	24.909	35.917
Total		3.436.233	(197.015)	3.239.218	(674.414)	2.564.804	(55.247)	2.509.557	2.680.743

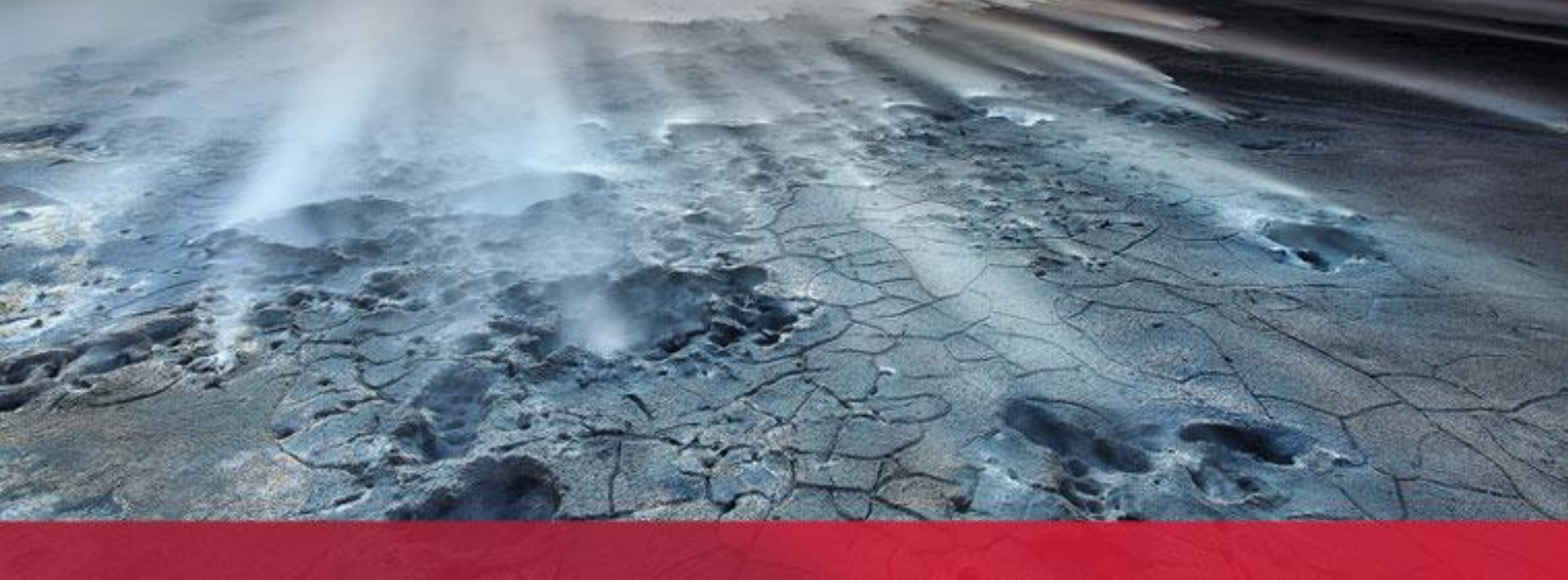
- The table above provides an analysis of claims recorded in the Statement (see page 6)
- The adjustments include payments of priority claims of ISK105.6bn
- The Winding-up Board has made decisions on all claims.

Asset / liability class analysis

J: Operating expenses analysis

ISKm	Q1 2012	Q2 2012	Total 1.1.-30.6.2012	Budget	Variance to budget	
Salaries and Salary- related costs	153	145	**298**	295	3	1%
Islandsbanki Service Agreement	83	86	**169**	171	(2)	-1%
External Legal Services	585	563	**1.148**	1.168	(20)	-2%
Domestic	*233*	*203*	***435***	*504*	*(68)*	-14%
International	*352*	*360*	***712***	*664*	*49*	7%
Other External Advisors	979	914	**1.892**	1.723	169	10%
Domestic	*154*	*148*	***303***	*103*	*200*	194%
International	*825*	*765*	***1.590***	*1.620*	*(30)*	-2%
Other Expenses	209	204	**412**	394	18	5%
Total Expenses	**2.008**	**1.911**	**3.919**	**3.751**	169	4%

- The table above sets out the operating costs of for the 6 months ended 30 June 2012 for Glitnir hf.



Appendices


GLITNIR

Appendix 1

Glossary of terms

Act	Act No. 125 / 2008
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 2012. 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 30 June 2012 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.

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 2012 (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. 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, 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 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 has taken a 95 percent shareholding in Islandsbanki. In line with values presented in previous Statements of Assets and Liabilities, Glitnir has estimated the value of its shareholding in Islandsbanki based upon the projected performance of Islandsbanki and trading multiples for Islandsbanki's 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, this could have a material impact on the estimate of value of Glitnir's assets and the computation of its liabilities.
- 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.

Appendix 2

Supplementary notes to financial information

3. Balances subject to set-off

- As at 30 June 2012, 31 December 2011, 30 June 2011, 30 December 2010 and 31 December 2009, Glitnir has presented a Statement of Assets and Liabilities which takes into account 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. Ultimately, if the rights of Glitnir and its counterparties were to prove different to that assumed in this document, that may have a material impact on the estimated value of Glitnir s assets and the computation of its liabilities.

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 2012. 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 and liabilities 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. 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 which 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.

Appendix 3

Valuation methodology

2. Derivatives (continued)

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.
- Other derivative products, typically the newest and most complex products or those where pricing inputs may not be observable now, require more judgment in the implementation of the valuation techniques 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 with Glitnir.

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 30 June 2012 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 2012 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 2011	30 June 2012	Changes from 31. December 2011 to 30 June 2012
EUR	168,76	158,84	158,23	-0,4%
USD	130,4	122,71	125,74	2,5%
GBP	190,62	189,43	196,17	3,6%
CAD	105,16	120,21	122,74	2,1%
DKK	22,656	21,367	21,287	-0,4%
NOK	19,258	20,403	20,998	2,9%
SEK	15,284	17,791	18,027	1,3%
CHF	111,68	130,66	131,7	0,8%
JPY	1,3319	1,5853	1,5816	-0,2%

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

Appendix 5

Consolidated Income Statement for the period from 1 January to 30 June 2012

	ISKm Consolidated
Net interest income	**19.319**
Valuation adjustments and provisions	**110.844**
Net financial income and expenses	**16.078**
Net interest income less impairment losses and write-offs	**146.242**
Net fee and commission income	**5.658**
Administrative expenses	**(4.015)**
Net wealth tax	**(506)**
Profit for the period	**147.378**