Glitnir hf.

Statement of Assets and Liabilities

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

Business Plan Summary

3 March 2015

Disclaimer

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

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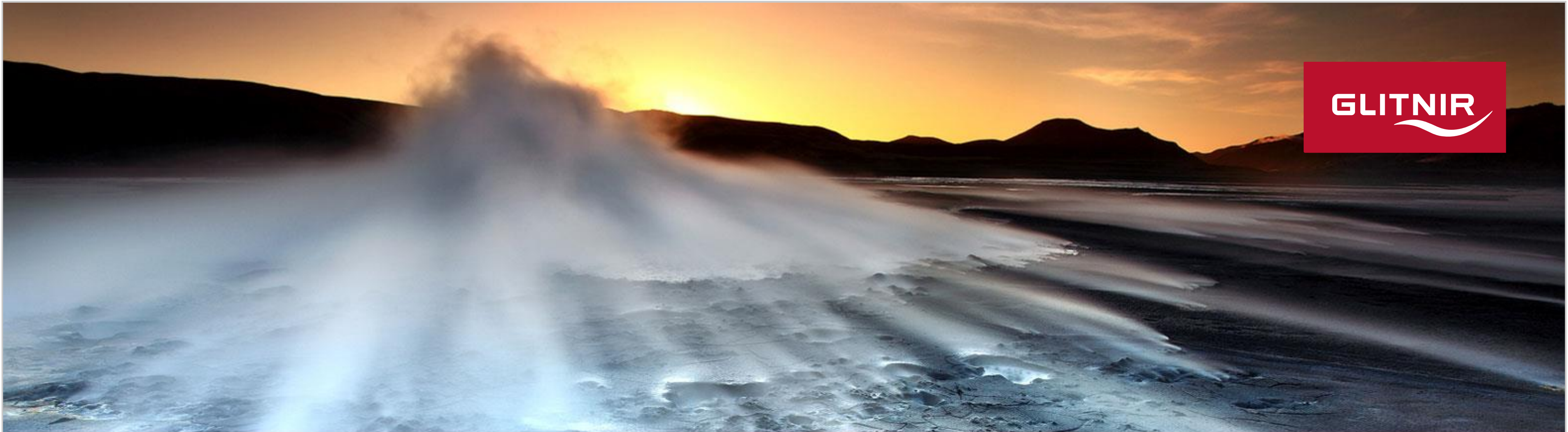
The Statement of Assets and Liabilities has been prepared by Glitnir hf. The assumptions and estimates incorporated in the Statement of Assets and Liabilities and Notes remain the sole responsibility of Glitnir hf.



Introduction

- The Statement is presented in ISK throughout (with certain supporting analyses also shown in EUR) and, unless otherwise stated, foreign currency values are translated at the mid rates published by the Icelandic Central Bank for 31 December 2014 (as detailed in Appendix 1). A significant proportion of the assets of Glitnir are denominated in foreign currencies. As a result, movements in foreign exchange rates may have a material impact on the estimated values presented herein. Comparative balances have not been retranslated from the foreign exchange rates used as at that date. Detail on Glitnir's FX strategy was published on its website on 22 September 2010.
- The Combined Balance Sheet includes the sum of the Assets and Liabilities of Glitnir and its subsidiaries, except for Íslandsbanki hf. and Reviva Capital SA.
- Glitnir's claim register is denominated in ISK based on foreign exchange rates on 22 April 2009. As a result, the eventual amount of ISK liabilities will be determined by the claims determination process and will not be subject to exchange rate movements. Where the liabilities presented in the Statement have been translated from ISK into EUR, this is for informational purposes only and the foreign exchange rate as at 31 December 2014 was used.
- The notes and appendices included in this presentation form an integral part of the Statement and should be reviewed in conjunction with it, along with the Statements of Assets and Liabilities as at 30 June 2014 and associated notes and appendices.
- The Winding-Up board and the management of Glitnir are solely responsible for the valuation of the assets included in the Statement of Assets and Liabilities. KPMG, as Glitnir´s external auditors, has audited the valuation of assets included in the Statement of Assets and Liabilities as at 31 December 2014. Based on KPMG´s audit, nothing has come to their attention that causes them 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 2013, as published on Glitnir´s website.

1. Introduction
2. Statement of Assets and Liabilities as at 31 December 2014
3. Notes to the Statement of Assets and Liabilities as at 31 December 2014
4. Business Plan Summary

Statement of Assets and Liabilities - Combined

	ISKm Combined 31 December 2014	ISKm Combined 30 June 2014	ISKm Combined 31 December 2013	EURm Combined 31 December 2014	EURm Combined 30 June 2014	EURm Combined 31 December 2013
Assets						
Loans to customers	**66.793**	**94.395**	**130.166**	433	613	821
Derivatives claims	**5.693**	**10.407**	**24.355**	37	68	154
Bonds and debt instruments	**10.641**	**11.276**	**11.894**	69	73	75
Shares and equity investments	**31.580**	**33.567**	**40.312**	205	218	254
Investments in subsidiaries	**174.764**	**167.602**	**157.974**	1.133	1.088	997
Cash and cash equivalents	**660.515**	**620.539**	**556.736**	4.282	4.028	3.513
Other assets	**12.762**	**6.395**	**6.199**	83	42	39
Total assets	**962.748**	**944.181**	**927.637**	**6.241**	**6.128**	**5.853**
Liabilities						
Claims	**2.270.807**	**2.356.920**	**2.389.735**	14.720	15.298	15.077
Tax liabilities	**8.998**	**0**	**0**	58	0	0
Other liabilities	**5.311**	**4.164**	**3.880**	34	27	24
Total liabilities	**2.285.116**	**2.361.085**	**2.393.615**	14.812	15.325	15.102
Negative equity	**(1.322.368)**	**(1.416.904)**	**(1.465.977)**	(8.572)	(9.196)	(9.249)
	962.748	**944.181**	**927.637**	**6.241**	**6.128**	**5.853**

Statement of Assets and Liabilities

Key trends summary

Assets

- Total combined assets have increased by ISK35.1bn from ISK927.6bn as at 31 December 2013 to ISK962.7bn as at 31 December 2014. The key drivers for this were:
  - a positive net impact of ISK4.1bn due to movements in FX;
  - an increase in the value of the loan portfolio and interest income of ISK4.5bn;
  - an increase in the value of equities of ISK7.0bn;
  - an increase in the value of investments in subsidiaries (Íslandsbanki hf.) of ISK20.8bn and;
  - an increase in the value of the derivatives claims of ISK8.5bn;
  - tax payments had negative impact of ISK11.7bn.
- Total combined assets in EUR have increased from EUR5,853m to EUR6,241m over the period.
- Glitnir's cash balance has increased by ISK103.8bn from ISK 556.7bn as at 31 December 2013 to ISK660.5bn as at 31 December 2014.

Liabilities

- As a result of the Winding-up Board's continuing work on registered claims, certain adjustments have been made to the amount of registered claims recorded initially to arrive at the estimated computation of liabilities shown in page 6. The claim amount has changed during 2014 from ISK2,389.7bn as of 31 December 2013 to ISK2,270.8bn as of 31 December 2014. Further detail on the claims is provided in Note H of this document.
- In December 2013, with effect from 31 December 2013, the Bank Tax Act No. 155/2010 was amended to include financial undertakings in winding-up proceedings. The Bank Tax Act imposes a 0.376% tax on finally accepted claims in excess of ISK50.0bn. as at the end of each year. Glitnir has estimated its potential liabilities due to the bank tax for 2014 as ISK8.2bn. Further details on tax issues is the on next slide.

Statement of Assets and Liabilities

Tax issues

Joint taxation with Íslandsbanki

- Glitnir is subject to General Corporate Income Tax rate of 20%. Net operating losses can be used to offset Corporate Income Tax therefore Glitnir had no payables relating to General Corporate Income Tax between 2009 – 2014. Ordinarily, parent companies and their subsidiaries can file joint tax returns and such taxable profits in one entity can be offset against taxable losses in another. In December 2010 the Icelandic Parliament approved a legislative amendment in which joint taxation with banks in winding up process was not permitted. The legislation was retroactive and applied for the year 2010. Other than for the effect of the amended law, Glitnir and Íslandsbanki hf. fulfilled all conditions necessary for such joint taxation for the year 2010, which would have saved ISK 6.0 billion in income tax paid for that year (paid by Íslandsbanki). The Directorate of Internal Revenue rejected Glitnir´s application for joint taxation for the year 2010. The ruling has been appealed and the case is now pending before the District Court of Reykjavík.

Special Tax on Financial Institutions

- In December 2013 the Icelandic Parliament passed amendments to the law on the special tax on financial institutions such that tax on Financial Institutions that was introduced in 2011 and previously applied only to commercial banks, savings banks and entities authorized to accept deposits would also apply for Financial Institutions in winding-up proceedings. The tax base for the Special Tax on Financial Institutions is the total approved claims above ISK50bn at the end of previous year. The Special Tax on Financial Institutions for the year 2013, ISK 8.2 billion, was paid in November 2014. The tax for the years 2013 (ISK 8.2 billion) and the tax for the year 2014 (ISK 8.2 billion) is recognized in the Income Statement. The tax for 2013 has been paid and the tax for 2014 is recognized in the Balance Sheet. Glitnir is challenging the legality of the Special Tax on Financial Institutions.

Special Financial Activity Tax

- Special Financial Activity Tax (SFAT) is an additional tax imposed on financial institutions, securities firms and insurance companies. The SFAT is effectively additional income tax and is applied to the income tax base above ISK1 bn. In December 2013, the Icelandic Parliament passed amendments to the law on SFAT to exclude joint taxation and the use of tax losses carry-forwards to offset gains in the current year. The amendment came into force on 1 January 2014. The imposition of SFAT on Glitnir in 2014 (for the year 2013) was ISK3.4 bn. For the year 2014 (payable in 2015) the SFAT will be ISK1.0 bn. SFAT for the years 2013 and 2014 are recognized in the Income Statement. Glitnir is challenging the legality of the SFAT.

Statement of Assets and Liabilities

Reconciliation of Glitnir's combined assets

ISKm	Balance as at 31.12.2013	Cash movements and other changes	FX movements	Changes in valuation and netting	Balance as at 31.12.2014
Assets					
Loans to customers	130.166	(66.790)	(1.130)	4.546	66.793
Derivatives claims	24.355	(26.942)	(250)	8.530	5.693
Bonds and debt instruments	11.894	(1.892)	0	639	10.641
Shares and equity investments	40.312	(15.283)	(456)	7.007	31.580
Investment in subsidiaries	157.974	(3.989)	(5)	20.784	174.764
Cash and cash equivalents	556.736	97.800	5.979	0	660.515
Other assets	6.199	(691)	(6)	7.260	12.762
Total assets	**927.637**	**(17.787)**	**4.133**	**48.766**	**962.748**

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

Statement of Assets and Liabilities

Foreign currency analysis of combined assets

31 December 2014										
ISKm	**EUR**	**ISK**	**NOK**	**USD**	**GBP**	**CAD**	**DKK**	**SEK**	**Other**	**Total**
Loans to customers	11.479	17.218	25.134	2.438	1.022	2.582	4.619	1.049	1.252	66.793
Derivatives claims	0	5.693	0	0	0	0	0	0	0	5.693
Bonds and debt instruments	0	10.641	0	0	0	0	0	0	0	10.641
Shares and equity investments	386	21.162	7.273	634	2.125	0	0	0	0	31.580
Investments in subsidiaries	132	174.632	0	0	0	0	0	0	0	174.764
Cash and cash equivalents	218.071	75.178	66.187	158.777	94.535	30.115	1.491	10.835	5.325	660.515
Other assets	1.519	9.103	786	696	652	0	5	0	2	12.762
Total assets	**231.587**	**313.627**	**99.379**	**162.546**	**98.335**	**32.697**	**6.115**	**11.884**	**6.578**	**962.748**
Precentage of total	*24,1%*	*32,6%*	*10,3%*	*16,9%*	*10,2%*	*3,4%*	*0,6%*	*1,2%*	*0,7%*	*100,0%*
Precentage of total (ISK without ISB)		*14,4%*								
Total assets as at 31 December 2013	**230.699**	**300.429**	**106.035**	**141.606**	**90.163**	**31.796**	**6.557**	**12.682**	**7.670**	**927.637**
Precentage of total 31.12.2013	*24,9%*	*32,4%*	*11,4%*	*15,3%*	*9,7%*	*3,4%*	*0,7%*	*1,4%*	*0,8%*	*100,0%*
Precentage of total (ISK without ISB)		*15,4%*								

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

Statement of Assets and Liabilities

Assets classified as Icelandic and non-Icelandic

31 December 2014 ISKm	ISK assets	Fx from Icelandic counter-parties	Total Icelandic assets	Non Icelandic assets	Combined 31 December 2014	Icelandic assets 31 December 2013	Non Icelandic assets 31 December 2013	Combined 31 December 2013
Assets								
Loans to customers	17.218	2.576	19.794	46.998	**66.793**	38.362	91.804	**130.166**
Derivatives claims	4.729	0	4.729	964	**5.693**	10.778	13.577	**24.355**
Bonds and debt instruments	10.641	0	10.641	0	**10.641**	11.894	0	**11.894**
Shares and equity investments	21.162	0	21.162	10.418	**31.580**	18.645	21.667	**40.312**
Investments in subsidiaries	174.632	0	174.632	132	**174.764**	157.718	256	**157.974**
Cash and cash equivalents	75.178	37.088	112.266	548.249	**660.515**	90.870	465.865	**556.736**
Other assets	8.982	121	9.103	3.660	**12.762**	5.900	300	**6.199**
Total assets	**312.543**	**39.785**	**352.328**	**610.420**	**962.748**	**334.168**	**593.469**	**927.637**
Proportion - Icelandic- non Icelandic ..	32%	4%	37%	63%	100%	36%	64%	100%

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

1. Introduction

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Asset / liability class analysis

A: Loans to customers – reconciliation

31 December 2014	31.12.2014	31.12.2014		31.12.2013	31.12.2013	
ISKm	Carrying value	Estimated realisable value	Re-covery %	Carrying value	Estimated realisable value	Re-covery %
Opening balance	**270.666**	**130.166**	48%	**424.684**	**243.930**	57%
Capital repayments	**(64.660)**	**(64.660)**		**(80.001)**	**(80.001)**	
Interest repayments	**(5.795)**	**(5.795)**		**(7.576)**	**(7.576)**	
Write off	**(38.724)**	**240**		**(34.058)**	**(3.127)**	
Reclass	**(699)**	**(663)**		**(3.798)**	**(9.002)**	
New loans	**4.113**	**4.088**		**0**	**0**	
Valuation changes & netting .	**607**	**4.546**		**2.168**	**4.143**	
Fx impact	**(3.007)**	**(1.130)**		**(30.752)**	**(18.200)**	
Total Loans to Customers	**162.501**	**66.793**	**41%**	**270.666**	**130.166**	**48%**

- The above table sets out the changes in the loan portfolio in 2014 compared with changes in the portfolio during 2013.
- The carrying values in the table above represent the values recorded in Glitnir’s accounting records before any credit risk adjustments.

Asset / liability class analysis

B: Derivative claims analysis

ISKm	2014 Derivative claims - estimated realasable value	2013 Derivative claims - estimated realasable value
Opening balance	24.355	32.387
Cash payments	(26.492)	(8.201)
Valuation & netting changes	8.530	2.043
Claims paid with loans and equity	(450)	(468)
Fx impact	(250)	(1.404)
Total derivative claims	**5.693**	**24.355**
Domestic counterparties	**4.729**	**10.778**
International counterparties	**964**	**13.577**
Total derivative claims	**5.693**	**24.355**

- The table shows the changes in the derivative claims for the year 2014 compared to changes during 2013.
- At the end of 2014 6 claims are disputed and have been referred to courts and 4 claims have been settled and will be paid in 2015.

Asset / liability class analysis

C: Bonds and debt instruments analysis

31 December 2014 ISKm	Estimated realisable value as at 31.12.2014	Estimated realisable value as at 31.12.2013
Opening balance	**11.894**	**31.139**
Repayments/Investments/sale	122	(23.044)
Valuation & netting changes	639	5.128
Reclass	(2.013)	(543)
Fx impact	0	(786)
Total value of bonds	**10.641**	**11.894**
Bond positions		
Icelandic sovereign	10.380	10.799
Other Icelandic	261	1.095
Total value of bonds	**10.641**	**11.894**

- The table shows the movements in the bond assets in 2014 compared to the movements during 2013.

Asset / liability class analysis

D: Shares and equity investments analysis

ISKm	Estimated realisable value 31.12.2014	Estimated realisable value 31.12.2013
Opening balance	40.312	39.142
Dividend/Sale	(9.342)	(10.500)
Equity conversion	(5.941)	8.371
Valuation changes	7.007	5.293
Fx impact	(456)	(1.994)
	31.580	**40.312**
Listed equities	2.955	410
Investment funds	2.600	3.419
Other unlisted equities	26.025	36.483
	31.580	**40.312**
UK	3.145	4.258
Iceland	21.162	18.645
Norway	7.273	7.640
Sweden	0	6.287
Canada	0	3.480
Other	0	1
	31.580	**40.312**

- The table shows the movements in 2014 compared to the movements during 2013.
- A consolidated subsidiary of Glitnir, SAT eignarhaldsfélag hf., was at the beginning of 2014 the owner of 17.67% holdings in the shares of the insurance company Sjóvá. In April 2014 Sjóvá´s shares were listed on the Nasdaq OMX Nordic. SAT eignarhaldsfélag sold 4% of the shares in April 2014 and owns at year end 13.67% of the Sjóvá shares.

Asset / liability class analysis

E: Investment in subsidiaries analysis

ISKm	31.12.2014	31.12.2013
Íslandsbanki (95%)	174.632	157.718
Reviva Capital SA (51%)	132	256
Total investments in subsidiaries	**174.764**	**157.974**

	2014	2013
Book value 1 January	157.974	116.077
Dividend paid	(3.990)	(2.800)
Share in profit	20.784	44.700
Fx impact	(5)	(4)
Book value 31 December	**174.764**	**157.974**

- The value of 95% share in Íslandsbanki hf. and the 51% share in Reviva Capital SA is based on book value of equity as of 31 December 2014.
- The second table shows the changes in the value of the shares in Íslandsbanki hf. and Reviva Capital SA in 2013 and 2014.

F: Other assets

ISKm	31.12.2014	31.12.2013
Accounts receivable	699	1.326
Claims on bankruptcy companies	2.845	964
Escrow accounts	9.219	3.910
Total other assets	**12.762**	**6.199**

Asset / liability class analysis

G: Cash flow analysis

ISKm	Q1	Q2	Q3	Q4	For the year 2014
Cash inflow:					
Principal loans to customers repayments	22.056	18.586	12.334	11.684	64.660
Interest on loans to customers reciepts	1.377	1.910	1.663	846	5.795
Principal loans to banks repayments	7	0	0	0	7
Derivatives claims repayments	3.142	14.626	404	8.320	26.492
Purchased, sale and maturities of bonds	204	(387)	25	37	(122)
Dividends and sale of shares	7.437	4.583	4.100	382	16.503
Interest income on cash balance	964	1.614	1.476	1.324	5.378
Other inflow	870	482	1.258	424	3.035
Total cash inflows	36.057	41.414	21.260	23.018	121.749
Cash outflow:					
Operational costs	(1.673)	(3.814)	(1.125)	(2.036)	(8.648)
New loans to customers	(314)	(278)	(119)	(115)	(826)
Bank tax	0	0	0	(11.766)	(11.766)
Other outflow	0	0	(31)	(864)	(895)
Payment of Claims	303	2.425	5	(4.547)	(1.814)
Total cash outflows	(1.684)	(1.667)	(1.271)	(19.328)	(23.949)
Total cash movement	34.373	39.747	19.989	3.691	97.800
Effect of exchange rate fluctuations	(9.652)	(664)	12.767	3.528	5.979
Opening cash balance	556.736	581.457	620.539	653.296	556.736
Closing cash balance	**581.457**	**620.539**	**653.296**	**660.515**	**660.515**

- The adjacent table summarises Glitnir's cash flow for 2014. The cash flow analysis is combined for Glitnir hf., GLB Holding ehf., Glitnir Luxembourg SA, Haf and Holt and for FL Holding ehf.
- The most significant cash inflows is related to the repayment of principal and interest from loans to customers, derivative claims, sale of equity and dividend payments.
- The yield on the total cash balance for the year 2014 was 0.7%, on average, 0.8% on deposits and 0.6% on T-bills.
- The total positive impact of foreign currency movements on the cash and cash equivalents balances was ISK6bn.

Asset / liability class analysis

G: Cash and cash equivalents analysis

ISKm	31 December 2014	%	31 December 2013	%
Cash balance held with:				
Icelandic banks	75.605	11%	65.184	12%
Skandinavian banks	84.349	13%	68.592	12%
European banks	42.957	7%	17.338	3%
Canadian banks	10.618	2%	9.339	2%
Icelandic T-bills	35.023	5%	31.114	6%
International T-bills	411.963	62%	365.168	66%
Total	**660.515**	100%	**556.736**	100%
Liquid asset deposited in Iceland	110.628	17%	96.299	17%
Liquid asset deposited in other jurisdictions	549.886	83%	460.437	83%
	660.515	100%	**556.736**	100%
Total deposits	213.529	32%	160.454	29%
International T-bills	411.963	62%	365.168	66%
Icelandic T-bills	35.023	5%	31.114	6%
	660.515	100%	**556.736**	100%

ISKm	31 December 2014	%	31 December 2013	%
Liquid assets in currencies				
EUR	218.071	33%	199.213	36%
USD	158.777	24%	122.873	22%
GBP	94.535	14%	78.848	14%
NOK	66.187	10%	58.141	10%
ISK	75.178	11%	62.884	11%
CAD	30.115	5%	27.977	5%
SEK	10.835	2%	256	0%
Other	6.816	1%	6.544	1%
Total	**660.515**	100%	**556.736**	100%

- The aim of Glitnir's cash management strategy is to minimise risk within the portfolio.
- The investment policy is to hold 50-100% of liquid assets in government bonds and bills and 0-50% in cash and term deposits.

Asset / liability class analysis

G: Cash and cash equivalents analysed by maturity

T-bill portfolio analysis

Liquid assets - Maturity profile 31 December 2014 ISKm	Deposits	T-bills	Total	
Maturity:				
0-3 months	71.784	132.289	204.073	31%
3-6 months	71.910	209.014	280.924	43%
6-9 months	69.835	98.582	168.417	25%
9-12 months	0	0	0	0%
+ 12 Months	0	7.101	7.101	1%
	213.529	**446.986**	**660.515**	**100%**

ISKm	31.12.2014		31.12.2013	
USA	139.109	31%	128.467	32%
Germany	44.745	10%	43.416	11%
Norway	65.234	15%	57.364	14%
UK	75.967	17%	46.591	12%
France	49.368	11%	48.248	12%
Netherland	3.857	1%	11.728	3%
Canada	28.439	6%	26.362	7%
Iceland	35.023	8%	31.114	8%
Denmark	0	0%	2.991	1%
Sweden	4.111	1%	0	0%
Australia	1.134	0%	0	0%
Total T-bills	**446.986**	100%	**396.282**	100%

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

Asset / liability class analysis

H: Analysis of liabilities

- The tables in this section set out an analysis of Glitnir's liabilities presented in the Statement (page 6).
- The first table summaries the claims made against Glitnir and includes the following amounts:
  - claimed amounts – representing the amounts claimed by Glitnir's creditors and as presented at the first claims registration creditors' meeting on 17 December 2009;
  - changes to the claims register – since 17 December 2009, certain amendments have been made to the claims register, principally in relation to correction of errors and where claims have been withdrawn;
  - adjustments – this column includes (1) where claims have been rejected, withdrawn or closed with set-off or settlement; (2) where accepted priority claims have been paid; (3) where there were errors or duplications in the claims registration list; and
  - estimated set-off – a high level estimate of the set-off of Glitnir, based upon a review of the claims register.
- The estimates of set-off made above are preliminary estimates only and may be subject to change in the future. The Winding-up Board's work is continuing on the claims position of Glitnir.

Asset / liability class analysis

H: Analysis of liabilities

ISKm	Article no.	Claims registration	Adjustments	Adjusted claimed amounts	Estimated set-off	Estimated liabilites after set-off as at 31.12.2014	Estimated liabilites after set-off as at 31.12.2013
Third party assets	109	33.660	(32.906)	754	0	754	6.428
Approval Costs	110	25.313	(25.313)	0	0	0	0
Secured	111	37.327	(35.273)	2.054	0	2.054	2.133
Priority	112	156.245	(156.245)	0	0	0	656
Unsecured	113	2.880.832	(603.592)	2.277.240	(9.711)	2.267.529	2.373.171
Deferred	114	106.012	(105.542)	470	0	470	7.348
Total		3.239.388	(958.871)	2.280.518	(9.711)	2.270.807	2.389.735

Changes in net claims ISKm	
Net claims as at 31.12.2013	**2.389.735**
Payments of 109 and 110 claims	(4.794)
Changes in set-off	(11.618)
Decisions	(102.516)
Net claims as at 31.12.2014	**2.270.807**

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

Asset / liability class analysis

H: Analysis of liabilities - Disputed priority claims

Priority claims in dispute	ISKm
Disputed claims - 16 March 2012	52.979
Accepted as 113 claim	(569)
Rejected / withdrawn	(13.759)
Disputed 112 claims 31.12.2012	**38.650**
Accepted as 112 claim	(25.846)
Accepted as 113 claim	(12)
Rejected / withdrawn	(2.035)
Disputed 112 claims 31.12. 2013	**10.756**
Accepted as 113 claim	(141)
Rejected / withdrawn	(3.050)
Disputed 112 claims 31.12. 2014	**7.565**

	Priority claims in dispute in escrow accounts 31.12.2014	Balance 31.12.2014 with accrued interest
	ISKm	ISKm
EUR	2.698	2.478
GBP	883	929
ISK	1.443	1.612
NOK	1.226	1.160
USD	1.316	1.292
	7.565	**7.470**

- On 16 March 2012 payments were made to priority claimholders that had undisputed claims. On that date sufficient cash was placed into escrow accounts to fully pay disputed priority claims. The claims in dispute on 16 March 2012 were ISK 52.9bn. These escrow accounts are not included in the Balance Sheet of Glitnir. Amounts that are not paid to priority claimholders when the disputes are resolved are paid back to Glitnir. The table shows changes in the escrow accounts from 16 March 2012 to end of December 2014.
- The tables below provides an analysis of the amounts in the escrow accounts broken down by currencies. The amounts are based on foreign exchange rates on 22 April 2009.
- The balance which includes accrued interests is based on foreign exchange rate on 31 December 2014.

Asset / liability class analysis

I: Operating expenses analysis

ISKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Total 2014	For the year 2013
Salaries and Salary- related costs	198	175	117	163	**652**	**573**
Islandsbanki Service Agreement	81	67	62	65	**275**	**341**
Winding-Up Board fee	45	46	43	55	**190**	**184**
External Legal Services	327	229	89	194	**838**	**876**
Domestic	*133*	*64*	*74*	*117*	***388***	***381***
International	*194*	*164*	*15*	*77*	***451***	***494***
Other External Advisors	446	636	473	718	**2.272**	**1.937**
Domestic	*137*	*195*	*182*	*332*	***847***	***285***
International	*308*	*441*	*291*	*386*	***1.426***	***1.652***
Other Expenses	110	109	118	157	**494**	**762**
Total	**1.207**	**1.261**	**902**	**1.352**	**4.722**	**4.673**
VAT	80	138	74	110	**401**	**305**
VAT for the years 2009-2013		1.784		287	**2.071**	**0**
Total expenses	**1.287**	**3.183**	**976**	**1.749**	**7.195**	**4.978**

- The table sets out the operating costs of Glitnir hf. (subsidiaries not included) for the year 2014 compared with the operating costs 2013.
- In Q2 2014 Glitnir paid ISK1,209m in VAT for the years from 2009 – 2013 and penalty interest of ISK575m i.e.a total ISK1,784m claim from the Icelandic tax authorities.
- In Q4 2014 Glitnir paid ISK173m in VAT for the years from 2009 – 2011 and penalty interest of ISK113m., total ISK287m.
- The VAT payments are regarding a change on purchased service from foreign advisors previously thought to be without VAT but changed after court ruling in similar cases.
- The tax authorities are claiming further VAT on purchased service from foreign advisors which Glitnir is disputing.

1. Introduction

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

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

4. Business Plan Summary

Introduction and purpose

- Glitnir produces twice a year an estimate of asset realisation cash flows given its asset management objectives and strategy prevailing at the time, net of asset portfolio and operating expenses (each a "**Business Plan**").
- Each Business Plan is prepared by Glitnir with the following principal objectives in mind:
  - to provide an operational tool to assist Glitnir's management in setting appropriate asset management strategy;
  - to provide internal performance monitoring benchmarks.
- Periodically, Glitnir publishes a summary of its latest Business Plan on Glitnir's website.
- The purpose of publishing a summary is to provide stakeholders with information regarding:
  - Glitnir's objectives and strategy for realising assets;
  - the potential quantum and timing of cash flows arising from Glitnir's asset portfolio and therefore high-level estimates of the potential quantum of distributions to creditors;
  - the potential impact of certain key risks to the quantum and timing of cash flows realised from Glitnir's assets.
- Given the highly sensitive nature of parts of the Business Plan, the summary does not include a detailed analysis of the underlying asset classes and positions.

Basis of preparation

- The Business Plan summarised in this presentation (the "**Current Business Plan**"):
  - is based on an opening position of 31 December 2014. It has been prepared on a quarterly basis from 1 January 2014 until 31 December 2017 (referred to herein as the "**Detailed Forecast Period**").
  - has been prepared by the Winding-Up Board and employees of Glitnir.
- The Current Business Plan does not include assumptions regarding:
  - the future monetisation of Glitnir's 95% share in Islandsbanki hf ("**ISB**"). There is considerable uncertainty in respect of the timing, quantum and currency of this monetisation
  - no account has been made of potential recoveries from contingent assets such as any legal proceedings resulting from the work being carried out by the Winding-Up Board and its advisers relating to Glitnir's pre-collapse operations. Estimates of these recoveries are also deemed too sensitive in nature to disclose
  - any cash recovered after the 31 December 2014 from the escrow for disputed priority (article 112) claims should those disputes be resolved in Glitnir's favour (7.5bn ISK cash was in escrow as at 31 December 2014)
  - interest income generated on cash balances (though see notes later on certain considerations in relation to this)
  - possible tax payments related to composition are not included in the Business Plan
- All information used to prepare the Current Business Plan has been obtained from the Winding-Up Board or Glitnir's employees (including employees of Glitnir's subsidiaries) together with certain external information where relevant (e.g. market data relating to foreign exchange and interest rates)

Key notes on presentation

- Forecasting cash distributions to creditors is not within the scope of the Business Plan exercise, however to the extent cash that has been realised is not distributed to creditors and is retained within Glitnir, this will generate additional interest income over and above the amounts presented. One constraint in making any such distributions is the capital controls currently in place in Iceland which act to prevent cross-border transactions that affect the Icelandic balance of payments and add to the ISK ‘snow overhang’. Currently, due to these capital controls, cash generated from Icelandic counterparties may not be unconditionally distributed given Glitnir’s many international creditors. Therefore, for information purposes only, the cash flows and cash balance at the end of each year are presented in three categories:

    1. Domestic currency i.e. Icelandic Króna (“**ISK**”)
    2. Foreign currency (“**FX**”) received from Icelandic counterparties
    3. FX received from non-Icelandic counterparties

Business Plan

Summary outputs

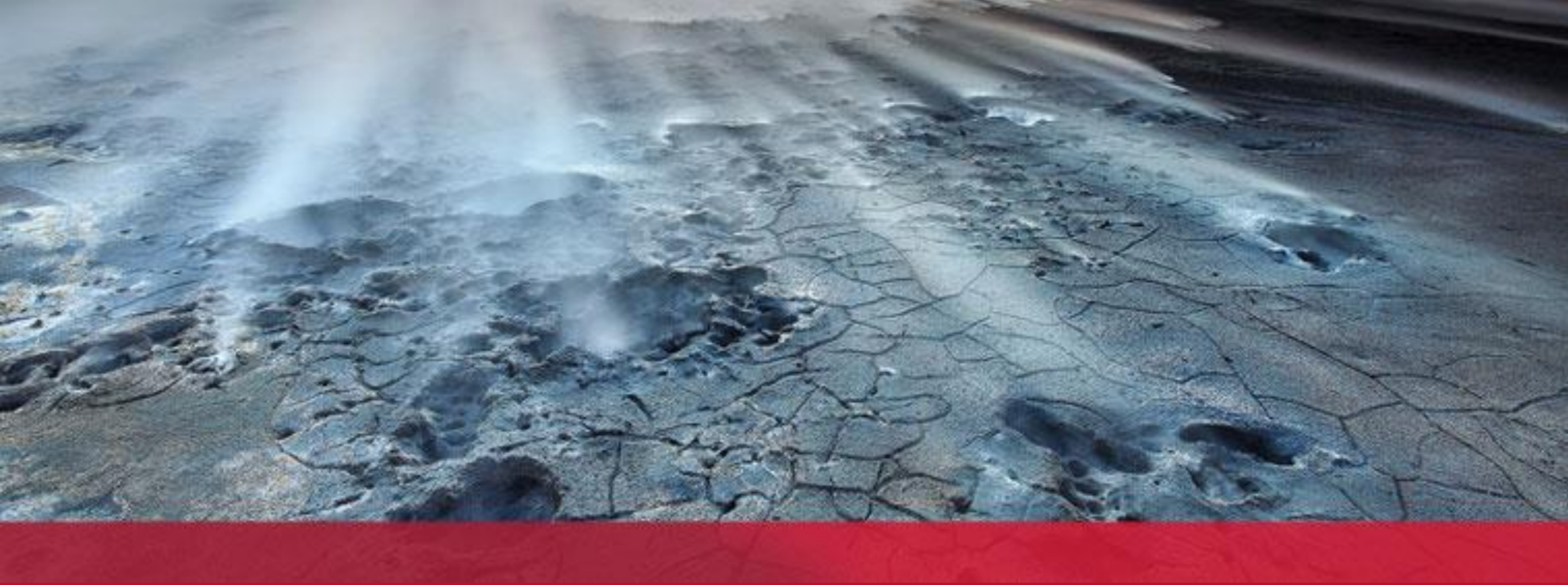
ISKm	31.12.14	2015	2016	2017	Total
SA&L 31 December 2014	**962.748**				
Less cash and equivalents	(660.515)				
Less ISB	(174.632)				
Taxes[1]	(9.158)				
Deduct net other cashflows[2]	(5.384)				
Total cashflow 'in-scope' of Current Business Plan	**113.059**				
Opening cash balance		**660.515**	**709.667**	**774.550**	**660.515**
Net cash flow from assets monetisation (Icelandic)		746	52.078	(770)	**52.054**
Net cash flow from assets monetisation (non-Icelandic)		48.406	12.806	(207)	**61.005**
Total Current Business Plan cashflows		49.152	64.884	(977)	**113.059**
Closing cash balance	**660.515**	**709.667**	**774.550**	**773.573**	**773.573**
Being					
ISK	*75.178*	*75.373*	*125.425*	*124.656*	*124.656*
FX from Icelandic counterparties	*37.088*	*37.639*	*39.664*	*39.664*	*39.664*
FX from foreign counterparties	*548.249*	*596.655*	*609.461*	*609.254*	*609.254*
	660.515	**709.667**	**774.550**	**773.573**	**773.573**
Illustrative interest of cash balance if cash generated domestically is retained by Glitnir					
Interest on ISK @ illustrative 3.50%		*2.635*	*3.514*	*4.376*	***10.525***
Interest on FX from Icelandic counterparties @ illustrative 0.5%		*187*	*193*	*198*	***578***
Total estimated inflow		***2.821***	***3.707***	***4.575***	***11.103***

Notes

1) *The expected tax payments only include expected tax payable in 2015 but do not include any possible tax payments in relation to composition or thereafter.*

2) *Includes net forecast operating expenditure, and forecast interest receipts from loans and bonds.*

- The table above summarises Glitnir's forecast cash flows under the Current Business Plan, excluding certain out of scope items such as proceeds from any monetisation of the shareholding in ISB, for reasons set out earlier in this presentation.
- In summary, 85 per cent of the assets in the scope of the Business Plan have been realised by the end of December 2014 and it is forecasted that by the end of 2015 about 92 per cent of the assets will be realised and 100 per cent by the end of 2016.



Appendices

Appendix 1: Foreign exchange rates

Appendix 2: Supplementary notes to financial information

Appendix 3: Valuation methodology

Appendix 4: Combined Income statement

Appendix 1

Foreign exchange rates

Currency	22 April 2009	31 December 2011	31 December 2012	31 December 2013	31 December 2014	Changes from 31 Dec 2013 to 31 Dec 2014
EUR	168,76	158,84	169,80	158,50	154,27	-2,7%
USD	130,40	122,71	128,74	115,03	126,90	10,3%
GBP	190,62	189,43	208,15	190,21	197,66	3,9%
CAD	105,16	120,21	129,36	108,07	109,59	1,4%
DKK	22,66	21,37	22,83	21,25	20,72	-2,5%
NOK	19,26	20,40	23,04	18,92	17,14	-9,4%
SEK	15,28	17,79	19,76	17,95	16,44	-8,4%
CHF	111,68	130,66	140,64	129,19	128,29	-0,7%
JPY	1,33	1,59	1,50	1,10	1,06	-3,0%

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

Appendix 2

Supplementary notes to financial information

1. Basis of preparation

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

Appendix 2

Supplementary notes to financial information

2. Limitations

Estimated value

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

Appendix 2

Supplementary notes to financial information

2. Limitations (continued)

Estimated value (continued)

- An agreement between Glitnir and the Icelandic government was reached regarding the recapitalisation of Islandsbanki. As part of this agreement, Glitnir took 95 percent shareholding of Islandsbanki. The investment in Islandsbanki is valued at 95% of shareholders equity of Islandsbanki as of 31 December 2014. The ultimate value realised through the shareholding in Islandsbanki could be materially higher or lower than the equity value. The value of, timing of and mechanism for realising value from the shareholding remains subject to considerable uncertainty.

Information included in the financial information

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

3. Valuation principles

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

Appendix 3

Valuation methodology

1. Loans to customers

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

2. Derivatives

- Derivative assets amounts in the Statement of Assets and Liabilities represent net positions after consideration of the effects of set-off and valuation adjustments regarding the legal status of derivative positions.

3. Bonds

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

Appendix 3

Valuation methodology

4. Equities

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

5. Investment in subsidiaries

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

6. Cash and cash equivalents

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

Appendix 4

GLITNIR

Combined Income Statement

January - December 2014	ISKm
Net interest income	**8.214**
Valuation adjustments and provisions	**49.195**
Claims rejected and other changes in the claims	**106.232**
Net financial income and expenses *	**11.188**
Net interest income less impairment losses and write-offs	**174.829**
Net fee and commission expenses	**(2.915)**
Administrative expenses	**(7.570)**
Profit before taxes	**164.344**
Taxes	**(20.735)**
Profit for the period	**143.609**

* Net financial income and expenses:	
Dividend income	3.825
Net trading income	4.121
Net foreign exchange gain	3.242
	11.188