

MARCH 2015



FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

SUPPLEMENTARY MATERIAL

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- The various notes set out in the financial statements for the year ended 31 December 2014 published on Kaupthing's website, including but not limited to note 4 (Risk), applies to this presentation as well. Furthermore, financial statements for the year ended 31 December 2014 form part of this presentation.

OVERVIEW OF KAUPTHING'S FINANCIAL STATEMENTS

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YE 2014 - OVERVIEW

- The financial statements of the Company for the year ended 31 December 2014 are audited by Ernst & Young and have been signed with an unqualified opinion.
- The Company's assets were valued at ISK 799.8 billion at the end of 2014, compared to ISK 778.1 billion at the end of 2013. In addition the Company had at the end of the year, ISK 19.2 billion in a custody account to cover distributions on late filed priority claims which are still in dispute. These custody accounts are not included in the Company's balance sheet.
 - Real value of assets (measured by net impairment and fair value changes) increased by ISK 56.2 billion.
 - Paid taxes amounted to ISK 14.5 billion.
 - Negative foreign exchange effects amounted to ISK 5.0 billion.
 - Payments in relation to priority claims amounted to ISK 3.5 billion.
- Cash at bank amounted to ISK 401.7 billion at the end of 2014 and decreased by ISK 16.9 billion or 4.0% in 2014. Measured in euros, cash at bank decreased by 38 million or 1.4%.
 - Net cash flow generated from the assets in 2014 (ISK 14.3 billion) was offset by (i) payment of taxes (ISK 14.5 billion), (ii) foreign exchange losses (ISK 8.3 billion), (iii) payment of operating expenses (ISK 4.9 billion), (iiii) net payments in relation to priority claims and late filed priority claims (ISK 3.5 billion).
- Total outstanding claims at the end of 2014 amounted to ISK 2,825.6 billion, decreased by ISK 53.7 billion in 2014.
 - Thereof, rejected disputed claims amounted to ISK 66.4 billion, decreased by ISK 68.7 billion in 2014.
- Total operating expenses in 2014 were ISK 5.0 billion decreased by ISK 0.1 billion or 2.5% compared to 2013.
- The Company has estimated its potential liabilities due to the bank tax in respect of the period from 1 January to 31 December 2014 could be ISK 10.1 billion (2013: ISK 9.9 billion). No surcharge on income tax is estimated for the year 2014. Reference is made to note 32 in the financial statements.
- In late November 2014, proceedings were commenced before the High Court of Justice in London against the Company by the trustees of the Tchenguiz Family Trust and other plaintiffs for damages of an unquantified amount. The basis for the claim is an alleged conspiracy between a member of the Winding-up Committee and two partners of Grant Thornton (UK) LLP which had the aim of arranging the arrests of certain individuals by the Serious Fraud Office in England. In January 2015, the Company filed an application for strike out of the claims on the basis that the English Court does not have jurisdiction to hear the dispute. The outcome of that application is expected in the summer of 2015. It is the firm position of the Winding-up Committee that these allegations have absolutely no basis in fact or in law. Although the substantive claim is of an unquantified amount it could have a material effect if accepted by the Courts. Reference is made to note 33 in the financial statements.
- The Company's reporting currency is the Icelandic krona. The Icelandic krona appreciated by 1.7% in 2014*.

* Source: Central Bank of Iceland, Narrow trade index.

DEVELOPMENT OF ASSETS AND LIABILITIES IN 2014

| | ISK million | | | EUR million | | |
|---|--------------------|--------------------|---------------|-----------------|-----------------|---------------|
| | 31.12.2014 | 31.12.2013 | % change | 31.12.2014 | 31.12.2013 | % change |
| Assets | | | | | | |
| Cash at bank | 401,667 | 418,566 | (4.0%) | 2,603 | 2,641 | (1.4%) |
| Loans to and claims against credit institutions | 8,629 | 9,982 | (13.6%) | 56 | 63 | (11.1%) |
| Loans to customers | 98,365 | 104,781 | (6.1%) | 638 | 661 | (3.5%) |
| Bonds and debt instruments | 6,211 | 6,306 | (1.5%) | 40 | 40 | 0.0% |
| Shares and instruments with variable income | 257,047 | 210,757 | 22.0% | 1,666 | 1,330 | 25.3% |
| Unsettled derivative receivables | 12,940 | 14,146 | (8.5%) | 84 | 89 | (5.6%) |
| Other assets | 14,903 | 13,544 | 10.0% | 97 | 85 | 14.1% |
| Total assets | 799,762 | 778,082 | 2.8% | 5,184 | 4,909 | 5.6% |
| Liabilities | | | | | | |
| Claims | 2,825,610 | 2,878,725 | (1.8%) | 18,315 | 18,163 | 0.8% |
| Tax liabilities | 10,136 | 9,932 | 2.1% | 66 | 63 | 4.8% |
| Other liabilities | 1,274 | 1,171 | 8.8% | 8 | 7 | 14.3% |
| Total liabilities | 2,837,020 | 2,889,828 | (1.8%) | 18,389 | 18,234 | 0.9% |
| Equity | (2,037,258) | (2,111,746) | (3.5%) | (13,205) | (13,325) | (0.9%) |
| Total liabilities and equity | 799,762 | 778,082 | 2.8% | 5,184 | 4,909 | 5.6% |

- The Company's assets were valued at ISK 799.8 billion at the end of 2014. In addition the Company had at the end of the year, ISK 19.2 billion in a custody account to cover distributions on late filed priority claims which are still in dispute.
- The value of the total assets increased in 2014 by ISK 21.7 billion or 2.8%. Measured in euros the value increased by 275 million or 5.6%.
- Potential negative impact of disputed set-off on the value of assets at the end of the year is estimated to be ISK 0-14 billion. Further information is provided in note 30 in the financial statements for the year ended 31 December 2014.

DEVELOPMENT OF ASSETS IN 2014

| <i>ISK billion</i> | 31.12.2014 | Net principal payments | Miscellaneous* (reclassification, etc) | FX changes | Value changes** | 31.12.2013 | Interests, fees and dividends received in 2014 |
|---|--------------|------------------------|--|--------------|-----------------|--------------|--|
| Cash at bank | 401.7 | (11.0) | - | (8.3) | 2.4 | 418.6 | 2.4 |
| Loans to and claims against credit institutions | 8.6 | (0.9) | (0.1) | (0.5) | 0.1 | 10.0 | - |
| Loans to customers | 98.4 | (5.4) | (0.1) | 1.6 | (2.5) | 104.8 | 2.1 |
| Bonds and debt instruments | 6.2 | (1.5) | - | 0.2 | 1.2 | 6.3 | 0.4 |
| Shares and instruments with variable income | 257.0 | 1.3 | 0.2 | 2.0 | 42.8 | 210.8 | 1.3 |
| Unsettled derivative receivables | 12.9 | (1.3) | (10.4) | 0.3 | 10.2 | 14.1 | - |
| Other assets | 14.9 | - | (0.3) | (0.3) | 2.0 | 13.5 | - |
| Total assets | 799.8 | (18.8) | (10.7) | (5.0) | 56.2 | 778.1 | 6.2 |

* Miscellaneous includes assets released or retrieved as part of settlements (set-off), reclassification between asset classes and other items.

** Value changes include changes in fair value, net impairment and unpaid accrued interests.

ASSET CLASSIFICATION AND MEASUREMENT

| ISK million | 31.12.2014 | | | | |
|---|------------------|--------------------|----------------|----------------|----------------|
| | Gross amount | Impairment | Amortised cost | Fair value | Total |
| Cash at bank | 401,667 | - | 401,667 | - | 401,667 |
| Loans to and claims against credit institutions | 8,629 | - | 8,629 | - | 8,629 |
| Loans to customers | 1,101,873 | (1,003,508) | 98,365 | - | 98,365 |
| Bonds and debt instruments | 6,211 | - | - | 6,211 | 6,211 |
| Shares and instruments with variable income | 257,047 | - | - | 257,047 | 257,047 |
| Unsettled derivative receivables | 48,004 | (35,064) | 12,940 | - | 12,940 |
| Other assets | 138,763 | (123,860) | 14,903 | - | 14,903 |
| Total assets | 1,962,194 | (1,162,432) | 536,504 | 263,258 | 799,762 |
| Total assets (mEUR) | 12,718 | (7,534) | 3,478 | 1,706 | 5,184 |

BREAKDOWN OF ISK AND FX ASSETS

| <i>ISK million</i> | ISK assets | FX from Icelandic counterparties | Total ISK assets and FX from Icelandic counterparties | FX from non-Icelandic counterparties | Total assets |
|---|----------------|----------------------------------|---|--------------------------------------|----------------|
| Cash at bank | 5,429 | 43,810 | 49,239 | 352,428 | 401,667 |
| Loans to and claims against credit institutions | - | - | - | 8,629 | 8,629 |
| Loans to customers | 1,149 | 86 | 1,235 | 97,130 | 98,365 |
| Bonds and debt instruments | 3,344 | - | 3,344 | 2,867 | 6,211 |
| Shares and instruments with variable income | 147,030 | 10,035 | 157,065 | 99,982 | 257,047 |
| Unsettled derivative receivables | 143 | - | 143 | 12,797 | 12,940 |
| Other assets | 893 | 10,019 | 10,912 | 3,991 | 14,903 |
| Total assets 31.12.2014 | 157,988 | 63,950 | 221,938 | 577,824 | 799,762 |
| Total assets 31.12.2014 (mEUR) | 1,024 | 415 | 1,439 | 3,745 | 5,184 |
| % of Total assets 31.12.2014 | | | 28% | 72% | |
| Total assets 31.12.2013 | 147,774 | 62,562 | 210,336 | 567,746 | 778,082 |
| Total assets 31.12.2013 (mEUR) | 932 | 395 | 1,327 | 3,582 | 4,909 |
| % of Total assets 31.12.2013 | | | 27% | 73% | |

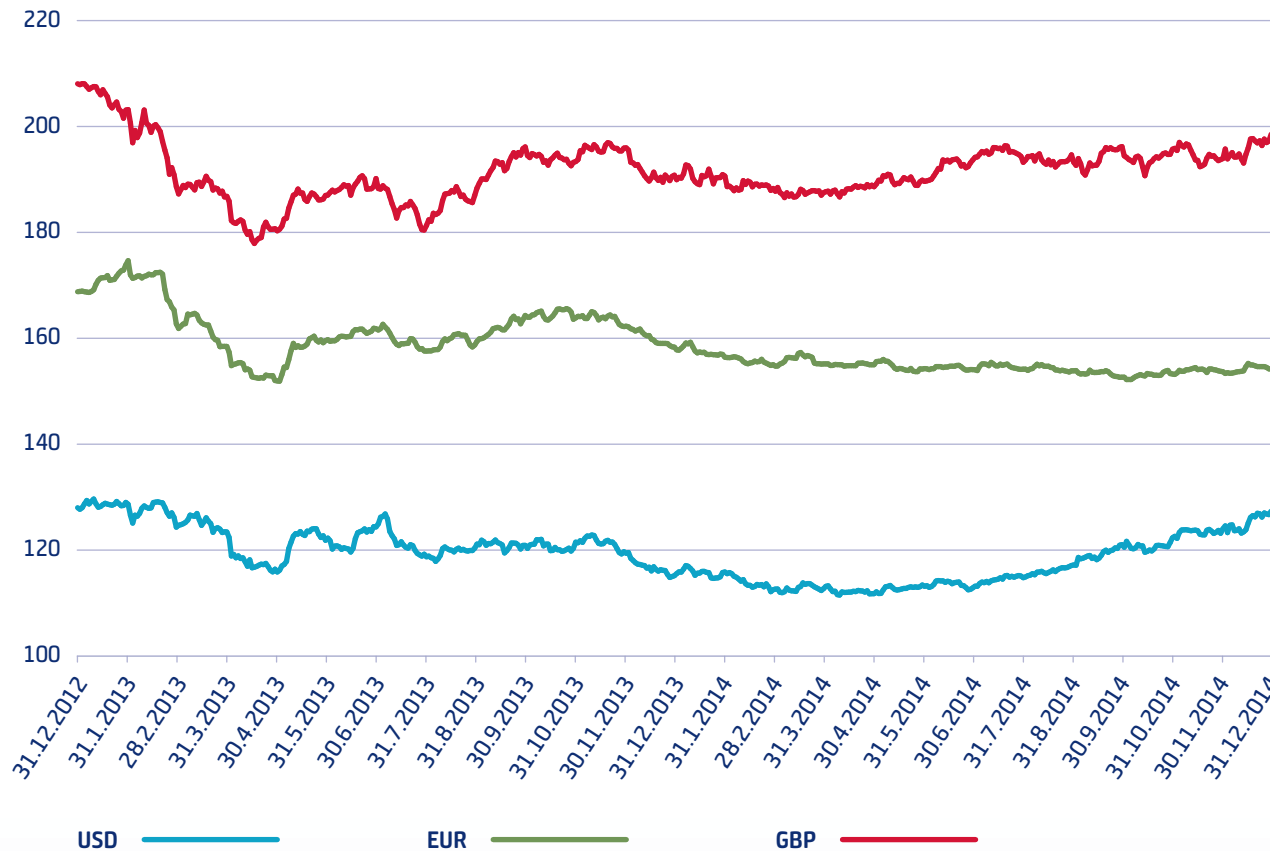
- The table above shows a breakdown of (a) assets in Icelandic krona, (b) all assets in foreign currency where counterparties are domiciled in Iceland and (c) all assets in foreign currency where counterparties are domiciled outside of Iceland.
- The category "FX from Icelandic counterparties" contains i.a. exposure to other Icelandic companies that own mainly foreign assets and are subject to winding-up procedures in Iceland or are otherwise being wound down. These assets may not ultimately be monetised in foreign currencies and any future cash flow from these assets may be subject to exemptions and conditions set forth by the Central Bank of Iceland or other Icelandic authorities. Further information is provided in note 4 in the financial statements for the year ended 31 December 2014.

CURRENCY BREAKDOWN OF ASSETS

| <i>ISK million</i> | GBP | EUR | ISK | SEK | USD | NOK | Other | Total |
|---|----------------|----------------|----------------|----------------|---------------|---------------|---------------|----------------|
| Cash at bank | 85,936 | 119,572 | 5,429 | 87,178 | 52,827 | 41,346 | 9,379 | 401,667 |
| Loans to and claims against credit institutions | - | 287 | - | 5,287 | - | - | 3,055 | 8,629 |
| Loans to customers | 55,866 | 20,331 | 1,149 | 10,286 | 10,065 | 51 | 617 | 98,365 |
| Bonds and debt instruments | - | 654 | 3,344 | - | 2,213 | - | - | 6,211 |
| Shares and instruments with variable income | 75,146 | 28,098 | 147,030 | 2,139 | 4,215 | 349 | 70 | 257,047 |
| Unsettled derivative receivables | - | 12,797 | 143 | - | - | - | - | 12,940 |
| Other assets | 352 | 10,100 | 893 | 3,531 | 27 | - | - | 14,903 |
| Total assets 31.12.2014 | 217,300 | 191,839 | 157,988 | 108,421 | 69,347 | 41,746 | 13,121 | 799,762 |
| Total assets 31.12.2014 (mEUR) | 1,408 | 1,243 | 1,024 | 703 | 450 | 271 | 85 | 5,184 |
| % of Total assets 31.12.2014 | 27.17% | 23.99% | 19.75% | 13.56% | 8.67% | 5.22% | 1.64% | |
| Total assets 31.12.2013 | 193,749 | 193,265 | 147,774 | 120,173 | 59,532 | 44,720 | 18,869 | 778,082 |
| Total assets 31.12.2013 (mEUR) | 1,223 | 1,219 | 932 | 758 | 376 | 282 | 119 | 4,909 |
| % of Total assets 31.12.2013 | 24.90% | 24.84% | 18.99% | 15.44% | 7.65% | 5.75% | 2.43% | |

CURRENCY TABLE

The exchange rate of major currencies against the Icelandic krona during 2013 and 2014.



| | 31.12.2014 | 31.12.2013 | 31.12.2012 |
|-----------|------------|------------|------------|
| AUD | 104.32 | 102.94 | 133.00 |
| CAD | 110.06 | 108.33 | 128.51 |
| CHF | 128.32 | 129.24 | 139.91 |
| DKK | 20.72 | 21.25 | 22.64 |
| EUR | 154.28 | 158.49 | 168.89 |
| GBP | 198.65 | 190.68 | 208.18 |
| JPY | 1.06 | 1.09 | 1.48 |
| NOK | 17.03 | 18.95 | 23.01 |
| SEK | 16.29 | 17.90 | 19.67 |
| USD | 127.46 | 115.09 | 128.09 |

Foreign exchange rates are based on Reuters foreign exchange rates at 16:30 on the respective dates.

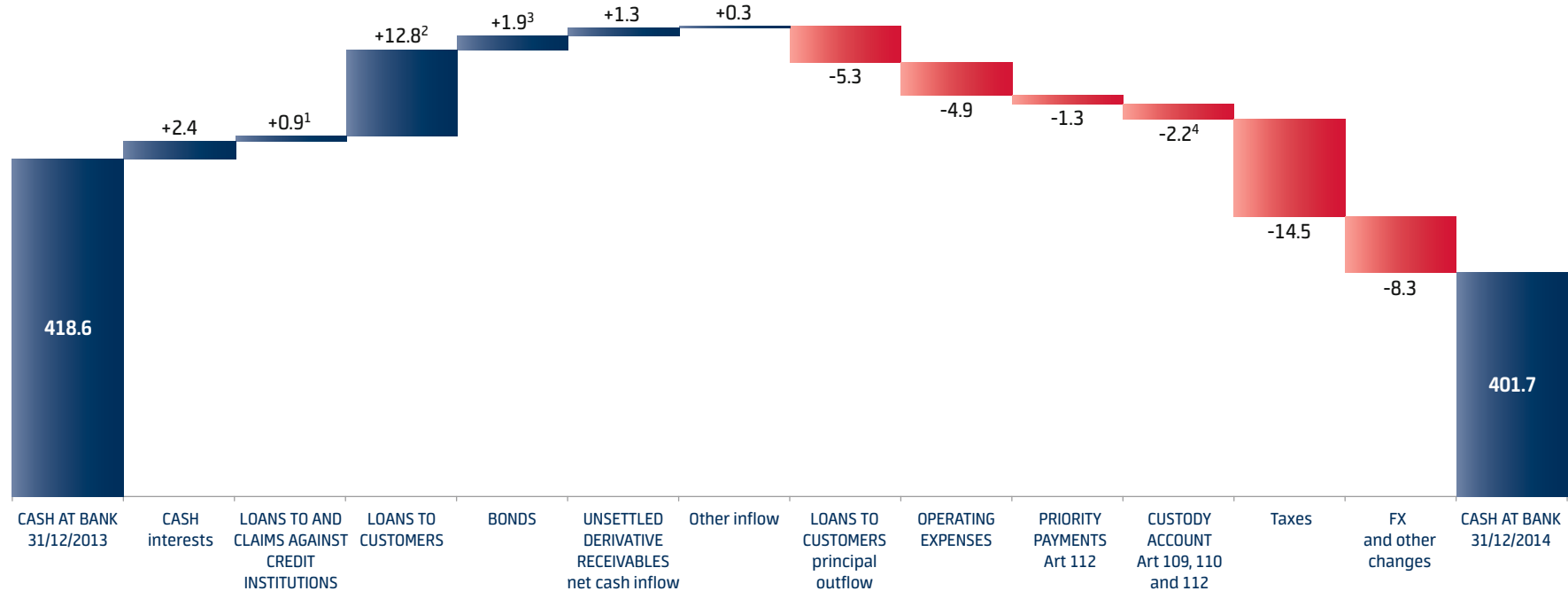
CASH AT BANK

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CASH AT BANK – DEVELOPMENTS IN 2014

- Cash at bank amounted to ISK 401.7 billion at the end of 2014 and decreased by ISK 16.9 billion or 4.0% in 2014. Measured in euros cash at bank decreased by 38 million or 1.4%.
- Cash in custody account at the end of 2014, due to late filed claims amounted to ISK 19.2 billion, is not included in cash at bank.
 - Main factors contributing to increase in cash at bank in 2014:
 - Inflow related to loans to customers of ISK 12.8 billion.
 - Inflow related to interest on cash of ISK 2.4 billion.
 - Inflow related to bonds and debt instruments of ISK 1.9 billion.
 - Inflow related to shares of ISK 1.4 billion.
 - Inflow related to unsettled derivative receivables of ISK 1.3 billion.
 - Inflow related to loans to and claims against credit institutions of ISK 0.9 billion.
 - Main factors contributing to decrease in cash at bank in 2014:
 - Paid taxes of ISK 14.5 billion.
 - Foreign exchange losses of ISK 8.3 billion.
 - Asset support in loans to customers of ISK 5.3 billion.
 - Net payments into a custody account in relation to disputed priority claims under Art. 109, 110 and 112 of the Bankruptcy Act. amounted to ISK 2.2 billion.
 - Outflow related to shares of ISK 1.4 billion.
 - Payments of priority claims under Art. 112 amounted to ISK 1.3 billion.
 - Paid operating expenses in 2014 of ISK 4.9 billion.

CASH FLOW IN 2014



- 1** Loans to and claims against credit institutions = ISK 0.9 billion: Principal payments (0.9)
- 2** Loans to customers = ISK 7.5 billion: Principal payments (10.7), interest payments (2.0), fee income (0.1) and principal outflow (-5.3)
- 3** Bonds = ISK 1.9 billion: Principal payments (1.5) and interest payments (0.4)
- 4** Custody account = ISK -2.2 billion: Late filed claims in dispute Art. 109 and 110 (-2.8) and claims in dispute Art.112 (0.6)
- 5** Shares: ISK 0 billion: Realisation of equity stake (0.1), purchase of equity stakes (-1.4) and dividend payment (1.3)

All amounts in ISK billion.

CASH AT BANK – GEOGRAPHY AND MATURITY BREAKDOWN

| ISK million | 31.12.2014 | | | 31.12.2013 | | |
|--|---------------|----------------|----------------|---------------|----------------|----------------|
| | Iceland | Other | Total | Iceland | Other | Total |
| Cash at bank specified by geographical location | | | | | | |
| Non ISK | 43,810 | 352,428 | 396,238 | 44,848 | 353,550 | 398,398 |
| ISK | 5,429 | - | 5,429 | 20,168 | - | 20,168 |
| Cash at bank | 49,239 | 352,428 | 401,667 | 65,016 | 353,550 | 418,566 |
| Cash at bank (mEUR) | 319 | 2,284 | 2,603 | 410 | 2,231 | 2,641 |

| ISK million | 31.12.2014 | | | | | 31.12.2013 |
|--|----------------|--------------------|--------------------|--------------------|----------------|----------------|
| | Within 1 month | From 1 to 3 months | From 3 to 6 months | From 6 to 9 months | Total | Total |
| Cash at bank specified by currency and maturity | | | | | | |
| EUR | 3,474 | 47,081 | 54,977 | 14,040 | 119,572 | 122,232 |
| SEK | 36,936 | 35,994 | 14,248 | - | 87,178 | 97,294 |
| GBP | 29,356 | 26,885 | 29,695 | - | 85,936 | 73,825 |
| USD | 17,521 | 32,690 | 2,616 | - | 52,827 | 45,863 |
| NOK | 22,467 | 6,849 | 12,030 | - | 41,346 | 44,271 |
| ISK | 2,151 | 3,278 | - | - | 5,429 | 20,168 |
| Other | 679 | - | 8,700 | - | 9,379 | 14,913 |
| Cash at bank | 112,584 | 152,777 | 122,266 | 14,040 | 401,667 | 418,566 |
| Cash at bank (mEUR) | 730 | 990 | 792 | 91 | 2,603 | 2,641 |

- The Company's cash holdings are subject to Icelandic capital controls. Certain cross-border transactions require pre-approval of the Central Bank of Iceland, whilst other transactions are subject to reporting requirements to the Central Bank of Iceland.

CASH AT BANK – CURRENCY BREAKDOWN

| ISK million | 31.12.2014 | | 31.12.2013 | | Change in currency | Change in currency (%) | Change in ISK | Change in ISK (%) |
|---------------------------|------------|----------------|------------|----------------|--------------------|------------------------|---------------|-------------------|
| | Currency | ISK | Currency | ISK | | | | |
| Cash at bank | | | | | | | | |
| EUR | 775 | 119,572 | 771 | 122,232 | 4 | 0.5% | (2,660) | (2.2%) |
| SEK | 5,353 | 87,178 | 5,436 | 97,294 | (83) | (1.5%) | (10,116) | (10.4%) |
| GBP | 533 | 85,936 | 387 | 73,825 | 146 | 37.7% | 12,111 | 16.4% |
| USD | 414 | 52,827 | 399 | 45,863 | 15 | 3.8% | 6,964 | 15.2% |
| NOK | 2,428 | 41,346 | 2,336 | 44,271 | 92 | 3.9% | (2,925) | (6.6%) |
| ISK | 5,429 | 5,429 | 20,168 | 20,168 | (14,919) | (74.0%) | (14,739) | (73.1%) |
| Other | - | 9,379 | - | 14,913 | - | - | (5,534) | (37.1%) |
| Cash at bank | | 401,667 | | 418,566 | | | | |
| Cash at bank (mEUR) | | 2,603 | | 2,641 | | | | |

- During 2014, net payments into custody accounts due to late filed priority claims in dispute amounted to ISK 2.8 billion (SEK 157 million and ISK 124.9 million).
- The interest yielded on cash at bank in 2014, which was significantly impacted by foreign exchange effects, amounted to ISK 2.4 billion.

LOANS TO AND CLAIMS AGAINST CREDIT INSTITUTIONS

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LOANS TO AND CLAIMS AGAINST CREDIT INSTITUTIONS

| <i>ISK million</i> | | |
|----------------------------------|--------------|--------------|
| Developments | 2014 | 2013 |
| 1 January | 9,982 | 22,380 |
| Matured long term deposits | - | (10,031) |
| Principal payments | (916) | (767) |
| Net impairment | 149 | 227 |
| FX impact | (508) | (1,905) |
| Other changes | (78) | 78 |
| 31 December | 8,629 | 9,982 |

| <i>ISK million</i> | | |
|---|-------------------|-------------------|
| Specified by types | 31.12.2014 | 31.12.2013 |
| Cash collateral held with banks against guarantees | 5,287 | 6,118 |
| Restricted bank accounts | 3,052 | - |
| Frozen/emptied bank accounts | 304 | 4,095 |
| Other loans and claims | - | 238 |
| Loans to and claims against credit institutions before set-off against counterclaims | 8,643 | 10,451 |
| Subject to set-off | (14) | (469) |
| Loans to and claims against credit institutions after set-off | 8,629 | 9,982 |
| Loans to and claims against credit institutions after set-off (mEUR) | 56 | 63 |

- Loans to and claims against credit institutions amounted to ISK 8.6 billion, decreased by ISK 1.4 billion or 13.6% in 2014. Measured in euros the decrease was 7 million or 11.1%.
 - Restricted bank accounts amounted to ISK 3.1 billion and consist of previously frozen bank accounts which have been released by the counterparties but are still not in Kaupthing's control.

LOANS TO CUSTOMERS

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LOANS TO CUSTOMERS

| <i>ISK million</i> | | |
|-------------------------------|---------------|----------------|
| Developments | 2014 | 2013 |
| 1 January | 104,781 | 146,086 |
| Principal payments | (10,663) | (36,564) |
| Interest payments | (2,029) | (4,089) |
| Principal outflow / RCF | 5,257 | 2,555 |
| Interest income | 4,328 | 5,829 |
| Net impairment | (4,782) | 2,562 |
| Other changes | (96) | 27 |
| FX impact | 1,569 | (11,625) |
| 31 December | 98,365 | 104,781 |

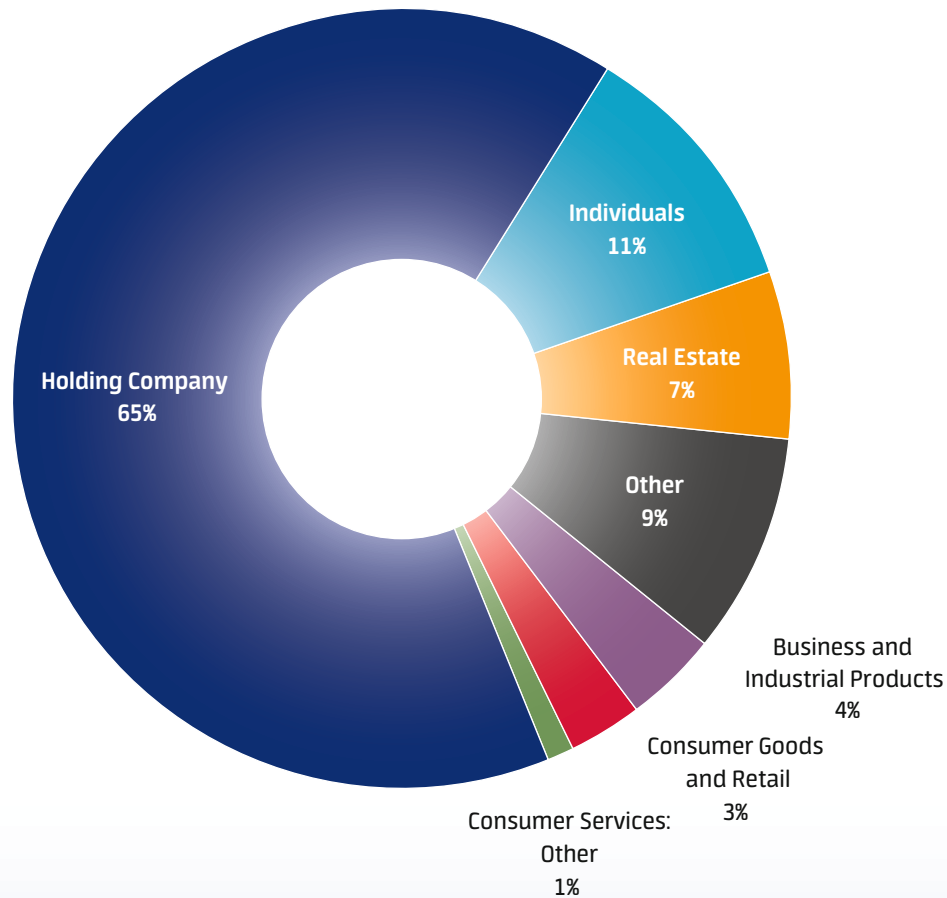
- Loans to customers are valued at ISK 98.4 billion and decreased by ISK 6.4 billion or 6.1% in 2014. Measured in euros the decrease was 23 million or 3.5%.
- Paid in kind (PIK) interest earned during the period amount to ISK 1.4 billion.
- Fee income received amounts to ISK 0.1 billion.

| <i>ISK million</i> | 31.12.2014 | | | 31.12.2013 | | |
|---------------------------------|------------------|----------------|-------------------|------------------|----------------|-------------------|
| | Gross amount | Amortised cost | % of gross amount | Gross amount | Amortised cost | % of gross amount |
| Specified by portfolios | | | | | | |
| Operating loan portfolio | 185,588 | 76,108 | 41.0% | 193,419 | 83,418 | 43.1% |
| NOA loan portfolio | 916,285 | 22,257 | 2.4% | 984,190 | 21,363 | 2.2% |
| Loans to customers | 1,101,873 | 98,365 | 8.9% | 1,177,609 | 104,781 | 8.9% |
| Loans to customers (mEUR) | 7,142 | 638 | 8.9% | 7,430 | 661 | 8.9% |

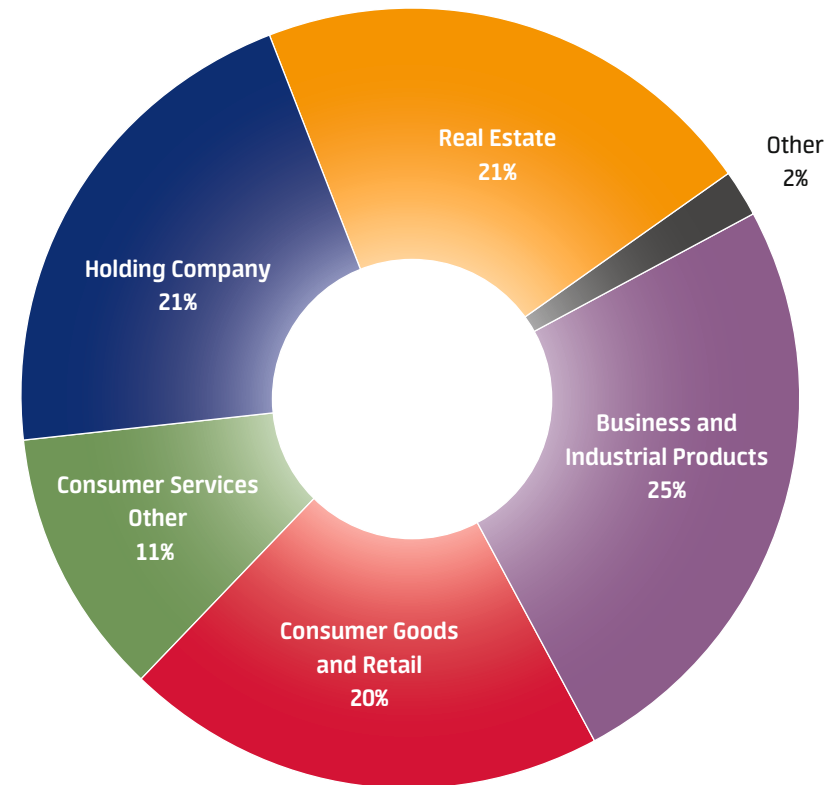
Loans to customers are divided into two sub-portfolios due to the way the Company organises the management of its assets. "Operating loan portfolio" which is predominantly made up of loans to borrowers with underlying operating businesses, and the "NOA loan portfolio" which is made up of loans to borrowers with little or no underlying business operations.

LOANS TO CUSTOMERS – BREAKDOWN BY SECTOR

Gross amount



Amortised cost



LOANS TO CUSTOMERS – BREAKDOWN BY SECTOR

| ISK million | 31.12.2014 | | | 31.12.2013 | | |
|--|------------------|----------------|-------------------|------------------|----------------|-------------------|
| | Gross amount | Amortised cost | % of gross amount | Gross amount | Amortised cost | % of gross amount |
| Operating loan portfolio | | | | | | |
| Business and Industrial Products | 45,307 | 24,265 | 53.6% | 44,706 | 24,669 | 55.2% |
| Real Estate | 51,243 | 21,201 | 41.4% | 55,214 | 22,531 | 40.8% |
| Consumer Goods and Retail | 33,145 | 19,366 | 58.4% | 33,269 | 21,190 | 63.7% |
| Consumer Services: Other | 10,722 | 10,629 | 99.1% | 15,180 | 14,118 | 93.0% |
| Holding Company | 38,401 | 38 | 0.1% | 37,308 | 55 | 0.1% |
| Individuals | 2,482 | - | - | 2,964 | 77 | 2.6% |
| Other | 4,288 | 609 | 14.2% | 4,778 | 778 | 16.3% |
| Loans to customers - Operating loan portfolio | 185,588 | 76,108 | 41.0% | 193,419 | 83,418 | 43.1% |
| Loans to customers - Operating loan portfolio (mEUR) | 1,203 | 494 | 41.0% | 1,220 | 526 | 43.1% |
| NOA loan portfolio | | | | | | |
| Holding Company | 680,883 | 21,052 | 3.1% | 752,638 | 20,343 | 2.7% |
| Individuals | 118,508 | 157 | 0.1% | 117,406 | 207 | 0.2% |
| Real Estate | 26,667 | - | 0.0% | 25,596 | - | 0.0% |
| Other | 90,227 | 1,048 | 1.2% | 88,550 | 813 | 0.9% |
| Loans to customers - NOA loan portfolio | 916,285 | 22,257 | 2.4% | 984,190 | 21,363 | 2.2% |
| Loans to customers - NOA loan portfolio (mEUR) | 5,939 | 144 | 2.4% | 6,210 | 135 | 2.2% |
| Loans to customers | 1,101,873 | 98,365 | 8.9% | 1,177,609 | 104,781 | 8.9% |
| Loans to customers (mEUR) | 7,142 | 638 | 8.9% | 7,430 | 661 | 8.9% |

LOANS TO CUSTOMERS – BREAKDOWN BY GEOGRAPHY

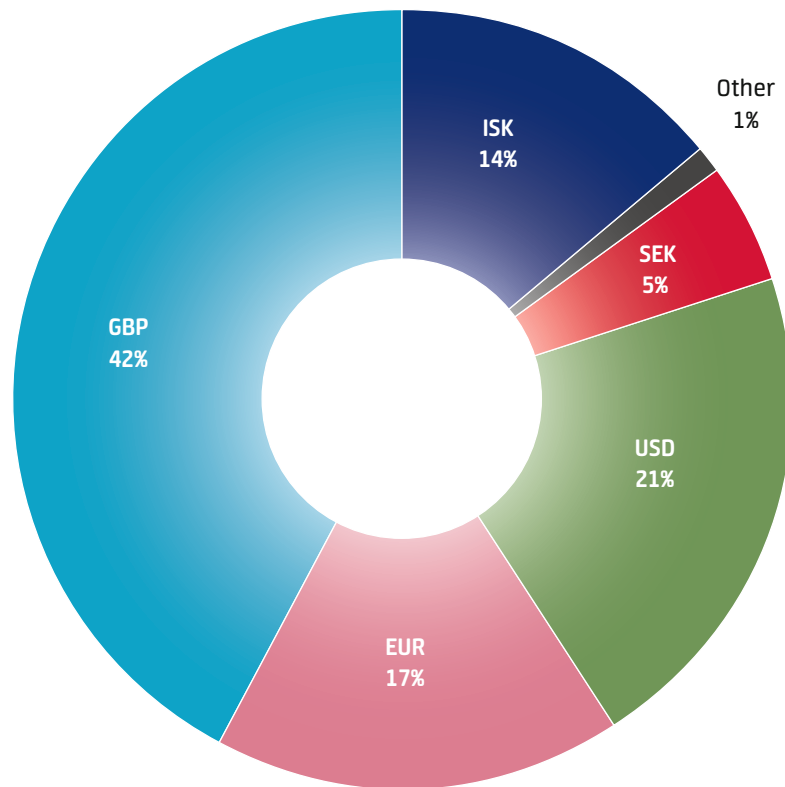
| <i>ISK million</i> | 31.12.2014 | | | 31.12.2013 | | |
|--|------------------|----------------|-------------------|------------------|----------------|-------------------|
| | Gross amount | Amortised cost | % of gross amount | Gross amount | Amortised cost | % of gross amount |
| Operating loan portfolio | | | | | | |
| UK** | 58,067 | 33,666 | 58.0% | 63,162 | 38,683 | 61.2% |
| Scandinavia* | 108,282 | 31,469 | 29.1% | 109,251 | 32,864 | 30.1% |
| Other | 19,239 | 10,973 | 57.0% | 21,006 | 11,871 | 56.5% |
| Loans to customers - Operating loan portfolio | 185,588 | 76,108 | 41.0% | 193,419 | 83,418 | 43.1% |
| Loans to customers - Operating loan portfolio (mEUR) | 1,203 | 494 | 41.0% | 1,220 | 526 | 43.1% |
| <i>ISK million</i> | 31.12.2014 | | | 31.12.2013 | | |
| | Gross amount | Amortised cost | % of gross amount | Gross amount | Amortised cost | % of gross amount |
| NOA loan portfolio | | | | | | |
| UK** | 648,177 | 21,108 | 3.3% | 622,991 | 20,827 | 3.3% |
| Scandinavia* | 22,904 | 1,149 | 5.0% | 26,145 | 536 | 2.1% |
| Other | 245,204 | - | - | 335,054 | - | - |
| Loans to customers - NOA loan portfolio | 916,285 | 22,257 | 2.4% | 984,190 | 21,363 | 2.2% |
| Loans to customers - NOA loan portfolio (mEUR) | 5,939 | 144 | 2.4% | 6,210 | 135 | 2.2% |
| Loans to customers | 1,101,873 | 98,365 | 8.9% | 1,177,609 | 104,781 | 8.9% |
| Loans to customers (mEUR) | 7,142 | 638 | 8.9% | 7,430 | 661 | 8.9% |

* Scandinavia includes Denmark, Finland, Norway, Sweden, Iceland and Faroe Islands.

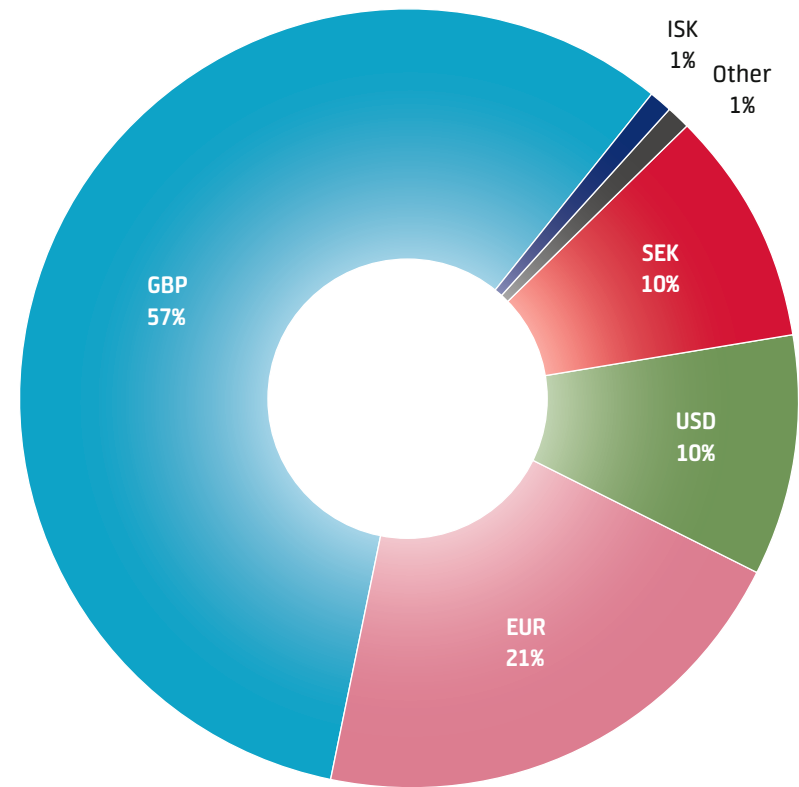
** UK includes UK overseas territories and Crown dependencies.

LOANS TO CUSTOMERS – BREAKDOWN BY CURRENCY

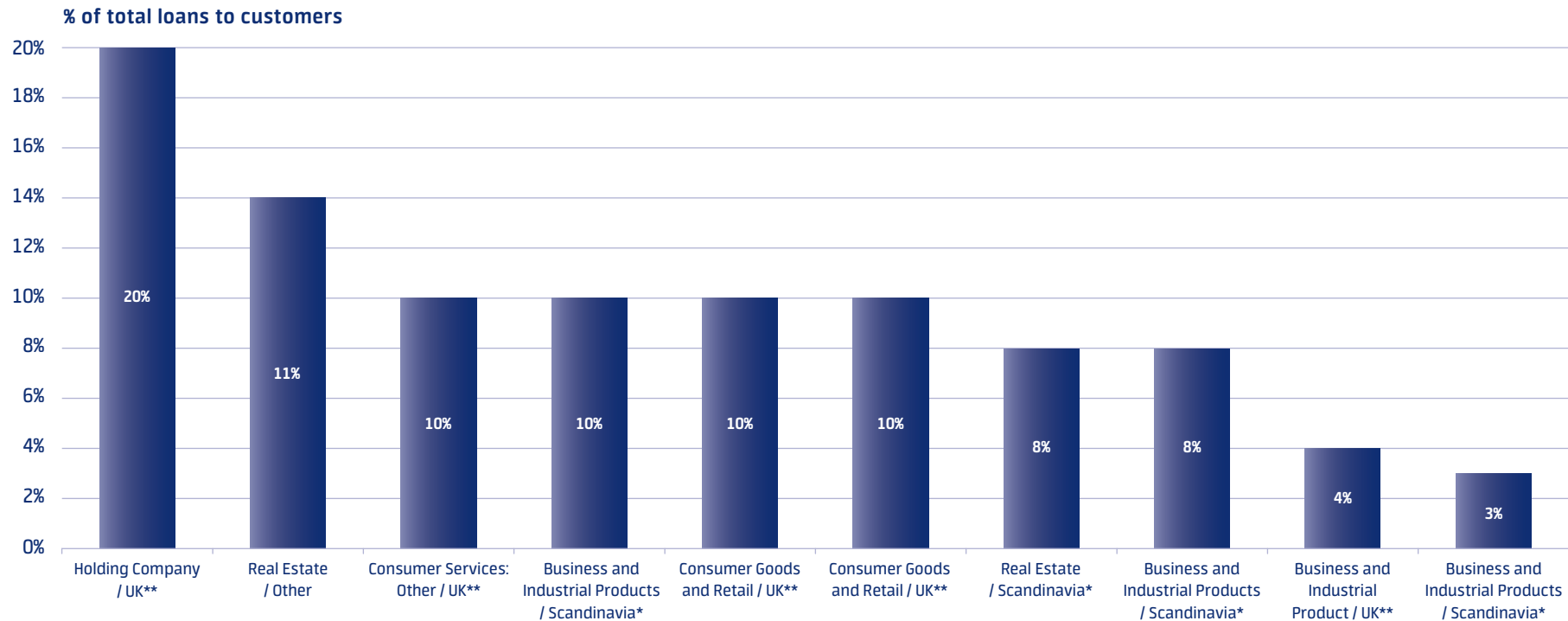
Gross amount



Amortised cost



TEN LARGEST LOANS TO CUSTOMERS – SECTOR AND GEOGRAPHICAL LOCATION



Ten largest loans to customers by sector and geographical location at amortised cost add up to 94% of total loans to customers at the end of 2014.

* Scandinavia includes Denmark, Finland, Norway, Sweden, Iceland and Faroe Islands.

** UK includes UK overseas territories and Crown dependencies.

BONDS AND DEBT INSTRUMENTS

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- 10 OPERATING EXPENSES
- 11 TAX ISSUES

BONDS AND DEBT INSTRUMENTS

| <i>ISK million</i> | | |
|--------------------------|--------------|--------------|
| Developments | 2014 | 2013 |
| 1 January | 6,306 | 7,874 |
| Bonds received | - | 1,284 |
| Principal payments | (1,434) | (4,333) |
| Fair value changes | 1,166 | 1,632 |
| FX impact | 173 | (151) |
| 31 December | 6,211 | 6,306 |

| <i>ISK million</i> | | |
|---|-------------------|-------------------|
| Specified by sectors | 31.12.2014 | 31.12.2013 |
| Holding Companies | 3,803 | 3,686 |
| Financial Services | 973 | 970 |
| Governments - listed | 857 | 849 |
| Energy and Environment | 578 | 801 |
| Bonds and debt instruments | 6,211 | 6,306 |
| Bonds and debt instruments (mEUR) | 40 | 40 |

- Bonds and debt instruments are valued at ISK 6.2 billion and decreased by ISK 0.1 billion or 1.5% in 2014. Measured in euros there was an insignificant net value increase in 2014.
 - Interest payments received amounted to ISK 0.4 billion.

SHARES AND INSTRUMENTS WITH VARIABLE INCOME

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SHARES AND INSTRUMENTS WITH VARIABLE INCOME

| <i>ISK million</i> | | |
|--|----------------|----------------|
| Developments | 2014 | 2013 |
| 1 January | 210,757 | 200,564 |
| Capital injection and new shares | 1,571 | 71 |
| Realisation of equity stakes | (62) | (60) |
| Fair value changes | 42,801 | 16,251 |
| FX impact | 1,980 | (6,069) |
| 31 December | 257,047 | 210,757 |

| <i>ISK million</i> | | |
|--|-------------------|-------------------|
| Shares and instruments with variable income | 31.12.2014 | 31.12.2013 |
| Listed | 12,352 | 12,686 |
| Unlisted | 244,695 | 198,071 |
| Shares and instruments with variable income | 257,047 | 210,757 |
| Shares and instruments with variable income (mEUR) .. | 1,666 | 1,330 |

- Shares and instruments with variable income are valued at ISK 257.0 billion and increased by ISK 46.2 billion or 22.0% in 2014. Measured in euros the increase was 336.0 million or 25.3%.
- Dividend payments in this asset class amounted to ISK 1.3 billion in 2014. In addition to dividend payments made to Kaupthing, Arion Bank made a dividend payment to Kaupskil amounting to ISK 6.8 billion in 2014.
- Shares received as a payment of debt amounted to ISK 166.0 million.

SHARES AND INSTRUMENTS WITH VARIABLE INCOME

| <i>ISK million</i> | | |
|--|-------------------|-------------------|
| Specified by sectors | 31.12.2014 | 31.12.2013 |
| Financial Services | 158,998 | 137,759 |
| Real Estate | 57,642 | 43,719 |
| Consumer Goods and Retail | 16,320 | 8,250 |
| Holding Company | 14,063 | 12,742 |
| Consumer Services: Other | 4,926 | 2,879 |
| Life Sciences | 3,199 | 2,169 |
| Energy and Environment | 1,118 | 1,783 |
| Other | 781 | 1,456 |
| Shares and instruments with variable income | 257,047 | 210,757 |
| Shares and instruments with variable income (mEUR) ... | 1,666 | 1,330 |

The Company indirectly owns 87% of the equity in Arion Bank through its intermediate holding company Kaupskil ehf. Kaupskil's ownership in Arion Bank is accounted for at fair value, ISK 139.8 billion (2013: ISK 121.9 billion), where the fair value of each share held in Arion Bank corresponds to its book value.

UNSETTLED DERIVATIVE RECEIVABLES

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UNSETTLED DERIVATIVE RECEIVABLES

| <i>ISK million</i> | | |
|---------------------------------|---------------|---------------|
| Developments | 2014 | 2013 |
| 1 January | 14,146 | 20,698 |
| Principal payments | (1,316) | (3,544) |
| Net impairment | 10,216 | 1,680 |
| Set-off and other changes | (10,424) | (3,652) |
| FX impact | 318 | (1,036) |
| 31 December | 12,940 | 14,146 |

| <i>ISK million</i> | | |
|--|-------------------|-------------------|
| Unsettled derivative receivables | 31.12.2014 | 31.12.2013 |
| Unsettled derivative receivables before set-off | 13,354 | 21,323 |
| Subject to set-off | (414) | (7,177) |
| Unsettled derivative receivables after set-off | 12,940 | 14,146 |
| Unsettled derivative receivables after set-off (mEUR) .. | 84 | 89 |

- Unsettled derivative receivables which consist of claims against counterparties in relation to matured or terminated derivative trades, are valued at ISK 12.9 billion and decreased by ISK 1.2 billion or 8.5% in 2014. Measured in euros the decrease was 5 million or 5.6%.
- As at 31 December 2014 there were 10 unsettled derivative receivables compared to 22 at 31 December 2013.
- Disputed set-off may affect this asset class.

UNSETTLED DERIVATIVE RECEIVABLES

| ISK million | 31.12.2014 | | 31.12.2013 | |
|--|---------------|----------------|---------------|----------------|
| | Gross amount | Amortised cost | Gross amount | Amortised cost |
| Unsettled derivative receivables | | | | |
| ISDA counterparties | | | | |
| Unsettled derivative receivables, before set-off against counterclaims | 13,211 | 13,211 | 20,809 | 20,724 |
| Subject to set-off | (414) | (414) | (7,238) | (7,153) |
| Unsettled derivative receivables, after set-off | 12,797 | 12,797 | 13,571 | 13,571 |
| Non-ISDA counterparties | | | | |
| Unsettled derivative receivables, before set-off against counterclaims | 3,255 | 143 | 5,227 | 599 |
| Subject to set-off | - | - | (30) | (24) |
| Unsettled derivative receivables, after set-off | 3,255 | 143 | 5,197 | 575 |
| NOA counterparties* | | | | |
| Unsettled derivative receivables | 31,952 | - | 30,669 | - |
| Unsettled derivative receivables before set-off | 48,418 | 13,354 | 56,705 | 21,323 |
| Unsettled derivative receivables after set-off | 48,004 | 12,940 | 49,437 | 14,146 |
| Unsettled derivative receivables after set-off (mEUR) | 311 | 84 | 312 | 89 |

- Impairment primarily reflect estimated creditworthiness valuation difference and legal risk of each counterparty. The impairment level is decided on a counterparty level and not on a product level.

* NOA counterparties relate to unsettled derivative receivables which are connected to NOA loan portfolio.

OTHER ASSETS

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OTHER ASSETS

| <i>ISK million</i> | | |
|---------------------------------|---------------|---------------|
| Developments | 2014 | 2013 |
| 1 January | 13,544 | 31,572 |
| Net cash inflow | (39) | (18,446) |
| Net impairment | 2,017 | (971) |
| Set-off and other changes | (279) | 1,819 |
| FX impact | (340) | (430) |
| 31 December | 14,903 | 13,544 |

| <i>ISK million</i> | | |
|---|---------------|---------------|
| Specified by types | 31.12.2014 | 31.12.2013 |
| Accounts receivables | 3,597 | 3,985 |
| Claims on bankrupt entities | 10,280 | 9,302 |
| Sundry assets | 1,026 | 2,501 |
| Other assets before set-off against counterclaims ... | 14,903 | 15,788 |
| Subject to set-off | - | (2,244) |
| Other assets after set-off against counterclaims | 14,903 | 13,544 |
| Other assets after set-off against counterclaims (mEUR) | 97 | 85 |

| <i>ISK million</i> | | |
|-----------------------------|----------------|----------------|
| Other assets after set-off | 31.12.2014 | 31.12.2013 |
| Gross amount | 138,762 | 141,569 |
| Impairment | (123,859) | (128,025) |
| Amortised cost | 14,903 | 13,544 |
| Amortised cost (mEUR) | 97 | 85 |

- Other assets are valued at ISK 14.9 billion and increased by ISK 1.4 billion or 10.0% in 2014. Measured in euros the increase was 12 million or 14.1%.
 - Claims on bankrupt entities increased by ISK 1.6 billion due to reversal of impairment and decreased by ISK 0.8 billion due to reclassification to sundry assets.
 - Sundry assets decreased by ISK 2.6 billion due to set-off against accepted claims and increased by ISK 0.8 billion due to reclassification from claims on bankrupt entities.

LIABILITIES – THE CLAIMS PROCESS

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OVERVIEW OF CLAIMS

- The liabilities of the Company are currently being determined through a formal process administered by the Winding-up Committee (“WuC”).
- A total of 28,167 claims were lodged before the deadline for lodging claims at 30 December 2009, for a total amount of ISK 7,316 billion. The WuC completed its decision on all claims by the Creditors’ Meeting on 3 December 2010. Until all disputes have been settled, the real and accurate amount of the Company’s liabilities is uncertain. According to Act No. 44/2009, claims should generally have been filed as at 22 April 2009 in the relevant currency and converted into Icelandic krona at the exchange rate published by the Central Bank of Iceland on 22 April 2009. Hence, the liability side has been fixed in Icelandic krona as of that date for all relevant claims.
- As at 31 December 2014, the total amount of claims recorded in the Company’s claim registry, amounted to ISK 4,172 billion (excluding claims lodged as subordinated under Art. 114). The claim registry incorporates all claims lodged against the Company except those claims which were filed and later withdrawn by creditors and therefore includes claims which have been finally rejected by the WuC. The claim registry is shown net of finalised set-off and finally accepted priority claims (Art. 109 and 110) which have been paid in full.
 - As at 31 December 2014, outstanding claims amounted to ISK 2,826 billion.
- A continuous effort is being made by the Company to settle disputed claims. This work has progressed well and has already resulted in a significant reduction of claims in addition to an increase in finally recognised claims.
- Priority claims amounting to the equivalent of ISK 19.2 billion have been lodged against the Company under Art. 109 and 110 of the Bankruptcy Act after the expiry date (claims filed in 2012, 2013 and 2014). The WuC rejected the claims with reference to Art. 118 of the Bankruptcy Act. As these claims were not filed within the aforementioned deadline for submitting claims and do not meet the conditions of Art. 109 and 110 of the Bankruptcy Act they were not added to the claim registry and are not included in the claim tables in this supplementary material. The WuC has availed itself of the authority provided in paragraph 6 of Art. 102 of the Act on Financial Undertaking to provision for these claim while they remain in dispute. As at 31 December 2014 the Company had provisioned for late filed priority claims in dispute an amount equivalent to ISK 19.2 billion.
- *All amounts on the following slides are based on the claim registry as at 31 December 2014.*

CHANGES IN CLAIM REGISTRY

| <i>ISK million</i> | | | |
|---|------------------|------------------|-----------------|
| Claims lodged under Art. 109-113 | 31.12.2014 | 31.12.2013 | Changes |
| Total lodged | 4,172,340 | 4,202,797 | (30,457) |
| Total accepted | 2,814,146 | 2,803,557 | 10,589 |
| <i>Thereof, finally accepted (1)</i> | 2,800,249 | 2,745,384 | 54,865 |
| Art. 109 | - | - | - |
| Art. 110 | - | - | - |
| Art. 111 | - | - | - |
| Art. 112 | 13,975 | 13,469 | 506 |
| Art. 113 | 2,786,274 | 2,731,915 | 54,359 |
| <i>Thereof, accepted Art. 113 but disputed</i> | 13,897 | 58,173 | (44,276) |
| of which in set-off dispute (2) | 13,897 | 58,173 | (44,276) |
| Rejected in dispute | 66,367 | 135,105 | (68,738) |
| Art. 109 | - | - | - |
| Art. 110 | - | - | - |
| Art. 111 | - | 5,157 | (5,157) |
| Art. 112 | - | 563 | (563) |
| Art. 113 | 66,367 | 129,385 | (63,018) |
| Total outstanding | 2,880,513 | 2,938,662 | (58,149) |
| Amendments under Art. 113 | (54,903) | (59,375) | 4,472 |
| Own bonds under US MTN 144a programme (3) | (40,474) | (40,474) | - |
| Subject to set-off (4) | (454) | (5,432) | 4,978 |
| Payment of accepted priority claims under Art. 112 | (13,975) | (13,469) | (506) |
| Total outstanding post amendments under Art. 113 | 2,825,610 | 2,879,287 | (53,677) |
| Finally rejected | 1,291,379 | 1,264,135 | 27,244 |

- 1) Includes all accepted claims which have not been objected to by creditors. Also includes claims which have been accepted, but are still in dispute and which have been objected to only by the respective claimant but not other creditors; as the accepted amount in these cases will never be lower than what has already been accepted by the WuC.
- 2) Claims accepted by the WuC as Art. 113 claims, but where there is a dispute as to either: (i) the right of the holders to apply a set-off against the accepted claim or (ii) the amount the holders may set-off against the accepted claim.
- 3) The Company has cancelled certain portion of its own bonds under the US MTN 144a program and the trustee under the program has amended its claim statements accordingly.
- 4) Amounts subject to set-off, where the right to set-off is not disputed but the set-off has not been finalised.

- The claim registry does not include claims that have been lodged against the Company post the bar date of 30 December 2009. There is an ongoing dispute regarding late filed priority claims under Art. 109 and 110 amounting to ISK 19.2 billion.
- The claim registry is shown net of finalised set-off and accepted priority claims (Art. 109 and 110) which have been paid in full.

SUMMARY OF CLAIMS

| <i>ISK million</i> | | | | | | |
|---|---------------|------------|---------------|-----------------|------------------|------------------|
| Article | Art. 109 | Art. 110 | Art. 111 | Art. 112 | Art. 113 | Total |
| Total lodged | 19,497 | 307 | 88,931 | 261,638 | 3,801,967 | 4,172,340 |
| Total adjusted (5) | 10,054 | 151 | 14,184 | 65,351 | 4,082,600 | 4,172,340 |
| Accepted | - | - | - | 13,975 | 2,800,171 | 2,814,146 |
| Thereof, finally accepted (1) | - | - | - | 13,975 | 2,786,274 | 2,800,249 |
| Thereof, accepted but in set-off dispute(2) | - | - | - | - | 13,897 | 13,897 |
| Rejected | 10,054 | 151 | 14,184 | 51,376 | 1,281,981 | 1,357,746 |
| Thereof, finally | 10,054 | 151 | 14,184 | 51,376 | 1,215,614 | 1,291,379 |
| Thereof, in dispute | - | - | - | - | 66,367 | 66,367 |
| Total adjusted outstanding | - | - | - | 13,975 | 2,866,538 | 2,880,513 |
| Amendments under Art. 113 | - | - | - | (13,975) | (40,928) | (54,903) |
| Own bonds under | - | - | - | - | (40,474) | (40,474) |
| US MTN 144a Programme (3) | - | - | - | - | (454) | (454) |
| Subject to set-off (4) | - | - | - | - | (454) | (454) |
| Payment of accepted priority | - | - | - | (13,975) | - | (13,975) |
| claims under Art. 112 | - | - | - | (13,975) | - | (13,975) |
| Total adjusted outstanding post | - | - | - | - | 2,825,610 | 2,825,610 |
| amendments under Art. 113 | - | - | - | - | 2,825,610 | 2,825,610 |

1) Includes all accepted claims which have not been objected to by creditors. Also includes claims which have been accepted, but are still in dispute and which have been objected to only by the respective claimant and not by other creditors; as the accepted amount in these cases will never be lower than what has already been accepted by the WuC.

2) Claims accepted by the WuC as Art. 113 claims, but where there is a dispute as to either: (i) the right of the holders to apply a set-off against the accepted claim or (ii) the amount the holders may set-off against the accepted claim.

3) The Company has cancelled certain portion of its own bonds under the US MTN 144a program and the trustee under the program has amended its claim statements accordingly.

4) Amounts subject to set-off, where the right to set-off is not disputed but the set-off has not been finalised.

5) In several cases the WuC accepts a claim with different priority than lodged. Adjusted amounts in the table above are based on the WuC's decisions and represent the total amounts of all claims on which decisions have been made under the respective article, i.e. accepted or rejected. Adjusted outstanding claims represent the adjusted amounts under each article, finally rejected claims are excluded.

OPERATING EXPENSES

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OPERATING EXPENSES IN 2014

| ISK million | 2014 | | | | | 2013 Total |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q4 | Q3 | Q2 | Q1 | Total | |
| Salaries and salary related cost | 327 | 238 | 386 | 282 | 1,233 | 1,319 |
| Winding-up Committee | 56 | 39 | 50 | 53 | 198 | 264 |
| External Legal Services | 309 | 174 | 376 | 194 | 1,053 | 981 |
| <i>Domestic</i> | 30 | 32 | 16 | 32 | 110 | 136 |
| <i>Foreign</i> | 279 | 142 | 360 | 162 | 943 | 845 |
| Other External Advisors | 388 | 384 | 469 | 358 | 1,599 | 1,459 |
| <i>Domestic</i> | 26 | 20 | 35 | 48 | 129 | 87 |
| <i>Foreign</i> | 362 | 364 | 434 | 310 | 1,470 | 1,372 |
| Other expenses | 153 | 129 | 196 | 164 | 642 | 704 |
| VAT | 72 | 62 | 63 | 77 | 274 | 399 |
| Total | 1,305 | 1,026 | 1,540 | 1,128 | 4,999 | 5,126 |

- Total operating expenses were ISK 5.0 billion in 2014 compared to ISK 5.1 billion in 2013.
- Total operating expenses are 0.6% of the total value of assets at the end of 2014 compared to 0.7% at the end of 2013.

TAX ISSUES

- | | |
|--|--|
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TAX ISSUES

Kaupthing, in winding-up proceedings, is subject to the following taxes:

General taxes:

- General corporate income tax legislation.
 - General corporate income tax rate is 20%.
 - Net operating loss can be used to offset corporate income tax.
 - Kaupthing does not have the right to consolidate for tax purposes due to the winding up proceedings.
- Social Security Contribution on salaries is 7.59% (*“Tryggingagjald”*).
- Kaupthing is not liable to register for VAT purposes and does not have the right to reclaim input tax.
 - Kaupthing is however liable for delivering VAT on work from foreign service providers.

Specific taxes on financial undertakings (incl. those in winding-up proceedings):

- Financial Activities Tax (*“Fjársýsluskattur á laun”*).
- Surcharge on Income Tax (*“Sérstakur fjársýsluskattur”*).
- Bank Tax (*“Sérstakur skattur á fjármálafyrirtæki”*).

The following slides give a brief overview of certain taxes and tax issues which Kaupthing is subject to during the winding-up proceedings.

TAX ISSUES

Financial Activities Tax (*"Fjársýsluskattur á laun"*).

- Act No. 165/2011.
- Came into effect on 30 December 2011.
- Applies i.a. to credit institutions, investment banks and other financial undertakings c.f. Act No. 161/2002 on Financial Undertakings which are regarded as exempt from VAT under the VAT Act.
- The tax rate is 5.5% and the tax base is all type of employee remuneration and benefits.
- Tax authorities have collected the tax from Kaupthing since January 2012.
- From the period the act came into force and to 31 December 2014 Kaupthing has paid in total ISK 196 million.
 - The amount is included in "salary related expenses" in Kaupthing's respective financial statements.
- The Winding-up Committee has disputed that Kaupthing is subject to this taxation and the dispute is currently in process before the relevant tax authorities.

TAX ISSUES

Surcharge on Income Tax (“*Sérstakur fjársýsluskattur*”).

- Act No. 165/2011 also made certain changes to the Income Tax Act No. 90/2003.
 - A new 6% tax on tax income base over ISK 1 billion was introduced, effective from 30 December 2011.
 - Taxable parties are i.a. credit institutions, investment banks and other financial undertakings c.f. Act No. 161/2002 on Financial Undertakings which are regarded as exempt from VAT under the VAT Act.
 - An amendment was introduced on 27 December 2013 with Act No. 142/2013, effective from 1 January 2014, which stated that tax losses carried forward and tax consolidation cannot be used to offset against the surcharge.
 - As the effective date of the amendment is 1 January 2014 Kaupthing did not account for this tax in its financial statements for the year ended 31 December 2013.
 - However the tax authorities levied the tax on Kaupthing for the year 2013 for amount of ISK 4.5 billion.
 - Based upon an external legal advice, Kaupthing paid the tax, with reservations, in November 2014.
 - The Winding-up Committee has disputed that Kaupthing is subject to this taxation and the dispute is currently in process before the relevant tax authorities.
- Due to negative tax base for the year 2014, no surcharge on income tax is estimated for the year 2014.

TAX ISSUES

Bank Tax (*"Sérstakur skattur á fjármálafyrirtæki"*).

- Act No. 155/2010.
- The law was amended in December 2013 to include financial undertakings in winding-up proceedings.
- The tax rate is 0.376% and the tax base is finally accepted claims exceeding ISK 50 billion as at year end.
- The tax authorities levied the tax on Kaupthing for the year 2013 amounting to ISK 9.9 billion

- Based upon an external legal advice, Kaupthing paid the tax, with reservation, in November and December 2014.
- Kaupthing's Winding-up Committee has disputed this taxation and the dispute is currently in process with the relevant tax authorities.
- The financial statements for the year ended 31 December 2014 include an estimated tax liability of ISK 10.1 billion due to the bank tax.

TAX ISSUES

VAT issue (“Virðisaukaskattur”).

- Kaupthing is not registered for VAT purposes and cannot therefore reclaim any VAT paid on services in accordance with Icelandic VAT legislation.
- Kaupthing is however obliged to return VAT of services from foreign service providers if the service is considered used in Iceland.
- The Company has paid approximately ISK 1.2 billion in relation to VAT of contracted service from foreign service providers during the period 2009-2014.
- VAT on the purchase of foreign services has been under general review by Icelandic tax authorities for some time without any clear conclusion on their interpretation on the rules.
- Kaupthing has had ongoing discussions with the tax authorities with regards to interpretation of the rules and payment of VAT on services from foreign service providers.
- The tax authorities have not concluded their review on Kaupthing.

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