
Statement of Assets

31 December 2010

Disclaimer

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This report does not include an estimate of the likely level of recoveries for creditors. Very material uncertainties continue to exist regarding the timing and realisable value of assets and the eventual level of creditors' claims. The Resolution Committee wish to caution creditors against using the data in this report to estimate likely recovery as any such estimates are likely to be materially misleading. The actual realisable value of the Bank's assets and liabilities may differ materially from the values set forth herein. Factors which may lead to material differences include:

- (a) Resolution of issues regarding the quantum of claims
- (b) The realisation method(s) used over time
- (c) The impact of set off and netting including in connection with derivative contracts
- (d) Movements in currency exchange rates and interest rates
- (e) Prevailing market conditions

Nothing in this report should be relied upon by any person for any purposes including, without limitation, in connection with trading decisions relating to the Bank. The Bank, the Resolution Committee, the Winding-up Committee, nor the Moratorium Supervisor accepts any responsibility for any such reliance.

This report is published in English and Icelandic. In case of any discrepancies between the content of the English and Icelandic version the English language version takes precedence.

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Statement of Assets

Please note that supplementary material to this Statement of Assets can be found in a presentation which is published on the Bank's website in connection with the publication of the Creditors' Report.

Valuation of the Bank's assets

The financial information in this subchapter as at 31 December 2010, 30 June 2010 and 31 December 2009 was prepared by the ResCom and employees of Kaupthing with the assistance of external advisors where appropriate for Kaupthing Bank hf., the parent company. The financial information is neither audited nor reviewed by independent auditors. The financial information is presented in Icelandic krona ("ISK"), rounded to the nearest million.

The ResCom emphasizes that the valuation herein is a historic valuation only, and one which only takes into account the Bank's current strategy, to safeguard and increase the value of the Bank's assets achieved to 31 December 2010 and not thereafter. No attempts were made to assess the possible future value of assets, or to estimate likely recovery of creditors' claims. Whilst significant data is included in this report, readers are cautioned against estimating the likely level of recoveries as material uncertainties exist regarding, inter alia, the level of realizations and eventual level of recognized claims.

A formal process for the creditors of the Bank to file claims against the Bank began on 30 June 2009 and ended on 30 December 2009. The liabilities of the Bank are currently being determined through a formal process administered by the Winding-up Committee. The Winding-up Committee completed its decision on all claims by the Creditors' Meeting on 3 December 2010. However, as many objections were filed, the decisions in question are not final. Until all disputes have been settled, the real and accurate amount of 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 ISK at the exchange rate published by the Central Bank of Iceland on 22 April 2009. Hence, the liability side has been fixed in ISK as at that date for all relevant claims.

In the event there are discrepancies between the liabilities estimate presented by the ResCom and the accepted claims finally determined by the Winding-up Committee, the determination of the latter prevails. The chapter 3.2 *Summary of claims* includes information from the Winding-up Committee's List of Claims as at year-end 2010.

The Bank continues work on further confirming and ascertaining earlier accounting of the Bank's assets. In some cases, however, the data and information used in this work is incomplete or insufficient. In such cases the Bank uses best efforts and cautious valuation methods in determining asset value. Due to the aforesaid, some discrepancies are inevitable when comparing earlier financial statements published by the Bank. The Bank endeavours to use the most accurate information available at any given time for the preparation of financial information and reserves the right to make any necessary amendments to the financial information from time to time to reflect any changes.

The valuation of assets does not fully take into account the impact of set-off. Set-off impact could clearly make a material difference to overall creditor recoveries. Further information on set-off is provided in note 26. Further information will be provided on this matter as it becomes available.

As noted in this report's disclaimer, the actual realisable value of the Bank's assets and liabilities may differ materially from the values set forth herein. Factors which may lead to material differences include:

- (a) Resolution of issues regarding the quantum of claims
- (b) The realisation method(s) used over time

- (c) The impact of set off and netting including in connection with derivative contracts
- (d) Movements in currency exchange rates and interest rates
- (e) Prevailing market conditions

The financial information as it appears may be a redacted version and should be viewed as such.

Readers' attention is drawn to other terms of the disclaimer at the beginning and the end of this report.

Valuation methodology

The valuation methodology for each asset class is abbreviated below .

Cash in hand	The balance of all cash accounts as at 31 December 2010 without any discount and including accrued unpaid interest up to 31 December 2010.
Loans to and claims against credit institutions	Loans to and claims against credit institutions are valued at estimated fair value. Estimated credit risk of the counterparty has been taken into account in provisions for losses. Set-off, which is further discussed in note 26, may significantly affect this asset class both on pledged and unpledged basis.
Loans to customers	Loans to customers are valued at estimated fair value. The methods of assessing the fair value of the loans are based on the principles presented in the August 2010 edition of the International Private Equity and Venture Capital Valuation Guidelines (can be found at www.evca.eu), the official website of European Private Equity & Venture Capital Association ("EVCA"). The fair value derived is an estimate of the hypothetical price at which an orderly transaction would take place between market participants at the reporting date and not the price the Bank could expect to receive in a forced transaction, insolvent liquidation or a distressed sale. However, the hypothetical price takes into account the market conditions as at the reporting date. The methods applied for valuation are the following (in order of importance): 1) Valuation of loans that have traded recently is based on the transaction value (i.e. last price). The background to the respective transaction and any substantial price fluctuations (general and abstract) that may have characterized such a trade are taken into consideration; 2) Received recent offers for loans or known recent trades of comparable loans; 3) The value of the underlying collateral, in particular for asset backed loans, using 3rd party valuations of the collateral where applicable; and 4) 3rd party valuations of loans. 5) When nothing of the above was available, the Bank applied one of the following methods: a) for loans of carrying value, i.e. notional value including accrued interests, exceeding ISK 2 billion, a judgment is made of the value of individual loans applying an appropriate and reasonable valuation multiples or other valuation techniques likely to be used by a prospective purchaser of the loan and for comparable loans, taking into account ranking of the relevant loans in the capital structure, or; b) for loans with carrying value of less than ISK 2 billion a categorization into good-, medium-, and poor assets based on each account managers judgment and the data at hand. The categories were assigned with the following valuations: "Poor asset" valued at 20% of carrying value, "medium asset" valued at 50% of carrying value, and finally a "good asset" valued at 75% of carrying value. The values assigned reflect the loan market in general by taking into account various loan indices with appropriate discounts for the Bank's portfolio due to lack of liquidity and the small-scale size of these exposures. For loans with less than ISK 2 billion carrying value but where information according to valuation method 5 a) has been gathered then valuation according method 5 a) is used.
Bonds and debt instruments	Listed and liquid: The assets in this asset category are valued at estimated fair value based on the quoted closing price on 31 December 2010. Unlisted and listed illiquid: The assets in this asset category are valued at estimated fair value. The methods of assessing the fair value are based on the principles presented in the August 2010 edition of the International Private Equity and Venture Capital Valuation Guidelines and are similar to the methodology applied to Loans to customers as described above. Illiquidity discount was applied to less liquid positions. Pledged positions: The pledged positions are represented at the assumed market value of the underlying collateral as at the Bank's interpretation of the valuation date of the underlying agreements.
Shares and instruments with variable income	Listed and liquid: The assets in this asset category are valued at estimated fair value based on the quoted closing price on 31 December 2010. Unlisted and listed illiquid: The assets in this asset category are valued at estimated fair value. The methods of assessing the fair value are based on the principles presented in the August 2010 edition of the International Private Equity and Venture Capital Valuation Guidelines and are similar to the methodology applied to Loans to customers as described above. Illiquidity discount was applied to less liquid positions. Pledged positions: The pledged positions are represented at the assumed market value of the underlying collateral as at the Bank's interpretation of the valuation date of the underlying agreements.

Derivatives and unpaid derivatives	This category includes mainly terminated trades but some trades are still open. Terminated trades are converted to the determined termination currency as at the termination date where relevant, e.g. for ISDA counterparties, if a settlement currency has been otherwise agreed upon and for most asset swap contracts. Other contracts are booked in accordance with the original contract currencies. The calculated amount of derivatives before provisions is based on the Bank's own valuations, which may differ significantly from the final settlement amounts. When determining the value of more complex derivatives and structured products, the Bank is using the services of external advisors as appropriate who specialize in derivative valuations and risk management services. Derivative assets, liabilities and collateral with the same legal entity are netted and hence, each counterparty is accounted for either on the asset side or on the liability side. In cases where multiple entities/branches of a counterparty are being settled under a single legal agreement the respective positions are netted. For example if the Bank's exposure to a counterparty consists of positions held under a single ISDA with e.g. two branches where one is an asset for the Bank and one a liability, these positions are netted into a single exposure equal to the resultant asset or liability. Most of the derivatives are not quoted in active markets but in those cases the valuation is based on quoted prices. A market is considered active if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. For all other derivatives fair value is determined by using valuation techniques. The Bank uses widely recognised valuation models for the common and simpler derivatives like options and interest rate and currency swaps. For more complex instruments, the Bank uses proprietary models, which usually are developed from recognised valuation models. Some of the inputs into these models may not be directly observable from market data but are commonly derived from market observables, e.g. from market prices or rates. Default valuation rules under the ISDA framework generally favour the non-defaulting counterparty which may result in adverse effect on the value of the derivatives. Once ISDA derivative contracts have been terminated, the non-defaulting counterparty must determine the net amounts owed by or to the defaulting counterparty. Close-out notices providing details of such calculations enable the Bank to reconcile amounts. Some provisions were made to the Bank's valuation of ISDA derivatives to account for potential disputes in valuation. For non-ISDA counterparties, a significant valuation adjustment was made on derivative assets to account for credit, and settlement risk. Foreign exposures in this category on the asset side are converted to ISK as at the date of this account, 31 December Set-off, which is further discussed in note 26, may significantly affect this asset class.
Investments in subsidiaries	Investments in subsidiaries are accounted for by an equity method where value is derived from the subsidiaries net assets as at 31 December 2010 or the most recent financial information available at the date of this report.
Other assets	Other assets are valued at estimated fair value. Estimated credit risk of the counterparty is taken into account in provisions for losses.
Coordinated sectoral classification	This management report features coordinated sectoral classification between asset classes which is based on sectoral classification by European Private Equity and Venture Capital Association ("EVCA") which is mapped to an international industry code system (NACE code Rev. 2 of 2007, Eurostat). An overview of EVCA sectoral classification and its mapping to the NACE standardized sectoral classification of Eurostat (NACE Rev. 2, 2007) can be found at www.evca.eu, the official website of EVCA. In addition, in order to provide more descriptive information on certain aspects of the asset base, the following sector clusters were added to the classification presented by EVCA; Holding companies, Individuals, Governments and Government Agencies. The relevant financial figures for past periods have also been reclassified to facilitate like-for-like comparison of sectors throughout this Statement of Assets.

Statement of Assets

31 December 2010

	Notes	31.12.2010	30.06.2010	31.12.2009
Assets				
Cash in hand	3	231.128	195.456	176.066
Loans to and claims against credit institutions	4-7	213.285	219.419	231.553
Loans to customers	8-13	279.249	304.013	450.948
Bonds and debt instruments	14-15	54.385	56.108	63.025
Shares and instruments with variable income	16-18	187.266	197.485	178.379
Derivatives and unpaid derivatives	19-21	95.166	114.476	118.812
Investments in subsidiaries	22	128.155	216.114	141.626
Other assets	23	2.438	2.522	7.540
Total Assets		1.191.072	1.305.593	1.367.949
Total Assets in mEUR		7.743	8.327	7.609
Other information	24-27			

All amounts in ISK million unless otherwise specified.

Notes on the Statement of Assets

1. Statement of Assets net of pledged assets, claims for the administration of the Bank and claims relating to agreements entered into after the commencement of the Resolution Committee:

	31.12.2010		30.06.2010	31.12.2009	30.06.2009
	Fair value	Pledged positions	Fair value (net)	Fair value (net)	Fair value (net)
Assets					
Cash in hand	231.128	-	231.128	176.066	98.799
Loans to and claims against credit institutions	213.285	(179.149)	34.136	53.481	42.899
Loans to customers	279.249	-	279.249	366.894	357.259
Bonds and debt instruments	54.385	(46.929)	7.456	9.539	12.344
Shares and instruments with variable income	187.266	(131.796)	55.470	28.849	35.055
Derivatives and unpaid derivatives	95.166	-	95.166	118.812	102.556
Investments in subsidiaries	128.155	(16.216)	111.939	27.276	26.077
Other assets	2.438	-	2.438	7.540	9.102
Total assets at fair value	1.191.072	(374.090)	816.982	788.457	684.091
Less: Claims for Bank's admin cost and claims relating to agreements entered into after commencement of ResCom*			(26.044)	(45.545)	(53.022)
Total			790.938	742.912	631.069
Total in mEUR			5.142	4.132	3.525

* Claims for the administration of the Bank and claims relating to agreements entered into after the commencement of the Resolution Committee represent priority liabilities which are listed by the Resolution Committee in note 24.

The Winding-up Committee completed its decision on all claims by the Creditors' Meeting on 3 December 2010. However, as many objections were filed, the decisions in question are not final. Priority claims accepted by the Winding-up Committee that have been finally accepted or are in dispute are not presented in the table above. These claims are further listed in note 24. General claims accepted by the Winding-up Committee, finally accepted or are in dispute are not presented in the table above. Further information on the claim registry and outstanding claims can be found in chapter 3 The claiming process. Until all claims have been recognized and disputes settled by the Winding-up Committee, the real and accurate amount of liabilities is uncertain.

The valuation herein of the Bank's assets is based on the methodology described in chapter 2.1.1 Valuation methodology and is a historical valuation only. No attempts were made to assess the possible future value of assets or to estimate likely recovery of creditors' claims.

The pledged positions categorized in bonds and debt instruments and shares and instruments with variable income ("pledged positions") are represented at the assumed market value of the underlying collateral as at the Bank's interpretation of the valuation date of the underlying agreements. For further information, see overview of pledged assets in chapter 2.2. Overview of FY 2010 Statement of Assets.

The table above does not fully take into account the impact of set-off as further described in note 26.

It should also be noted that there were significant movements in foreign exchange rates in 2010. Table of foreign currency conversion rates can be found in note 27.

2. Statement of assets at carrying value and fair value:

	31.12.2010			
	Carrying value	Carrying value		Fair value (net)
		(unpledged)	Provision	
Cash in hand	231.128	231.128	-	231.128
Loans to and claims against credit institutions	246.588	67.439	(33.303)	34.136
Loans to customers*	1.148.911	1.148.911	(869.662)	279.249
Bonds and debt instruments	54.385	7.456	-	7.456
Shares and instruments with variable income	187.266	55.470	-	55.470
Derivatives and unpaid derivatives	183.586	183.586	(88.420)	95.166
Investments in subsidiaries	128.155	111.939	-	111.939
Other assets	71.109	71.109	(68.671)	2.438
Total assets	2.251.128	1.877.038	(1.060.056)	816.982
Total assets in mEUR	14.635	12.203	(6.891)	5.312

* Late in 2010, the Bank's financing of the Middlesex Hospital site (real-estate development in Fitzrovia, London) was sold for a 50% interest in a joint venture partnership ("JV"). The compensation has lower carrying value than the carrying value of the initial financing which the Bank provided in 2006. Subsequently, the carrying value at 31 December 2010 has been adjusted downwards by the difference, i.e. ISK 13.760 million, in Loans to customers above.

Cash in hand

3. Cash in hand specified by currency:

	31.12.2010	30.6.2010	31.12.2009
	Total	Total	Total
EUR	67.432	56.661	40.865
GBP	48.560	50.193	41.353
SEK	46.983	26.810	24.730
NOK	28.196	27.498	26.441
USD	25.391	22.935	17.240
ISK	9.212	7.475	22.999
Other	5.354	3.884	2.438
Cash in hand	231.128	195.456	176.066
Cash in hand in m EUR	1.503	1.247	979

Loans to and claims against credit institutions

ISDA collateral, i.e. cash collateral associated with derivative liabilities posted by the Bank with ISDA counterparties, has been shown in previous financial statements as pledged in this asset class, under the sub class collateral accounts. In this statement, the ISDA collateral accounts have been moved from this asset class and netted against the underlying derivative liabilities they are connected with. The same has been done for past periods to facilitate like-for-like comparison. Included in pledged Bank accounts below is collateral posted by the Bank to counterparties in secured funding agreements, primarily repurchase agreements.

4. Loans to and claims against credit institutions specified by types of loans and claims at carrying value:

	31.12.2010			30.6.2010	31.12.2009
	Unpledged	Pledged	Total	Total	Total
Bank accounts	17.355	54.991	72.346	77.233	186.865
Subordinated loans to subsidiaries	44.202	124.158	168.360	171.170	172.861
Other loans	5.882	-	5.882	5.889	5.946
Loans to and claims against credit institutions	67.439	179.149	246.588	254.292	367.672
Loans to and claims against credit institutions in mEUR	438	1.165	1.603	1.622	2.045

5. Loans to and claims against credit institutions specified by types of loans and claims at fair value:

	31.12.2010			30.6.2010	31.12.2009
	Unpledged	Pledged	Total	Total	Total
Bank accounts	17.355	54.991	72.346	77.233	89.680
Subordinated loans to subsidiaries	15.392	124.158	139.550	140.804	140.965
Other loans	1.389	-	1.389	1.382	908
Loans to and claims against credit institutions	34.136	179.149	213.285	219.419	231.553
Loans to and claims against credit institutions in mEUR	222	1.165	1.387	1.399	1.288

6. Loans to and claims against credit institutions specified by geographical location of the counterparty at carrying value:

	31.12.2010			30.6.2010	31.12.2009
	Unpledged	Pledged	Total	Total	Total
Domestic	5.422	124.158	129.580	130.539	128.590
Foreign	62.017	54.991	117.008	123.753	239.082
Loans to and claims against credit institutions	67.439	179.149	246.588	254.292	367.672
Loans to and claims against credit institutions in mEUR	438	1.165	1.603	1.622	2.045

7. Loans to and claims against credit institutions specified by geographical location of the counterparty at fair value:

	31.12.2010			30.6.2010	31.12.2009
	Unpledged	Pledged	Total	Total	Total
Domestic	1.157	124.158	125.315	126.263	123.889
Foreign	32.979	54.991	87.970	93.156	107.664
Loans to and claims against credit institutions	34.136	179.149	213.285	219.419	231.553
Loans to and claims against credit institutions in mEUR	222	1.165	1.387	1.399	1.288

Loans to customers

* Late in 2010, the Bank's financing of the Middlesex Hospital site (real-estate development in Fitzrovia, London) was sold for a 50% interest in a joint venture partnership ("JV"). The compensation has lower carrying value than the carrying value of the initial financing which the Bank provided in 2006. Subsequently, the carrying value at 31 December 2010 has been adjusted downwards by the difference, i.e. ISK 13.760 million.

8. Loans to customers specified by portfolios:

	31.12.2010		30.6.2010		31.12.2009	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Europe*	196.506	141.460	243.421	146.604	325.803	176.033
Nordic	157.169	98.688	179.489	120.627	231.377	152.294
NOA**	795.236	39.101	810.806	36.782	707.983	38.567
Pledged***	-	-	-	-	107.917	84.054
Loans to customers	1.148.911	279.249	1.233.716	304.013	1.373.080	450.948
Loans to customers in mEUR	7.469	1.815	7.869	1.939	7.638	2.508

** Non-operating assets

*** Includes a portfolio of ISK mortgage loans, FX mortgage loans and loans to Icelandic municipalities, organisations and other government related entities, which had previously been pledged by the Bank to the Central Bank of Iceland. In January 2010, this portfolio, ISK 84.054 million (at fair value) along with ISK 28.771 million (at fair value) of loans from Nordic and Europe portfolios, was injected into Arion Bank as part of the Bank's capitalization of Arion Bank.

9. Loans to customers specified by sectors:

	31.12.2010		30.6.2010		31.12.2009	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Business and Industrial Products	69.211	53.015	65.293	52.430	72.648	55.000
Consumer Goods and Retail	71.104	52.509	71.315	53.558	134.900	65.422
Consumer Services: Other	32.772	24.776	39.082	30.900	52.053	43.206
Holding Company	678.626	43.425	708.194	50.613	615.637	58.715
Individuals	94.721	11.385	99.676	23.874	196.805	91.891
Real Estate*	104.112	61.390	146.321	64.073	172.888	83.457
Other	98.365	32.749	103.835	28.565	128.149	53.257
Loans to customers	1.148.911	279.249	1.233.716	304.013	1.373.080	450.948
Loans to customers in mEUR	7.469	1.815	7.869	1.939	7.638	2.508

This Statement of Assets features coordinated sectoral classification between asset classes which is based on sectoral classification by European Private Equity and Venture Capital Association ("EVC/CA"). The relevant financial figures for past periods have also been reclassified to facilitate like-for-like comparison of sectors throughout this Statement of Assets. For further information refer to chapter 2.1.1 Valuation Methodology.

10. Loans to customers specified by geographical location:

	31.12.2010		30.6.2010		31.12.2009	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Scandinavia**	291.756	118.566	312.077	142.472	388.201	257.497
UK*/***	629.692	131.421	665.555	136.434	709.573	153.308
Other	227.463	29.262	256.084	25.107	275.306	40.143
Loans to customers	1.148.911	279.249	1.233.716	304.013	1.373.080	450.948
Loans to customers in mEUR	7.469	1.815	7.869	1.939	7.638	2.508

** Scandinavia includes Iceland

*** UK includes UK overseas territories and Crown dependencies

In almost all cases, the geographical location is determined by using the registration country of the underlying operation.

11. Ten largest loans in Loans to customers at fair value - sector and geographical location:

	31.12.2010	30.6.2010	31.12.2009
Real estate/UK***	10%	8%	5%
Consumer Goods and Retail/UK***	9%	9%	7%
Holding company/UK***	8%	8%	6%
Business and Industrial Products/Scandinavia**	6%	6%	4%
Real estate/Other	5%	6%	4%
Business and Industrial Products/Scandinavia**	5%	4%	3%
Real estate/Scandinavia**	4%	4%	3%
Business and Industrial Products/Scandinavia**	3%	3%	2%
Other/Scandinavia**	3%	3%	2%
Consumer Services: Other/UK***	3%	3%	2%
Ten largest loans of total Loans to customers	57%	55%	39%

** Scandinavia includes Iceland

*** UK includes UK overseas territories and Crown dependencies

In almost all cases, the geographical location is determined by using the registration country of the underlying operation.

This Statement of Assets features coordinated sectoral classification between asset classes which is based on sectoral classification by European Private Equity and Venture Capital Association ("EVC/CA"). The relevant financial figures for past periods have also been reclassified to facilitate like-for-like comparison of sectors throughout this Statement of Assets. For further information refer to chapter 2.1.1 Valuation Methodology.

12. Loans to customers at carrying value* - portfolios specified by performance:

	31.12.2010							
	Europe*		Nordic		NOA		Total	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value*	Fair value
Performing loans	78,0%	95,1%	79,3%	81,4%	0,0%	0,0%	24,2%	77,0%
Loans on view list	0,0%	0,0%	11,7%	12,6%	0,0%	0,0%	1,6%	4,4%
Loans on watch list	22,0%	4,9%	9,0%	6,0%	100,0%	100,0%	74,2%	18,6%
	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

The performance categories are defined as follows:

Performing loans: Loans to entities where cash flow is sufficient to service debt, i.e. interest and principal repayments, and no breaches in agreements are foreseeable in the future.

Loans on view list: Loans to entities where cash flow is sufficient to service debt, i.e. interest and principal repayments, but agreements have been breached or are likely to be breached in the foreseeable future. Some banks include this category in performing loans.

Loans on watch list: Loans to entities where cash flow is insufficient to service debt, i.e. interest and principal repayments and agreements have been breached repeatedly.

13. Loans to customers at carrying value* - portfolios specified by maturity profiles:

	31.12.2010			
	Europe*	Nordic	NOA	Total
In default	10.531	28.533	795.236	834.300
2011	46.829	37.256	-	84.085
2012	72.890	19.867	-	92.757
2013	16.605	17.451	-	34.056
2014	11.227	41.841	-	53.068
2015	27.026	3.555	-	30.581
2016+	11.398	8.666	-	20.064
Loans to customers	196.506	157.169	795.236	1.148.911
Loans to customers in mEUR	1.278	1.022	5.170	7.469

As customary in traditional loan portfolios, some loan agreements have extension clauses. The table above is based on contractual maturity specified in the underlying loan agreements unless an acceleration event has occurred. Due to restructurings and refinancing the maturity profile may change over time.

Bonds and debt instruments

The pledged positions are represented at the assumed market value of the underlying collateral as at the Bank's interpretation of the valuation date of the underlying agreements. For further information, see overview of pledged assets in chapter 2.2. Overview of FY 2010 Statement of Assets.

14. Bond and debt instruments are specified as follows:

	31.12.2010			30.6.2010	31.12.2009
	Unpledged	Pledged	Total	Total	Total
Listed	6.480	41.625	48.105	49.712	56.442
Unlisted	976	5.304	6.280	6.396	6.583
Bonds and debt instruments	7.456	46.929	54.385	56.108	63.025
Bonds and debt instruments in mEUR	48	305	354	358	351

15. Bonds and debt instruments specified by issuer:

	31.12.2010			30.6.2010	31.12.2009
	Unpledged	Pledged	Total	Total	Total
Financial Services	374	24.476	24.850	25.366	28.272
Government Agencies	4.851	7.803	12.654	13.162	13.485
Governments	1.780	5.305	7.085	7.424	10.303
Holding Companies	451	4.794	5.245	5.478	6.162
Energy and Environment	-	2.635	2.635	2.635	2.635
Communications	-	1.916	1.916	2.043	2.168
Bonds and debt instruments	7.456	46.929	54.385	56.108	63.025
Bonds and debt instruments in mEUR	48	305	354	358	351

This Statement of Assets features coordinated sectoral classification between asset classes which is based on sectoral classification by European Private Equity and Venture Capital Association ("EVCA"). The relevant financial figures for past periods have also been reclassified to facilitate like-for-like comparison of sectors throughout this statement of assets. For further information refer to chapter 2.1.1 Valuation Methodology.

Shares and instruments with variable income

The pledged positions are represented at the assumed market value of the underlying collateral as at the Bank's interpretation of the valuation date of the underlying agreements. For further information, see overview of pledged assets in chapter 2.2. Overview of FY 2010 Statement of Assets.

16. Shares and instruments with variable income are specified as follows:

	31.12.2010		30.6.2010	31.12.2009
	Unpledged	Pledged	Total	Total
Listed	6.123	131.796	137.919	154.648
Unlisted	49.347	-	49.347	23.731
Shares and instruments with variable income	55.470	131.796	187.266	178.379
Shares and instruments with variable income in mEUR	361	857	1.217	992

17. Unpledged positions in Shares and instruments with variable income specified by sectors:

	31.12.2010	30.6.2010	31.12.2009
Consumer Goods and Retail	37.510	39.481	14.371
Financial Services	7.354	6.637	4.722
Energy and Environment	3.487	3.464	3.152
Consumer Services: Other	3.332	1.981	203
Real Estate	2.402	4.613	4.400
Life Sciences	1.210	984	1.257
Other	175	362	744
Unpledged positions in Shares and instruments with variable income	55.470	57.521	28.849

Unpledged positions in Shares and instruments with variable income in mEUR 361 367 160
This Statement of Assets includes features coordinated sectoral classification between asset classes which is based on sectoral classification by European Private Equity and Venture Capital Association ("EVCA"). The relevant financial figures for past periods have also been reclassified to facilitate like-for-like comparison of sectors throughout this Statement of Assets. For further information refer to chapter 2.1.1 Valuation Methodology.

18. Ten largest unpledged positions in Shares and instruments with variable income - sector and geographical location:

	31.12.2010	30.6.2010	31.12.2009
Consumer Goods and Retail/UK***	18.807	20.046	1.824
Consumer Goods and Retail/Other	11.758	10.900	6.671
Financial Services/Other	6.905	6.428	4.494
Consumer Goods and Retail/UK***	6.014	7.541	5.674
Consumer Services: Other/UK***	3.314	1.966	203
Energy and Environment/Other	3.276	3.266	2.929
Life Sciences/UK***	1.019	848	760
Consumer Goods and Retail/UK***	931	993	203
Real Estate/UK***	891	779	809
Real Estate/USA	551	383	125
Ten largest unpledged positions in Shares and instruments with variable income	53.464	53.151	23.692
Ten largest unpledged positions in Shares and instruments with variable income in mEUR	348	339	132

*** UK includes UK overseas territories and Crown dependencies

This Statement of Assets features coordinated sectoral classification between asset classes which is based on sectoral classification by European Private Equity and Venture Capital Association ("EVCA"). The relevant financial figures for past periods have also been reclassified to facilitate like-for-like comparison of sectors throughout this Statement of Assets. For further information refer to chapter 2.1.1 Valuation Methodology.

Derivatives and unpaid derivatives - assets

A derivative contract is accounted for as an asset if the carrying value net of collateral of all derivative contracts of the counterparty is in the Bank's favour.

Collateral has been shown in previous Statements of Assets as pledged and comprises cash collateral associated with derivative assets posted by ISDA counterparties with the Bank. This collateral was part of the Bank's own funds and had been re-used or re-invested prior to the Bank's collapse. Derivatives and unpaid derivatives carrying value after collateral includes collateral amounting to ISK 5.826 million held in excess by ISDA counterparties. In addition, ISK 760 million has been posted as collateral by non-ISDA counterparties. This non-ISDA collateral is off-balance sheet items which are currently being held in the name of the counterparty but have been pledged to the Bank. Therefore, this off-balance sheet collateral is not included in the total collateral amount.

19. Derivatives and unpaid derivatives specified by status:

	31.12.2010		30.6.2010	31.12.2009
	Carrying value net of coll.	Provision	Fair value net of coll.	Fair value net of coll.
Derivatives	2.567	(1.275)	1.292	6.556
Unpaid derivatives*	181.019	(87.145)	93.874	112.256
Derivatives and unpaid derivatives	183.586	(88.420)	95.166	118.812
Derivatives and unpaid derivatives in mEUR	1.194	(575)	619	661

20. Derivatives and unpaid derivatives specified by type:

	31.12.2010		30.6.2010	31.12.2009
	Carrying value net of coll.	Provision	Fair value net of coll.	Fair value net of coll.
Unpaid FX Trades, Asset Swaps, Interest Rate Swaps & FX Options*	178.322	(87.140)	91.182	110.018
Open FX Trades, Asset Swaps, Interest Rate Swaps & FX Options	2.567	(1.275)	1.292	6.442
Unpaid Credit Derivatives*	(3.140)	648	(2.492)	(2.775)
Unpaid Equity Options*	2.845	(610)	2.235	4.267
Open Caps, Floors, Barriers	-	-	-	115
Unpaid Caps, Floors, Barriers*	2.992	(43)	2.949	745
Derivatives and unpaid derivatives	183.586	(88.420)	95.166	118.812
Derivatives and unpaid derivatives in mEUR	1.194	(575)	619	661

* Matured and terminated trades, and unpaid cash flow from open trades

21. Derivatives specified by ISDA and non-ISDA counterparties:

	31.12.2010		30.6.2010	31.12.2009
	Carrying value net of coll.	Provision	Fair value net of coll.	Fair value net of coll.
ISDA counterparties	63.194	(13.134)	50.060	52.934
Non-ISDA counterparties	120.392	(75.286)	45.106	65.878
Derivatives and unpaid derivatives	183.586	(88.420)	95.166	118.812
Derivatives and unpaid derivatives in mEUR	1.194	(575)	619	661

Investments in subsidiaries

22. Investments in subsidiaries specified by entities and geographical location:

	Functional currency	Owner- ship	31.12.2010		30.6.2010	31.12.2009
			Unpledged	Pledged	Total	Total
Kaupskil ehf. (Arion Bank), Iceland*	ISK	100,0%	92.191	-	92.191	88.520
Kaupthing Mortgages Inst. Investor Fund, Iceland	ISK	100,0%	-	16.216	16.216	16.216
Norvestia Oyj, Finland**	EUR	32,7%	7.816	-	7.816	7.525
Kaupthing Sverige AB, Sweden	SEK	100,0%	4.792	-	4.792	4.769
Kirna ehf., Iceland	ISK	100,0%	4.122	-	4.122	4.123
FIH Erhvervsbank, Denmark***	DKK	0,0%	-	-	-	86.235
NBS Diversified Credit Fund, UK - in winding-up proceedings	EUR	99,9%	-	-	-	5.463
Other	-	-	3.018	-	3.018	3.263
Investments in subsidiaries			111.939	16.216	128.155	216.114
Investments in subsidiaries in mEUR			728	105	833	1.378

* Kaupskil ehf. owns 87% in Arion Bank on behalf of Kaupthing.

** The Bank controls 56.0% of the votes in Norvestia Oyj despite holding only 32.74% of outstanding shares, and the company is thus considered to be a subsidiary of the Bank.

*** On 18 September 2010, the Central Bank of Iceland as a pledgee of the Bank's shares (99,9% of outstanding shares) in FIH Erhvervsbank entered into an agreement to sell the shares to a consortium of funds. The equity stake in FIH, which has in prior Statement of Assets been shown as fully pledged against a loan with the Central Bank of Iceland at the estimated value of the claim at that time has therefore been excluded in the Bank's Statement of Assets. This claim against the Bank was fully settled with this transaction and the Central Bank of Iceland does not have a deficiency claim against the Bank in relation to this transaction. In case the eventual sale price exceeds the claim by the Central Bank of Iceland, the surplus will be available to the Bank. However, a large portion of the achieved sale price is deferred until 2014/2015 and subject to the future development of FIH.

Other assets

23. Other assets are specified as follows:

	31.12.2010	30.6.2010	31.12.2009
	Total	Total	Total
Accounts receivables	37.494	37.717	40.549
Accepted claims on bankrupt entities	28.843	-	-
Sundry assets	4.772	4.264	4.003
Other assets at carrying value	71.109	41.981	44.552
Provisions	(68.671)	(39.459)	(37.012)
Other assets at fair value	2.438	2.522	7.540
Other assets at fair value in mEUR	16	16	42

Other Information

Further information on the claim registry and outstanding claims can be found in chapter 3 The Claiming Process.

24. Claims for administration of the Bank and claims relating to agreements entered into after the commencement of the Resolution Committee:

The breakdown below is put forth for illustrative purposes only and represents claims for the administration of the Bank and claims relating to agreements entered into after the commencement of the Resolution Committee. Until all claims have been recognized and disputes settled by the Winding-up Committee, the real and accurate amount of liabilities is uncertain. It should also be noted that this table is put forth by the Resolution Committee and does not reflect the decisions of the Winding-up Committee on individual claims.

	31.12.2010	30.6.2010	31.12.2009
Compensation instrument with Arion Bank hf.*	24.188	29.917	44.927
Accounts payable - costs related to managing the Bank while in winding-up proceedings	958	775	612
Other	898	268	6
Claims for the administration of the Bank and claims relating to agreements entered into after the commencement of the Resolution Committee	26.044	30.960	45.545
Claims for the administration of the Bank and claims relating to agreements entered into after the commencement of the Resolution Committee in mEUR	169	197	253

* In October 2008, all of the Bank's deposit liabilities in Iceland were transferred to Arion Bank hf. (previously New Kaupthing Bank hf.), and also the bulk of the Bank's assets that relate to its Icelandic operations. This transfer was done according to the FME's Transfer Decision dated 21 October 2008. Negotiations on the valuation of the assets and liabilities were concluded on 3 September 2009 when the Government and the Bank agreed not to conclude the valuation of the assets at present but in 3 years time. This solution allows the Bank to capture further upside in the valuation of the assets.

The Bank is to provide cover for any negative initial value ("valuation gap") from the transfer of assets and liabilities from the Bank to Arion Bank; the valuation gap was assessed at ISK 38.358 million as at 22 October 2008. The value of the assets is guaranteed for the time period of the agreement which ends 30 June 2012. The valuation gap amounted to ISK 24.188 million as at 31 December 2010. The valuation gap is denominated 50% in EUR and 50% in ISK. The current decrease in the valuation gap is due to revaluation of the underlying assets, currency movements and accrued interests. The size of the valuation gap will be reassessed at least annually. Therefore, the size of the valuation gap can decrease but has been capped at the initial value save for currency movements and accrued interests.

25. Statement of Assets (unpledged) at fair value specified by currency:

	31.12.2010								
	EUR	GBP	NOK	SEK	USD	ISK	DKK	Other	Fair Value
Cash in hand	67.432	48.560	28.196	46.983	25.391	9.212	-	5.354	231.128
Loans to and claims									
against credit institutions	25.231	155	-	9	568	2.666	1.284	4.223	34.136
Loans to customers	46.329	136.208	7.581	47.733	31.247	25	3.071	7.055	279.249
Bonds and debt instruments	-	-	-	-	451	7.005	-	-	7.456
Shares and instruments with variable income	18.855	34.266	488	472	1.152	20	217	-	55.470
Derivatives and unpaid									
derivatives	24.690	12.920	-	33	11.435	45.838	79	171	95.166
Investments in subsidiaries	8.352	2.474	-	4.792	-	96.321	-	-	111.939
Other assets	210	122	-	-	-	370	62	1.674	2.438
Total	191.099	234.705	36.265	100.022	70.244	161.457	4.713	18.477	816.982
Total in mEUR	1.242	1.526	236	650	457	1.050	31	120	5.311

26. Set-off

The valuation of assets in this report does not take fully into account the impact of set-off.

The real and accurate amount of finally accepted set-off claims, remains uncertain until all claims have been recognized and disputes settled by the Winding-up Committee. The Winding-up Committee received set-off claims from close to 100 counterparties amounting to approximately ISK 650 billion. This number was later corrected by the Winding-up Committee to ISK 537 billion due to double counting of a large set-off claim. It should be noted that set-off claims are lodged in different ways and many of them are lodged at a maximum level. Not all claims regarding set-off fulfill the conditions that a declaration for set-off must fulfill according to Icelandic law and in some cases creditors only reserve the rights to a possible set-off. All amounts regarding set-off must be reviewed bearing the aforesaid in mind. In some cases the relevant asset has been transferred to Arion Bank hf. and the liability sits with the Bank.

The Resolution Committee has independently reviewed the list of set-off claims provided by the Winding-up Committee and currently estimates, on a preliminary basis, total set-off effects on unpledged assets at fair value to be in the order of ISK 40-85 billion. This set-off analysis is based on number of assumptions including Winding-up Committee's decisions, as at the reporting date, with regards to the validity of the relevant claim and rights to set-off where applicable. As the Resolution Committee has noted before, the exact set-off effects on the assets and liabilities side will differ since some of the assets that are subject to set-off have already been provisioned for. It should also be stressed that this estimation is put forth by the Resolution Committee and does not reflect the decisions of the Winding-up Committee on individual claims.

Set-off impacts can make a material difference to overall creditor recoveries. Further information will be provided on this matter as it becomes available.

27. Foreign exchange rates

The foreign exchange rates used in the Statement of Assets as at 31 December 2010 are based on Reuters foreign exchange rates as at 16:30 on that date. The table below shows the relevant foreign exchange rates as at 31 December 2010 and the foreign exchange rates for past comparison period.

	31.12.2010	30.6.2010	31.12.2009
AUD	117,39	108,10	112,53
CAD	115,32	120,37	119,74
CHF	122,79	118,49	121,18
DKK	20,64	21,05	24,16
EUR	153,82	156,79	179,78
GBP	179,11	190,92	202,65
JPY	1,41	1,44	1,35
NOK	19,72	19,69	21,63
SEK	17,07	16,46	17,54
USD	114,71	127,66	125,43

Disclaimer

This report (including all subsequent amendments and additions) was prepared by the Resolution Committee for the creditors of Kaupthing Bank hf. ("Kaupthing", the "Bank") for information purposes only and is not intended for third party publication, distribution or release, in any manner.

Where information in this report is based on information from third parties the Bank believes such sources to be reliable. The Bank however accepts no responsibility for the accuracy of its sources. Furthermore, without prejudice to liability for fraud, the Bank accepts no responsibility for the accuracy or completeness of any information contained in this report and, without limitation to the foregoing, disclaims any liability which may be based on the accuracy or completeness of this report, modification of the report or any use or inability to use this report. The Bank is under no obligation to make amendments or changes to this publication if errors are found, opinions or information change or upon the discovery of new information. The fact that the Bank has made certain additions and amendments does not impose any obligation on the Bank to make amendments or changes to this publication in respect of any other developments, errors or changes in opinion or information, regardless of whether such development or changes occur after or before the date of publication of the revised report. In respect of additions and amendments made to this publication, the Bank is under no obligation to draw such additions and/or amendments to the attention of the intended recipients of this report.

This report does not include an estimate of the likely level of recoveries for creditors. Very material uncertainties continue to exist regarding the timing and realisable value of assets and the eventual level of creditors' claims. The Resolution Committee wish to caution creditors against using the data in this report to estimate likely recovery as any such estimates are likely to be materially misleading. The actual realisable value of the Bank's assets and liabilities may differ materially from the values set forth herein. Factors which may lead to material differences include:

- (a) Resolution of issues regarding the quantum of claims
- (b) The realisation method(s) used over time
- (c) The impact of set off and netting including in connection with derivative contracts
- (d) Movements in currency exchange rates and interest rates
- (e) Prevailing market conditions

Nothing in this report should be relied upon by any person for any purposes including, without limitation, in connection with trading decisions relating to the Bank. The Bank, the Resolution Committee, the Winding-up Committee, nor the Moratorium Supervisor accepts any responsibility for any such reliance.

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