
Financial Information 31.12.2011

- Supplementary Material -



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Overview of Kaupthing's Statement of Assets



■ Results:

- Including FX fluctuations, the value of the total assets* increased by ISK 75,5bn in 2011.
- The value of the total assets* increased in real terms by ISK 24bn in 2011.
- Kaupthing's functional currency is the Icelandic krona (ISK). The ISK depreciated by 4,25% in 2011.
- Primary contributors to the real value increase in 2011 are the termination of the compensation instrument and real value increase in derivatives and subsidiaries.
- Cash in hand amounted to ISK 333bn at the end of 2011 and increased by ISK 102bn in 2011 primarily due to loan and derivatives repayments.
- Total annualized operating costs in 2011 were approx. 0,3% of the total carrying value of assets and 0,7% of the total fair value of assets as at the end of 2011.
- Second half impacted by difficult environment in major markets.

* Total unpledged assets at fair value net of claims for the administration of the Estate.

Development of Kaupthing's Asset Base* at Fair Value YE 2011



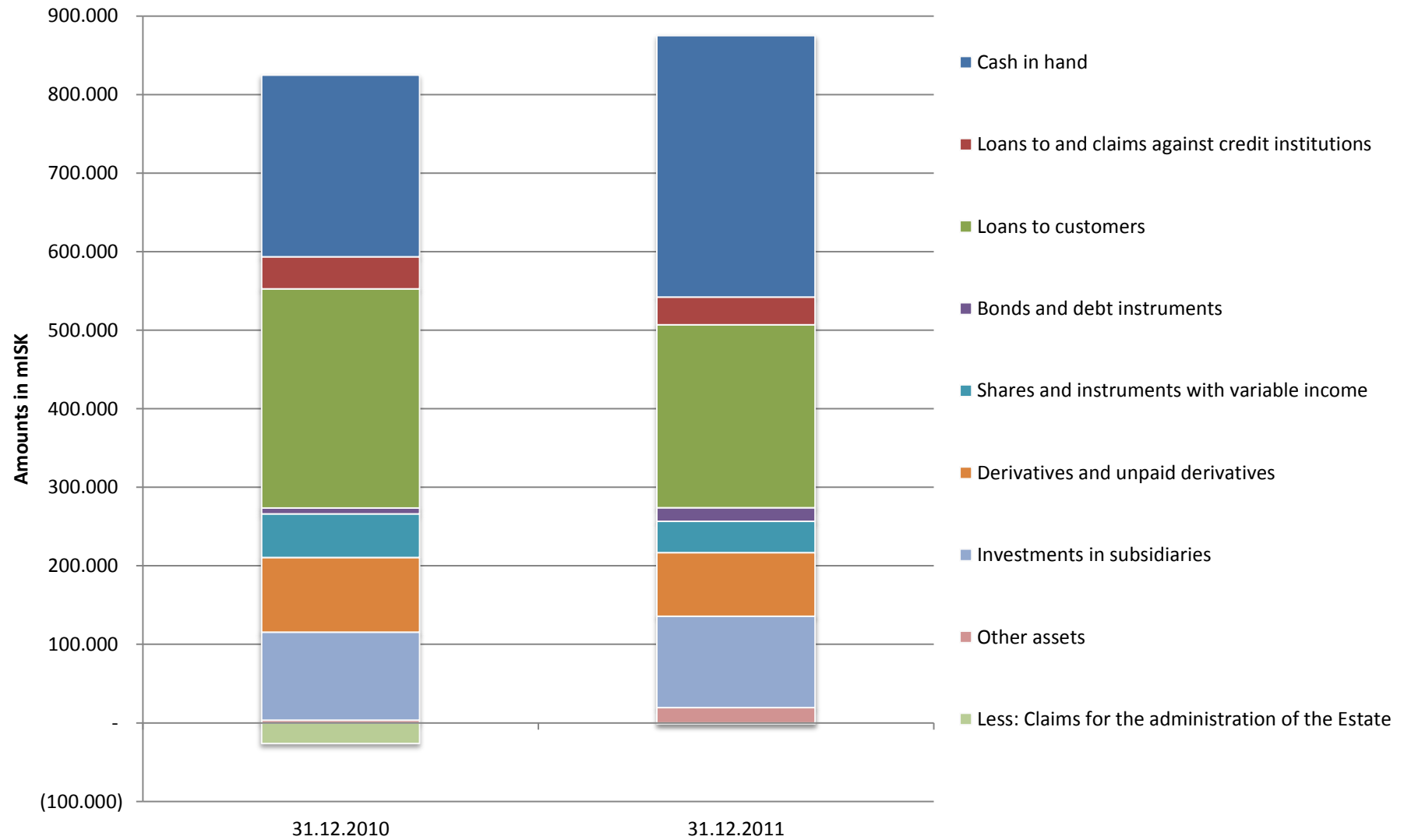
Assets	ISK million			EUR million		
	31.12.2011	31.12.2010	% change	31.12.2011	31.12.2010	% change
Cash in hand	332.911	231.128	44,0%	2.096	1.503	39,5%
Loans to and claims against credit institutions	35.210	40.817	-13,7%	222	265	-16,4%
Loans to customers	232.881	279.249	-16,6%	1.467	1.815	-19,2%
Bonds and debt instruments	17.218	7.456	130,9%	108	48	123,7%
Shares and instruments with variable income	39.897	55.470	-28,1%	251	361	-30,3%
Derivatives and unpaid derivatives	81.216	95.166	-14,7%	511	619	-17,3%
Investments in subsidiaries	116.347	111.939	3,9%	733	728	0,7%
Other assets	19.487	3.596	441,9%	123	23	424,9%
Total assets at fair value	875.167	824.821	6,1%	5.511	5.362	2,8%
Less: Claims for the administration of the Estate.....	(862)	(26.038)	-96,7%	(5)	(169)	-96,8%
Total assets	874.305	798.783	9,5%	5.506	5.193	6,0%

- The value of the total assets* increased in 2011 by ISK 75,5bn or 9,5% and by EUR 313m or 6,0% in EUR.

* Total unpledged assets at fair value net of claims for the administration of the Estate.

All amounts in table in mISK and mEUR.

Development of Total Unpledged Assets at Fair Value



All amounts in mISK.

Development of Kaupthing's Asset Base at Fair Value in 2011



Assets	Unpledged fair value as at 31.12.2011	Net principal payments	Miscellaneous** (reclassification, Fx fluctuations etc)		Real value changes	Unpledged fair value as at 31.12.2010	Interests, fees and dividend received in 2011
Cash in hand	332,9	91,2	-	10,6	-	231,1	3,1
Loans to and claims against credit institutions	35,2	-13,6	7,0	1,0	-	40,8	0,1
Loans to customers	232,9	-52,3	-4,8	15,6	-4,7	279,2	9,9
Bonds and debt instruments	17,2	-0,2	9,2	-0,2	0,9	7,5	0,8
Shares and instruments w with variable income	39,9	-3,5	-2,5	2,4	-12,0	55,5	0,5
Derivatives and unpaid derivatives	81,2	-10,5	-12,0	1,4	7,1	95,2	0,3
Investments in subsidiaries	116,3	0,1	-3,9	0,7	7,5	111,9	0,5
Other assets	19,5	-2,4	14,8	3,5	-	3,6	-
Total assets at fair value	875,1	8,8	7,8	35,0	-1,2	824,8	
Less: claims for the administration of the Estate	-0,8	-	-	-	25,2	-26,0	
Total assets*	874,3	8,8	7,8	35,0	24,0	798,8	15,2
Operating cost in the period		6,4					
Items in the Income statement that affect Cash in hand (interest, dividend and fees received in 2011 etc.).....		-15,2					

■ The value of the total assets* increased by ISK 75,5bn in 2011, thereof ISK 35bn due to FX fluctuations.

■ Real value changes amount to ISK 24bn in 2011.

Increase:

- ISK 25,2bn in reduced priority claims relating to the administration of the Estate (settlement of the compensation instrument with Arion Bank).
- ISK 7,5bn from Investments in subsidiaries.
- ISK 7,1bn from Derivatives and unpaid derivatives.
- ISK 0,9bn in total from Bonds and debt instruments.

Decrease:

- ISK -4,7bn from Loans to customers.
- ISK -12bn from Shares and instruments with variable income.

■ Further explanations are provided in the respective chapters.

* Total unpledged assets at fair value net of claims for the administration of the Estate.

** Miscellaneous includes assets released or retrieved as part of settlements, reclassification between asset classes and other.

All amounts in table in bnISK.

Statement of Assets on Carrying Value and Fair Value as at YE 2011



Assets	31.12.2011			
	Carrying value	Provision	Fair value	Weighted average
Cash in hand	332.911	-	332.911	100,0%
Loans to and claims against credit institutions	66.629	(31.419)	35.210	52,8%
Loans to customers*	1.234.963	(1.002.082)	232.881	18,9%
Bonds and debt instruments	17.218	-	17.218	100,0%
Shares and instruments with variable income	39.897	-	39.897	100,0%
Derivatives and unpaid derivatives	157.261	(76.045)	81.216	51,6%
Investments in subsidiaries	116.347	-	116.347	100,0%
Other assets	126.338	(106.851)	19.487	15,4%
Total assets	2.091.564	(1.216.397)	875.167	41,8%
Total assets (mEUR)	13.171	(7.660)	5.511	41,8%

- Unpledged total assets amounted to ISK 2.092bn at carrying value* and ISK 875bn at fair value.

*Late in 2010, Kaupthing's financing of the former Middlesex Hospital site now Fitzroy Place (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 Kaupthing provided in 2006. Subsequently, the carrying value as at 31 December 2011 has been adjusted downwards by the difference, i.e. ISK 14.869 million, below. For the same reasons, the carrying value as at 31 December 2010 was adjusted downwards by ISK 13.760 million.

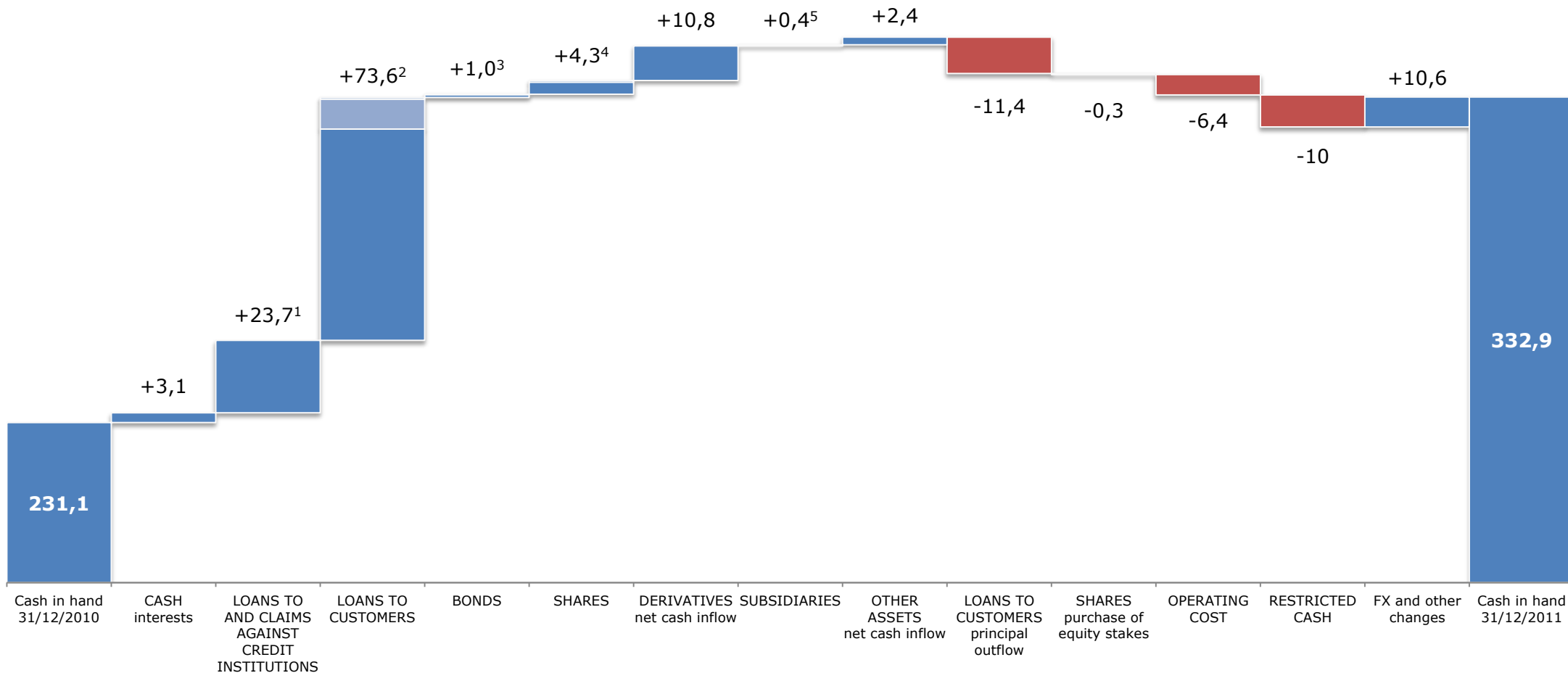
All amounts in table in mISK and mEUR.

Cash in Hand



- Kaupthing's cash reserves amounted to ISK 332,9bn and increased by ISK 102bn in 2011.
 - Main factors contributing to increase in Cash in hand in 2011:
 - Inflow related to Loans to customers of ISK 73,6bn.
 - Inflow related to Loans to and claims against credit institutions of ISK 23,7bn.
 - Inflow related to Derivatives and unpaid derivatives of ISK 10,8bn.
 - Inflow related to Shares and instruments with variable income of ISK 4,3bn.
 - Main factors contributing to decrease in Cash in hand in 2011:
 - ISK 10,0bn of cash was deposited for 18 months, as part of the settlement on Compensation Instrument with Arion Bank, which is now classified as Loans to and claims against credit institutions due to its long maturity.
 - ISK 11,4bn to support assets in Loans to customers.
 - Operating costs in 2011 of ISK 6,4bn.
 - Further breakdown of the development of Cash in hand in 2011 is provided on the next slide.
- The cash reserve increased by approx. ISK 9,7bn due to ISK depreciation in 2011.
- In 2008 and 2009, Kaupthing repaid priority claims related to deposits amounting to ca. ISK 130bn.
- Kaupthing's cash reserves amounted to ISK 372,3bn as at 16 April 2012.

Cash Flow in 2011



- **1** Loans to and claims against credit institutions = ISK 23,7bn: Principal payments (23,6) and interest payments (0,1)
- **2** Loans to customers = ISK 73,6bn: Principal payments (63,7), interest payments (9,4) and fee income (0,5)
- **3** Bonds = ISK 1,0bn: Principal payments (0,9) and interest payments (0,1)
- **4** Shares = ISK 4,3bn: Realization of equity stakes (3,8) and dividend payments (0,5)
- **5** Subsidiaries = ISK 0,4bn: Dividend payments (0,5) less capital injection (-0,1)

All amounts in billion ISK unless otherwise specified.

Cash in Hand – Currency Breakdown



- Cash in hand in respective currencies as at 31.12.2011 and 31.12.2010.

Cash in hand	31.12.2011		31.12.2010		Change in currency	Change in currency (%)	Change in ISK	Change in ISK (%)
	Currency	ISK	Currency	ISK				
EUR	642	101.891	438	67.432	204	46%	34.459	51%
SEK	4.510	80.285	2.752	46.983	1.758	64%	33.302	71%
GBP	324	61.572	271	48.560	53	19%	13.012	27%
USD	326	39.834	221	25.391	105	47%	14.443	57%
NOK	1.490	30.543	1.430	28.196	60	4%	2.347	8%
ISK	12.333	12.333	9.212	9.212	3.121	34%	3.121	34%
DKK	196	4.179	131	2.711	65	49%	1.468	54%
CHF	17	2.199	15	1.811	2	14%	388	21%
CAD	0	45	3	371	- 3	-88%	- 326	-88%
JPY	19	30	326	461	- 307	-94%	431	-93%
AUD	0	0	-	-	0	-	0	0%
Cash in hand		332.911		231.128			101.783	
Cash in hand (mEUR)		2.096		1.503				

- The interests yielded on Cash in hand in 2011 amounted to ISK 3,1bn.

Loans to and Claims against Credit Institutions



- Unpledged loans to and claims against credit institutions amounted to ISK 35,2bn at fair value and decreased by ISK 5,6bn in 2011.
 - The decrease is due to principal repayments amounting to ISK 23,6bn, including repayment of EUR 100m (ISK 16,2bn) subordinated loan from FIH, retrieval of frozen bank accounts and guarantee accounts of ISK 3,9bn and in addition redemption of other loans.
 - As part of a settlement with Arion Bank a total of ISK 10,0bn, in 7 different currencies, was deposited for 18 months increasing the value of this asset class.
- Claims for set-off may significantly affect this asset class.

Loans to and claims against credit institutions	Fair value 31.12.2011	Fair value 31.12.2010	% change
Restricted cash	9.982	-	
Frozen/emptied bank accounts	15.564	17.355	-10%
Guarantee accounts	5.894	7.838	-25%
Subordinated loans to subsidiaries	-	15.392	-100%
Other loans	3.770	232	1525%
Loans to and claims against credit institutions	35.210	40.817	-14%
Loans to and claims against credit institutions (EUR)	222	265	-16%

Subordinated loan to KMIIF which formed an integrated part of the covered bond structure was shown as pledged asset in previous Statement of Assets and amounted to ISK 124bn as at 31 December 2010. The terms and conditions of the subordinated loan reflected the terms and conditions of the covered bonds. The only purpose of the subordinated loan was to ensure pass-through mechanism within the covered bonds structure.

As a part of restructuring the covered bond programme all the assets including the pledged subordinated loan to KMIIF and the obligations which are related to the covered bonds and KMIIF were transferred to Arion bank. There are therefore no pledged assets remaining in this asset class.

All amounts in table in mISK and mEUR.



Overview at fair value

- Restricted cash (ISK 10,0bn at fair value)
 - As part of a settlement with Arion Bank ISK 10,0bn in 7 different currencies was deposited for 18 months.
- Frozen/emptied bank accounts (ISK 15,5bn at fair value)
 - These accounts have been emptied partially or fully by the counterparty without legitimate acceptable reasons being provided to Kaupthing.
 - These are related to ca. 13 different jurisdictions and the amounts range from c. ISK 3m to ISK 8,8bn – the 3 largest of the 19 accounts covering 83% of the class value.
 - A substantial amount of these bank accounts have been subject to set-off in relation to derivative cases and hence the validity and legality of the freezing/seizure of cash will be concluded as part of the settlement of the derivative portfolio.
 - The bank accounts which are not related to derivative set-off are being handled by Kaupthing's internal legal counsel and the Winding-up Committee, in co-operation with external legal counsel in the respective jurisdictions, who analyze the validity of the freezing/seizure with respect to Icelandic bankruptcy legislation in coalition with other relevant jurisdictional legislation.
- Guarantee accounts (ISK 5,9bn at fair value)
 - These accounts are classified as conditional guarantees and are not pledged against a certain liability.



- Subordinated loans to subsidiaries (ISK 0bn at fair value)
 - The subordinated loan which was classified as pledged is to Kaupthing's subsidiary, Kaupthing Mortgages Institutional Investor Fund, and is related to the issuance and structure of Kaupthing's covered bonds has now been sold and therefore there are none remaining assets in this asset class.

- Other loans (ISK 3,8bn at fair value)
 - Mostly claims on domestic counterparties and a loan to a Nordic financial institution.

Loans to Customers



- Loans to customers valued at ISK 232,9bn and decreased by ISK 46,4bn in 2011.
 - The decrease is primarily driven by inflow due to net principal repayments of ISK 52,3bn mainly from performing loans. The remaining portfolio is of more volatile nature.
- The value of Loans to customers decreased in real terms by ISK 4,7bn in 2011.
 - Europe portfolio: ISK 123,1bn at fair value – real value decrease: ISK 9,5bn.
 - Nordic portfolio: ISK 64,2bn at fair value – real value increase: ISK 1,0bn.
 - NOA portfolio: ISK 45,6bn at fair value – real value increase: ISK 3,8bn.
- Interest payments amounted to ISK 9,4bn and fee income amounted to ISK 0,5bn in 2011.

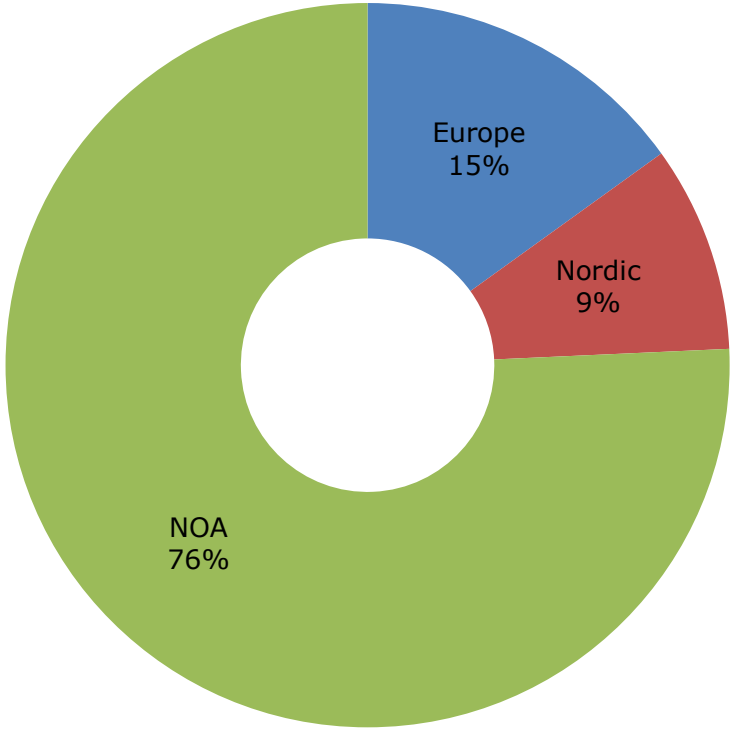
Loans to customers	Carrying value*	Fair value	Weighted average	Carrying value*	Fair value	Weighted average
		31.12.2011			31.12.2010	
Europe	186.042	123.128	66,2%	196.506	141.460	72,0%
Nordic	113.823	64.218	56,4%	157.169	98.688	62,8%
NOA	935.098	45.535	4,9%	795.236	39.101	4,9%
Loans to customers	1.234.963	232.881	18,9%	1.148.911	279.249	24,3%
Loans to customers (EUR)	7.777	1.467	18,9%	7.469	1.815	24,3%

*Late in 2010, Kaupthing's financing of the former Middlesex Hospital site now Fitzroy Place (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 Kaupthing provided in 2006. Subsequently, the carrying value as at 31 December 2011 has been adjusted downwards by the difference, i.e. ISK 14.869 million, above. For the same reasons, the carrying value as at 31 December 2010 was adjusted downwards by ISK 13.760 million.

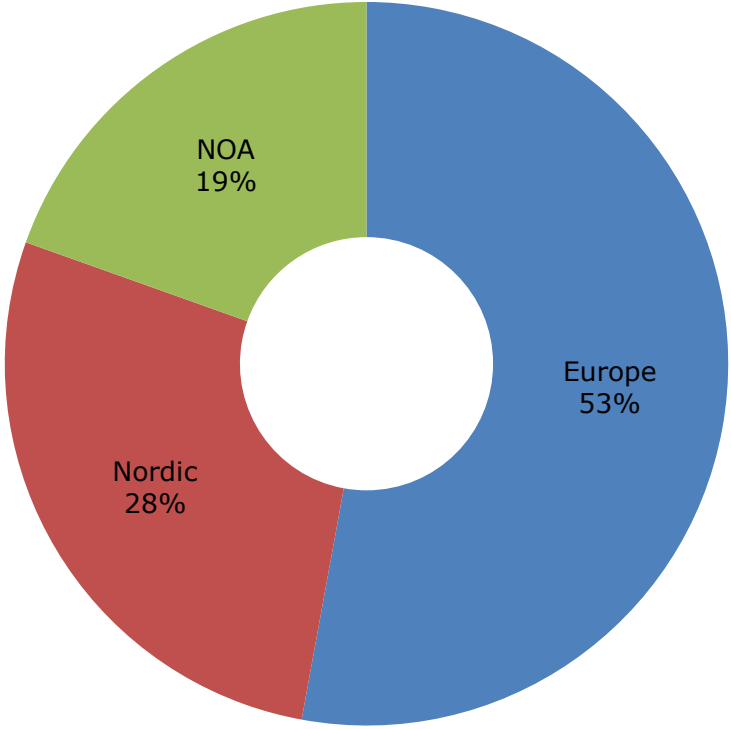
All amounts in table in mISK and mEUR.



Carrying value



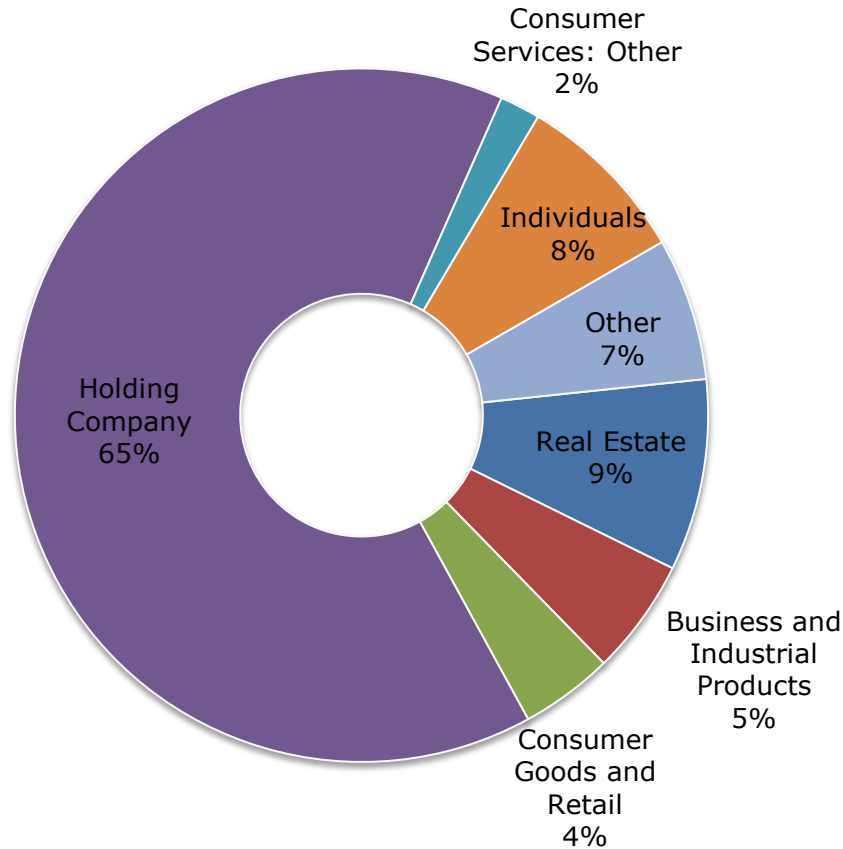
Fair value



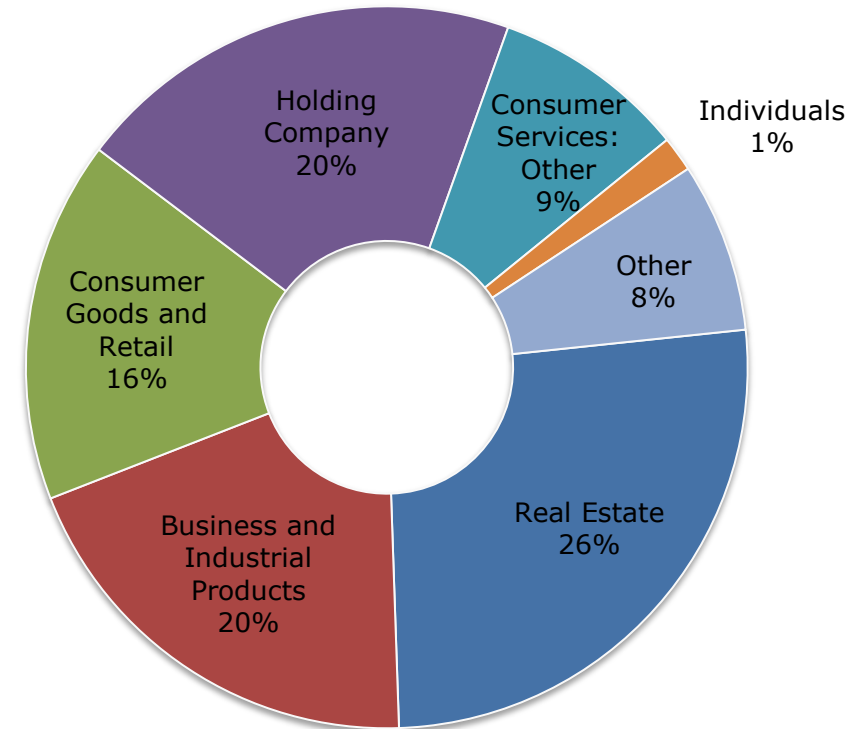
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Carrying value



Fair value



Late in 2010, Kaupthing's financing of the former Middlesex Hospital site now Fitzroy Place (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 Kaupthing provided in 2006. Subsequently, the carrying value as at 31 December 2011 has been adjusted downwards by the difference, i.e. ISK 14.869 million, above. For the same reasons, the carrying value as at 31 December 2010 was adjusted downwards by ISK 13.760 million.

Loans to Customers – Breakdown by Sector



Operating Assets - (Europe & Nordic)	Carrying value*	Fair value		Weighted average	Carrying value*	Fair value	
		31.12.2011				31.12.2010	
Business and Industrial Products	66.790	45.702	68,4%		69.211	53.015	76,6%
Consumer Goods and Retail	53.510	37.764	70,6%		71.104	52.509	73,8%
Consumer Services: Other	23.307	20.240	86,8%		32.772	24.776	75,6%
Holding Company	46.794	15.429	33,0%		38.941	13.365	34,3%
Individuals	12.885	3.682	28,6%		22.446	11.385	50,7%
Real Estate	87.520	60.844	69,5%		83.325	61.390	73,7%
Other	9.059	3.685	40,7%		35.876	23.708	66,1%
Loans to customers	299.865	187.346	62,5%		353.675	240.148	67,9%
Loans to customers (EUR)	1.888	1.180	62,5%		2.299	1.561	67,9%

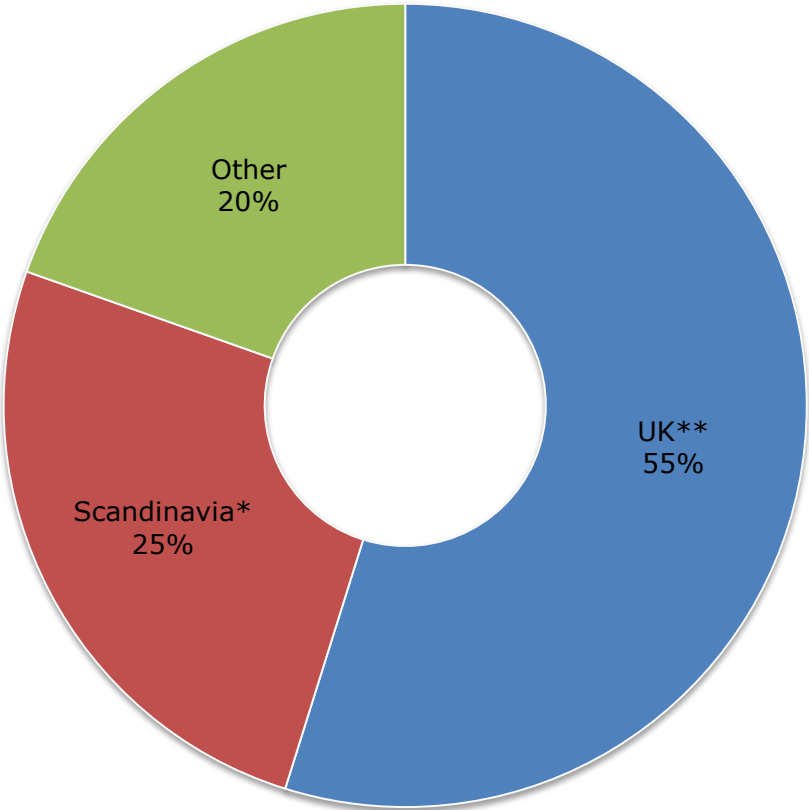
NOA portfolio	Carrying value*	Fair value		Weighted average	Carrying value	Fair value	
		31.12.2011				31.12.2010	
Business and Industrial Products	-	-	-		-	-	-
Consumer Goods and Retail	-	-	-		-	-	-
Consumer Services: Other	-	-	-		-	-	-
Holding Company	751.011	31.521	4,2%		639.686	30.060	4,7%
Individuals	88.160	-	0,0%		72.274	-	0,0%
Real Estate	22.955	-	0,0%		20.787	-	0,0%
Other	72.972	14.014	19,2%		62.489	9.041	14,5%
Loans to customers	935.098	45.535	4,9%		795.236	39.101	4,9%
Loans to customers (EUR)	5.889	287	4,9%		5.170	254	4,9%

*Late in 2010, Kaupthing's financing of the former Middlesex Hospital site now Fitzroy Place (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 Kaupthing provided in 2006. Subsequently, the carrying value as at 31 December 2011 has been adjusted downwards by the difference, i.e. ISK 14.869 million, above. For the same reasons, the carrying value as at 31 December 2010 was adjusted downwards by ISK 13.760 million.

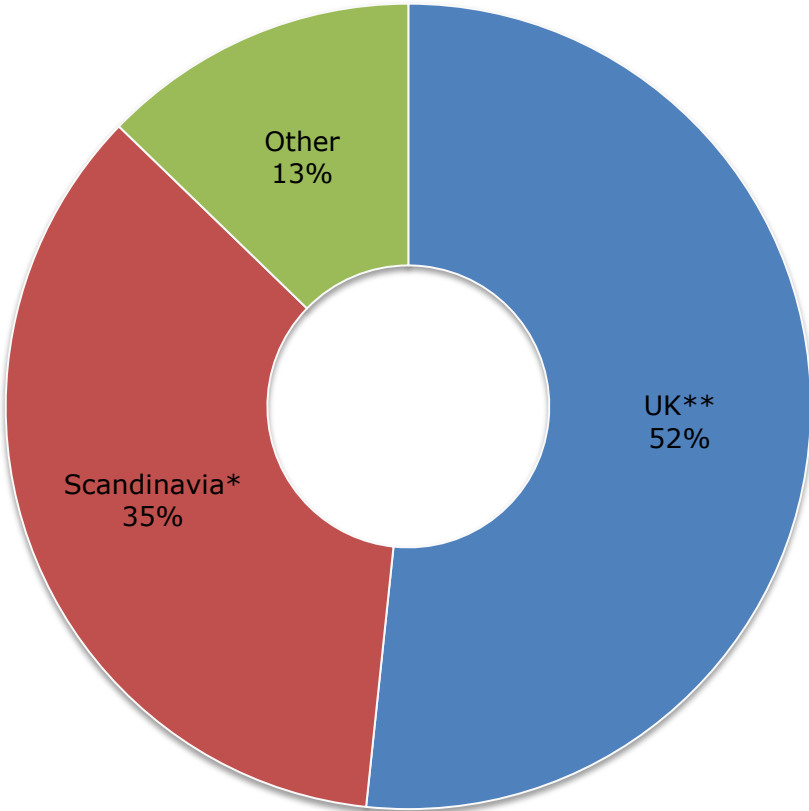
All amounts in table in mISK and mEUR.



Carrying value



Fair value



* Scandinavia includes all the Nordic countries
**UK includes UK overseas territories and Crown dependencies

Loans to Customers – Breakdown by Geography



Operating assets (Europe & Nordic) - breakdown by geography	Carrying value*	Fair value	Weighted average	Carrying value*	Fair value	Weighted average
	31.12.2011			31.12.2010		
Scandinavia**	160.629	82.817	51,6%	200.661	118.566	59,1%
UK***	113.981	87.321	76,6%	123.665	99.704	80,6%
Other	25.255	17.208	68,1%	29.349	21.878	74,5%
Loans to customers	299.865	187.346	62,5%	353.675	240.148	67,9%
Loans to customers (EUR)	1.888	1.180	62,5%	2.299	1.561	67,9%

NOA portfolio - breakdown by geography	Carrying value*	Fair value	Weighted average	Carrying value	Fair value	Weighted average
	31.12.2011			31.12.2010		
Scandinavia**	155.222	-	0,0%	91.095	-	0,0%
UK***	563.180	33.014	5,9%	506.027	31.717	6,3%
Other	216.696	12.521	5,8%	198.114	7.384	3,7%
Loans to customers	935.098	45.535	4,9%	795.236	39.101	4,9%
Loans to customers (EUR)	5.889	287	4,9%	5.170	254	4,9%

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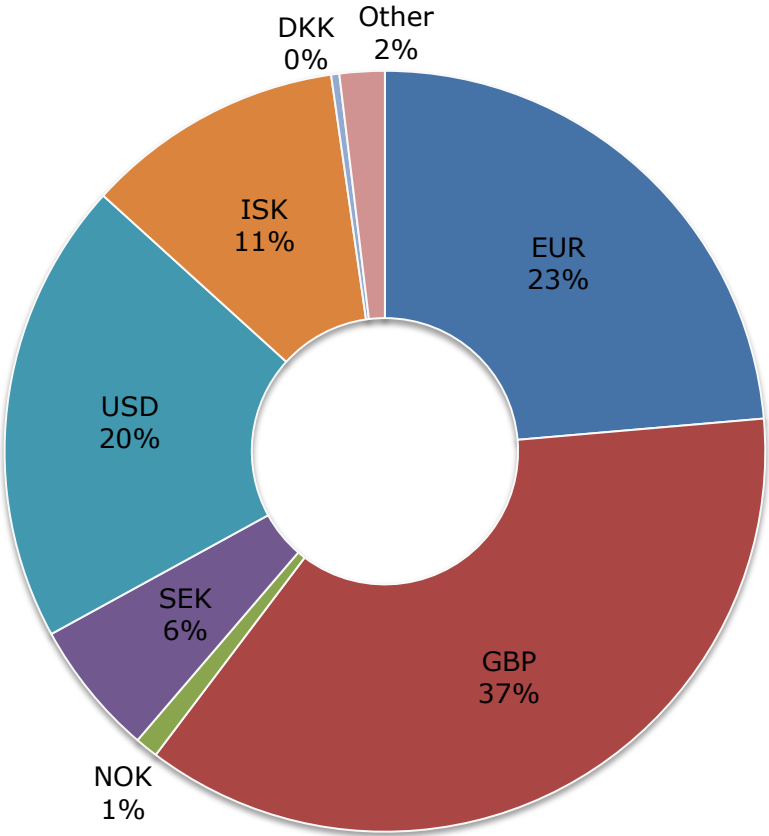
**Scandinavia includes all the Nordic countries

*** UK includes UK overseas territories and Crown dependencies

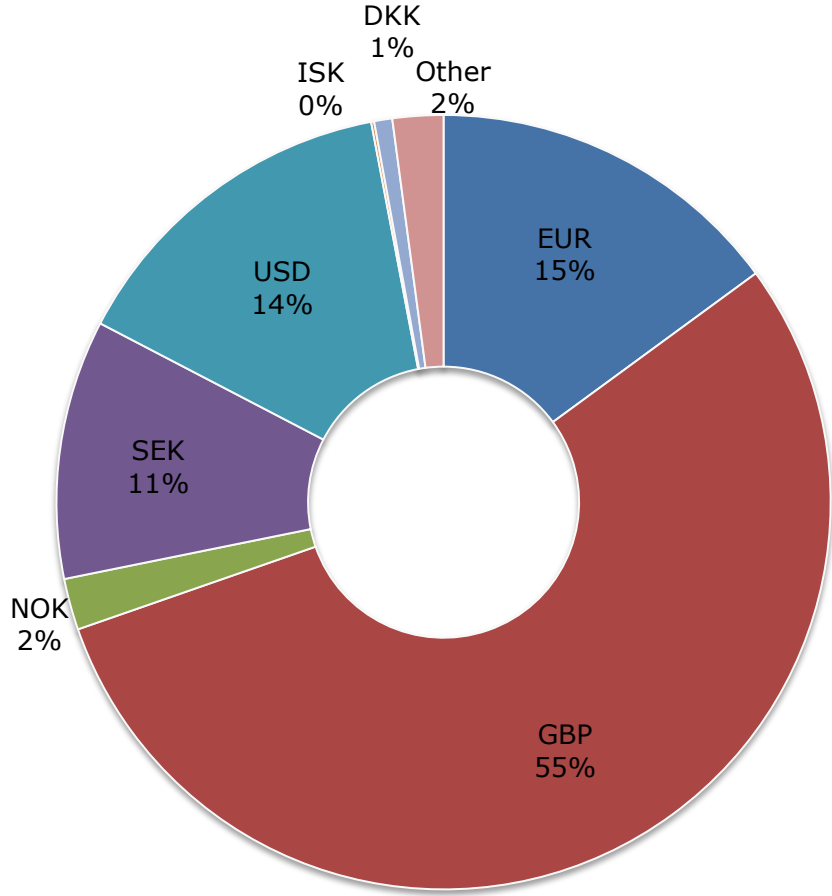
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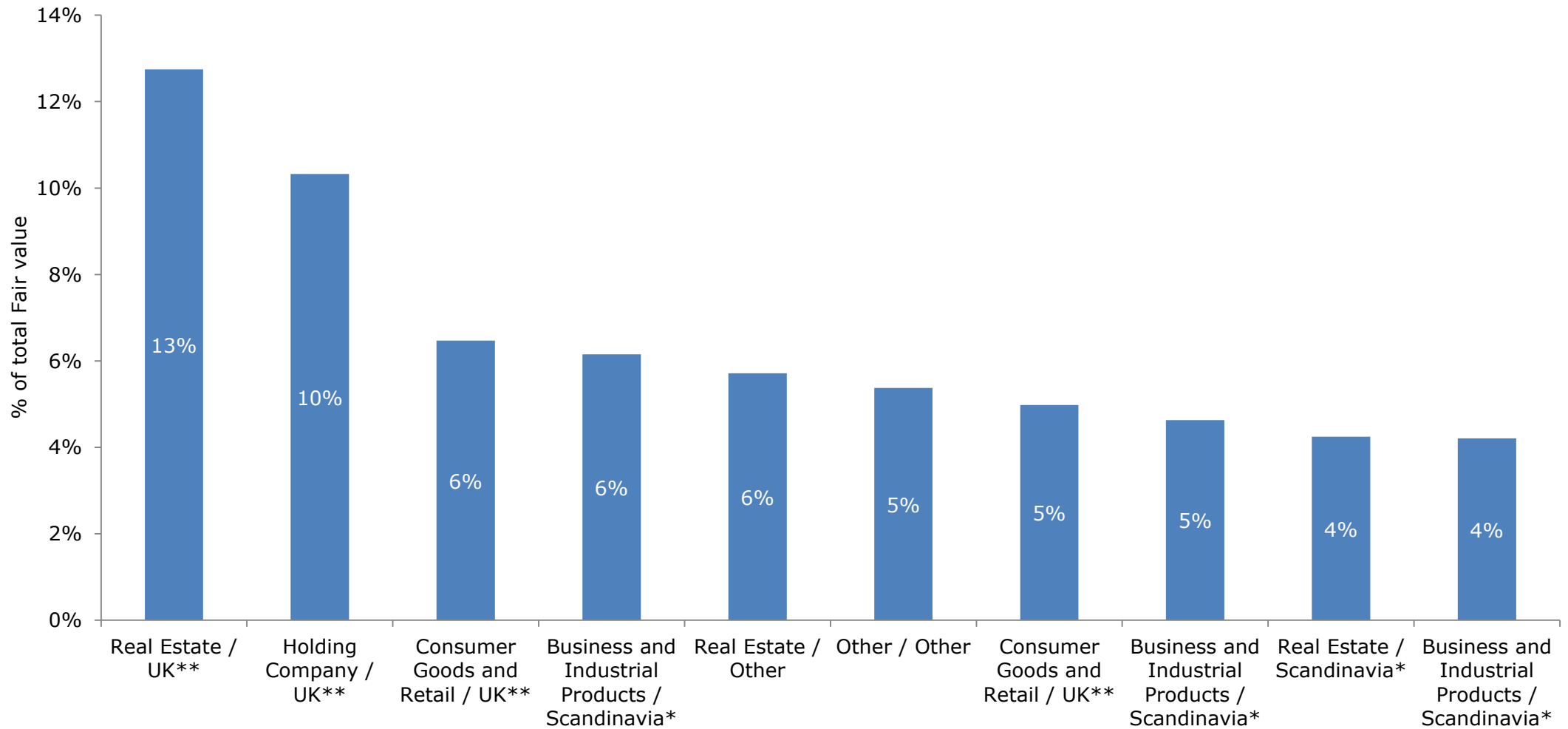
Carrying value



Fair value



Ten Largest Loans to Customers

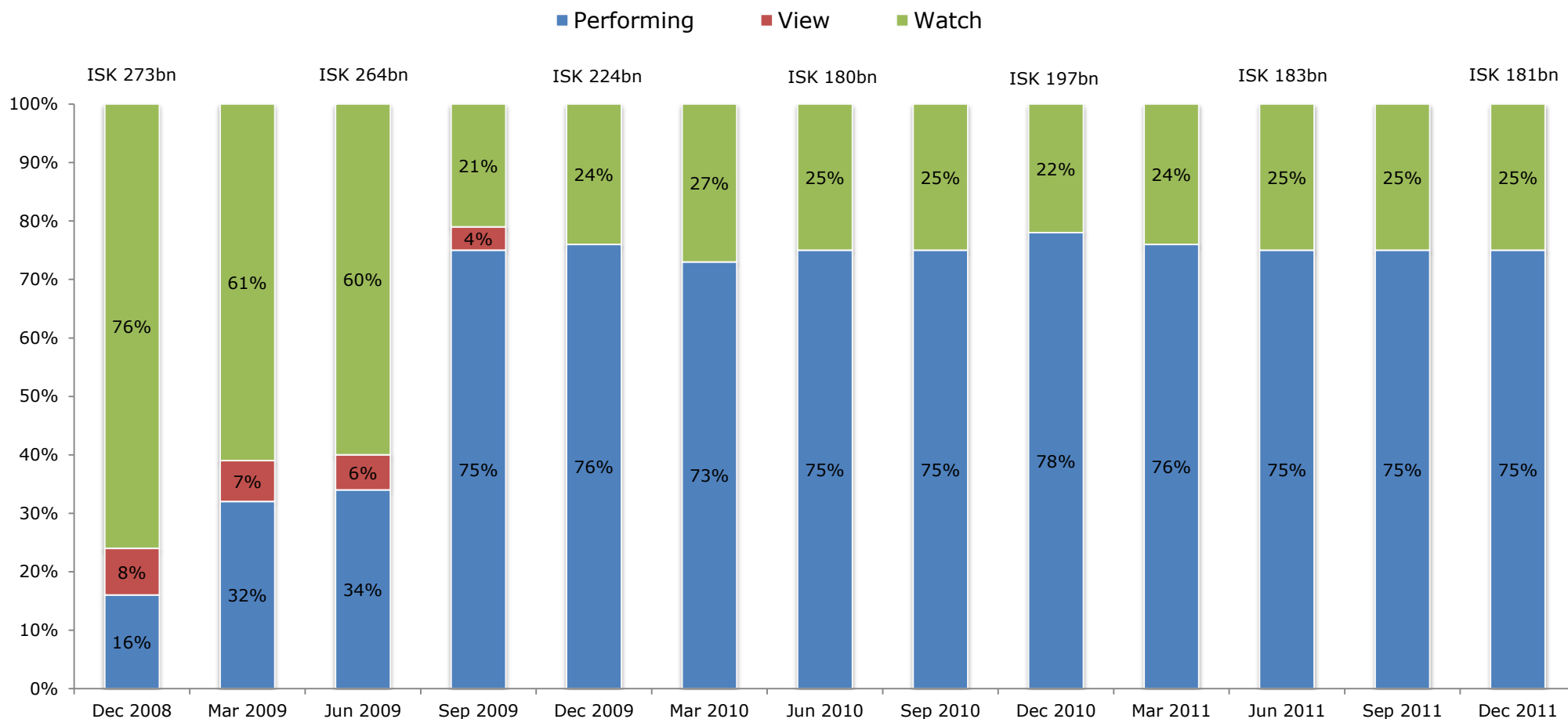


■ The ten largest Loans to customers by Sector and Country at Fair Value as a % of total Loans to customers at fair value as at the end of 2011.

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Europe Portfolio at Carrying Value* – Performance

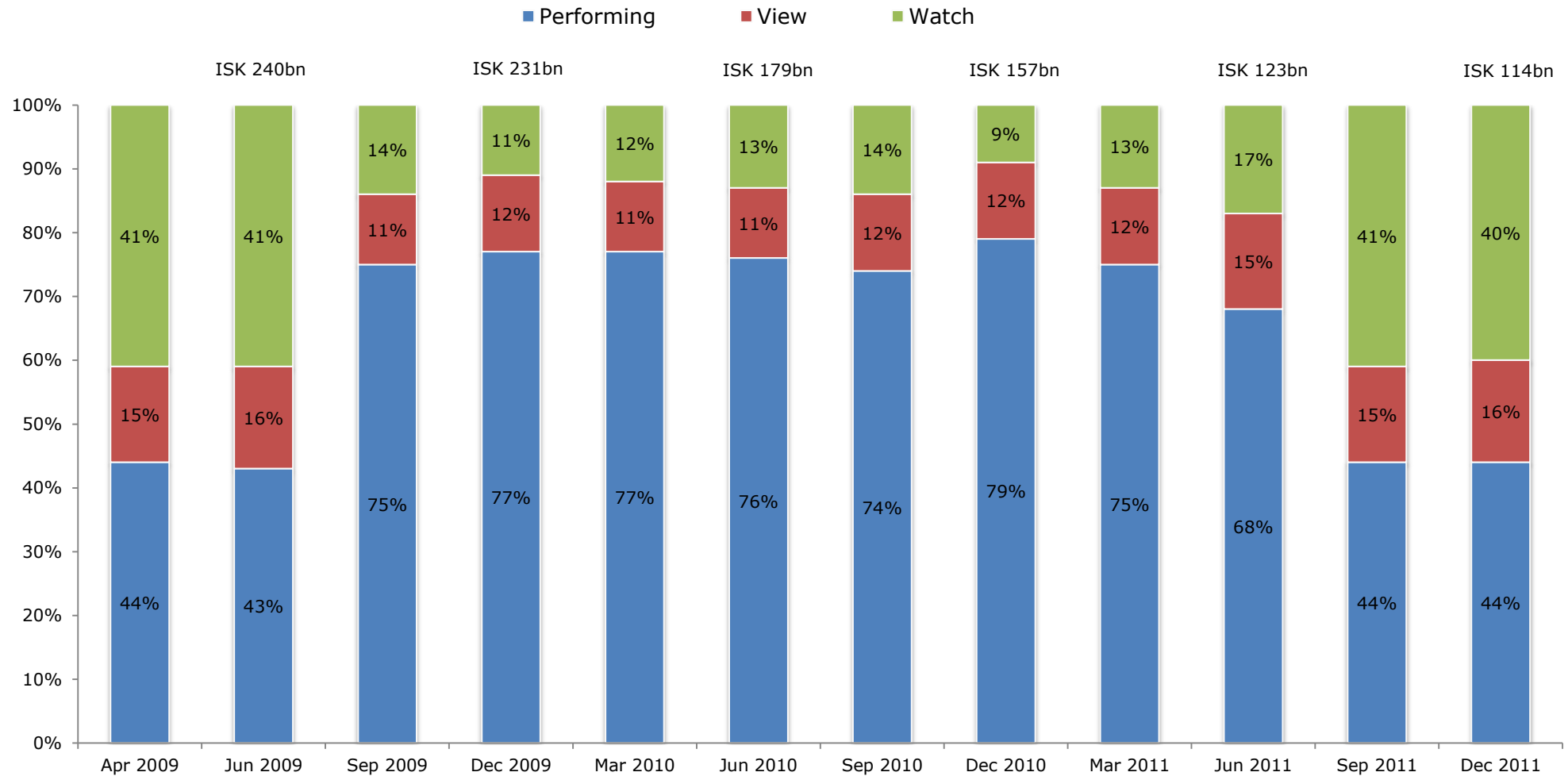


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** Europe portfolio excludes debt which is still held against Jane Norman (in administration) after its pre-pack administration.

For definition of watch, view and performing, see Appendix.

Nordic Portfolio at Carrying Value – Performance



- The main reason for the significant drop in performing loans in Q3 2011 is due to one account moved from Performing to Watch in Q3 2011. Additionally a few smaller performing loans have been repaid.

For definition of watch, view and performing, see Appendix.

Bonds and Debt Instruments



- Bonds and debt instruments are valued at ISK 17,2bn as at YE 2011 and increased by ISK 9,8bn in 2011.
 - Several securities valued at ISK 4,2bn acquired as part of winding down and settling Kaupthing's secured funding agreements and derivatives book.
 - New subordinated debt instrument converted from preferred shares.
 - In addition, interest payments received amounted to ISK 0,8bn, principal payments amounted to ISK 0,2bn and real value increase amounted to ISK 0,9bn.
- This asset class has been shown with both pledged and unpledged positions in previous statement of assets. Kaupthing has now netted all pledged positions against the respective collateral and therefore the total amount, consisting of only unpledged positions, is presented.
- Claims for set-off may materially affect this asset class.

Bonds and debt instruments			Change in ISK	
	31.12.2011	31.12.2010	(YoY)	% change (YoY)
Listed	7.024	6.480	544	8%
Unlisted	10.194	976	9.218	944%
Bonds and debt instruments	17.218	7.456	9.762	131%
Bonds and debt instruments (mEUR)	108	48	60	125%

Bonds and debt instruments			Change in ISK	
	31.12.2011	31.12.2010	(YoY)	% change (YoY)
Consumer Goods and Retail	6.012	-	6.012	-
Government Agencies	5.376	4.851	525	11%
Holding Companies	1.928	451	1.477	327%
Governments	1.648	1.780	132	-7%
Energy and Environment	1.154	-	1.154	-
Financial Services	1.100	374	726	194%
Bonds and debt instruments	17.218	7.456	9.762	131%
Bonds and debt instruments (mEUR)	108	48	60	125%

All amounts in table in mISK and mEUR.

Shares and Instruments with Variable Income



- Shares and instruments with variable income valued at ISK 39,9bn and decreased by ISK 15,6bn in 2011.
 - Increased by ISK 3,1bn due to FX and other changes.
 - Decreased in real terms by ISK 12,0bn.
 - Preferred shares converted to a new subordinated debt instrument issued by Karen Millen resulting in a higher ranking in the capital structure and reclassified as Bonds and Debt Instruments.
 - Realization of equity stakes amounted to ISK 3,8bn and dividend payments amounted to ISK 0,5bn.
- This asset class has been shown with both pledged and unpledged positions in previous reports. Kaupthing has now netted all pledged positions against the respective collateral and therefore the total amount, consisting of only unpledged positions, is presented.

Shares and instruments with variable income	Change in ISK			
	31.12.2011	31.12.2010	(YoY)	% change (YoY)
Listed	5.228	6.123	- 895	-15%
Unlisted	34.669	49.347	- 14.678	-30%
Shares and instruments with variable income	39.897	55.470	- 15.573	-28%
Shares and instruments with variable income (mEUR)	251	361	- 109	-30%

Shares and instruments with variable income	Change in ISK			
	31.12.2011	31.12.2010	(YoY)	% change (YoY)
Consumer Goods and Retail	19.718	37.510	- 17.792	-47%
Financial Services	6.720	7.354	- 634	-9%
Real estate	5.752	2.402	3.350	139%
Consumer Services: Other	4.098	3.332	766	23%
Energy and Environment	2.061	3.487	- 1.426	-41%
Life Sciences	1.547	1.210	337	28%
Other	1	175	- 174	-99%
Shares and instruments with variable income	39.897	55.470	- 15.573	-28%
Shares and instruments with variable income (mEUR)	251	361	- 109	-30%

All amounts in table in mISK and mEUR.

Derivatives and Unpaid Derivatives



- Derivatives and unpaid derivatives amounted to ISK 81,2bn at fair value and ISK 157,3bn and decreased by ISK 14,0bn in the year 2011:
 - Increased in real terms by ISK 7,1bn due to revaluations and gain or loss from settlements.
 - Increased by ISK 1,4bn due to FX changes.
 - Decreased by ISK 12,7bn due to net cash inflow and securities acquired from counterparties in partial or complete settlements.
 - Decreased by ISK 9,3bn due to setoff against accepted claims on the Estate.
- There are 100 counterparties remaining on the asset side, decreased from 152 at YE 2010.
- Collateral comprises cash collateral associated with derivative assets posted by ISDA counterparties with Kaupthing. This collateral was part of Kaupthing’s own funds and had been re-used or re-invested prior to the bank’s collapse. The carrying value after collateral includes collateral amounting to ISK 1.748 million held in excess by ISDA counterparties. In addition, ISK 267 million has been posted as collateral by non-ISDA counterparties and is pledged to Kaupthing. This is an off-balance sheet item.
- Claims for set-off may significantly affect this asset class.

Derivatives and unpaid derivatives - Assets	Carrying value net of collateral	Provision 31.12.2011	Fair value net of collateral	Fair value net of collateral 31.12.2010
Derivatives	1.135	-227	908	1.292
Unpaid derivatives*	156.126	-75.818	80.308	93.874
Derivatives and unpaid derivatives	157.261	-76.045	81.216	95.166
Derivatives and unpaid derivatives (mEUR)	990	-479	511	619

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

All amounts in table in mISK and mEUR.



- 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 Estate's favour.
- Provisions primarily reflect estimated creditworthiness of each counterparty. The provision level is decided on a counterparty level, not a product level, and is reviewed on a regular basis.

Derivatives and unpaid derivatives - Assets	Carrying value net of collateral	Provision 31.12.2011	Fair value net of collateral	Fair value net of collateral 31.12.2010
ISDA counterparties	46.374	-4.733	41.641	50.060
Non-ISDA counterparties	110.887	-71.312	39.575	45.106
Derivatives and unpaid derivatives	157.261	-76.045	81.216	95.166
Derivatives and unpaid derivatives (mEUR)	990	-479	511	619

Investments in Subsidiaries



- Unpledged Investments in subsidiaries amounted to ISK 116,3bn and increased by ISK 4,4bn in 2011.
 - Increased by ISK 3,2bn in real terms.
 - Increased by ISK 0,7bn due to FX fluctuations.
 - Dividend payments amounted to ISK 0,5bn, primarily coming from Norvestia.
- Pledged positions amounted to ISK 16,8bn at YE 2010 but only shares in one entity, KMIIF was shown as pledged. As a part of the restructuring of the Covered bond programme the entity was transferred to Arion Bank, and therefore there are no longer any pledged assets remaining in this asset class.

Investments in subsidiaries	31.12.2011	31.12.2010	% change
Kaupskil ehf. (Arion Bank), Iceland	96.175	92.191	4,3%
Kirna ehf., Iceland	7.978	4.122	93,5%
Norvestia Oyj, Finland	7.087	7.816	-9,3%
Kaupthing Sverige AB, Sweden	1.098	4.792	-77,1%
Other	4.009	3.018	32,8%
Investments in subsidiaries*	116.347	111.939	3,9%
Investments in subsidiaries (EUR)	733	728	0,7%

*Total investments in subsidiaries in YE 2010 was ISK 128.155m of that ISK 16.216m was pledged and ISK 111.939m unpledged.

Other Assets



- Other assets valued at ISK 19,5bn at fair value and increased by ISK 15,9bn in YE 2011.
 - Increased by ISK 14,8bn due to reclassification from other asset classes in relation to claims on bankrupt entities (majority coming from Bonds and Debt Instruments).
 - Increased by ISK 3,5bn due to FX changes and other.
 - Decreased by ISK 2,4bn due to net cash inflow.

Other Assets	31.12.2011	31.12.2010	% change
Accounts receivables	4.351	1.776	145,0%
Claims on bankrupt entities	11.887	1.410	743,0%
Sundry assets	3.249	410	692,4%
Other assets at fair value	19.487	3.596	441,9%
Other assets (EUR)	123	23	434,8%

All amounts in table in mISK and mEUR.



Liabilities - The Claims Process



- The liabilities of the Estate 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 at 30 December 2009, amounting to ISK 7.316bn. However, as at 9 April 2012, the total amount of claims registered in the list of claims, amounted to ISK 5.132bn. The list of claims however incorporates all claims lodged against Kaupthing except those claims which have been filed and later withdrawn by creditors and therefore includes claims which have been finally rejected by the WuC.
 - As at 9 April 2012, adjusted outstanding claims amounted to ISK 3.774 billion, thereof ISK 3.625 billion under Art. 113. 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 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 ICB on 22 April 2009. Hence, the liability side has been fixed in ISK as at that date for all relevant claims.
- A continuous effort is being made by Kaupthing to settle disputed claims. This work has progressed well and has already resulted in a significant reduction of claims in addition to an increase of finally recognized claims. In 2011, adjusted outstanding claims have reduced from ISK 5,502bn to ISK 3,774bn, or by ISK 1,728bn.
- **All amounts on the following slides are based on the claim registry as at 9 April 2012.**



Adjusted outstanding claims

- In several cases the WuC accepts a claim with different priority than lodged. **Adjusted amounts** in the table below are based on the WuC decisions and represent the total amounts of all claims that decisions have been made under respective article, i.e. accepted or rejected. **Adjusted outstanding claims** represent the Adjusted amounts under each article excluding finally rejected claims.

Article	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Art. 114	Total
Total Lodged	43.507	788	88.931	269.075	4.259.748	469.961	5.132.009
Total Adjusted	33.846	679	16.250	59.194	4.552.079	469.961	5.132.009
Accepted	7	203	0	585	2.856.909	0	2.857.704
Thereof, finally*	7	203	0	585	2.782.993	0	2.783.788
<i>Thereof, in dispute due to priority*</i>	0	0	0	0	207.052	0	207.052
Thereof, in dispute	0	0	0	0	73.916	0	73.916
Rejected**	33.839	476	16.250	58.609	1.695.170	469.961	2.274.305
Thereof, finally	10.432	421	11.093	48.809	926.720	361.032	1.358.507
Thereof, in dispute	23.407	55	5.157	9.800	768.450	108.929	915.798
Adjusted outstanding claims	23.414	258	5.157	10.385	3.625.359	108.929	3.773.502
Thereof, rejected duplicate/triplicate claims in dispute	0	0	0	2.472	21.644	242	24.358
Adjusted outstanding claims - excluding rejected duplicate/triplicate claims in dispute, and claims lodged under Art. 114	23.414	258	5.157	7.913	3.603.715		3.640.457

* Claims which have been accepted but are still in dispute and objected only by the respective claimant but not other creditors are included as finally accepted claims as the accepted amount in these cases will never be lower than what has been accepted by the WuC. In these cases, there can still be a dispute between the WuC and individual creditors regarding priority status of claims. The priority of a finally accepted claim can therefore change, from Art. 113 to Art. 109-112, in accordance with final outcome of that claim. Claims lodged under Art. 109-112 but have been categorized as finally accepted under Art. 113 (only disputed by the claimant itself) amounted to ISK 207bn.

** Claims that have been rejected, moved under Art. 114 or where no decision will be taken. With reference to the final sentence of the first paragraph of Article 119 of the Act on Bankruptcy, etc., No. 21/1991, no decisions will be made on subordinate claims.

All amounts in table in mISK.

Total Adjusted Outstanding Claims



- Total adjusted outstanding claims as at 9 April 2012 shown by article and type.

Type	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Art. 114	Total
Guarantees	0	0	0	4.464	111.417	75	115.956
Derivatives	7.505	0	5.157	0	300.713	1.324	314.699
Miscellaneous	1.861	179	0	1	150.812	0	152.853
Deposit Agreements	0	0	0	4.241	296.991	4.021	305.253
Deposits	0	0	0	0	68	0	68
Reimbursements	0	0	0	37	806	0	843
Loan Agreements	0	0	0	0	427.823	1.371	429.194
Invoices	58	21	0	0	1.710	0	1.789
Contracts	0	0	0	0	47.658	0	47.658
Damages	13.990	58	0	906	75.578	70	90.602
Bonds	0	0	0	7	2.210.964	102.064	2.313.035
Interests	0	0	0	729	819	4	1.552
Total	23.414	258	5.157	10.385	3.625.359	108.929	3.773.502

Adjusted outstanding amounts in the table above are based on the WuC's decisions and represent the outstanding amounts of all claims that decisions have been made under respective article, i.e. accepted or rejected dispute claims, finally rejected claims are excluded.

There might still be outstanding disputes concerning priority of claims as in several cases the WuC accepts a claim with different priority than lodged. Thus, the priority of claims in the table above might change as courts might rule against WuC's decision on priority of claims.



■ Finally* accepted claims by article and type

Type	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Art. 114	Total
Guarantees	0	0	0	0	8.715	0	8.715
Derivatives	0	0	0	0	30.750	0	30.750
Miscellaneous	1	179	0	0	9.739	0	9.919
Deposit Agreements	0	0	0	0	258.240	0	258.240
Deposits	0	0	0	0	0	0	0
Reimbursements	0	0	0	17	577	0	595
Loan Agreements	0	0	0	0	416.579	0	416.579
Invoices	0	21	0	0	1.619	0	1.640
Contracts	0	0	0	0	41	0	41
Damages	7	2	0	0	348	0	357
Bonds	0	0	0	0	2.055.566	0	2.055.566
Interests	0	0	0	568	818	0	1.386
Total	7	203	0	585	2.782.993	0	2.783.788

■ Accepted claims in dispute by article and type

Type	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Art. 114	Total
Guarantees	0	0	0	0	11.882	0	11.882
Derivatives	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	54.825	0	54.825
Deposit Agreements	0	0	0	0	0	0	0
Deposits	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0
Loan Agreements	0	0	0	0	0	0	0
Invoices	0	0	0	0	0	0	0
Contracts	0	0	0	0	0	0	0
Damages	0	0	0	0	0	0	0
Bonds	0	0	0	0	7.209	0	7.209
Interests	0	0	0	0	0	0	0
Total	0	0	0	0	73.916	0	73.916

* Clarification on finally accepted claims is shown below table on slide 42.
All amounts in tables in mISK.

Rejected Claims – Final and in Dispute



■ Finally rejected claims by article and type

Type	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Art. 114	Total
Guarantees	378	0	3	36.006	5.137	1.277	42.801
Derivatives	1.408	0	3.669	26	7.807	1.011	13.921
Miscellaneous	1.580	27	0	12	229	1	1.849
Deposit Agreements	0	0	0	2	643	664	1.309
Deposits	1.611	0	0	7.791	35.768	26	45.196
Reimbursements	0	0	0	654	4	12	670
Loan Agreements	0	0	7.056	18	11.088	4.268	22.430
Invoices	0	311	0	12	853	247	1.423
Contracts	0	1	0	0	56	0	57
Damages	128	82	0	64	2.401	42	2.717
Bonds	5.252	0	319	2.144	862.287	353.396	1.223.398
Interests	75	0	46	2.080	447	88	2.736
Total	10.432	421	11.093	48.809	926.720	361.032	1.358.507

■ Rejected claims in dispute by article and type

Type	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Art. 114	Total
Guarantees	0	0	0	4.464	90.820	75	95.359
Derivatives	7.505	0	5.157	0	269.963	1.324	283.949
Miscellaneous	1.860	0	0	1	86.248	0	88.109
Deposit Agreements	0	0	0	4.240	38.751	4.021	47.012
Deposits	0	0	0	0	68	0	68
Reimbursements	0	0	0	20	229	0	249
Loan Agreements	0	0	0	0	11.244	1.371	12.615
Invoices	58	0	0	0	91	0	149
Contracts	0	0	0	0	47.617	0	47.617
Damages	13.984	55	0	906	75.229	70	90.244
Bonds	0	0	0	6	148.189	102.064	250.259
Interests	0	0	0	163	1	4	168
Total	23.407	55	5.157	9.800	768.450	108.929	915.798

All amounts in tables in mISK.

Rejected Claims in Dispute – Excluding Rejected Duplicated/Triplicated claims



■ Breakdown of rejected claims in dispute under each article and type (excluding rejected duplicated/triplicated claims)

Type	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Art. 114	Total
Guarantees	0	0	0	1.992	90.820	75	92.887
Derivatives	7.505	0	5.157	0	269.963	1.324	283.949
Miscellaneous	1.860	0	0	1	86.248	0	88.109
Deposit Agreements	0	0	0	4.240	38.751	4.021	47.012
Deposits	0	0	0	0	68	0	68
Reimbursements	0	0	0	20	229	0	249
Loan Agreements	0	0	0	0	11.244	1.371	12.615
Invoices	58	0	0	0	91	0	149
Contracts	0	0	0	0	47.617	0	47.617
Damages	13.984	55	0	906	75.229	70	90.244
Bonds	0	0	0	6	126.545	101.822	228.373
Interests	0	0	0	163	1	4	168
Total	23.407	55	5.157	7.328	746.806	108.687	891.440

All amounts in tables in mISK.



- As at 9 April 2012, outstanding priority and secured claims (Art. 109 - Art. 112) amounted to ISK 245 billion. These claims can be broken down into priority and secured claims amounting to ISK 38 billion that have been rejected by the Winding-up Committee and ISK 207 billion which have been rejected as priority claims but accepted as general claims (Art. 113).



Operating Costs



- The table below sets out the operating costs of Kaupthing in 2011.
 - Operating costs of Kaupthing's operations, i.e. for the activities of both the Resolution Committee and the Winding-up Committee:

(ISKm)	2011
Salaries and salary related cost	1.089
Thereof, salary related taxes	359
Administrators' cost	230
External advisors	3.791
Domestic	593
Foreign	3.198
Other expenses	883
VAT	313
Total	6.306

- Total annualized operating costs in 2011 were approx. 0,3% of the total carrying value of assets and 0,7% of the total fair value of assets as at the end of 2011.
- ISK 313 million or 5% of the Estate's operating costs is in the form of VAT and other taxes.
- The largest items in external advisory costs are related to the activities of Kaupthing's financial and legal advisors, including forensic work conducted, work in relation to litigations and recovery proceedings and activities in relation to the potential restructuring of the Estate's operations.
- Other expenses include expenses related to IT services, housing, offices, custody services, travelling and other staff and administration items.

All amounts in table in mISK.



Appendix



Currency Table



- The ISK against major currencies as at 31.12.2011 and 31.12.2010.

	31.12.2011	31.12.2010
AUD	125,40	117,39
CAD	120,25	115,32
CHF	130,79	122,79
DKK	21,36	20,64
EUR	158,80	153,82
GBP	190,30	179,11
JPY	1,59	1,41
NOK	20,50	19,72
SEK	17,80	17,07
USD	122,24	114,71



- *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 within 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.



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