



# INTERIM FINANCIAL STATEMENTS

1 JANUARY - 30 JUNE 2013

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# IMPORTANT NOTICE

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These interim financial statements have been prepared for information purposes only and are not intended for third party publication, distribution or release in any manner. No reliance can be placed on any of the information provided in these interim financial statements by any person for any purpose including, without limitation, in connection with any investment decision in relation to the acquisition or sale of any financial instruments or claims. Information contained in these interim financial statements in no way constitutes investment advice.

Kaupthing hf. ("Kaupthing" or the "Company"), its winding-up committee (the "Winding-up Committee"), employees and advisers are under no circumstances responsible for any damage or loss which may occur as a result of any of the information provided in these interim financial statements. Kaupthing, its Winding-up Committee, employees and advisers do not accept any liability in any event including (without limitation) any damage or loss of any kind which may arise including direct, indirect, incidental, special or consequential damages, expenses or losses arising out of, or in connection with the use or inability to use these interim financial statements, modification of these interim financial statements by the Company or any incorrect or inaccurate information in these interim financial statements.

These interim financial statements are not audited, are not consolidated and have not been prepared in accordance with any generally accepted accounting principles or International Financial Reporting Standards ("IFRS"). Nor do they contain all of the information required for full financial statements. Kaupthing's valuation of its assets is based on the valuation methodology described in note 3. When Kaupthing refers to "fair value" in these interim financial statements with respect to its assets it is to fair value as described in that valuation methodology. Under IFRS, asset values might be materially different than under the fair value concept reflected in these interim financial statements and the asset categorisation may also be different. Kaupthing furthermore draws attention to each note in the interim financial statements.

The data in these interim financial statements reflects historic valuations as at 30 June 2013. The asset values set out in these interim financial statements do not represent an assessment of the possible future value of Kaupthing's assets, or an estimate of the likely recovery for any creditor. Material uncertainties continue to exist which could affect the recoveries of creditors, including but not limited to the ultimate amount of finally accepted priority claims and unsecured claims and the realisable value of the Company's assets. Realisable values of Kaupthing's assets may be materially different at any given point in time as most of the non-cash assets are complex, illiquid and not standardised, and their values are subject to a number of material uncertainties, including general economic and market conditions which have been and may continue to be volatile. The realisable values of the Company's assets could also be affected by the realisation strategies undertaken, including the time period permitted for realisations.

The Company wishes to caution creditors against using the data in these interim financial statements to estimate likely recovery as any such estimates are likely to be materially misleading. The actual realisable value of the Company's assets and liabilities may differ materially from the values set forth herein.

Several changes have been made recently to the Foreign Exchange Act, no. 87/1992, with subsequent amendments (the "Foreign Exchange Act"). Two of these recent changes to the Foreign Exchange Act have directly affected the Company. These changes were made on 13 March 2012, with Act no. 17/2012, amending the Foreign Exchange Act and further amendments to the Foreign Exchange Act were made on 9 March 2013 by Act no. 16/2013. These amendments provide for limitations on the exemption afforded to the Company in respect of the statutory prohibition against cross-border movement of foreign currency.

Cash deposits in foreign currencies held with foreign financial institutions or with the Central Bank of Iceland as of end of day 12 March 2012 are exempted from the ban on cross-border movement of foreign currency as provided for in paragraph 2 Art. 13 b of the Foreign Exchange Act, but are subject to notification and reporting to the Central Bank of Iceland.

Cross-border transfers of cash deposits in foreign currency, that were deposited or have accrued after 12 March 2012, from the Company's accounts held at (a) foreign financial institutions or (b) the Central Bank of Iceland, are subject to the currency controls. All cash deposits in foreign currency in domestic financial institutions are subject to the currency controls. Cross-border transfer by the Company of such cash deposits requires prior approval from the Central Bank of Iceland.

The Central Bank of Iceland can set down rules which define conditions to be fulfilled in order for an exemption from currency restrictions to be granted. Such rules have not yet been published. Furthermore, the currency controls do not permit assets denominated in Icelandic krona to be converted into foreign currency or to be transferred out of Iceland. This could materially affect the value of the Company's Icelandic assets.

No audit has been carried out for any financial period since 31 December 2007. Accordingly, no representation is made as to the completeness and correctness of the financial information and valuation of the assets in these interim financial statements.

Kaupthing reserves the right to modify and reissue these interim financial statements or any part of them, with or without notice, at any time. No representation or warranty, express or implied is given by the Company, its Winding-up Committee, employees and advisers as to the fairness, accuracy or completeness of the contents of these interim financial statements, nor is any such party under any obligation to correct any inaccuracies or omissions in this report which may exist or become apparent.

The use of Kaupthing's material, works or trademarks is forbidden without written consent except where otherwise expressly stated. Furthermore, it is prohibited to publish material prepared or gathered by Kaupthing without written consent.



# BALANCE SHEET

as at 30 June 2013

	Notes	30.06.2013	31.12.2012
<b>Assets</b>			
Cash in hand .....	12-14	415,624	417,627
Loans to and claims against credit institutions .....	15-16	10,316	22,380
Loans to customers .....	17-22	155,307	191,891
Bonds and debt instruments .....	23-24	6,130	7,874
Shares and instruments with variable income .....	25-27	30,183	28,346
Derivatives .....	28-29	19,271	20,698
Investments in subsidiaries .....	30	136,790	137,377
Other assets .....	31	16,380	31,572
		<b>790,001</b>	<b>857,765</b>
<b>Liabilities</b>			
Outstanding claims .....	32-34	2,932,362	3,067,062
Other Liabilities .....	35	1,290	1,785
		<b>2,933,652</b>	<b>3,068,847</b>
<b>Equity</b>			
Share capital .....		7,270	7,270
Share premium .....		136,471	136,471
Accumulated deficit .....		(2,287,392)	(2,354,823)
		<b>(2,143,651)</b>	<b>(2,211,082)</b>
		<b>790,001</b>	<b>857,765</b>
Other information .....	36-41		

# STATEMENT OF CASH FLOWS

for the period from 1 January to 30 June 2013

	Notes	1.1.-30.6 2013	2012
<b>Cash inflow</b>			
Cash in hand - interests received .....		995	1,758
Loans to and claims against credit institutions - principal payments .....		609	9,105
Loans to and claims against credit institutions - interest payments .....		46	247
Loans to and claims against credit institutions - restricted cash .....		10,031	-
Loans to customers - principal payments .....		16,712	41,896
Loans to customers - interest payments .....		2,550	7,724
Loans to customers - fee payments .....		109	226
Bonds and debt instruments - principal payments .....		3,808	771
Bonds and debt instruments - interest payments .....		204	297
Shares and instruments with variable income - realisation of equity stakes .....		48	662
Shares and instruments with variable income - dividend .....		193	261
Derivatives - net cash inflow .....		889	6,951
Investments in subsidiaries - dividend received .....		254	560
Other assets - net cash inflow .....		15,730	-
Other inflow .....		184	868
		<b>52,362</b>	<b>71,326</b>
<b>Cash outflow</b>			
Loans to customers - principal outflow / RCF .....		(2,142)	(5,160)
Shares and instruments with variable income - purchase of equity stakes .....		-	(23)
Exceptional assets support cost .....		(12)	-
Investments in subsidiaries - capital injection .....		(69)	-
Other assets - net cash outflow .....		-	(1,322)
Operating expenses .....		(3,211)	(8,072)
Payment of Claims Art. 109 and 110 .....	9	(5,797)	-
Custody account - late filed claims Art. 109 and 110 in dispute .....	32,39	(14,713)	-
Other outflow .....		(40)	(916)
		<b>(25,984)</b>	<b>(15,493)</b>
Net increase in cash in hand .....		26,378	55,833
FX changes .....		(28,381)	28,883
Cash at the beginning of the year .....		417,627	332,911
<b>Cash at the end of the period .....</b>	12-14	<b>415,624</b>	<b>417,627</b>

# NOTES

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## General information

### Introduction

#### 1. Reporting entity

Kaupthing hf. ("Kaupthing", the "Company") is currently in winding-up proceedings headed by a winding-up committee (the "Winding-up Committee"). The Winding-up Committee is responsible for all of the Company's affairs, including directing its daily operations, managing the Company's assets, administering the claims process and safeguarding the Company's other interests with the principal objective of preserving the interests of the creditor body as a whole.

The Winding-up Committee is comprised of the following members: Mr. David B. Gislason, District Court Attorney, Ms. Feldis L. Oskarsdottir, District Court Attorney, Mr. Johannes R. Johannsson, Supreme Court Attorney and Mr. Theodor S. Sigurbergsson, Certified Public Accountant.

The Winding-up Committee's principal objective is to ensure proper handling of and maximise the value of the Company's assets to the benefit of its creditors.

The interim financial statements were authorised for issue by the Winding-up Committee on 19 September 2013.

### Basis of preparation

#### 2. Estimated valuation of Kaupthing's assets and liabilities

The information in these interim financial statements as at 30 June 2013 and 31 December 2012 was prepared by Kaupthing and is presented in Icelandic krona (ISK), rounded to the nearest million, unless otherwise stated. The figures herein were not audited by an independent auditor and the statements do not include all the information required for full financial statements

Kaupthing emphasises that the valuation estimates herein is a historic valuation only as at the reporting date. No attempts were made to assess the possible future value of assets, or to estimate likely recovery of creditors' claims.

The outstanding claims as at 30 June 2013 and 31 December 2012 are based on the claim registry. Claims in foreign currencies have been converted into ISK at foreign exchange selling rates published by the Central Bank of Iceland for 22 April 2009 in accordance with Act no. 44/2009. Other liabilities at 30 June 2013 and year end 2012 are converted at 30 June 2013 and year end rates 2012, respectively.

The valuation in these interim financial statements takes into account the estimated impact of set-off when the entity has a legally enforceable right to set-off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The exact impact of disputed set-off could make a material difference to overall creditor recoveries. Information on disputed set-off is provided in note 40.

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## Valuation methodology

3. The valuation methodology for each class is abbreviated below.

### Cash in hand

The balance of all cash accounts as at 30 June 2013 is without any discount and including accrued unpaid interest up to 30 June 2013.

### 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.

Disputed set-off, which is further discussed in note 40, may significantly affect this asset class.

### 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 December 2012 edition of the International Private Equity and Venture Capital Valuation Guidelines (can be found at [www.evca.eu](http://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 Company 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 characterised such a trade are taken into consideration;
- 2) Recent offers received 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, Kaupthing applied one of the following methods:
  - a) for loans at 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 categorisation 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 Kaupthings'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 30 June 2013.

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 December 2012 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.

When determining the value of structured bonds, Kaupthing is using the services of external advisors as appropriate who specialise in structured bonds valuations and risk management services.

### 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 30 June 2013.

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 December 2012 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.



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## Valuation methodology, continued

### Derivatives

This category contains claims against counterparties in relation to matured or terminated derivative trades. For ISDA counterparties the derivatives and collateral are netted and converted to the termination currency as at the termination date. In general for non-ISDA counterparties each unpaid amount is converted to the likely or agreed settlement currency as at the payment date.

The calculated amount of derivatives before provisions is based on Kaupthing's own valuations, which may differ significantly from the final settlement amounts. When determining the value of more complex derivatives and structured products, Kaupthing is using the services of external advisors as appropriate who specialise in derivative valuation. 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 Kaupthing's exposure to a counterparty consists of positions held under a single ISDA with e.g. two branches where one is an asset for Kaupthing and one a liability, these positions are netted into a single exposure equal to the 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. Kaupthing uses widely recognised valuation models for the common and simpler derivatives like options and interest rate and currency swaps. For more complex instruments, Kaupthing 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. Third party quotes and close-out notices providing details of such calculations enable Kaupthing to reconcile amounts. Some provisions are made to the Kaupthing's valuation of ISDA derivatives to account for potential disputes in valuation. For many non-ISDA counterparties, a significant valuation adjustment is made on derivative assets to account for credit, legal and settlement risk.

Disputed set-off, which is further discussed in note 40, 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 30 June 2013 or the most recent financial information available at the date of these interim financial statements. This valuation does not necessarily reflect the market value.

### Other assets

Other assets are valued at estimated fair value. Estimated credit risk of the counterparty is taken into account in provisions for losses.

### Outstanding claims

The outstanding claims as at 30 June 2013 and 31 December 2012 are based on the claim registry. Claims in foreign currencies have been converted into ISK at foreign exchange selling rates published by the Central Bank of Iceland for 22 April 2009 in accordance with Act no. 44/2009.

### Other liabilities

Liabilities relating to the costs of managing the Company after the commencement of the Resolution Committee in October 2008. Other liabilities at 30 June 2013 and year end 2012 are converted at 30 June 2013 and year end 2012 rates, respectively.

## 4. Coordinated sectoral classification

These interim financial statements feature coordinated sectoral classification between asset classes which is based on sectoral classification by 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 standardised sectoral classification of Eurostat can be found at [www.evca.eu](http://www.evca.eu). 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.

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## 5. Foreign exchange rates

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

	Balance sheet	
	30.6.2013	31.12.2012
AUD .....	113.36	133.00
CAD .....	117.97	128.51
CHF .....	131.07	139.91
DKK .....	21.62	22.64
EUR .....	161.23	168.89
GBP .....	188.32	208.18
JPY .....	1.25	1.48
NOK .....	20.32	23.01
SEK .....	18.40	19.67
USD .....	123.96	128.09

## Notes to the Income Statement

6. Interest income is specified as follows:	1.1.-30.6.2013
Cash in hand .....	995
Loans to and claims against credit institutions .....	84
Loans to customers, interest payments .....	2,550
Bonds, interest payments .....	204
Other .....	2
<b>Interest income</b> .....	<b>3,835</b>
7. Net financial expenses is specified as follows:	1.1.-30.6.2013
Dividend income .....	193
Net profit on loans to and claims against credit institutions .....	227
Net loss on loans to customers .....	(7,693)
Net profit bonds .....	2,245
Net profit shares .....	3,772
Net gain derivatives .....	695
Net profit other assets .....	389
<b>Net financial income and expenses</b> .....	<b>(172)</b>
8. Net foreign exchange loss is specified as follows:	1.1.-30.6.2013
Cash in hand .....	(28,381)
Loans to and claims against credit institutions .....	(1,635)
Loans to customers .....	(14,359)
Bonds .....	(181)
Shares .....	(1,884)
Derivatives .....	(887)
Subsidiaries .....	(808)
Other assets .....	(323)
Other liabilities .....	96
<b>Net foreign exchange loss</b> .....	<b>(48,362)</b>
9. Changes in claim registry are specified as follows:	1.1.-30.6.2013
Claim liabilities at beginning of the year .....	3,067,062
Claim liabilities at the end of the period .....	2,932,362
<b>Total</b> .....	<b>134,700</b>
Payment of claims in Art. 109 and 110 .....	(5,797)
Set-off and amendments .....	108
<b>Changes in claim registry</b> .....	<b>129,011</b>

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10. Operating expenses are specified as follows:	1.1.-30.6.2013	2012
Salaries .....	626	970
Salary related expenses .....	174	264
External advisors .....	1,649	6,492
Other expenses .....	415	920
<b>Operating expenses</b> .....	<b>2,864</b>	<b>8,646</b>
Average number of employees .....	58	63

11. External advisory expenses are specified as follows:	1.1.-30.6.2013			2012
	Domestic	Foreign	Total	Total
Winding-up Committee .....	175	-	175	269
Professional service .....	24	665	689	1,969
Legal services .....	89	564	653	3,376
VAT .....	-	132	132	878
<b>External advisors</b> .....	<b>288</b>	<b>1,361</b>	<b>1,649</b>	<b>6,492</b>

## Notes to the Balance Sheet

### Cash in hand

12. Cash in hand specified by currency and geographical location:	30.06.2013			31.12.2012
	Domestic	Foreign	Total	Total
EUR .....	9,312	126,790	136,102	126,969
SEK .....	9,588	88,761	98,349	101,958
GBP .....	5,683	66,733	72,416	76,932
NOK .....	8,626	32,974	41,600	36,888
USD .....	2,727	32,232	34,959	51,509
ISK .....	19,139	-	19,139	17,071
Other .....	9,600	3,459	13,059	6,300
<b>Cash in hand</b> .....	<b>64,675</b>	<b>350,949</b>	<b>415,624</b>	<b>417,627</b>
Cash in hand in mEUR .....	401	2,177	2,578	2,473

13. Cash in hand specified by restriction and geographical location:	30.06.2013					31.12.2012
<b>Non ISK</b>	Iceland	UK	Sweden	Finland	Total	Total
Unrestricted .....	16	308,655	162	2	308,835	327,156
Restricted after 12.3.2012 .....	7,662	39,968	1,540	622	49,792	43,669
Restricted before 12.3.2012 .....	37,858	-	-	-	37,858	29,731
<b>Total</b> .....	<b>45,536</b>	<b>348,623</b>	<b>1,702</b>	<b>624</b>	<b>396,485</b>	<b>400,556</b>
<b>ISK</b> .....	<b>19,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,139</b>	<b>17,071</b>
<b>Cash in hand</b> .....	<b>64,675</b>	<b>348,623</b>	<b>1,702</b>	<b>624</b>	<b>415,624</b>	<b>417,627</b>
Cash in hand in mEUR .....	401	2,162	11	4	2,578	2,473

Several changes have been made recently to the Foreign Exchange Act. Two of these recent changes to the Foreign Exchange Act have directly affected the Company. These changes were made on 13 March 2012, with Act no. 17/2012, amending the Foreign Exchange Act and further amendments to the Foreign Exchange Act were made on 9 March 2013 by Act no. 16/2013. These amendments provide for limitations on the exemption afforded to the Company in respect of the statutory prohibition against cross-border movement of foreign currency.

Cash deposits in foreign currencies held with foreign financial institutions or with the Central Bank of Iceland ("CBI") as of end of day 12 March 2012 are exempted from the ban on cross-border movement of foreign currency as provided for in paragraph 2 Art. 13 b of the Foreign Exchange Act, but are subject to notification and reporting to the CBI. These deposits are referred to herein as being unrestricted. That is though not to say, that these deposits can be distributed to creditors without authorisation from the CBI.

Cross-border transfers of cash deposits in foreign currency, that were deposited or have accrued after 12 March 2012, from the Company's accounts held at (a) foreign financial institutions or (b) the CBI, are subject to the currency controls. All cash deposits in foreign currency in domestic financial institutions are subject to the currency controls. Cross-border transfer by the Company of such cash deposits requires

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prior approval from the CBI. These deposits, which are not exempted from the ban on cross-border movement of foreign currency, set out in paragraph 2 Art. 13 b of the Foreign Exchange Act and are therefore subject to currency controls, are referred herein as being restricted.

The CBI can set down rules which define conditions to be fulfilled in order for an exemption from currency restrictions to be granted. Such rules have not yet been published. Furthermore, the currency controls do not permit assets denominated in Icelandic krona to be converted into foreign currency or to be transferred out of Iceland. This could materially affect the value of the Company's Icelandic assets.

Included in restricted cash before 12 March 2012 is cash which was held at Arion bank under a term deposit as of 31 December 2012 and was categorised as Loans to and claims against credit institutions in the Company's financial statements for the period ended 31 December 2012.

14. Cash in hand specified by currency and maturity:	30.06.2013			31.12.2012	
	On demand	Within 1 month	From 1 to 2 months	Total	Total
EUR .....	130,143	-	5,959	136,102	126,969
SEK .....	90,058	-	8,291	98,349	101,958
GBP .....	70,716	-	1,700	72,416	76,932
NOK .....	33,781	-	7,819	41,600	36,888
USD .....	32,913	-	2,046	34,959	51,509
ISK .....	792	18,347	-	19,139	17,071
Other .....	3,974	-	9,085	13,059	6,300
<b>Cash in hand</b> .....	<b>362,377</b>	<b>18,347</b>	<b>34,900</b>	<b>415,624</b>	<b>417,627</b>
Cash in hand in mEUR .....	2,248	114	216	2,578	2,473

Interests yielded on Cash in hand in H1 2013 amounted to ISK 995 million.

## Loans to and claims against credit institutions

Disputed set-off, which is further discussed in note 40, may affect this asset class.

15. Loans to and claims against credit institutions specified by types of loans and claims:	30.06.2013		31.12.2012
	Carrying value	Fair value	Fair value
Restricted cash .....	-	-	10,911
Guarantee accounts .....	6,255	6,255	6,646
Frozen/emptied bank accounts .....	4,305	4,305	5,173
Subordinated loans to subsidiaries .....	32,139	-	-
Other loans .....	266	242	634
Loans to and claims against credit institutions before set-off against counterclaims .....	42,965	10,802	23,364
Subject to set-off .....	(486)	(486)	(984)
<b>Loans to and claims against credit institutions after set-off</b> .....	<b>42,479</b>	<b>10,316</b>	<b>22,380</b>
Loans to and claims against credit institutions after set-off in mEUR .....	263	64	133

16. Loans to and claims against credit institutions specified by geographical location of the counterparty:	30.06.2013		31.12.2012
	Carrying value	Fair value	Fair value
Domestic .....	-	-	10,911
Foreign .....	42,965	10,802	12,453
Loans to and claims against credit institutions before set-off against counterclaims .....	42,965	10,802	23,364
Subject to set-off .....	(486)	(486)	(984)
<b>Loans to and claims against credit institutions after set-off</b> .....	<b>42,479</b>	<b>10,316</b>	<b>22,380</b>
Loans to and claims against credit institutions after set-off in mEUR .....	263	64	133

# NOTES

## Loans to customers

### 17. Loans to customers specified by portfolios:

	30.06.2013		31.12.2012	
	Carrying value	Fair value	Carrying value	Fair value
European .....	168,503	88,720	174,276	101,984
Nordic .....	85,300	37,096	101,407	47,239
NOA* .....	972,148	29,491	1,012,674	42,668
<b>Loans to customers</b> .....	<b>1,225,951</b>	<b>155,307</b>	<b>1,288,357</b>	<b>191,891</b>
Loans to customers in mEUR .....	7,604	963	7,628	1,136

\* Non-operating assets.

### 18. Loans to customers specified by sectors:

	30.06.2013		31.12.2012	
	Carrying value	Fair value	Carrying value	Fair value
Real Estate .....	110,811	52,012	119,748	58,160
Holding Company .....	805,424	28,497	836,790	38,823
Consumer Goods and Retail .....	34,543	27,043	40,680	31,997
Business and Industrial Products .....	51,108	23,337	53,110	31,789
Consumer Services: Other .....	18,171	13,499	20,316	15,262
Individuals .....	115,110	1,215	124,383	2,685
Other .....	90,784	9,704	93,330	13,175
<b>Loans to customers</b> .....	<b>1,225,951</b>	<b>155,307</b>	<b>1,288,357</b>	<b>191,891</b>
Loans to customers in mEUR .....	7,604	963	7,628	1,136

### 19. Loans to customers specified by geographical location:

	30.06.2013		31.12.2012	
	Carrying value	Fair value	Carrying value	Fair value
UK** .....	708,679	95,618	746,554	113,259
Scandinavia* .....	160,175	41,628	179,627	56,817
Other .....	357,097	18,061	362,176	21,815
<b>Loans to customers</b> .....	<b>1,225,951</b>	<b>155,307</b>	<b>1,288,357</b>	<b>191,891</b>
Loans to customers in mEUR .....	7,604	963	7,628	1,136

\* Scandinavia includes all the Nordic countries

\*\* UK includes UK overseas territories and Crown dependencies

The geographical location is determined by using the registration country where the majority of the underlying operation is located.

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

	30.06.2013	31.12.2012
Real Estate/UK** .....	19%	17%
Holding Company/UK** .....	13%	15%
Consumer Goods and Retail/UK** .....	9%	8%
Consumer Goods and Retail/UK** .....	7%	6%
Real Estate/Other .....	6%	6%
Business and Industrial Products/Scandinavia* .....	6%	5%
Real Estate/Scandinavia* .....	6%	5%
Consumer Services: Other/UK** .....	5%	5%
Other/Other .....	5%	6%
Business and Industrial Products/Scandinavia* .....	4%	5%
<b>Ten largest loans of total Loans to customers</b> .....	<b>80%</b>	<b>78%</b>

\* Scandinavia includes all the Nordic countries

\*\* UK includes UK overseas territories and Crown dependencies

The geographical location is determined by using the registration country where the majority of the underlying operation is located.

# NOTES

## 21. Loans to customers - portfolios specified by performance:

	30.06.2013							
	European		Nordic		NOA		Total	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value*	Fair value
Performing loans .....	59.9%	93.9%	64.1%	71.7%	0.1%	1.0%	12.5%	70.9%
Loans on view list .....	10.6%	4.8%	19.1%	24.4%	0.0%	0.0%	2.8%	8.6%
Loans on watch list .....	29.5%	1.3%	16.8%	3.9%	99.9%	99.0%	84.7%	20.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

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 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.

## 22. Loans to customers - portfolios specified by maturity profiles\*:

	30.06.2013			
	Carrying value			
	European	Nordic	NOA	Total
In default .....	46,323	17,363	943,265	1,006,951
H2 2013 .....	8,463	20,025	28,519	57,007
2014 .....	18,780	17,846	73	36,699
2015 .....	63,956	3,998	73	68,027
2016 .....	934	6,750	73	7,757
2017+ .....	152	19,318	145	19,615
<b>Loans to customers</b> .....	<b>138,608</b>	<b>85,300</b>	<b>972,148</b>	<b>1,196,056</b>
Loans to customers in mEUR .....	860	529	6,030	7,418

\*A call option to acquire the site was put in place between 2-10 Mortimer Street (owned 50% by Kaupthing) and Project Abbey which was exercised on 8 June 2012. The selling price for the property was satisfied by a Promissory Note (PN) issued by Kaupthing to 2-10 Mortimer Street. The Promissory Note is an interest free loan, ranking ahead of equity with maturity on exit, for that reason the loan to 2-10 Mortimer Street is excluded from the maturity profile. The outstanding loan to Project Abbey is also excluded from the maturity profile due to the nature of this asset.

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

### 23. Bond and debt instruments are specified as follows:

	30.06.2013	31.12.2012
Listed .....	841	1,649
Unlisted .....	5,289	6,225
<b>Bonds and debt instruments</b> .....	<b>6,130</b>	<b>7,874</b>
Bonds and debt instruments in mEUR .....	38	47

# NOTES

24. Bonds and debt instruments specified by issuer:	30.06.2013	31.12.2012
Holding Companies .....	2,112	2,939
Consumer Goods and Retail .....	1,281	1,281
Financial Services .....	1,001	1,031
Energy and Environment .....	895	974
Governments .....	841	1,649
<b>Bonds and debt instruments</b> .....	<b>6,130</b>	<b>7,874</b>
Bonds and debt instruments in mEUR .....	38	47

## Shares and instruments with variable income

25. Shares and instruments with variable income are specified as follows:	30.06.2013	31.12.2012
Listed .....	4,444	4,710
Unlisted .....	25,739	23,636
<b>Shares and instruments with variable income</b> .....	<b>30,183</b>	<b>28,346</b>
Shares and instruments with variable income in mEUR .....	187	168

26. Shares and instruments with variable income specified by sectors:	30.06.2013	31.12.2012
Real Estate .....	8,425	6,286
Consumer Goods and Retail .....	7,890	7,242
Financial Services .....	6,844	7,170
Consumer Services: Other .....	3,766	4,164
Life Sciences .....	1,835	1,874
Energy and Environment .....	1,423	1,609
Other .....	-	1
<b>Shares and instruments with variable income</b> .....	<b>30,183</b>	<b>28,346</b>
Shares and instruments with variable income in mEUR .....	187	168

27. Ten largest positions in Shares and instruments with variable income - sector and geographical location:	30.06.2013	31.12.2012
Consumer Goods and Retail/Other European .....	6,939	6,170
Financial Services/Non-European .....	6,304	6,582
Real Estate/UK* .....	4,505	2,870
Consumer Services: Other/UK* .....	3,766	4,164
Real Estate/Non-European .....	2,871	2,297
Life Sciences/UK* .....	1,646	1,692
Energy and Environment/Other European .....	1,380	1,566
Consumer Goods and Retail/Non-European .....	810	916
Real Estate/UK* .....	472	503
Real Estate/Scandinavia .....	412	411
<b>Ten largest positions in Shares and instruments with variable income</b> .....	<b>29,105</b>	<b>27,171</b>
Shares and instruments with variable income in mEUR .....	181	161

\* UK includes UK overseas territories and Crown dependencies

# NOTES

## Derivatives

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 Kaupthing's favour.

Disputed set-off, which is further discussed in note 40, may significantly affect this asset class.

28. Derivatives specified by ISDA and non-ISDA counterparties:	30.06.2013		31.12.2012
	Carrying value	Fair value	Fair value
<b>ISDA counterparties</b>			
Derivatives claims, before set-off against counterclaims .....	25,541	25,450	28,046
Subject to set-off .....	(7,363)	(7,277)	(8,653)
Derivatives claims, after set-off .....	18,178	18,173	19,393
<b>Non-ISDA counterparties</b>			
Derivatives claims, before set-off against counterclaims .....	5,475	1,122	1,305
Subject to set-off .....	(30)	(24)	-
Derivatives claims, after set-off .....	5,445	1,098	1,305
<b>NOA counterparties</b>			
Derivatives claims .....	30,290	-	-
<b>Derivatives before set-off</b> .....	61,306	26,572	29,351
<b>Derivatives after set-off</b> .....	53,913	19,271	20,698
Derivatives after set-off in mEUR .....	334	120	123
29. Derivatives specified by geographical location:	30.06.2013		31.12.2012
	Carrying value	Fair value	Fair value
<b>Foreign</b>			
Derivatives claims, before set-off against counterclaims .....	56,055	25,452	28,155
Subject to set-off .....	(7,363)	(7,277)	(8,653)
Derivatives claims, after set-off .....	48,692	18,175	19,502
<b>Domestic</b>			
Derivatives claims, before set-off against counterclaims .....	5,251	1,120	1,196
Subject to set-off .....	(30)	(24)	-
Derivatives claims, after set-off .....	5,221	1,096	1,196
<b>Derivatives before set-off</b> .....	61,306	26,572	29,351
<b>Derivatives after set-off</b> .....	53,913	19,271	20,698
Derivatives after set-off in mEUR .....	334	120	123



# NOTES

## Investments in subsidiaries

30. Investments in subsidiaries specified by entities and geographical location:	Functional currency	Owner- ship	30.06.2013	31.12.2012
Kaupskil ehf. (Arion Bank), Iceland*	ISK	100.0%	115,980	110,596
Kirna ehf., Iceland	ISK	100.0%	8,195	13,370
Norvestia Oyj, Finland**	EUR	32.7%	7,158	7,597
Kaupthing Holding Isle of Man Ltd, Isle of Man	GBP	100.0%	3,078	3,378
Kaupthing Sverige AB, Sweden	SEK	100.0%	1,298	1,374
Other		100.0%	1,081	1,062
<b>Investments in subsidiaries</b>			<b>136,790</b>	<b>137,377</b>
Investments in subsidiaries in mEUR			848	813

\* The Company indirectly owns 87% of the equity in Arion Bank through its intermediate holding company Kaupskil. Investment in Arion Bank is valued at 87% of shareholders equity which will not necessarily reflect the market value.

\*\* Kaupthings shares in Norvestia Oyj are valued at net asset value in the balance sheet. Kaupthing holds 32.7% of the outstanding shares Norvestia Oyj in listed B-shares and unlisted A-shares and controls 56% of the votes. Listed share price 30.06.2013 is EUR 6.17 and the market value of 32.7% of the shares is equivalent to ISK 4,988 million.

## Other assets

31. Other assets specified by type:	30.06.2013		31.12.2012
	Carrying value	Fair value	Fair value
Accounts receivables	34,283	4,654	4,988
Claims on bankrupt entities	81,181	11,286	10,747
Sundry assets	7,567	4,834	20,391
Other assets before set-off against counterclaims	123,031	20,774	36,126
Subject to set-off	(11,624)	(4,394)	(4,554)
<b>Other assets after set-off</b>	<b>111,407</b>	<b>16,380</b>	<b>31,572</b>
Other assets after set-off in mEUR	691	102	186

## Claims and claim process

32. The liabilities of Kaupthing are currently being determined through a formal process administered by the Winding-up Committee. A total of 28,167 claims were lodged before the deadline at 30 December 2009, amounting to ISK 7,316 billion. The Winding-up Committee completed its decision on all claims by the Creditors' Meeting on 3 December 2010. Until all disputes on decisions on claims 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.

As at 30 June 2013, the total amount of claims registered in the list of claims, amounted to ISK 4,265 billion. The list of claims 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 Winding-up Committee. The list of claims excludes finally accepted priority claims (Art. 109, 110 and 112) which have been paid in full.

Outstanding claims are specified as follows:

	30.06.2013	31.12.2012
Priority claims finally accepted by the Winding-up Committee	586	796
General claims accepted by the Winding-up Committee	2,847,345	2,847,316
Disputed claims	191,523	327,353
Kaupthing's own bonds under US MTN 144a programme	(92,318)	(92,318)
Subject to set-off	(14,774)	(16,085)
<b>Outstanding claims</b>	<b>2,932,362</b>	<b>3,067,062</b>
Outstanding claims in mEUR	18,187	18,160

# NOTES

The claim registry is presented net of finally accepted set-off.

	30.06.2013	31.12.2012	Changes
<b>Total lodged</b> .....	<b>4,264,648</b>	<b>4,345,162</b>	<b>(80,514)</b>
<b>Total accepted</b> .....	<b>2,847,931</b>	<b>2,848,112</b>	<b>(181)</b>
<b>Thereof, finally accepted(1)</b> .....	<b>2,668,683</b>	<b>2,568,938</b>	<b>99,745</b>
Art. 109 .....	-	7	(7)
Art. 110 .....	-	203	(203)
Art. 111 .....	-	-	-
Art. 112 .....	586	586	-
Art. 113 .....	2,668,097	2,568,142	99,955
<b>Thereof, accepted Art. 113 but disputed</b> .....	<b>179,248</b>	<b>279,174</b>	<b>(99,926)</b>
of which in set-off dispute(2) .....	66,094	71,997	(5,903)
of which in dispute due to priority(3) .....	113,154	207,177	(94,023)
<b>Amendments under Art. 113</b>			
Kaupthing's own bonds under US MTN 144a programme .....	(92,318)	(92,318)	-
Subject to set-off(5) .....	(14,774)	(16,085)	1,311
<b>Rejected in dispute</b> .....	<b>191,523</b>	<b>327,353</b>	<b>(135,830)</b>
Art. 109 .....	-	7,642	(7,642)
Art. 110 .....	-	-	-
Art. 111 .....	5,157	5,157	-
Art. 112 .....	3,118	3,336	(218)
Art. 113 .....	183,248	311,218	(127,970)
<b>Total outstanding claims excluding Kaupthing's own bonds under US MTN 144a programme and claims subject to set-off</b> .....	<b>2,932,362</b>	<b>3,067,062</b>	<b>(134,700)</b>
<b>Finally rejected(4)</b> .....	<b>1,225,194</b>	<b>1,169,697</b>	<b>55,497</b>

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 objected to only by the respective claimant and not by other creditors. The accepted amount in these cases will never be lower than what has been accepted by the Winding-up Committee.

2) Claims accepted by the Winding-up Committee 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) In these cases, there are a dispute between the Winding-up Committee and individual creditors regarding priority status of claims. The priority of accepted claim can therefore change, from Art. 113 to Art. 109-112, in accordance with final outcome of that claim.

4) Claims that have been rejected or moved under Art. 114. 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.

5) This shows claim amounts subject to set-off, where the right to set-off is not disputed but the set-off has not been finalised. Information on disputed set-off is provided in note 40.

In 2012, claims amounting to the equivalent of ISK 14.7 billion (as at exchange rate on 26.4.2013) were lodged against Kaupthing under Art. 109 of the Bankruptcy Act. The Winding-up Committee 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 of the Bankruptcy Act they were not added to the claim registry and are not included in the claim tables in these Financial Statements. These claims continue to be in dispute.

# NOTES

## Adjusted outstanding claims

In several cases the Winding-up Committee accepts a claim with different priority than lodged. Adjusted amounts in the table below are based on the Winding-up Committee's 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.

	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Total
<b>Total lodged</b> .....	<b>20,796</b>	<b>618</b>	<b>88,931</b>	<b>262,133</b>	<b>3,892,170</b>	<b>4,264,648</b>
<b>Total adjusted</b> .....	<b>11,358</b>	<b>465</b>	<b>16,250</b>	<b>53,005</b>	<b>4,183,570</b>	<b>4,264,648</b>
<b>Accepted</b> .....	-	-	-	<b>586</b>	<b>2,847,345</b>	<b>2,847,931</b>
Thereof, finally .....	-	-	-	586	2,668,097	2,668,683
Thereof, in set-off dispute .....	-	-	-	-	66,094	66,094
Thereof, in dispute due to priority .....	-	-	-	-	113,154	113,154
<b>Rejected</b> .....	<b>11,358</b>	<b>465</b>	<b>16,250</b>	<b>52,419</b>	<b>1,336,225</b>	<b>1,416,717</b>
Thereof, finally .....	11,358	465	11,093	49,301	1,152,977	1,225,194
Thereof, in dispute .....	-	-	5,157	3,118	183,248	191,523
<b>Adjusted outstanding claims</b> .....	-	-	5,157	3,704	3,030,593	3,039,454
Kaupthing's own bonds under US MTN 144a programme .....	-	-	-	-	(92,318)	(92,318)
Subject to set-off .....	-	-	-	-	(14,774)	(14,774)
<b>Adjusted outstanding claims - excluding accepted set-off claims and Kaupthing's own bonds under US MTN 144a programme</b> .....	-	-	5,157	3,704	2,923,501	2,932,362

As shown in the table above, total amount of accepted claims amounted to ISK 2,848 billion, thereof ISK 2,669 billion finally accepted and ISK 179 billion in dispute. Accepted priority and secured claims (Art. 109- Art. 112) amounted to ISK 586 million. Rejected claims amounted to ISK 1,417 billion, thereof ISK 1,125 billion finally rejected. Rejected claims in dispute amounted to ISK 192 billion, thereof ISK 183 billion under Art. 113.

Outstanding priority and secured claims (Art. 109 - Art. 112) amounted to ISK 122 billion. These claims can be broken down into priority and secured claims under Art. 109 -Art. 112 amounting to ISK 9 billion and ISK 113 billion which have been rejected as priority claims but accepted as general claims (Art. 113).

In accordance with Article 119 of the Bankruptcy Act the Winding-up Committee takes decisions on claims with respect to, i.a. validity and appropriateness of information found in submitted statement of claims and taking into consideration the requirements set out in Article 117 of the Bankruptcy Act. In several cases in the past, the Winding-up Committee has altered its previous decisions on claims post settlement meetings or after receiving necessary information from claimants. This can be expected in several instances going forward and may significantly alter the eventual quantum of creditors' claims.

# NOTES

## Adjusted outstanding claims - excluding accepted set-off claims, Kaupthing's own bonds under US MTN 144a programme and claims lodged under Art. 114

	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	Total
Guarantees .....	-	-	-	2,346	34,444	36,790
Derivatives .....	-	-	5,157	-	65,939	71,096
Miscellaneous .....	-	-	-	-	104,500	104,500
Deposit Agreements .....	-	-	-	611	296,124	296,735
Deposits .....	-	-	-	-	-	-
Reimbursements .....	-	-	-	17	599	616
Loan Agreements .....	-	-	-	-	422,196	422,196
Invoices .....	-	-	-	-	1,648	1,648
Contracts .....	-	-	-	-	42	42
Damages .....	-	-	-	2	29,855	29,857
Bonds .....	-	-	-	-	1,967,335	1,967,335
Interests .....	-	-	-	728	819	1,547
<b>Total</b> .....	-	-	5,157	3,704	2,923,501	2,932,362

### 33. Claims recognised by the Winding-up Committee - accepted

The tables below are based on the adjusted amounts (see definition in note 32) and show the total amount of claims that have been accepted by the Winding-up Committee, by type and article. Total amount of accepted claims amounted to ISK 2,848 billion.

#### Finally accepted claims

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 Winding-up Committee.

	Accepted (final) under each article					Total
	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	
Guarantees .....	-	-	-	-	16,442	16,442
Derivatives .....	-	-	-	-	30,764	30,764
Miscellaneous .....	-	-	-	-	69,127	69,127
Deposit Agreements .....	-	-	-	-	109,420	109,420
Deposits .....	-	-	-	-	-	-
Reimbursements .....	-	-	-	17	592	609
Loan Agreements .....	-	-	-	-	416,569	416,569
Invoices .....	-	-	-	-	1,648	1,648
Contracts .....	-	-	-	-	42	42
Damages .....	-	-	-	-	894	894
Bonds .....	-	-	-	-	2,021,782	2,021,782
Interests .....	-	-	-	569	817	1,386
<b>Total finally accepted claims</b> .....	-	-	-	586	2,668,097	2,668,683
Thereof, Kaupthing's own bonds under US MTN 144a programme .....	-	-	-	-	-	(92,318)
<b>Total finally accepted claims, excluding final set-off and Kaupthing's own bonds under US MTN 144a programme</b> .....	-	-	-	-	-	2,576,365

# NOTES

## Accepted claims in dispute due to priority

Accepted claims in dispute are claims that have been accepted by the Winding-up Committee but those decisions are in dispute due to priority. Total amount of accepted claims in dispute due to priority amounted to ISK 113 billion as laid out below.

	Accepted (in dispute) under each article					Total
	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	
Guarantees .....	-	-	-	-	-	-
Derivatives .....	-	-	-	-	-	-
Miscellaneous .....	-	-	-	-	-	-
Deposit Agreements .....	-	-	-	-	113,154	113,154
Deposits .....	-	-	-	-	-	-
Reimbursements .....	-	-	-	-	-	-
Loan Agreements .....	-	-	-	-	-	-
Invoices .....	-	-	-	-	-	-
Contracts .....	-	-	-	-	-	-
Damages .....	-	-	-	-	-	-
Bonds .....	-	-	-	-	-	-
Interests .....	-	-	-	-	-	-
<b>Total accepted claims in dispute .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,154</b>	<b>113,154</b>

## Accepted claims in dispute due to set-off

These are claims that have been accepted by the Winding-up Committee but those decisions are in dispute due to set-off. The figures below illustrate the maximum estimated set-off impact on the amount of accepted claims where there is a dispute as to either: (i) the right of the holders to assert set-off against the Unsecured Claims or (ii) the amount the holders may set-off against the Unsecured Claims. There is a possibility of increase in disputed set-off Claims as creditors are not excluded from declaring set-off against Kaupthing. Total amount of accepted claims in dispute amounted to ISK 66 billion as laid out below.

	Accepted (in dispute) under each article					Total
	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	
Guarantees .....	-	-	-	-	-	-
Derivatives .....	-	-	-	-	106	106
Miscellaneous .....	-	-	-	-	-	-
Deposit Agreements .....	-	-	-	-	35,794	35,794
Deposits .....	-	-	-	-	-	-
Reimbursements .....	-	-	-	-	-	-
Loan Agreements .....	-	-	-	-	7,783	7,783
Invoices .....	-	-	-	-	-	-
Contracts .....	-	-	-	-	-	-
Damages .....	-	-	-	-	-	-
Bonds .....	-	-	-	-	22,411	22,411
Interests .....	-	-	-	-	-	-
<b>Total accepted claims in dispute .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,094</b>	<b>66,094</b>

# NOTES

## 34. Claims rejected by the Winding-up Committee.

The tables below are based on the adjusted amounts (see definition in note 32) and show the total amount of claims that have been rejected by the Winding-up Committee, by type and article. Total amount of rejected claims amounted to ISK 1,417 billion, thereof ISK 1,225 billion finally rejected and ISK 192 billion in dispute.

### Finally rejected claims

The Winding-up Committee's decision is deemed final if the claimant accepts the Winding-up Committee's decision on its claim and the respective claimant or other creditors do not object to that decision. Total amount of finally rejected claims amounted to ISK 1,225 billion as laid out below.

	Rejected under each article					Total
	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	
Guarantees .....	378	-	3	36,006	7,026	43,413
Derivatives .....	2,255	-	3,669	26	8,220	14,170
Miscellaneous .....	1,580	27	-	12	43,399	45,018
Deposit Agreements .....	-	-	-	2	643	645
Deposits .....	1,611	-	-	7,791	35,835	45,237
Reimbursements .....	-	-	-	674	211	885
Loan Agreements .....	-	-	7,056	18	11,763	18,837
Invoices .....	-	342	-	12	861	1,215
Contracts .....	-	1	-	-	47,671	47,672
Damages .....	206	95	-	531	20,346	21,178
Bonds .....	5,253	-	319	2,149	976,555	984,276
Interests .....	75	-	46	2,080	447	2,648
<b>Total finally rejected claims</b> .....	<b>11,358</b>	<b>465</b>	<b>11,093</b>	<b>49,301</b>	<b>1,152,977</b>	<b>1,225,194</b>

### Rejected claims in dispute

Rejected claims in dispute, are claims that have been rejected by the Winding-up Committee but that decision has been objected by the respective claimant. Total amount of rejected claims in dispute amounted to ISK 192 billion as laid out below.

	Rejected under each article					Total
	Art. 109	Art. 110	Art. 111	Art. 112	Art. 113	
Guarantees .....	-	-	-	2,345	18,002	20,347
Derivatives .....	-	-	5,157	-	35,070	40,227
Miscellaneous .....	-	-	-	-	35,373	35,373
Deposit Agreements .....	-	-	-	611	38,525	39,136
Deposits .....	-	-	-	-	-	-
Reimbursements .....	-	-	-	-	7	7
Loan Agreements .....	-	-	-	-	2,484	2,484
Invoices .....	-	-	-	-	-	-
Contracts .....	-	-	-	-	-	-
Damages .....	-	-	-	2	28,961	28,963
Bonds .....	-	-	-	-	24,825	24,825
Interests .....	-	-	-	160	1	161
<b>Total rejected claims in dispute</b> .....	<b>-</b>	<b>-</b>	<b>5,157</b>	<b>3,118</b>	<b>183,248</b>	<b>191,523</b>

## Other liabilities

### 35. Other liabilities:

	30.06.2013	31.12.2012
Accounts payable .....	872	1,320
Other .....	418	465
<b>Other liabilities</b> .....	<b>1,290</b>	<b>1,785</b>
Other liabilities in mEUR .....	8	11

# NOTES

## Other Information

36. The assets on the balance sheet at carrying value and fair value after set-off:

	30.06.2013		31.12.2012	
	Carrying value	Provisions	Fair value	Fair value
Cash in hand	415,624	-	415,624	417,627
Loans to and claims against credit institutions	42,479	(32,163)	10,316	22,380
Loans to customers	1,225,951	(1,070,644)	155,307	191,891
Bonds and debt instruments	6,130	-	6,130	7,874
Shares and instruments with variable income	30,183	-	30,183	28,346
Derivatives	53,913	(34,642)	19,271	20,698
Investments in subsidiaries	136,790	-	136,790	137,377
Other assets	111,407	(95,027)	16,380	31,572
<b>Total assets</b>	<b>2,022,477</b>	<b>(1,232,476)</b>	<b>790,001</b>	<b>857,765</b>
Total assets in mEUR	12,543	(7,643)	4,900	5,079

37. The assets on the balance sheet at fair value after set-off specified by ISK and FX assets:

	30.06.2013				
	ISK assets	FX from Icelandic counterparties	Total ISK assets and FX from Icelandic counterparties	FX from non-Icelandic counterparties	Total assets
Cash in hand	19,139	45,536	64,675	350,949	415,624
Loans to and claims against credit institutions	-	-	-	10,316	10,316
Loans to customers	508	182	690	154,617	155,307
Bonds and debt instruments	3,700	-	3,700	2,430	6,130
Shares and instruments with variable income	19	261	280	29,903	30,183
Derivatives	1,096	-	1,096	18,175	19,271
Investments in subsidiaries	115,985	8,195	124,180	12,610	136,790
Other assets	2,749	8,773	11,522	4,858	16,380
<b>Total assets</b>	<b>143,196</b>	<b>62,947</b>	<b>206,143</b>	<b>583,858</b>	<b>790,001</b>
Total assets in mEUR	888	390	1,279	3,621	4,900
% of Total assets			26%	74%	

  

	31.12.2012				
	ISK assets	FX from Icelandic counterparties	Total ISK assets and FX from Icelandic counterparties	FX from non-Icelandic counterparties	Total assets
Cash in hand	17,071	36,335	53,406	364,221	417,627
Loans to and claims against credit institutions	-	10,911	10,911	11,469	22,380
Loans to customers	661	1,237	1,898	189,993	191,891
Bonds and debt instruments	5,313	-	5,313	2,561	7,874
Shares and instruments with variable income	19	274	293	28,053	28,346
Derivatives	1,196	-	1,196	19,502	20,698
Investments in subsidiaries	110,601	13,370	123,971	13,406	137,377
Other assets	2,554	8,384	10,938	20,634	31,572
<b>Total assets</b>	<b>137,415</b>	<b>70,511</b>	<b>207,926</b>	<b>649,839</b>	<b>857,765</b>
Total assets in mEUR	814	417	1,231	3,848	5,079
% of Total assets			24%	76%	

The tables above show 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

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## 38. The assets on the balance sheet at fair value after set-off specified by currencies:

	30.06.2013								
	EUR	GBP	NOK	SEK	USD	ISK	DKK	Other	Fair Value
Cash in hand .....	136,102	72,416	41,600	98,349	34,959	19,139	9,465	3,594	415,624
Loans to and claims against credit institutions .....	400	-	-	6,215	447	-	-	3,254	10,316
Loans to customers .....	22,482	103,756	1,598	12,493	12,078	508	772	1,620	155,307
Bonds and debt instruments .....	1,149	1,281	-	-	-	3,700	-	-	6,130
Shares and instruments with variable income .....	13,505	12,740	322	583	2,933	19	81	-	30,183
Derivatives .....	14,303	1,795	-	-	2,077	1,096	-	-	19,271
Investments in subsidiaries .....	8,234	11,273	-	1,298	-	115,985	-	-	136,790
Other assets .....	8,945	84	-	3,937	653	2,749	11	1	16,380
<b>Total assets</b> .....	<b>205,120</b>	<b>203,345</b>	<b>43,520</b>	<b>122,875</b>	<b>53,147</b>	<b>143,196</b>	<b>10,329</b>	<b>8,469</b>	<b>790,001</b>
Total assets in mEUR .....	1,272	1,261	270	762	330	888	64	53	4,900
% of Total assets .....	25.96%	25.74%	5.51%	15.55%	6.73%	18.13%	1.31%	1.07%	
	31.12.2012								
	EUR	GBP	NOK	SEK	USD	ISK	DKK	Other	Fair Value
Cash in hand .....	126,969	76,932	36,888	101,958	51,509	17,071	5,061	1,239	417,627
Loans to and claims against credit institutions .....	440	1,363	3,626	7,584	462	-	4,367	4,538	22,380
Loans to customers .....	26,241	127,499	3,079	15,789	14,552	661	1,059	3,011	191,891
Bonds and debt instruments .....	1,281	1,280	-	-	-	5,313	-	-	7,874
Shares and instruments with variable income .....	13,025	11,900	359	576	2,361	19	106	-	28,346
Derivatives .....	15,193	1,984	-	-	2,218	1,196	107	-	20,698
Investments in subsidiaries .....	8,654	16,748	-	1,374	-	110,601	-	-	137,377
Other assets .....	24,003	100	15	4,210	679	2,554	11	-	31,572
<b>Total assets</b> .....	<b>215,806</b>	<b>237,806</b>	<b>43,967</b>	<b>131,491</b>	<b>71,781</b>	<b>137,415</b>	<b>10,711</b>	<b>8,788</b>	<b>857,765</b>
Total assets in mEUR .....	1,278	1,408	260	779	425	814	63	52	5,079
% of Total assets .....	25.16%	27.72%	5.13%	15.33%	8.37%	16.02%	1.25%	1.02%	

As the Company's reporting currency is Icelandic krona, fluctuations in exchange rates between Icelandic krona and the foreign currencies in which the Company's assets are denominated will impact the fair values reflected in these interim financial statements. The tables above do not take into consideration the registered domiciles of counterparties.



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## 39. Late filed priority claims in dispute

	30.06.2013
Late filed priority claims Art. 109 - 110 in dispute .....	14,713
Custody account related to priority claims in dispute .....	(14,713)
Late filed priority claims in dispute .....	-

On 26. April 2013 the Winding-up Committee paid finally accepted claims under Art. 109 and 110 of the Bankruptcy Act. At the same time payments were made into custody accounts for disputed claims under Art. 109 and 110 of the Bankruptcy Act, including late filed priority claims. Payments were made in the currency in which the relevant claim was lodged. Payments equalling ISK 14.7 billion were made in relation to the late filed priority claims. These claims continue to be in dispute.

## 40. Set-off

The valuation of assets in this report does not take fully into account the impact of disputed set-off. Until all disputes have been concluded the real and accurate amount of claims accepted for set-off remains uncertain.

The Winding-up Committee currently estimates, on a preliminary basis, additional effects of disputed set-off on assets at fair value as at 30 June 2013 to be approximately ISK 0-21 billion. The exact set-off effects on the assets and liabilities will differ as a) the assets valued at fair value while claims are not, b) the assets at fair value may considerably change over time which may significantly affect the set-off amount and c) several counterparties who have indicated their intention to set-off may not have filed a claim or filed a claim net of set-off, in these instances potential set-off effects will only impact the assets and not the claims. 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.

The valuation in these interim financial statements takes into account the impact of set-off when the entity has a legally enforceable right to set-off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The exact impact of disputed set-off could make a material difference to overall creditor recoveries.

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

## 41. Taxes

Due to uncertainty regarding utilisation of tax losses, Kaupthing does not recognise deferred tax assets in the balance sheet or recognise the income tax effect of losses in the income statement.

