

November 17<sup>th</sup> 2011

**Landsbanki Íslands hf.**

Financial Information – Q3 2011

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- The numbers for liabilities shown as of 22<sup>nd</sup> of April 2009 are not acquired from the WuB Register of claims.

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# Estimated Global Recovery

Landsbanki Íslands hf.

Estimated Recovery ISKbn	30.6.2011	30.9.2011	FX change	Actual Change in Quarter*	
Cash	453	484	(4,2)	35,4	8%
Loans to Financial Inst.	85	76	(3,1)	(5,0)	(6%)
Loans to Customers	225	201	(3,3)	(21,5)	(10%)
Bonds	22	28	(0,9)	7,1	32%
Equities	146	145	0,4	(1,3)	(1%)
LB Financing	340	343	(3,2)	5,6	2%
Derivatives	14	3	0,0	(11,1)	(81%)
Investment in Subsidiaries	1	1	(0,1)	0,0	0%
Non current assets	4	3	0,0	(0,3)	(7%)
<b>Total</b>	<b>1.290</b>	<b>1.285</b>	<b>(14,5)</b>	<b>9,0</b>	<b>1%</b>

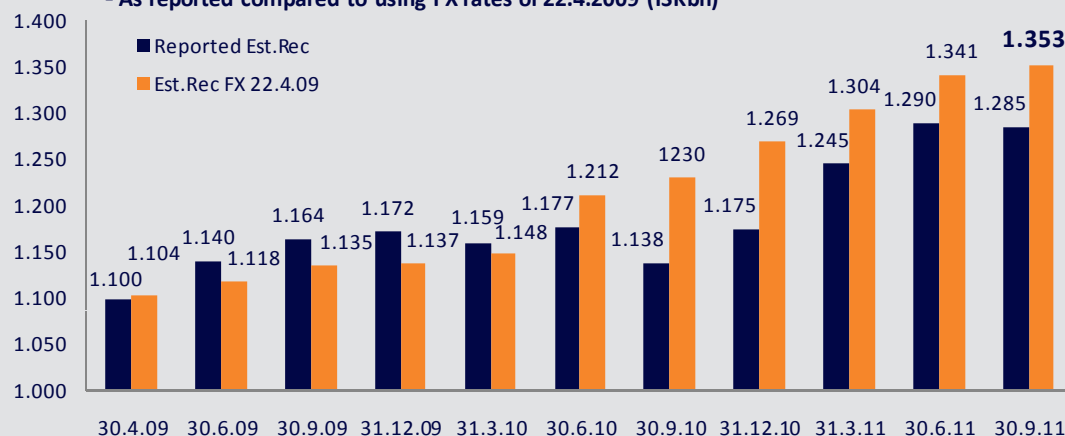
\*Actual Change excluding FX variations.

## Estimated Global Recovery

- Estimated recovery has decreased by ISK 5,5bn in the quarter.
  - Actual estimated recovery increased in the quarter by ISK 9,0bn.
  - FX changes decreased the reported estimated recovery in the quarter by ISK 14,5bn.
- The main changes in estimated recovery are reflected in;
  - Higher Cash position, mainly due to payments from Loans to FI, Derivatives and Loans to Customers.
  - Higher estimated recovery of Bonds due to reclassification from Derivatives and increased estimated recovery of LB Financing.
- Estimated recovery for UK retail assets (Equities – unlisted) remains unchanged since 30.6.2011.

## Estimated Recovery

- As reported compared to using FX rates of 22.4.2009 (ISKbn)



## Actual change in Estimated Recovery

- If FX volatility of ISK is controlled for by fixing FX rates as of certain date (22.4.2009) the estimated recovery has increased by ISK 249bn since 30 April 2009 (see graph) to ISK 1.353bn, which is ISK 34bn higher than priority claims as recorded in balance sheet (see further slide 7).
- Not controlling for FX rates and using FX rates as per the reporting date (now 30 September 2011), since 30 April 2009 reported estimated recovery has increased by ISK 185bn.

# Statement of Assets and Liabilities

## Landsbanki Íslands hf.

ISKbn	Recorded balance sheet as of 30.6.2011	Estimated value of assets 30.6.2011	Recorded balance sheet as of 30.9.2011	Estimated value of assets 30.9.2011
Loans to Financial Institutions				
Cash	453	453	484	484
Loans to Financial Institutions	278	85	239	76
Loans to customers	784	225	691	201
Bonds	73	22	82	28
Equities	147	146	145	145
Derivatives	83	14	50	3
Investments in subsidiaries	88	1	88	1
Non-current assets	4	4	3	3
Other assets	6	0	6	0
<b>Total assets excl. LB Financing</b>	<b>1.916</b>	<b>950</b>	<b>1.790</b>	<b>942</b>
LB Financing				
LB A Bond	280	280	277	277
LB Contingent Bond	46	46	54	54
LB Equity	28	28	28	28
LB Equity Claw Back	(14)	(14)	(16)	(16)
<b>Total assets</b>	<b>2.256</b>	<b>1.290</b>	<b>2.133</b>	<b>1.285</b>

### Assets

- Cash position includes short term government bonds which are classified as being cash equivalent, see further slide 15.
- Recorded balance sheet amounts are presented after set-off. Estimated and realized set-off amounts are subject to uncertainty.
- Recorded balance sheet amounts for Loans and Derivatives are presented at nominal value outstanding plus accrued interest.
- For listed Equities & Bonds the amount is market value. For unlisted equity and bonds the amount is cost based or based on fundamental valuation.

ISKbn	Book value as of 22.4.2009
Loans from Financial Institutions	264
Deposits from customers	
Wholesale	158
Retail	1.161
Securities issued	1.178
Other borrowings	187
Subordinated bonds	217
Derivatives	173
Other liabilities	89
<b>Total liabilities</b>	<b>3.427</b>

	FX rates			
	22.4.2009	30.6.2011	30.9.2011	%change
CAD:	105,5	118,5	113,6	(4,1%)
EUR:	169,2	165,8	158,7	(4,3%)
GBP:	191,1	183,7	184,4	0,4%
USD:	130,7	114,2	118,0	3,3%

### Liabilities

- The numbers for liabilities shown as of 22 April 2009 are not acquired from the WuB Register of claims, and may therefore be subject to change in accordance with eventual decisions of the Icelandic Courts, as the case may be.

# Claims lodged and status of the claim process

## Landsbanki Íslands hf.

### Balance sheet

- The number for liabilities shown as of 22 April 2009 are not acquired from the WuB Register of claims.

Liabilities according to the balance sheet and ISK FX rate 22 April 2009 in ISKbn	
Loans from Financial Institutions	264
Deposits from Customers	1.319
Securities issued and other borrowings	1.365
Subordinated Bonds	217
Derivatives	173
Other Liabilities	89
<b>Total liabilities</b>	<b>3.427</b>

The amount of liabilities shown above is not based on the list of claims lodged.

### Claims lodged and status of claim process

- Only claims lodged against the bank in accordance with the provisions of Chapter XVIII of the Bankruptcy Act which are finally accepted by the Winding-up Board (or the Icelandic Courts as the case may be) are considered legally binding.
- Claims which were not lodged before the 31<sup>st</sup> of October 2009 or that have been finally rejected are cancelled with respect to LBI's estate (unless the specific exemptions in points 1 – 6 of Article 118 in the Bankruptcy Act apply).
- Total amount of accepted claims by WuB is ISK 2.985bn of which ISK 1.140bn have been confirmed by the Icelandic Supreme Court.
- There are no claims accepted under Article 109 and 110. Claims of ISK 52bn are accepted under Article 111. These claims are based on accepted set-off against LBI assets that have not been part of LBI's estimated recovery amounts to date.
- The balance sheet of LBI will eventually reflect the outcome of the claims process. As claims become finally accepted the Balance Sheet liabilities will gradually be amended accordingly.

Overview of claims lodged and the status of the claims process as of 10 November 2011 in ISKbn	Total amount of claims lodged	Total amount of claims accepted by WuB	Total amount of claims rejected by WuB	Total amount of claims finally decided	Total amount of claims finally rejected
Claims pursuant to Article 109	39	0	39	0	0
Claims pursuant to Article 110	43	0	43	0	0
Claims pursuant to Article 111	475	52	423	0	0
Claims pursuant to Article 112	2.858	1.323	1.535	1.140	100
Claims pursuant to Article 113	2.676	1.610	1.066	0	0
Claims pursuant to Article 114	43	0	43	0	0
	<b>6.134</b>	<b>2.985</b>	<b>3.149</b>	<b>1.140</b>	<b>100</b>

# Estimated Recovery by Location

## Landsbanki Íslands hf.

ISKbn	Reykjavik		London		Amsterdam		Labki/Halifax		Total		%
	30.6.11	30.9.11	30.6.11	30.9.11	30.6.11	30.9.11	30.6.11	30.9.11	30.6.11	30.9.11	Change
Loans to Financial Institutions											
Cash	188	196	184	202	67	72	14	14	453	484	7%
Loans to Financial Institutions	78	75	6	1	0	0	0	0	85	76	(10%)
Loans to Customers	68	62	102	92	32	23	24	23	225	201	(11%)
Bonds	0	7	22	21	0	0	0	0	22	28	28%
Equities	136	135	10	9	0	0	0	0	146	145	(1%)
Derivatives	14	3	0	0	0	0	0	0	14	3	(81%)
Investments in Subsidiaries	1	1	0	0	0	0	0	0	1	1	(4%)
Non-current Assets	4	3	0	0	0	0	0	0	4	3	(7%)
<b>Total assets excl. LB Financing</b>	<b>488</b>	<b>484</b>	<b>324</b>	<b>326</b>	<b>99</b>	<b>95</b>	<b>38</b>	<b>38</b>	<b>950</b>	<b>942</b>	<b>(1%)</b>
LB A Bond	280	277							280	277	(1%)
LB Contingent Bond	46	54							46	54	17%
LB Equity	28	28							28	28	0%
LB Equity Claw Back	(14)	(16)							(14)	(16)	17%
<b>Total Assets</b>	<b>829</b>	<b>827</b>	<b>324</b>	<b>326</b>	<b>99</b>	<b>95</b>	<b>38</b>	<b>38</b>	<b>1.290</b>	<b>1.285</b>	<b>(0%)</b>

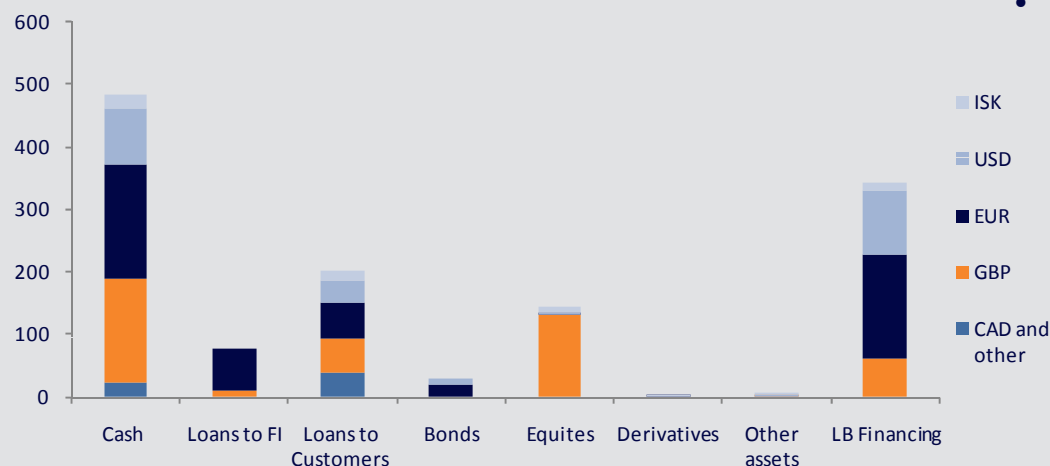
- **Reykjavík:** Estimated recovery decreases by ISK 2bn. This decrease is mainly due to FX changes and lower valuation of Loans to customers, partly offset by increased valuation of LB Financing.
- **London Branch:** Overall expected recovery increases by ISK 2bn. This increase is driven by increased recoveries in Loans to Financial Institutions, offset slightly by FX.
- **Amsterdam:** Estimated recovery decreases by ISK 4bn. This is explained by FX changes and lower valuation.
- **Labki/Halifax:** No material changes in the period.

# LBI Estimated Recovery by Currency

Landsbanki Íslands hf.

ISKbn	ISK		USD		EUR		GBP		CAD		Other		Total	
	30.6.11	30.9.11	30.6.11	30.9.11	30.6.11	30.9.11	30.6.11	30.9.11	30.6.11	30.9.11	30.6.11	30.9.11	30.6.11	30.9.11
Cash	25	23	83	90	160	181	164	169	6	7	15	14	453	484
Loans to FI	0	0	0	0	75	66	9	11	0	0	0	0	85	76
Loans to Customers	15	13	41	36	70	59	57	52	25	25	17	16	225	201
Bonds	0	0	0	8	22	21	0	0	0	0	0	0	22	28
Equities	9	9	3	3	0	0	133	133	0	0	0	0	146	145
Derivatives	14	3	0	0	0	0	0	0	0	0	0	0	14	3
Other assets	2	2	2	2	0	0	0	0	0	0	0	0	5	5
<b>Total excl. LB Fin.</b>	<b>66</b>	<b>50</b>	<b>129</b>	<b>139</b>	<b>327</b>	<b>327</b>	<b>364</b>	<b>365</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>30</b>	<b>950</b>	<b>942</b>
LB A Bond	0	0	84	87	145	139	51	51	0	0	0	0	280	277
LB Contingent Bond	0	0	14	16	23	27	9	11	0	0	0	0	46	54
LB Equity	28	28	0	0	0	0	0	0	0	0	0	0	28	28
LB Equity Claw Back	(14)	(16)	0	0	0	0	0	0	0	0	0	0	(14)	(16)
<b>Total assets</b>	<b>80</b>	<b>62</b>	<b>227</b>	<b>243</b>	<b>495</b>	<b>493</b>	<b>424</b>	<b>427</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>30</b>	<b>1.290</b>	<b>1.285</b>

Estimated Recovery by Currency in ISKbn



• Main changes in estimated recovery by currency:

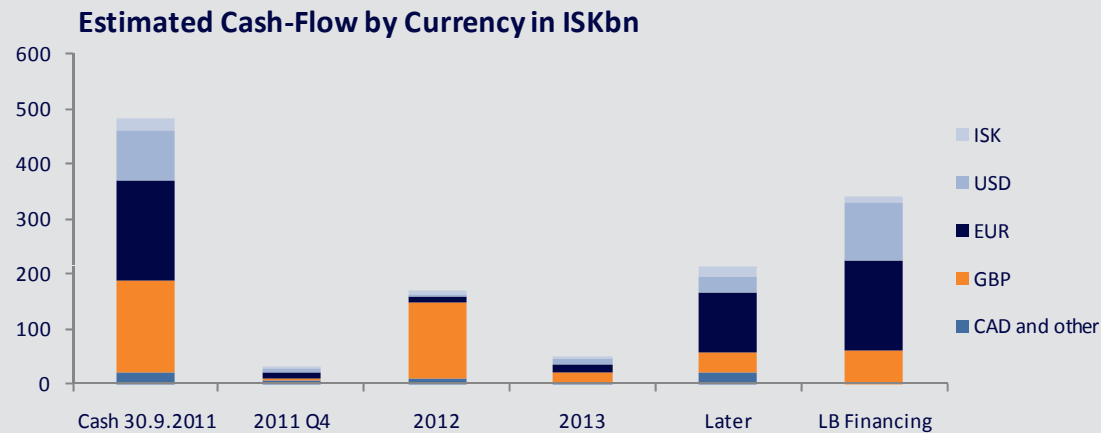
- ISK reduced from 80bn to 62bn and is now 5% of total assets. The decrease is mainly due to settlement with the Pensions Funds and LB Contingent Bond/Equity Claw Back right.
- USD increased from 227bn to 243bn mainly due to reclassification of Derivatives (ISK) to Bonds (USD) – settlement with Pension Funds, higher valuation of LB A Bond and Contingent Bond, and FX changes.
- EUR only decreases by 2bn from 495bn to 493bn despite substantial negative FX changes.
- GBP increased from 424bn to 427bn mainly due to increased valuation of LB Contingent Bond and Loans to FI.



# Estimated Recovery Cash-Flow by Currency

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ISKbn	Cash 30.9.2011	2011 Q4	2012	2013	Later	LB A Bond/Equity	Contingent Bond	Total
ISK	23	2	5	2	19	12	0	62
USD	90	6	5	9	28	87	16	243
EUR	181	11	10	16	110	138	27	493
GBP	169	5	138	16	37	51	11	427
CAD and other	21	5	10	4	21	0	0	61
<b>Total assets</b>	<b>484</b>	<b>29</b>	<b>169</b>	<b>47</b>	<b>215</b>	<b>287</b>	<b>54</b>	<b>1.285</b>



- ISK 484bn has already been collected in cash. Cash collection is in line with revised budget.
- Main changes since last estimated recovery cash-flow are due to settlement with the Pension Funds on Derivatives.

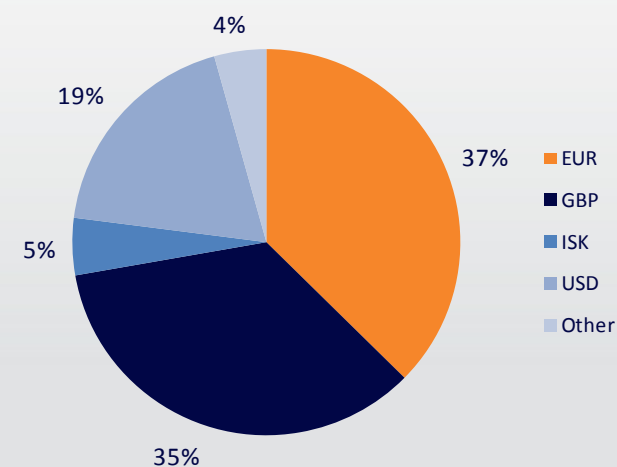
# Treasury

Landsbanki Íslands hf.

## Cash Balances - Using Currency Exchange Rates 30.9.2011

Currency	In currency m			ISKbn		
	30.6.2011	30.9.2011	Change in Quarter	30.6.2011	30.9.2011	Change in Quarter
AUD	15	15	0	1,7	1,7	0,0
CAD	52	61	9	5,9	6,9	1,0
DKK	384	382	(3)	8,2	8,1	(0,1)
EUR	963	1.140	177	152,8	180,9	28,1
GBP	892	917	25	164,5	169,1	4,6
ISK	25.491	23.034	(2.457)	25,5	23,0	(2,5)
USD	728	765	37	85,8	90,2	4,4
Other				4,2	4,3	0,0
<b>Total ISKbn</b>				<b>448,7</b>	<b>484,3</b>	<b>35,6</b>

## Currency Composition of Cash Balances 30.9.2011



## Cash Recovery by Location

Location	30.6.2011	30.9.2011	Change in Quarter
Reykjavik	186,1	196,1	10,0
London	183,8	202,2	18,4
Amsterdam	64,5	71,9	7,5
Labki/Halifax	14,3	14,1	(0,2)
<b>Total ISKbn</b>	<b>448,7*</b>	<b>484,3</b>	<b>35,6</b>

\*Using exchange rates 30.6.2011 the total amount would be ISK 453,1bn

- Cash balances have increased by 8% excluding FX changes in the period and now amounts to 38% of total estimated recovery.

# Loans to Financial Institutions - Other

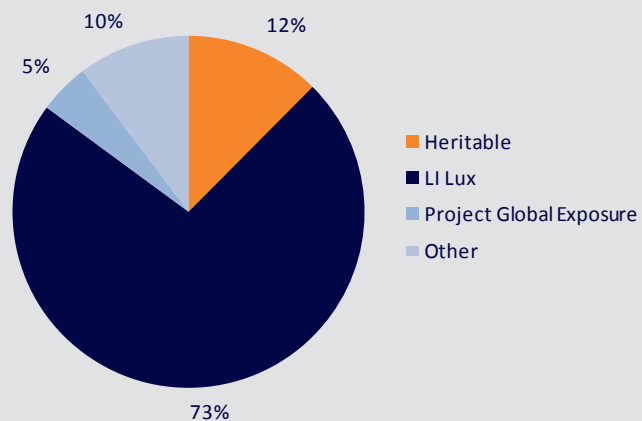
Landsbanki Íslands hf.

All amounts in ISKbn	Recorded Balance		Estimated Recovery		Recovery Rate %	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Heritable bank	15,8	15,9	9,5	9,5	60%	60%
LI Lux	149,2	142,8	58,0	55,5	39%	39%
Project Global Exposure	53,1	21,0	9,0	3,5	17%	17%
Other	59,7	59,7	8,0	7,9	13%	13%
<b>Total ISKbn</b>	<b>277,8</b>	<b>239,3</b>	<b>84,5</b>	<b>76,5</b>	<b>30%</b>	<b>32%</b>

Estimated recovery in Loans to FI decreased from ISK 84,5bn to ISK 76,5bn mainly due to FX changes and payments which are reflected in higher cash position.

- Estimated recovery of Heritable is the same.
- Estimated recovery of LI Lux decreases due to FX changes.
- Project Global Exposure, estimated recovery decreases due to payment which is partly offset by increased valuation.
- Estimated recovery in Other decreases due to FX changes.

Estimated Recovery as of 30.9.2011

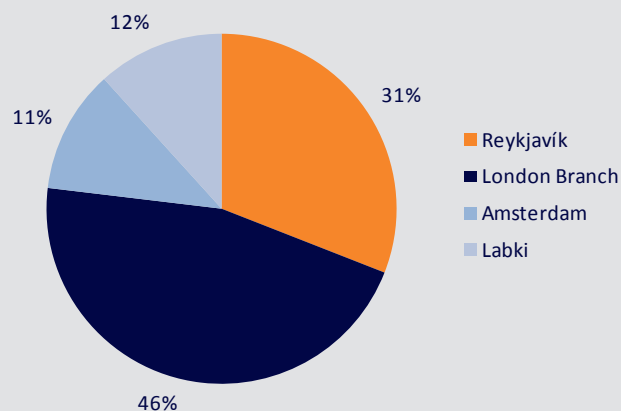


# Loans to Customers

## Landsbanki Íslands hf.

All amounts in ISKbn	Recorded Balance		Estimated Recovery		Recovery Rate %	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Reykjavík	513,5	511,1	68,0	62,0	13%	12%
London Branch	194,0	115,5	101,5	92,2	52%	80%
Amsterdam	46,7	35,6	31,9	22,9	68%	64%
Labki	29,9	29,1	24,0	23,5	80%	81%
<b>Total ISKbn</b>	<b>784,1</b>	<b>691,3</b>	<b>225,4</b>	<b>200,6</b>	<b>29%</b>	<b>29%</b>

Estimated Recovery as of 30.9.2011



### Reykjavík

- Estimated recovery decreases due to payments, decreased valuation and FX changes.

### London Branch

- Estimated recovery decreases mainly due to repayments.
- Increased recovery rate due to final write-off of a restructured loan.

### Amsterdam

- Estimated recovery decreases mainly due to repayments, also due to decreased valuation and FX changes.

### Labki

- No material changes in the period.

# Loans to Customers by Sector

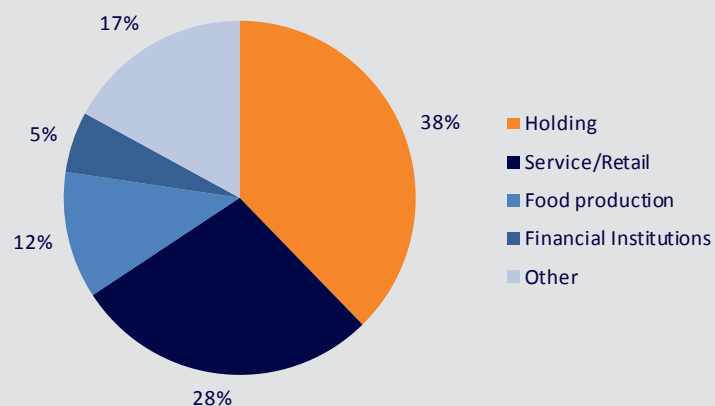
## Reykjavik

Sector	Loan Exposure		Estimated Recovery		Recovery Rate %	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Holding	258,5	258,5	24,5	23,4	9%	9%
Service/Retail	144,3	144,9	18,3	17,3	13%	12%
Food Production	31,1	29,7	6,9	7,2	22%	24%
Financial Institutions	11,7	11,4	5,8	3,5	50%	30%
Other	67,9	66,5	12,6	10,6	19%	16%
<b>Total ISKbn</b>	<b>513,5</b>	<b>511,1</b>	<b>68,0</b>	<b>62,0</b>	<b>13%</b>	<b>12%</b>

Main changes in estimated recovery.

- Holding decrease is mainly due to decreased valuation, FX changes and payments.
- Service/Retail decrease is mainly due to payments.
- Food Production decreases mainly due to FX changes.
- Financial Institutions decrease is mainly due to decreased valuation and FX changes.
- Other decreases mainly due to payments.

Estimated Recovery as of 30.9.2011



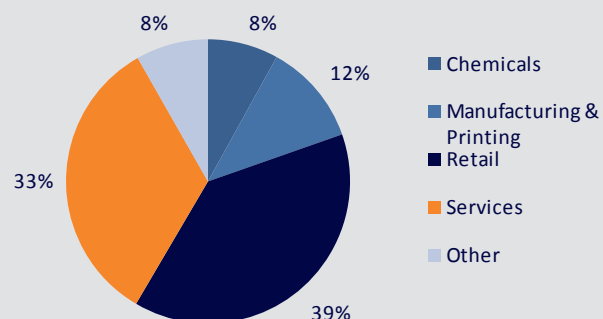
# Loans to Customers by Sector, cont.

## London

All amounts in ISKbn	Loan Exposure		Estimated Recovery		Recovery Rate%	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Leveraged Finance	144,3	73,7	58,5	57,1	41%	77%
Trade Finance	0,3	0,2	0,3	0,2	100%	100%
Commercial Finance	31,3	24,9	24,6	18,2	79%	73%
Commercial Finance US	18,1	16,6	18,1	16,6	100%	100%
<b>Balance Sheet total</b>	<b>194,0</b>	<b>115,5</b>	<b>101,5</b>	<b>92,2</b>	<b>52%</b>	<b>80%</b>

Sector	Loan Exposure		Estimated Recovery		Recovery Rate%	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Chemicals	77,0	7,5	7,4	7,4	10%	99%
Manufacturing & Printing	18,7	16,4	13,0	10,7	70%	65%
Retail	49,4	45,4	40,0	35,8	81%	79%
Services	34,9	36,1	29,5	30,7	85%	85%
Other	13,9	10,2	11,5	7,6	83%	74%
<b>Total ISKbn</b>	<b>194,0</b>	<b>115,5</b>	<b>101,5</b>	<b>92,2</b>	<b>52%</b>	<b>80%</b>

Estimated Recovery as of 30.9.2011



Exposure reduces mainly due to final write-offs in Chemicals and FX changes. Estimated recovery decreases mainly due to repayments and FX changes.

- Leverage & Trade: ISK 1bn in repayments from several clients. Major write-off completed in the chemicals sector following a restructure.
- Commercial Finance: ISK 6bn in repayments.
- Commercial Finance US: ISK 2bn in repayments.
- Sectors: No sector specific issues to report. Large restructuring, leading to a write-off, changes the recovery rate of remaining positions in the chemicals sector.

# Loans to Customers by Sector, cont.

## Amsterdam, Labki/Halifax

Amsterdam Sector	Loan Exposure		Estimated Recovery		Recovery Rate%	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Chemicals	6,8	6,6	6,8	6,6	100%	100%
Food & Beverage	1,4	1,1	1,4	1,1	100%	100%
Manufacturing & Machinery	13,4	7,5	12,3	7,5	92%	100%
Printing & Publishing	3,6	5,0	3,0	3,1	83%	62%
Retail	5,1	2,3	1,7	0,8	33%	35%
Services	16,6	13,0	6,8	3,8	41%	29%
<b>Total ISKbn</b>	<b>46,7</b>	<b>35,6</b>	<b>31,9</b>	<b>22,9</b>	<b>68%</b>	<b>64%</b>

### Amsterdam

- Exposure and estimated recovery decrease due to net repayments and FX changes. Lower valuation decrease estimated recovery further.
- Estimated recovery of Loans to Customers is now ISK 22,9bn or 24% of total estimated recovery for the branch.

Labki/Halifax Sector	Loan Exposure		Estimated Recovery		Recovery Rate%	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Chemicals	0,6	0,5	0,2	0,2	36%	36%
Fisheries	28,0	27,1	22,5	21,8	80%	81%
Construction	1,3	1,5	1,3	1,5	100%	100%
<b>Total ISKbn</b>	<b>29,9</b>	<b>29,1</b>	<b>24,0</b>	<b>23,5</b>	<b>80%</b>	<b>81%</b>

### Labki/Halifax

- No material changes.
- Estimated recovery of Loans to Customers is now ISK 23,5bn or 63% of total estimated recovery for Labki.

# Bonds & Equities

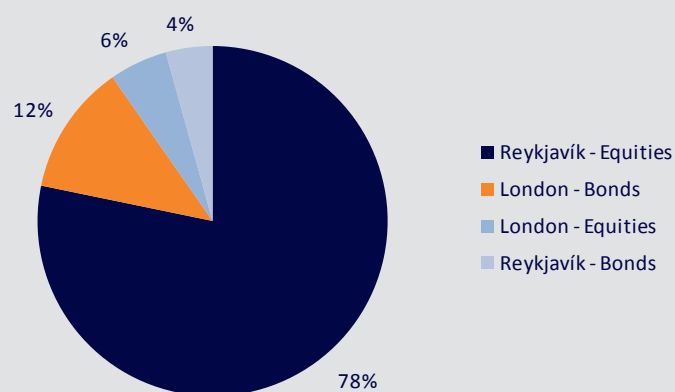
## Landsbanki Íslands hf.

All amounts in ISKbn	Recorded Balance		Estimated Recovery		Recovery Rate %	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Reykjavík						
Bonds	16,2	23,5	0,0	7,5	0%	32%
Equities	136,6	136,0	135,6	135,5	99%	100%
London Branch						
Bonds	57,1	58,5	22,3	20,9	39%	36%
Equities	10,1	9,3	10,1	9,3	100%	100%
<b>Total ISKbn</b>	<b>219,9</b>	<b>227,3</b>	<b>167,9</b>	<b>173,2</b>	<b>76%</b>	<b>76%</b>

### Reykjavík

- Bonds increase by ISK 7,5bn due to reclassification from Derivatives as a part of settlement with the Pension Funds.
- Investments in government bonds (cash equivalent) are reported as cash.
- No major changes in estimated recovery of Equities.

Estimated Recovery as of 30.9.2011



### London Branch

- Bonds: Fluctuations in EUR vs. ISK decrease the estimated Betula recovery slightly, impacting overall Bonds recovery. Redemption on the Betula A note in June.
- Estimated recovery of Equities decreases mainly due to small adjustments in valuation.



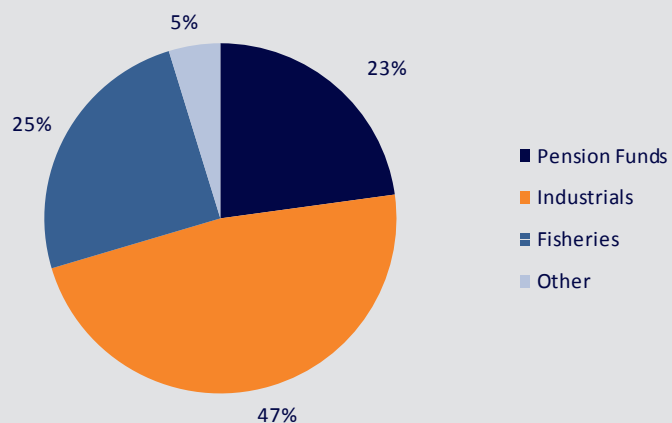
# Derivatives

## Landsbanki Íslands hf.

Sector	Exposure		Estimated Recovery		Recovery Rate %	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Holding Companies	18,4	17,7	0,0	0,0	0%	0%
Pension Funds	31,9	6,6	10,0	0,6	31%	9%
Industrials	18,5	18,3	1,6	1,3	8%	7%
Fisheries	9,3	4,9	1,6	0,7	17%	13%
Other	5,2	3,0	0,6	0,1	11%	4%
<b>Total</b>	<b>83,3</b>	<b>50,5</b>	<b>13,7</b>	<b>2,7</b>	<b>16%</b>	<b>5%</b>

- Estimated recovery decreases mainly due to settlement with the Pensions Funds and payments in Fisheries.
- Settlement with the Pension Funds consisted of payments of Cash and Bonds:
  - equivalent to ISK 4,1bn was paid in EUR as Cash.
  - equivalent to ISK 7,1bn was paid in Bonds, denominated in USD.

Estimated Recovery as of 30.9.2011



# Investments in Subsidiaries, Non-Current Assets and other assets

Landsbanki Íslands hf.

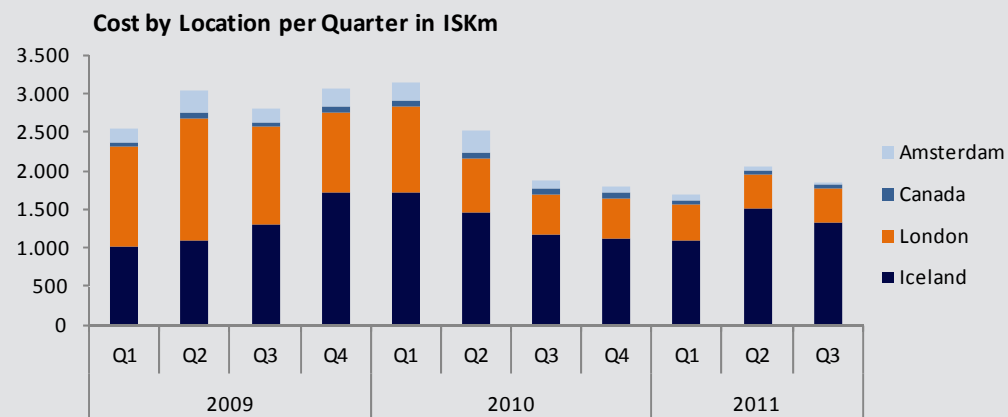
All amounts in ISKbn	Recorded Balance		Estimated Recovery		Recovery Rate %	
	30.6.2011	30.9.2011	30.6.2011	30.9.2011	30.6.2011	30.9.2011
Investment in Subs.	88,3	88,3	1,3	1,3	2%	1%
Non-current assets	3,7	3,5	3,7	3,5	100%	100%
Other assets	5,5	5,5	0,0	0,0	0%	0%
<b>Total ISKbn</b>	<b>97,5</b>	<b>97,3</b>	<b>5,1</b>	<b>4,8</b>	<b>5%</b>	<b>5%</b>

- No material changes in Investments in Subsidiaries.
- Estimated recovery of Non-current assets decreases due to sales and lower valuation.

# Total Cost

## Landsbanki Íslands hf.

ISKm	2011			2011 YTD	Change QoQ
	Q1	Q2	Q3		
Housing and logistics	50	58	60	168	3%
Payroll and benefits (overall)	524	554	522	1.600	(6%)
Icelandic legal cost	199	199	160	558	(20%)
Other expert cost - Icelandic vendors	121	56	121	299	115%
Non-Icelandic legal cost	267	186	382	835	106%
Non-Icelandic expert cost	269	263	162	694	(38%)
Sales costs of UK retail assets	0	508	261	769	(49%)
Other Operational costs	167	147	85	399	(42%)
SLA cost	88	88	88	264	0%
<b>Distribution by location</b>					
Iceland	1.084	1.512	1.322	3.918	(13%)
London	469	434	439	1.341	1%
Canada	67	65	59	190	(10%)
Amsterdam	66	48	22	136	(54%)
<b>Total ISKm</b>	<b>1.686</b>	<b>2.058</b>	<b>1.841</b>	<b>5.585</b>	<b>(11%)</b>



- Total consolidated operating expenses of LBI decreased by ISK 217m, or 11%.
- It is estimated that the housing cost will decrease in 2012 as operations in London and Reykjavík are set to relocate and move to less costly accommodation.
- Payroll and benefits in Q3 was ISK 522m and is reduced by 6% from Q2. Further reductions in labor costs is expected in line with the ongoing wind-down of operations.
- Icelandic legal cost consists of all purchased legal service, including administration cost of the Winding-up Board and Resolution Committee members.
- Other expert cost includes all other Icelandic expert cost than legal, e.g. auditors and other consultants.
- Domestic legal and professional expenses was ISK 281m, or 15% of total operating expenses in Q3, thereof domestic legal expenses was 8%.
- Foreign legal cost, other foreign expert cost and sales costs of UK retail assets was ISK 805m, or 44% of total operating expenses of the bank.