



LBI hf.

Financial information – status as at end of Q3 2015

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IN WINDING-UP PROCEEDINGS

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1. Estimated Recovery / Liabilities – Summary
2. Statement of Assets
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Estimated Remaining Recovery

Status as at end of Q3 2015

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ISKbn	Estimated recovery		Changes in Quarter							
	30.6.2015	30.9.2015	Payments	FX change	Valuation	Income	Reclass.	LI settlm.	Op. exp.	Total change
Cash	146,7	173,3	34,9	(6,5)	0,0	0,2	0,0	(1,0)	(0,9)	26,6
Loans to Financial Inst.	16,2	14,9	(0,5)	(0,8)	(0,1)	0,0	0,0			(1,4)
Loans to Customers	61,4	54,4	(4,9)	(3,4)	0,4	0,5	0,5			(7,0)
Bonds	36,8	7,8	(27,9)	(1,2)	0,0	0,1	0,0			(29,0)
Equities	2,7	2,1	(0,0)	(0,0)	0,0	0,0	(0,6)			(0,6)
LB Financing	201,2	193,9	(1,5)	(7,3)	0,0	1,5	0,0			(7,3)
Derivatives	0,9	0,8	(0,0)	0,0	(0,0)	0,0	0,0			(0,0)
Non current assets	1,6	1,5	0,0	(0,1)	(0,2)	0,0	0,1			(0,1)
Damage/Voiding cases	7,1	6,9		(0,2)						(0,2)
Total assets	474,6	455,6	(0,0)	(19,5)	0,2	2,3	0,0	(1,0)	(0,9)	(19,0)

Highlights in Q3 2015

- **Estimated recovery decreases by total ISK 19bn, mainly due to FX changes of ISK -19,5bn:**

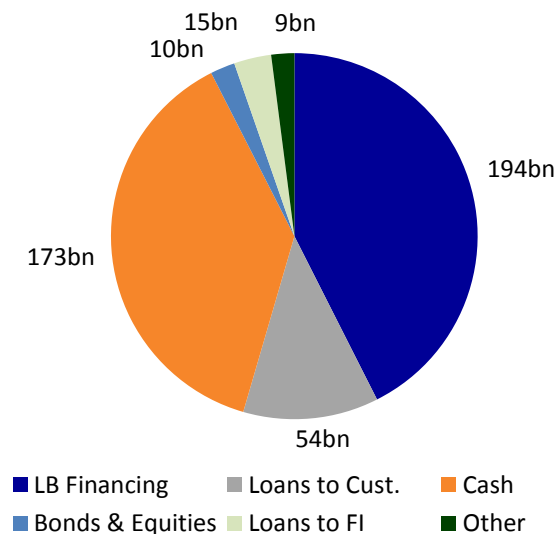
- Income, ISK 2,3bn
- Valuation changes, ISK 0,2bn
- Operational expenses ISK -0.9bn
- Payments related to settlement agreement with LB net ISK -1,0bn
- FX changes -19,5bn

- **Valuation changes increases estimated recovery by ISK 0,2bn, thereof:**

- Loans to customers, ISK 0,4bn
- Non-current assets ISK -0,2bn

- **Cash increases by net ISK 26,6bn:**

- Payments from assets was of total ISK 34,9bn,
 - thereof from Bonds ISK 27,9bn and from Loans to custom. ISK 4,9bn
- Income, ISK 0,2bn
- Operational expenses, ISK -0,9bn
- Payments related to settlement agreement with LB net ISK -1,0bn
- FX changes, ISK -6,5bn



Estimated Remaining Recovery at end of Q3 2015

Estimated recovery and Partial payments towards Art. 112 claims.

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Estimated recovery

FX at each reporting date

ISKbn	30.6.2013	30.9.2013	31.12.2013	31.3.2014	30.6.2014	30.9.2014	31.12.2014	31.3.2015	30.6.2015	30.9.2015
Cash	272,1	230,9	317,6	332,6	362,9	468,0	111,8	121,9	146,7	173,3
Loans to Financial Inst.	29,3	27,9	27,7	26,0	29,6	28,6	32,6	38,6	16,2	14,9
Loans to Customers	224,4	226,7	183,3	171,3	159,9	71,9	61,3	55,2	61,4	54,4
Bonds	49,5	46,9	45,9	42,1	42,1	39,7	40,6	37,2	36,8	7,8
Equities	7,2	6,6	2,4	2,0	3,5	2,0	1,6	2,0	2,7	2,1
LB Financing	297,2	297,9	237,7	231,9	228,7	230,2	200,4	203,9	201,2	193,9
Derivatives	1,1	1,1	0,5	0,5	0,5	0,5	1,3	0,9	0,9	0,8
Non current assets	2,6	2,4	2,9	2,8	2,6	2,4	1,7	1,8	1,6	1,5
Damage/Voiding cases									7,1	6,9
Total remaining assets	883,4	840,4	818,1	809,0	829,7	843,2	451,5	461,5	474,6	455,6
Part. payments incl. escrow repayments	648,0	715,3	715,9	715,9	715,9	715,9	1.118,6	1.118,6	1.117,6	1.117,6
Total assets including partial payments	1.531,4	1.555,7	1.534,0	1.534,0	1.545,6	1.559,1	1.570,0	1.580,1	1.592,2	1.573,2

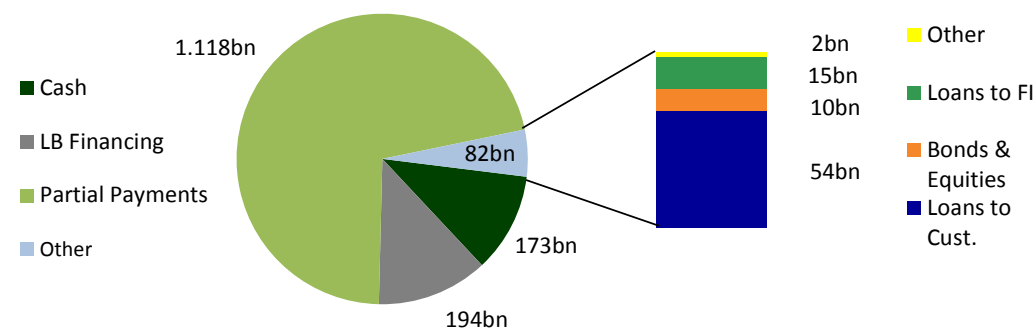
Partial payments to priority creditors (Art. 112) and remaining estimated recovery

- At the end of Q3 2015 five Partial payments of net total ISK 1.117,6bn have been made towards priority claims (Art.112).
- At the end of Q3 2015 partial payments and remaining assets are of total ISK 1.573,2bn.

Remaining estimated recovery

- At the end of Q3 2015 Cash was ISK 173,3bn and estimated recovery of non-cash assets was of total ISK 282,3bn. Thereof:
 - LB Bond ISK 193,9bn
 - Loans to customers ISK 54,4bn.

Estimated recovery 30.9.2015

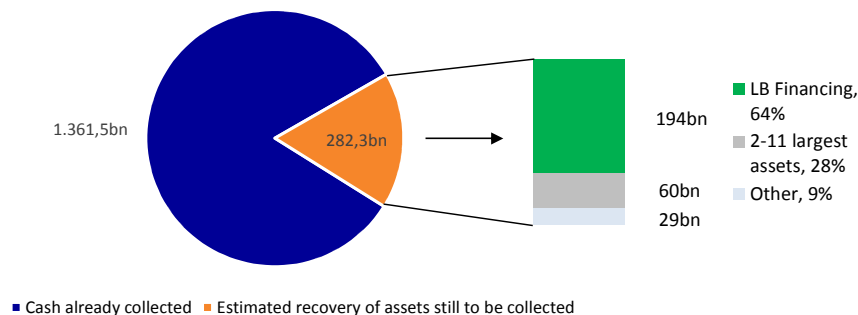


Estimated Remaining Recovery including cash payments towards Art. 109-112 claims.

Estimated recovery including cash payments to Art. 109-112 creditors

ISKbn	30.9.2015
Cash	173,3
Loans to Financial inst.	14,9
Loans to customers	54,4
Bonds	7,8
Equities	2,1
LB Financing	193,9
Derivatives	0,8
Non current assets	1,5
Damage/Voiding cases	6,9
Total remaining assets	455,6
Payments to Art. 109-112 creditors	
Art. 109 - Proprietary claims	4,8
Art. 110 - Admin. Claims	59,0
Art. 110 - Admin. claims/Bank tax	7,7
Art. 112 - Partial Payments incl. escrow repayments	1.117,6
Total payments to Art. 109-112 creditors	1.189,1
Total remaining assets and payments to Art. 109-112 creditors	1.644,7

- Estimated recovery at the end of Q3 2015 was ISK 455,6bn and total payments to Art. 109-112 creditors was ISK 1.189,1bn (+ ISK 0,9bn Opex payments in Q3 2015). Based on this LBI's total expected recovery is ISK 1.644,7bn.
- Total cash payments of ISK 1.189,1bn and Cash position at 30.9.2015 of ISK 173,3bn is of total ISK 1.362,4bn.
 - This means that LBI has already realized into cash approx. 83% of the total ISK 1.644,7bn estimated recovery.
- ISK 282,3bn or approx. 17% of expected total cash collection is still to be collected.



Statement of Liabilities at end of Q3 2015

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Claim Priority - Liability type (Amounts in bn ISK)	Accepted Amounts	Final*	Settled by other means	Paid from recoveries	Escrow allocations	Liabilities 23/11/2015
109 - Proprietary Claims	10,1	100%	4,8	5,3	-	-
110 - Administrative Claims (Third paragr.)	14,3	100%	0,9	13,3	-	-
111 - Secured Claims						
Deposit - Retail	6,3	100%	6,3	-	-	-
Loans from Financial Institutions	48,9	100%	48,9	-	-	-
Other borrowings	2,8	100%	2,8	-	-	-
Total Secured Claims	58,0	100%	58,0	-	-	-
112 - Priority Claims						
Deposit - Retail	1.167,0	100,00%	-	981,9	0,0	185,0
Deposit - Wholesale	145,4	100,00%	-	122,3	-	23,1
Loans from Financial Institutions	14,2	100,00%	-	11,9	0,1	2,3
Loans from Financial.Inst.- Rejected	-		-	-	-	-
Other liabilities	0,9	100,00%	-	0,7	0,0	0,1
(Claims settled by lump sum payment)	0,7	100,00%	-	0,7	-	-
Total Priority Claims	1.328,2	100,00%	-	1.117,5	0,1	210,6
113 - General Claims						
Deposit - Retail	0,2	100,00%	-	-	-	0,2
Deposit - Wholesale	10,4	100,00%	-	-	-	10,4
Derivatives	155,2	98,72%	6,2	-	-	149,0
Loans from Financial Institutions	49,3	100,00%	0,2	-	-	49,0
Other borrowings	183,0	100,00%	0,9	-	-	182,2
Other liabilities	15,8	79,80%	0,1	-	-	15,7
Securities Issued	1.226,4	99,53%	24,7	-	-	1.201,7
Total General Claims	1.640,4	99,33%	32,2	-	-	1.608,2
Grand Total	3.051,0	99,51%	96,0	1.136,1	0,1	1.818,8

* Percentage of accepted amounts that has been finally accepted

Art. 109 – Proprietary claims

- Accepted amounts of proprietary claims has increased by ISK 0,5bn due to mediation of Landsbanki claim that was part of the settlement agreement with Fortis bank on the Nostro Account LBI had with Fortis.

Art. 113 – General claims

- Accepted Derivatives claims increased by ISK 2bn. These claims are still disputed and have been deferred to the District Courts.
- Other borrowings are reduced by ISK 3,2bn due to termination of Fortis claim which was part of the settlement with the bank.
- Accepted Other liabilities have increased by ISK 5bn, thereof ISK 3,1bn that are due to accepted amounts of Heritable guarantee claims. Those amounts are contingent which brings down the percentage of final accepted amounts from 99,3% to 79,8%. A settlement was reached on Danske Banks claim for ISK 1,8bn.
- Securities issued are reduced by ISK 4,2bn mainly due to distribution of Lex Life and Li Lux claims from Landsbanki Luxembourg to LBI.
- Accepted set off increased by ISK 3,5bn, mainly in relation to derivative settlements with Erste and Dekabank.

Statement of Liabilities at end of Q3 2015

– Breakdown of rejected claims

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Claim Priority - Liability type (Amounts in bn ISK)	Lodged claims	Changed priority	Agreed Final	Agreed Disputed	Decision Postponed	Rejected Final	Rejected Disputed
109 - Proprietary Claims	130,2	- 22,6	10,1	-	-	6,2	91,2
110 - Administrative Claims	61,9	6,2	14,3	-	-	42,7	11,1
111 - Secured Claims							
Deposit - Retail	346,1	6,3	6,3	-	-	346,1	0,0
Loans from Financial Institutions	115,1	- 39,8	48,9	-	-	26,4	-
Other borrowings	41,9	- 0,9	2,8	-	-	5,9	32,3
Total Secured Claims	503,0	- 34,4	58,0	-	-	378,3	32,3
112 - Priority Claims							
Deposit - Retail	2.216,9	0,7	1.167,0	-	-	1.050,7	-
Deposit - Wholesale	326,9	4,8	145,4	-	-	186,2	-
Loans from Financial Institutions	108,7	- 4,6	14,2	-	-	89,9	-
Other liabilities	26,1	- 8,2	0,9	-	-	17,0	-
(Claims settled by lump sum payment)	1,1	0,0	0,7	-	-	0,4	-
Total Priority Claims	2.679,6	- 7,3	1.328,2	-	-	1.344,1	-
113 - General Claims							
Deposit - Retail	0,4	0,0	0,2	-	-	0,1	0,0
Deposit - Wholesale	10,5	-	10,4	-	-	0,1	-
Derivatives	239,6	1,4	153,2	2,0	-	75,6	10,2
Loans from Financial Institutions	2,2	47,1	49,3	-	-	-	-
Other borrowings	189,5	-	183,0	-	-	6,5	-
Other liabilities	137,0	8,0	12,6	3,2	2,6	84,4	42,2
Securities Issued	1.751,6	1,6	1.220,6	5,8	-	525,9	0,8
Subordinated securities issued	123,1	-	-	-	-	122,1	1,0
Total General Claims	2.453,9	58,1	1.629,5	11,0	2,6	814,7	54,2
114 - Subordinate Claims	43,2	-				43,2	
Grand Total	5.871,8	-	3.040,0	11,0	2,6	2.629,3	188,9

Art. 109 – Proprietary claims, Rejected Disputed

- Disputed amounts are increased by ISK 2bn, due to a claim from LB Holding for ISK 2,5bn that was rejected. Settlement of Landsbankinn claim reduces the number by ISK 0,5bn.

Art. 113 – General claims, Rejected Disputed

- Disputed amounts of derivatives are in total ISK 12,2bn, thereof ISK 2bn that are accepted but ISK 10,2bn are rejected. Those amounts are disputed and have been deferred to the courts.
- Disputed amounts of other liabilities are in total ISK 45,4bn, thereof ISK 3,2bn are accepted. It has decreased for ISK 165bn mainly as a result of settled disputed in relation to the Heritable guarantee claims.
- Disputed amounts of subordinated securities are down to ISK 1bn, which is a decrease of ISK 3,3bn from Q2.

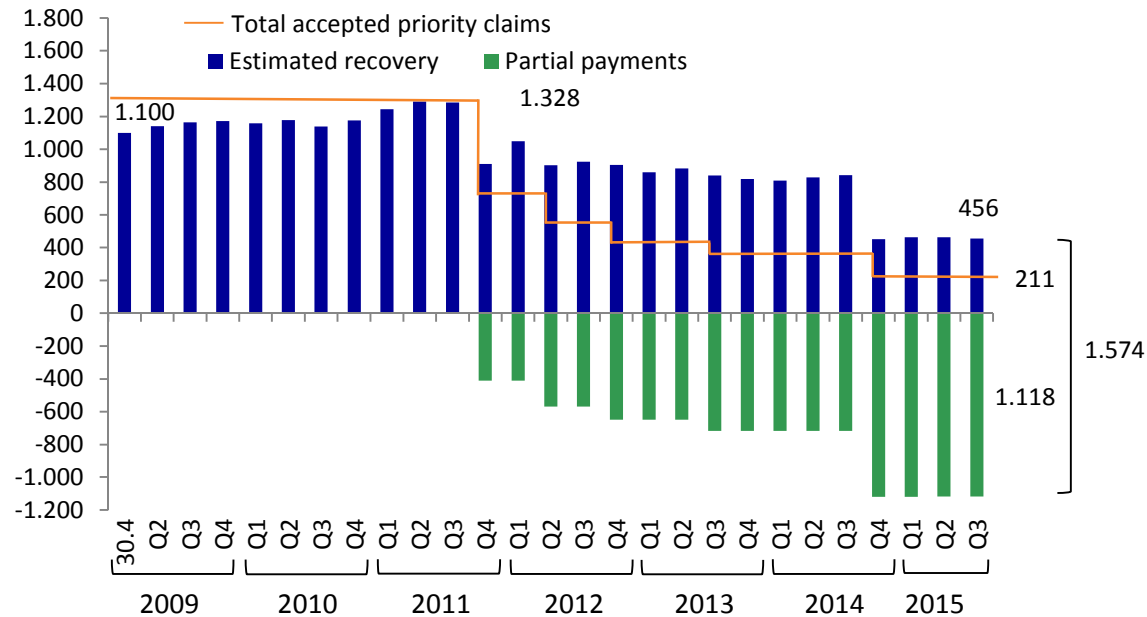
Historical development

Estimated recovery, Partial Payments and Priority claims

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Development of the Estimated recovery - using FX rates at each reporting date (ISKbn)



Historical changes

- **Estimated recovery has increased since 30.4.2009 by ISK 474bn** (from ISK 1.100bn to ISK 1.574bn).
- **On 30.9.2015 the estimated recovery was ISK 245bn higher than remaining finally accepted priority claims (Art. 112).**
- **Priority claims of ISK 1.328bn** have reduced by five partial payments **down to ISK 211bn**.
- **Five Partial Payments of net ISK 1.117,6bn** have been made:
 - 1st made in December 2011 of ISK 410bn
 - 2nd made in May 2012 of ISK 172,3bn
 - 3rd made in October 2012 of ISK 80bn
 - 4th made in September 2013 of ISK 67,2bn
 - 5th made in December 2014 of ISK 402,7bn
 - Escrow repayments to LBI of ISK 14,5bn

Historical development, status as at end Q3 2015

- Partial payments to priority creditors (Art. 112) is of total 1.118bn (green pillars).
- Remaining finally accepted Art. 112 claims are ISK 211bn (red line).
- Estimated recovery of remaining assets is ISK 456bn (blue pillars), thereof Cash is ISK 173,3bn and non-cash assets ISK 282,3bn.
- Partial payments to priority creditors (Art. 112) and remaining assets still (green pillars + blue pillars) are of total ISK 1.574bn.
- **Estimated recovery and remaining claims against LBI**
- Not considering the bank tax according to law No. 155/2010, disputed proprietary claims (Art. 109), administrative claims (Art. 110) and disputed set-off claims against recoverable assets (Art. 111) the estimated recovery was ISK 245bn higher than remaining finally accepted Priority claims (Art. 112).

Estimated remaining recovery by currency

Status as at end of Q3 2015

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ISKbn	ISK		USD		EUR		GBP		Other		Total	
	30.6.15	30.9.15	30.6.15	30.9.15	30.6.15	30.9.15	30.6.15	30.9.15	30.6.15	30.9.15	30.6.15	30.9.15
Cash	24	22	14	14	45	74	49	49	15	14	147	173
Loans to FI	1	0	1	1	14	13	1	0		0	16	15
Loans to Customers	8	8	1	1	19	16	11	9	23	20	61	54
Bonds			8	8	29						37	8
Equities	1	1		0	0	0	1	0			3	2
LB Financing			78	75	91	89	32	30			201	194
Derivatives	1	1			0	0					1	1
Other assets	0	0	1	1	0	0					2	2
Damage/Voiding cases					7	7					7	7
Total assets	34	32	103	100	199	200	94	89	38	34	475	456

- **Changes in estimated recovery by currencies decreases in Q3 2015 mainly due to FX changes:**

- ISK decreases by ISK 2bn to 32bn and 7% of total estimated recovery.
 - Remaining estimated recovery in ISK is mainly from Cash and Loans to customers.
- USD decreases by ISK3bn to ISK 100bn and is still 21,9% of total estimated recovery.
 - Remaining estimated recovery in USD is mainly from LB Financing, Cash and Bonds (Landsvirkjun Bond, has been sold in Q4 2015).
- EUR decreases by ISK 1bn to ISK 200bn and is now 43,8% of total estimated recovery.
 - Remaining estimated recovery in EUR is mainly from LB financing, Cash, Loans to customers and Loans to Financial Institutions.
- GBP decreases by ISK 5bn to ISK 89bn and is now 19,5% of total estimated recovery.
 - Remaining estimated recovery in GBP is mainly from Cash, LB financing and Loans to customers.
- Other currencies decreases by ISK 4bn to ISK 34bn and is now 7,4% of total estimated recovery.
 - Remaining estimated recovery for other currencies is mainly from Loans to customers and Cash.

Expected cash flow by currency and asset categories

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Status as at end of Q3 2015

Expected future income/opex is not included in below estimated cash flow numbers.

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Estimated cash flow by currency

Estimated Recovery (ISKbn)	Cash	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Later	Total
ISK	22	1	1	1	3	0	0	0	0	0	0	0	0	2	32
USD	14	11	4	0	2	0	35	0	0	0	35	0	0		100
EUR	74	26	23	4	10	1	1	1	28	1	1	1	28	2	200
GBP	49	21	14	0	0	4	0	0	0	0	0	0	0		89
CAD and other	14	2	16	1	1	0	0	0	0	0	0	0	0	0	34
Total assets	173	63	57	6	15	6	36	1	29	1	36	1	28	4	456

Estimated cash flow by asset category

Estimated Recovery (ISKbn)	Cash	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Later	Total
Cash	173														173
Loans to Financial Inst.		3		1	3	1	1	1	1	1	1	1	1	2	15
Loans to Customers		4	33	3	5	5	0	0	0	0	0	0	0	2	54
Bonds		8													8
Equities		0	0	1	0										2
LB Financing		48	22				35		27		35		27		194
Derivatives		0	1												1
Investment in Subsidiaries															0
Non current assets		0	1												2
Damage/Voiding cases					7										7
Total assets	173	63	57	6	8	6	36	1	29	1	36	1	28	4	456

- Loans to financial institutions: Most of ISK 3bn expected cash flow in Q4 2015 has already been received.
- Loans to customers: Most of ISK 4bn expected cash flow in Q4 2015 has already been received.
- Bonds: Expected cash flow in Q4 2014 of ISK 8bn has already been received (Landsvirkjun Bond, ISK 7,8bn).
- Equity: ISK 0,1bn expected in Q4 2015.
- LB Financing: Expected cash flow in Q4 2015 of ISK 47,5bn has already been received (prepayment of 2016 maturities and 45% of 2018 maturities). Remaining of 2018 maturities (55%) is now expected in Q1 2016 and will be placed on Fixed Term deposit account at LB (maturity 9 October 2018)
- Derivatives: No significant cash flow is expected in Q4 2015.
- Non current assets: No significant cash flow is expected in Q4 2015.



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Statement of Assets – Cash

Status as at end of Q3 2015

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ISKbn	Recorded balance		Estimated recovery	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Cash	147	173	147	173
Loans to Financial Institutions	100	97	16	15
Loans to customers	322	311	61	54
Bonds and Equities	41	11	40	10
LB Financing	201	194	201	194
Other assets	55	55	10	9
Total	865	841	475	456

Cash Balances

Currency	In currency m			ISKbn		
	30.6.2015	30.9.2015	Change	30.6.2015	30.9.2015	Change
AUD	14,1	14,0	(0,1)	1,4	1,3	(0,2)
CAD	109,5	116,7	7,2	11,7	11,1	(0,5)
DKK	16,5	22,7	6,2	0,3	0,4	0,1
EUR	303,5	518,8	215,3	44,8	74,3	29,5
GBP	236,2	249,2	13,0	49,0	48,4	(0,6)
ISK	23.655,9	22.313,3	(1.342,6)	23,7	22,3	(1,3)
USD	106,9	109,1	2,2	14,1	13,9	(0,2)
Other				1,7	1,6	(0,1)
Total ISKbn				146,7	173,3	26,6

Balances in ISKbn Equivalent - 30.9.2015

Type	Rating by S&P	Balance
Foreign Bank 1	A+	80,5
Domestic Bank 1	BB+	73,3
Domestic Bank 2	BB+	8,3
Foreign Bank 2	AA-	6,3
Foreign Bank 3	A	3,2
Other Foreign banks		2,1
Other domestic banks		0,0
Total ISK bn		173,7

Main changes in Q3 2015

- Cash increases by net ISK 26,6bn mainly due to payments of ISK 34,9bn.
- Cash in ISK is ISK 22,3bn. Excluding two cash buffers of total ISK 9bn remaining cash in ISK at end Q4 2015 will be transferred to CBI as part of LBI's Stability contribution.
- Income explains increase of ISK 0,2bn.
- Operational expenses explains decrease of ISK 0,9bn.
- Net payments related to LBI's and LB's agreement from 18 September 2015, as amended on 6 October 2015, explains decrease of ISK 1bn.
- FX changes explains decrease of ISK 6,5bn.

Statement of Assets - Loans to FI

Status as at end of Q3 2015

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Loans to Financial Institutions	100	97	16	15
Loans to customers	322	311	61	54
Bonds and Equities	41	11	40	10
LB Financing	201	194	201	194
Other assets	55	55	10	9
Total	865	841	475	456

All amounts in ISKbn	Recorded Balance		Estimated Recovery		Recovery Rate %	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Heritable bank	2,3	1,6	0,6	0,0	25%	0%
LI Lux	58,5	51,3	9,7	9,4	17%	18%
Project Global Exposure	23,9	23,2	4,9	4,5	21%	19%
Other	20,7	21,2	1,0	0,9	5%	4%
Total ISKbn	105,5	97,3	16,2	14,9	15%	15%

Main changes in Q3 2015

- **Heritable Bank.** Payment of ISK 13,4bn (GBP 65,8m) was received in Q2 2015. Remaining outstanding exposures, with currently 0-recovery, is from: (i) remaining general unsecured claim of GBP 4,2m and (ii) subordinated claim of GBP 7m.
- **LI Lux. Exposure and** estimated recovery decreases by ISK 0,3bn due to FX changes. As has been flagged reported estimated recovery and expected cash flow is subject of high uncertainty.
- **Project Global exposure.** Exposure #11, with estimated recovery of ISK 2,0bn, has already be paid in Q4 2015. As was highlighted in slides no. 14-19 reported estimated recovery and expected cash flow of remaining Global exposures is subject of high uncertainty, mainly the outcome of already ongoing Court cases (exposures #18, #22, #31, #35 and #51).
- **Other.** Estimated recovery decreases by ISK 0,1bn due to FX changes. Estimated recovery of exposure #21 (VBS estate) has already been repaid in Q4 2015, ISK 0,6bn in FX and ISK 0,3bn in ISK which will be transfered to CBI as part of the stability contribution. Remaining exposure is currently reported with 0-recovery.

Statement of Assets - Loans to customers

LBI

† SLITAMEDFERD
IN WINDING-UP PROCEEDINGS

ISKbn	Recorded balance		Estimated recovery	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Cash	147	173	147	173
Loans to Financial Institutions	100	97	16	15
Loans to customers	322	311	61	54
Bonds and Equities	41	11	40	10
LB Financing	201	194	201	194
Other assets	55	55	10	9
Total	865	841	475	456

Portfolio	Sub portfolio	# of customers	Estimated recovery
Asset backed lending	Collateral based	1	16,8
Senior secured	Collateral based	8	11,5
Leverage lending	Participation	7	8,5
Real estate lending	Collateral based	9	4,9
KS loans	KS loans	28	3,5
Leverage lending	Origination	2	1,3
Senior unsecured	Cash flow	11	6,4
Commercial Finance	Collateral based	1	1,0
Loans to FI	Cash flow	1	0,5
		68	54,4

Highlights in Q3 2015

- Total remaining recorded balance is ISK 311bn. Remaining estimated recovery is ISK 54,4bn.
- Total number of customers is 120. Loans to 68 customers have estimated recovery value and loans to 52 customers not.
- Estimated recovery for 10 largest loans is total ISK 44,4bn, or 82% of remaining estimated recovery of Loans to customers (see slide 28 for further information).

Changes in estimated recovery

- Estimated recovery decreases by ISK 7,0bn, mainly due to payments of ISK (4,9)bn and FX changes of ISK (3,4)bn , reclassification to Equities of ISK 0,5bn, valuation of ISK 0,4bn and income of ISK 0,5bn.

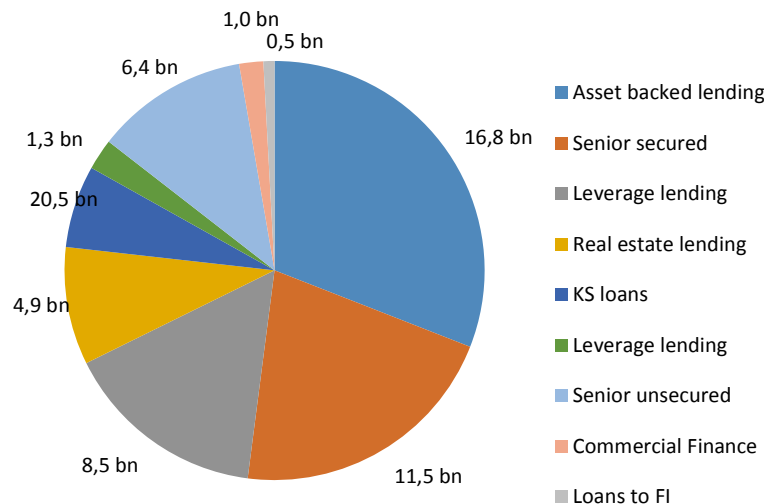
LBI's loan portfolio

- Loans to customers can be split into 9 main loan portfolios.
- Leverage lending and Commercial Finance is originated from London Branch and Amsterdam Branch.
- Senior secured/unsecured and Real estate lending is originated from Reykjavik/LI LUX. K/S loans are originated from LI Lux.
- Asset Backed lending is originated from Labki (Canada).
- Slides showing exposures in Reykjavik, London, Amsterdam and Canada are in the Appendix for reconciling Loans to customers against LBI's operations.

Loans to customers

Estimated recovery rates by loan portfolios

Portfolio	Sub portfolio	# of customers	0% - 39%	40%-59%	60%-79%	80%-89%	90%-99%	100%	Total
Asset backed lending	Collateral based	1						16,8	16,8
Senior secured	Collateral based	8	0,6		7,6			3,3	11,5
Leverage lending	Participation	7	0,0		1,4	0,3	4,8	2,1	8,5
Real estate lending	Collateral based	9	0,4	0,9		3,6		0,1	4,9
KS loans	KS loans	28	0,1	0,7	2,1	0,1	0,1	0,5	3,5
Leverage lending	Origination	2		0,4				0,9	1,3
Senior unsecured	Cash flow	11	3,2	0,6				2,6	6,4
Commercial Finance	Collateral based	1						1,0	1,0
Loans to FI	Cash flow	1						0,5	0,5
		68	4,3	2,5	11,1	4,0	4,9	27,6	54,4



- Asset backed lending is mainly loans to fisheries in Canada (Estimated recovery of #2 on 60-largest list is ISK 16,8bn).
- Leverage lending of total ISK 9,8bn to 9 customers is approx. 18% of the loan book. Thereof ISK 4,8bn with 100% recovery rate.
- Estimated recovery from Senior secured lending mainly derives from underlying pledged assets.
- Real estate lending is mainly secured by real estate in Iceland.
- K/S loans are Danish tax-structure lending transferred from LI Lux in June 2012.

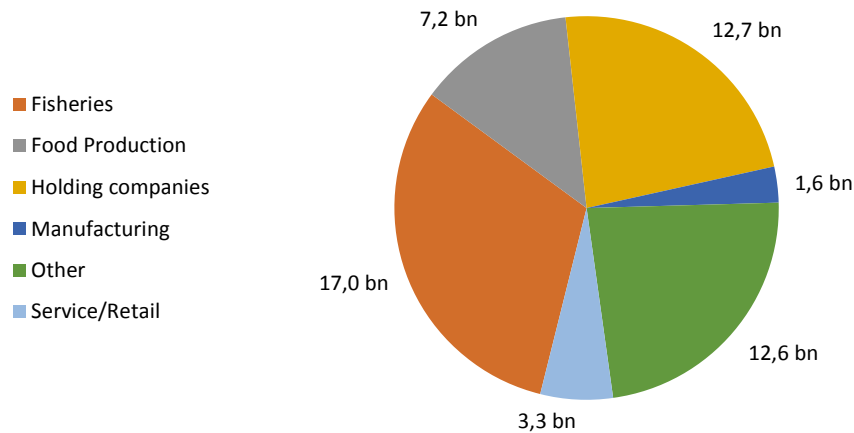
Loans to Customers by Sectors

Sector	Loan Exposure		Estimated Recovery		Recovery Rate %	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Fisheries	19,6	17,0	19,3	17,0	98%	100%
Food Production	11,5	11,3	7,4	7,2	64%	63%
Holding companies	185,1	74,1	13,1	12,7	7%	17%
Manufacturing	3,5	2,4	1,7	1,6	48%	68%
Other	60,1	31,0	13,8	12,6	23%	41%
Service/Retail	94,8	11,6	6,1	3,3	6%	29%
	374,6	147,4	61,4	54,4	16%	37%

Estimated recovery of Loans to customers decrease in Q3 2015 by ISK 7,0bn.

- Estimated recovery of Fisheries, decreases by ISK 2,3bn due to seasonal drawings. Largest remaining exposure is #2 on 60 largest list.
- Estimated recovery of Other, ISK 12,6bn, reduces by ISK 1,2bn due to Payments and FX changes.
- Estimated recovery from Service/retail reduces by ISK 2,8bn mainly due to payments.

Estimated recovery by sectors



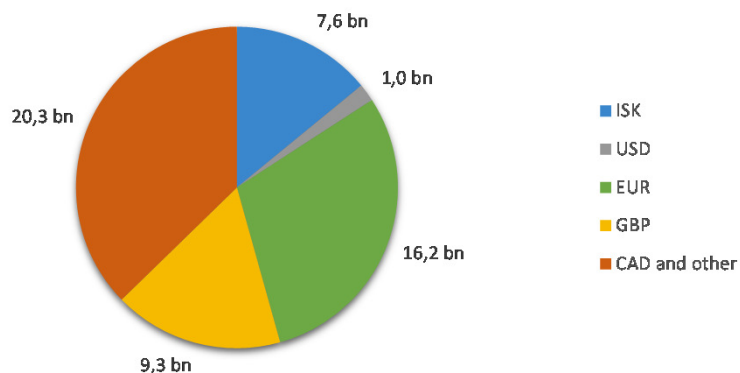
Loans to customers

Cash flow by currencies

Estimated cash flow by currency

Estimated Recovery (ISKbn)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Later	Total
ISK	1	1	0	3	0	0	0	0	0	0	0	0	2	8
USD	0	0		1										1
EUR	0	12	3	1										16
GBP	1	4	0		4									9
CAD and other	2	16	1	1	0	0	0	0	0	0	0	0	0	20
Total assets	4	33	3	5	5	0	0	0	0	0	0	0	2	54

Loans to customers by currencies



- Of total ISK 54,4bn cash flow of ISK 36,9bn is expected in Q4 2015 and 2016.
- Remaining loans with expected cash flow in ISK are expected to be transferred to CBI as part of LBI's stability contribution.
- Of total ISK 16,2bn in EUR loans to two customers are of total ISK 9,4bn.
- Of total ISK 20,3bn in CAD and other currencies loan to the largest customer is of total ISK 16,8bn.
- Of total ISK 9,3bn in GBP loans to two customers are of total ISK 7,8bn.

Loans to customers

10 largest customers

LBI

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IN WINDING-UP PROCEEDINGS

#	Exposure	Est. Recovery	%	Sector	Currency	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Later	Total
1	16,8	16,8	100%	Fishing	CAD	1,8	15,1												16,8
2	11,3	7,2	63%	Food production	EUR		7,2												7,2
3	5,3	4,8	91%	Healthcare	GBP	0,5				4,3									4,8
4	4,5	3,6	82%	Other	GBP		3,6												3,6
5	3,2	3,2	100%	Holding Companies	ISK	0,0	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	1,8	3,2
6	2,4	2,4	100%	Holding Companies	ISK	0,1			2,4										2,4
7	46,0	2,3	5%	Holding Companies	EUR		2,3												2,3
8	1,9	1,4	74%	Holding Companies	DKK	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1			1,4
9	2,1	1,4	66%	Manufacturing	EUR/USD	0,0			1,4										1,4
10	1,3	1,3	100%	Services	EUR/GBP	0,0		1,3											1,3
	93,4	43,1				2,5	28,4	0,3	4,0	4,5	0,3	0,3	0,3	0,3	0,3	0,3	0,1	1,8	43,1
Other	54,0	11,3				1,5	4,6	3,2	1,1	0,1	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,5	11,3
Sum	147,4	54,4				4,0	33,0	3,4	5,1	4,6	0,3	0,3	0,3	0,3	0,3	0,3	0,2	2,2	54,4

10 largest Loans to customers

- Estimated recovery of 10 largest Loans to customers is of total ISK 43,1bn or 79% of remaining estimated recovery of Loans to customers.
- Exposure #1 with estimated recovery of ISK 16,8bn is scheduled to be paid in 2016.
- Exposure #2 is against European Food production company. Contractual maturity is in 2019 but has been incentivised to pay in 2016.
- Exposure #3 against UK Healthcare company was recently restructured. Final maturity is in 2019.
- Exposure #4 is against foreign resident. Underlying assets are real estates in Europe. This exposure is disputed and before Courts.
- Exposures #5 and #6 are against domestic HoldCo's. These exposures will be transferred to CBI as part of LBI's stability contribution.
- Exposure #7 is against HoldCo but the estimated recovery is from disputed third party guarantee.
- Exposure #8 is against Danish K/S structure company. Long maturity profile.
- Exposure #9 is against international manufacturing company. Final maturity is in 2018.
- Exposure #10 is against international manufacturing company. Final maturity is in 2017.

Statement of Assets – Bonds and Equities

Status as at end of Q3 2015

LBI

† SLITAMEDFERD
IN WINDING-UP PROCEEDINGS

ISKbn	Recorded balance		Estimated recovery	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Cash	147	173	147	173
Loans to Financial Institutions	100	97	16	15
Loans to customers	322	311	61	54
Bonds and Equities	41	11	40	10
LB Financing	201	194	201	194
Other assets	55	55	10	9
Total	865	841	475	456

All amounts in ISKbn	Recorded Balance sheet		Estimated Recovery		Recovery Rate %	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Bonds	37,7	8,6	36,8	7,8	98%	91%
Equities	2,5	2,3	2,1	2,1	84%	93%
Total ISKbn	40,2	10,9	38,9	9,9	97%	91%

Highlights in Q3 2015

Bonds

- Exposure #4 (Landsvirkjun Bond) explains the estimated recovery. Landsvirkjun Bond was sold to LB in Q4 2015, reported estimated recovery reflects the purchase price already paid/received.

Equities

- Remaining estimated recovery is mainly explained by domestic unlisted position and small foreign unlisted positions.
- Exposures #17 (exposure/estimated recovery of ISK 1,1bn) and #56 (exposure/estimated recovery of ISK 0,1bn) on the 60-largest list will be transferred to CBI as part of LBI's stability contribution.
- Domestic exposures not on the 60-largest list with total estimated recovery of 0,07bn will be transferred to CBI as part of LBI's stability contribution.

Statement of Assets – LB Financing

Status as at end of Q3 2015

LBI

SLITAMEDFERD
IN WINDING-UP PROCEEDINGS

ISKbn	Recorded balance		Estimated recovery	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Cash	147	173	147	173
Loans to Financial Institutions	100	97	16	15
Loans to customers	322	311	61	54
Bonds and Equities	41	11	40	10
LB Financing	201	194	201	194
Other assets	55	55	10	9
Total	865	841	475	456

Main changes in Q3 2015

- Income was ISK 1,5n.
- Total payments in Q3 2015 was ISK 1,5bn
- Fx changes decreases the estimated recovery by ISK 7,3bn.
- Prepayment in Q4 2015 of total ISK 47,5bn (2016 maturities and 45% of 2018 maturities)

LB Bonds 30.9.2015

Bonds	Maturity	Currency	Initial- / Step-up Margin	Exposure in ISK	Estimated cash flow							
					2015	2016	2018	2020	2022	2024	2026	
B1	2016	EUR	L+290 bps	14,3	14,3							
B2	2016	USD	L+290 bps	2,3	2,3							
B3	2016	GBP	L+290 bps	12,9	12,9							
C1	2018*	EUR	L+290 bps	19,0	9,3	9,8						
C2	2018**	USD	L+290 bps	3,1	0,3	2,8						
C3	2018	GBP	L+290 bps	17,2	7,6	9,6						
D	2020***	USD	L+290 / 350 bps	34,9	0,3		34,6					
E	2022	EUR	L+290 / 365 bps	27,7	0,2			27,5				
F	2024	USD	L+290 / 395 bps	34,9	0,3				34,6			
G	2026	EUR	L+290 / 405 bps	27,7	0,2						27,5	
				193,9	47,5	22,2	0,0	34,6	27,5	34,6	27,5	

- Remaining (55%) of 2018 maturities is now expected in Q1 2016 and will be placed on Fixed Term deposit account at LB (with maturity on 9 October 2018).

* LB's option to extend the maturity date of the first EUR 66m of the amount of Bond C1 from 9 October 2018 to 9 October 2022 with the relevant step-up margin adjusted to 365 bps.

* LB's option to extend the maturity date of the remaining EUR 66m of the amount of Bond C1 from 9 October 2018 to 9 October 2026 with the relevant step-up margin adjusted to 405 bps.

** LB's option to extend the maturity date of the entire USD 24m amount of Bond C2 from 9 October 2018 to 9 October 2024 with the relevant step-up margin adjusted to 395 bps.

*** LB's option to extend the maturity date of a total of USD 121m of the amount of Bond D from 9 October 2020 to 9 October 2024 with the relevant step-up margin adjusted to 395 bps.

Statement of Assets – Other Assets

Status as at end of Q3 2015

LBI

SLITAMEDFERD
IN WINDING-UP PROCEEDINGS

ISKbn	Recorded balance		Estimated recovery	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Cash	147	173	147	173
Loans to Financial Institutions	100	97	16	15
Loans to customers	322	311	61	54
Bonds and Equities	41	11	40	10
LB Financing	201	194	201	194
Other assets	55	55	10	9
Total	865	841	475	456

All amounts in ISKbn	Recorded Balance sheet		Estimated Recovery		Recovery Rate %	
	30.6.2015	30.9.2015	30.6.2015	30.9.2015	30.6.2015	30.9.2015
Derivatives	19,4	19,4	0,9	0,8	4%	4%
Investment in Subs.	33,6	33,4	0,0	0,0	0%	0%
Non-current assets	1,8	1,7	1,6	1,5	90%	90%
Total ISKbn	54,8	54,5	2,5	2,4	5%	4%

Highlights in Q3 2015

- Damage and Voiding claims are part of Other Assets with estimated recovery of ISK 6,9bn.
- Estimated recovery of Non-current assets decreases by ISK 0,1bn due to FX changes.
- Estimated recovery of Non-current assets are mainly from two foreign real estates.
- Derivatives are exposures against domestic counterparties. Reported estimated received in ISK will be transferred to CBI as part of LBI's stability contribution. Part of exposure #12 (ISK 0,3bn expected to be paid in ISK) and all of #34 (ISK 0,2bn) on the 60-largest list explains bulk of reported estimated recovery.
- Non-current assets with estimated recovery of approx. ISK 0,2bn (domestic real estates) is expected to be transferred to CBI as part of LBI's Stability contribution.

Zero recovery assets

Status as at end of Q3 2015

LBI

LITAMEDFERD
IN WINDING-UP PROCEEDINGS

ISKbn	# of customers	Exposure	Largest	1-2 Largest	1-5 Largest	1-10 Largest
Loans to Financial Inst.	5	14,7	9,7	12,4	14,7	
Loans to Customers	51	159,2	63,8	99,0	130,2	149,0
Bonds	1	0,6	0,6			
Equities	15	0,3	0,2	0,2	0,3	0,3
Derivatives	8	3,5	1,2	2,1	3,3	3,5
Investment in subsid.	11	33,4	23,4	28,7	33,4	33,4
	91	211,7	98,7	142,4	182,0	186,2

		Domestic		Foreign	
# of customers	Portfolio	# of customers	Exposure	# of customers	Exposure
5	Loans to FI	1	9,7	4	5,1
51	Loans to customers	26	97,6	25	61,6
1	Bonds	0	0,0	1	0,6
15	Equities	4	0,0	11	0,3
8	Derivatives	7	3,2	1	0,2
11	Investment in subsid.	7	0,2	4	33,2
91		45	110,7	46	101,0

Main changes between periods on the 0-recovery list

- 45 exposures of total ISK 110,7bn are against domestic counterparties and 46 exposures of total ISK 101,0bn are against foreign counterparties.
- The following 0-recovery exposures against domestic counterparties are part of LBI's suggested stability contribution to CBI
 - Loans to customer – Exposure of ISK 25,3bn
 - Derivatives - Exposures of ISK 0,7bn
 - Equities – ISK 0,005bn.
- The remaining 0-recovery exposures have very low probability of recovery and will mostly be subjects of final write-offs.



1. Estimated Recovery / Liabilities – Summary
2. Statement of Assets
3. Operational Cost
4. Driver of change
5. Appendix

Total Operational expenses

LBI

SLITAMEDFERD
IN WINDING-UP PROCEEDINGS

ISK million	2012				2013				2014				2015			Change QoQ
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Housing and logistics	60	33	78	42	37	41	32	41	36	36	36	43	22	22	22	0%
Payroll and benefits	493	426	417	442	440	474	362	356	498	316	289	288	820	278	189	(32%)
Icelandic legal cost	300	205	158	215	208	194	157	223	181	210	157	246	239	195	228	17%
Icelandic expert cost	102	61	84	95	87	70	41	25	45	49	50	54	77	71	94	33%
Non-Icelandic legal cost	71	175	165	422	290	241	136	160	258	482	358	350	475	561	403	(28%)
Non-Icelandic expert cost	107	362	219	251	247	149	49	154	197	37	24	210	154	66	108	64%
Other Operational costs	74	51	95	78	106	85	60	80	100	121	107	64	151	83	88	6%
SLA cost	68	68	68	62	71	61	58	57	57	0	0	0	0	0	0	
Breakdown by location																
Iceland	837	1.076	956	1.254	1.147	962	675	875	1.020	1.011	838	1.079	1.494	1.205	1.064	(12%)
London	304	231	263	282	259	284	157	163	301	187	139	135	444	72	69	(3%)
Canada	39	16	13	14	4	4	3	3								
Amsterdam	95	58	52	57	76	65	59	54	51	52	45	41				
Total	1.275	1.382	1.284	1.608	1.486	1.315	894	1.095	1.372	1.251	1.021	1.255	1.939	1.277	1.133	(11%)

- Total operational expenses decreases between quarters by (11%), thereof;
 - Payroll and benefits by (32%),
 - Icelandic legal cost increases by 17%
 - Icelandic expert cost increases by 33%,
 - Non-Icelandic legal cost decreases by (28%),
 - Non-Icelandic expert cost increases by 64%,
 - Other Operational costs increases by 6%.
- Operational expenses is expected to increase in Q4 2015 and Q1 2016 due to work related to the composition plan.



1. Estimated Recovery / Liabilities – Summary
2. Statement of Assets
3. Operational Cost
4. Driver of change
5. Appendix

Driver of change for recorded balance sheet

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IN WINDING-UP PROCEEDINGS

ISKm GLOBAL	Cash	Loans to FI	Loans to Cust.	Bonds	Equities	LB Financing	Derivatives	Other Assets	Total
Recorded 30.06.2015	146,7	99,9	321,7	37,7	3,1	201,2	19,4	35,4	865,1
Assets at risk 30.06.2015									
Recorded after set-off 30.06.2015	146,65	99,9	321,7	37,7	3,1	201,2	19,4	35,4	865,1
Recorded 30.09.2015	173,30	97,3	310,6	8,6	2,3	193,9	19,4	35,2	840,6
Assets at risk 30.09.2015									
Recorded after set-off 30.09.2015	173,30	97,31	310,63	8,64	2,32	193,88	19,38	35,15	840,6
Total Change	26,64	(2,6)	(11,1)	(29,0)	(0,8)	(7,3)	(0,0)	(0,3)	(24,5)
Payments	34,90	(0,54)	(4,93)	(27,91)	(0,00)	(1,51)	(0,03)	0,01	(0,0)
Claims paid from recovery									
FX changes	(6,55)	(2,06)	(8,63)	(1,22)	(0,06)	(7,28)		(0,22)	(26,0)
Reclassification			0,53		(0,62)			0,09	
Change in Exposure value			0,13		(0,13)		0,00	(0,13)	(0,1)
Income	0,17		1,78	0,11		1,46			3,5
Paid Expenses	(0,89)								(0,9)
Lí settlement	(1,00)								(1,0)
Set-off									
Write-off									
Total Change	26,64	(2,6)	(11,1)	(29,0)	(0,8)	(7,3)	(0,0)	(0,3)	(24,5)

Definitions :

Assets at risk: Exposure where validity is uncertain.

Payments: Net payments from loans, derivatives and dividend payments as well as collected cash due to sale of assets (cash basis; not accrual).

Partial payments: Partial payments to creditors.

Transaction costs: Paid costs directly linked to assets disposals.

FX changes: Change in Recorded balance Sheet numbers due to changes in currency exchange rate.

Reclassification: Change in Recorded balances numbers due to revision between asset classes due to enforcement of security or restructuring.

Change in Exposure value: Change in Exposure value for financial assets with variable exposures, e.g. Bonds, Equities, Loans to FI, Derivatives and NBI Financing.

Income: Accrued interests on loans, cash/fees and dividend payments (RVK only).

Operational Expenses: Paid operational expenses.

Set-off: Assets subject to netting, set off or claw-back.

Driver of change for estimated recovery

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Í SLITAMEDFERD
IN WINDING-UP PROCEEDINGS

ISKbn GLOBAL	Cash	Loans to FI	Loans to Cust.	Bonds	Equities	LB Financing	Derivatives	Other Assets	Damage/Voiding	Total
Estimated recovery 30.06.2015	146,7	16,2	61,4	36,8	2,7	201,2	0,9	1,6	7,1	474,6
Estimated recovery 30.09.2015	173,3	14,9	54,4	7,8	2,1	193,9	0,8	1,5	6,9	455,6
Total Change	26,6	(1,4)	(7,0)	(29,0)	(0,6)	(7,3)	(0,0)	(0,1)	(0,2)	(19,0)
Payments	34,9	(0,5)	(4,9)	(27,9)	(0,0)	(1,5)	(0,0)	0,0		(0,0)
Claims paid from recovery										
FX changes	(6,5)	(0,8)	(3,4)	(1,2)	(0,0)	(7,3)		(0,1)	(0,2)	(19,5)
Reclassification			0,5		(0,6)			0,1		
Valuation		(0,1)	0,4		0,0		(0,0)	(0,2)		0,2
Income	0,2		0,5	0,1		1,5				2,3
Operational Expenses	(0,9)									(0,9)
LÍ settlement	(1,0)									(1,0)
Set-off										
Total Change	26,6	(1,4)	(7,0)	(29,0)	(0,6)	(7,3)	(0,0)	(0,1)	(0,2)	(19,0)

Main changes

- Estimated recovery decreases by ISK 19,1bn, thereof
 - Payments increased cash by ISK 34,9bn.
 - Valuation increased by ISK 0,1bn.
 - FX changes decreases estimated recovery by ISK (19,5bn).

Definitions :

Payments: Net payments from loans, derivatives and dividend payments as well as collected cash due to sale of assets (cash basis; not accrual).

Partial payments: Partial payments to creditors.

Transaction costs: Paid costs directly linked to assets disposals.

FX changes: Change in Recorded balance Sheet numbers due to changes in currency exchange rate.

Reclassification: Change in Recorded balances numbers due to revision between asset classes due to enforcement of security or restructuring.

Valuation: Changes in valuation between periods.

Income: Accrued interests on loans, cash/fees and dividend payments.

Operational Expenses: Paid operational expenses.

Set-off: Assets subject to netting, set off or claw-back.



1. Estimated Recovery / Liabilities – Summary
2. Statement of Assets
3. Operational Cost
4. Driver of change
5. Appendix

Driver of change for recorded balance sheet

Historical overview

LBI

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IN WINDING-UP PROCEEDINGS

ISKbn GLOBAL	Cash	Loans to FI	Loans to Cust.	Bonds	Equities	LB Financing	Derivatives	Other Assets	Total
Opening Balance Sheet 8.10.08	4,6	631,4	1.258,6	443,8	77,6	283,8	228,4	160,1	3.088,4
Correction of OBS	26,0		(227,2)	(82,2)	8,2		(73,2)	(43,6)	(391,9)
Recorded value 8.10.08	30,6	631,4	1.031,5	361,6	85,9	283,8	155,2	116,5	2.696,4
Recorded 30.9.2015	173,3	97,3	310,6	8,6	2,3	193,9	19,4	35,2	840,6
Assets at risk 30.9.2015									
Recorded after set-off 30.9.2015	173,3	97,3	310,6	8,6	2,3	193,9	19,4	35,2	840,6
Total Change	142,7	(534,1)	(720,8)	(353,0)	(83,5)	(89,9)	(135,8)	(81,3)	(1.855,8)
Payments	1.313,4	(139,1)	(588,8)	(48,5)	(249,2)	(216,2)	(62,2)	(9,4)	0,0
Claims paid from recovery	(1.142,5)								(1.142,5)
Transaction cost	(3,4)								(3,4)
FX changes	2,7	46,9	59,3	(8,8)	(5,4)	10,0	(3,2)	(0,1)	101,5
Reclassification	(0,1)	(268,4)	135,4	89,8	40,8		(8,8)	11,4	(0,0)
Change in Exposure value		28,1	(11,4)	0,7	131,2	64,9	(5,1)	(51,9)	156,4
Income	37,0	0,0	281,5	3,6	0,1	51,4		0,2	373,8
Paid Expenses	(56,5)								(56,5)
Lí settlement	(1,0)								
Bank Tax	(7,7)								(7,7)
Set-off	0,8	(174,3)		(389,6)				(16,1)	(579,3)
Write-off		(27,3)	(596,8)		(1,1)		(56,5)	(15,4)	(697,1)
Total Change	142,7	(534,1)	(720,8)	(353,0)	(83,5)	(89,9)	(135,8)	(81,3)	(1.855,8)

Definitions:

Assets at risk: Exposure where validity is uncertain.

Payments: Net payments from loans, derivatives and dividend payments as well as collected cash due to sale of assets (cash basis; not accrual).

Partial payments: Partial payments to creditors.

Transaction costs: Paid costs directly linked to assets disposals.

FX changes: Change in Recorded balance Sheet numbers due to changes in currency exchange rate.

Reclassification: Change in Recorded balances numbers due to revision between asset classes due to enforcement of security or restructuring.

Change in Exposure value: Change in Exposure value for financial assets with variable exposures, e.g. Bonds, Equities, Loans to FI, Derivatives and NBI Financing.

Income: Accrued interests on loans, cash/fees and dividend payments (RVK only).

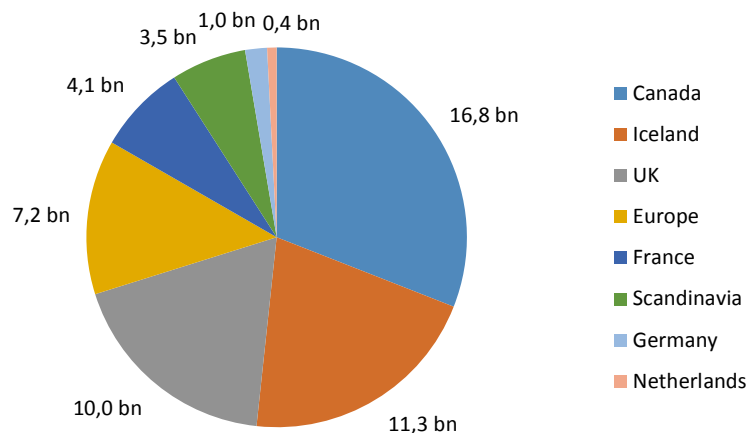
Operational Expenses: Paid operational expenses.

Set-off: Assets subject to netting, set off or claw-back.

Loans to customers

Geographical origin of estimated recovery

Origin of recovery	# of customers	ISK	USD	EUR	GBP	CAD	Other	Total
Canada	3					16,8		16,8
Iceland	24	7,6		3,6			0,0	11,3
UK	14		0,0	0,9	9,1		0,0	10,0
Europe	2			7,2				7,2
France	7		0,9	3,2	0,1			4,1
Scandinavia	30			0,0			3,5	3,5
Germany	3		0,1	0,9				1,0
Netherlands	3			0,4				0,4
	86	7,6	1,0	16,2	9,3	16,8	3,4	54,4



Origin of recovery

- For performing customers origin of recovery is the location of their main operation.
- For non-performing customers origin of recovery is based on the location of the main underlying collateral.

Currencies

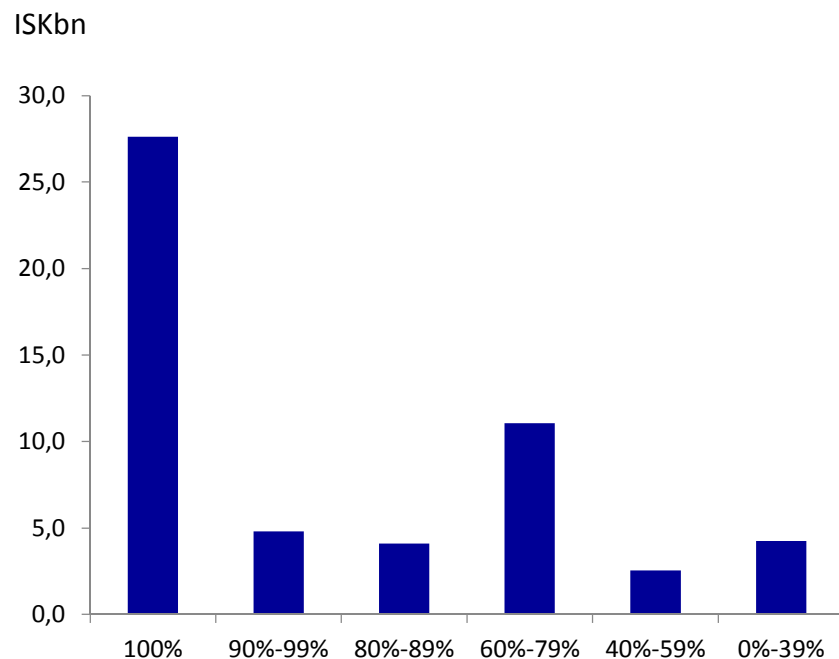
- For performing customers currency is the contractual currency/currencies.
- For non-performing customers currency is based on expected collateral realization.

Loans to customers

Cash flow by estimated recovery rates

Recovery rates	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Later	Total
100%	2,1	16,5	3,0	3,1	0,2	0,2	0,1	0,1	0,1	0,1	0,1	0,1	1,8	27,6
90%-99%	0,5				4,3									4,8
80%-89%	0,4	3,7	0,0	0,1	0,0	0,0								4,1
60%-79%	0,7	7,4	0,2	1,7	0,2	0,1	0,1	0,1	0,1	0,1	0,1	0,0	0,0	11,1
40%-59%	0,2	1,2	0,2	0,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,4	2,5
0%-39%	0,0	4,2	0,0	0,0	0,0	0,0	0,0	0,0						4,3
Total	4,0	33,0	3,4	5,1	4,6	0,3	0,3	0,3	0,3	0,3	0,3	0,2	2,2	54,4

Estimated recovery by recovery rates



- Loans with 90%-100% estimated recovery rates are ISK 32,4bn or 60% of the loan book total estimated recovery.
- Loans with 0%-59% estimated recovery rates are ISK 6,8bn or 12,5% of the loan book total estimated recovery.

FX rates and portfolio abbreviations

FX rates

	30.6.2015	30.9.2015	Change
EUR	147,66	143,17	(3,0%)
GBP	207,37	194,16	(6,4%)
USD	131,91	127,65	(3,2%)
CAD	106,57	95,38	(10,5%)

A list of the portfolio abbreviations used on slides 15-17

Portfolio	Abbreviation
Asset backed lending	ABL
Bonds	Bonds
Commercial Finance	CF
Equities	EQT
Derivatives	Deriv
KS loans	KS
LB financing	LBF
Leverage lending - Origination	LL-O
Leverage lending - Participation	LL-P
Loans to FI	LTFI
Non-current assets	NCA
Commercial finance - Origination	CF-O
Real estate lending - collateral based	REL-CB
Senior secured - collateral based	SS-CB
Senior unsecured	SU
Senior unsecured / derivatives	SU/Deriv