

Glitnir Banki hf.

Summary July 2008



The Summary should be read as an introduction to the Securities Note and the Registration Document both dated July 14, 2008. Any decision to invest in the bonds should be based on consideration of the prospectus as a whole by the investor.

Where a claim relating to the information contained in the Summary, Securities Note and Registration Document dated July 14, 2008, is brought before a court, the plaintiff investor might, under the national legislation of a Member State in the European Union, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

REFERENCES

References to "OMX ICE" in the Summary dated July 14, 2008, shall be construed as referring to the OMX Nordic Exchange Iceland hf., incorporated under the laws of Iceland, ID-No. 681298-2829 a part of the Nasdaq OMX Group.

References to "Europe" shall be construed as referring to the European Union, excluding the Nordic countries.

References to the "Nordic countries" or the "Nordic region" shall be construed as referring to Denmark, Finland, Norway and Sweden, excluding Iceland; and

References to "BNbank" in the Summary dated July 14, 2008 shall be construed as referring to Bolig- og Næringsbanken ASA, incorporated under the laws of Norway, ID-No. 914864445, Munkegata 21, N-7005 Trondheim, Norway, unless otherwise clear from the context.

GENERAL

The Summary, the Securities Note and the Registration Document all dated July 14, 2008, constitute the Prospectus dated July 14, 2008, that is prepared in relation to the issue of ISK 15 billion mandatory convertible bond (GLB010413 CV) and their admission to trading in the OMX ICE. The aforementioned documents have been scrutinised and approved by the OMX ICE.

OFFER STATISTICS, EXPECTED TIMETABLE AND USE OF PROCEEDS

The Prospectus dated July 14, 2008, concerns our issue of ISK 15 billion mandatory convertible bond and the admission to trading of these bonds on the OMX ICE on July 15, 2008.

The issue is a part of our regular financing. The proceeds from the issue are used to finance our regular activities.

The issue date of the bonds was March 26, 2008. The issue amount is ISK 15,000,000,000 where the denomination of each bond is ISK 10,000,000. On April 1, 2013 the bonds must be converted into our own shares.

COST OF THE ISSUE

The total expense relating to the admission to trading of the bonds is ISK 3,995,000.

RISK FACTORS

Examples of risk factors that may have a material effect on the price of our securities, and thereby on the investment value, are:

- market risk
- liquidity risk
- counterparty risk
- competitive pressure
- risk management methods
- issuer's liability to make payments
- trading in the secondary market

Among the important risks to which we are directly exposed are risk factors relating to us as a financial institution. Our results may be adversely affected by general economic conditions, especially in Iceland and Norway. The Company is subject to interest rate risk, currency risk, indexation, covenant credit risk, inflation risk and risk

relating to the illiquidity or decline in value of the collateral securing our loans. The Company is subject to risk relating to our income from investment banking activities and principal investments, the management of growth of the Company and retaining qualified personnel and key members of management. Other general risk factors include i.e. regulatory changes, IT failures, operational risk, terrorist attacks/acts of war and systemic risk.

INFORMATION ON GLITNIR BANKI HF.

Our legal name is Glitnir banki hf., ID number 550500-3530 and our commercial name is Glitnir.

HISTORY AND KEY DEVELOPMENTS

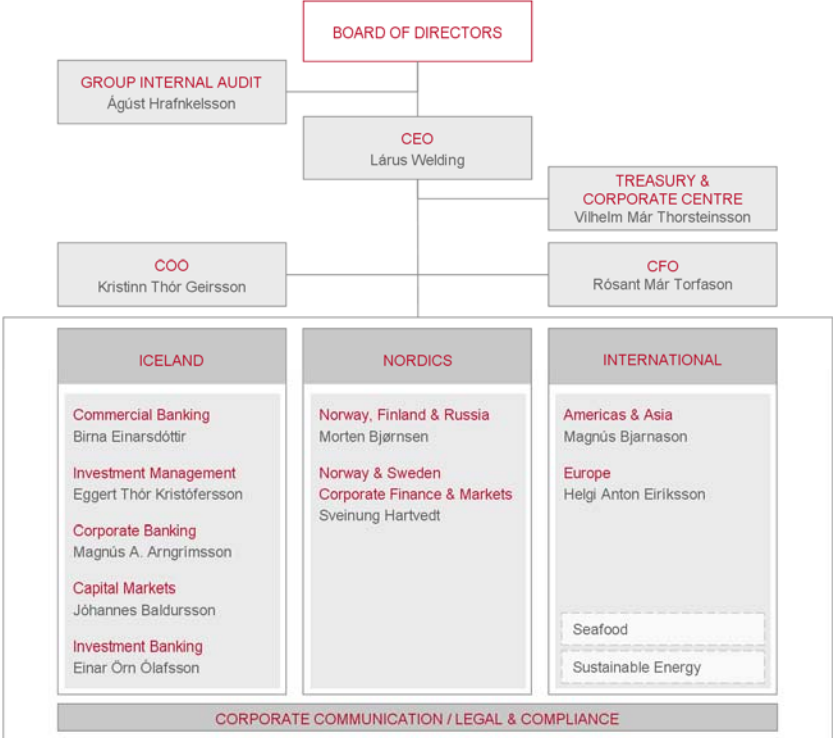
The key developments relating to the Company since 2000 are the following:

- In 2000, Íslandsbanki hf., a commercial bank, and Fjárfestingabanki Atvinnulífsins hf., an investment bank merged.
- In 2003, we acquired the Icelandic insurance company Sjóvá. We later disposed of the asset, in full as of early 2006.
- In late 2004, we acquired KredittBanken (now Glitnir Bank ASA), a niche bank located in Norway with a focus on the seafood and shipping industry.
- We acquired BNbank, a Norwegian commercial bank focused on mortgage loans, in the first quarter of 2005.
- In March 2006 we changed our name from Íslandsbanki to Glitnir and adopted a new corporate logo.
- In July 2006, we announced the acquisition of the securities brokerage firm Fischer Partners Fondkommission AB in Sweden, a brokerage company.
- On 16 March 2007 we acquired in a series of negotiated transactions and a public tender offer a 100% interest in FIM Group Corporation, a Finnish investment management company.

BUSINESS OVERVIEW AND ORGANISATIONAL STRUCTURE

In February 2008 we announced changes to our organizational structure to reflect an increased regional focus on three geographical business regions: Iceland, Nordics and International. This was done in order to sharpen reporting, P&L responsibility and strategic focus throughout the Group.

The following chart illustrates our new organizational structure by geographic business region, as well as within the context of our current executive management board.



DIRECTORS AND MANAGEMENT

The members of the Board of Directors are as follows:

Þorsteinn M. Baldvinsson, Chairman of the Board.
Jón Sigurðsson, Vice Chairman of the Board.
Björn Ingi Sveinsson
Hans Kristian Hustad
Haukur Guðjónsson
Kristín Edwald
Sigurður G. Guðjónsson

The reserve members of the Board of Directors are as follows:

Árni Harðarson
Bernhard Níls Bogason
Gunnar Jónsson
Jón Björnsson
Kristinn S. Bjarnason
Steingrímur H. Pétursson

SENIOR MANAGEMENT

The Executive Board comprises of thirteen managing directors:

Lárus Welding, Chief Executive Officer
Rósant Már Torfason, Chief Financial Officer
Magnús Bjarnason, Executive Vice President (EVP) International Banking
Morten Bjørnsen, EVP Nordics
Birna Einarsdóttir, EVP Iceland Commercial Banking
Helgi Anton Eiríksson, EVP Europe
Einar Örn Ólafsson, EVP Iceland Investment Banking
Kristinn Þór Geirsson, EVP Chief Operating Officer
Sveinung Hartvedt, EVP Capital Markets and Corporate Finance in Norway and Sweden
Eggert Þór Kristófersson, EVP Iceland Investment Management
Jóhannes Baldursson, EVP Iceland Capital Markets
Magnús A. Arngrímsson, EVP Iceland Corporate Banking
Vilhelm Már Þorsteinsson, EVP Treasury and Corporate Centre

STATUTORY AUDITORS

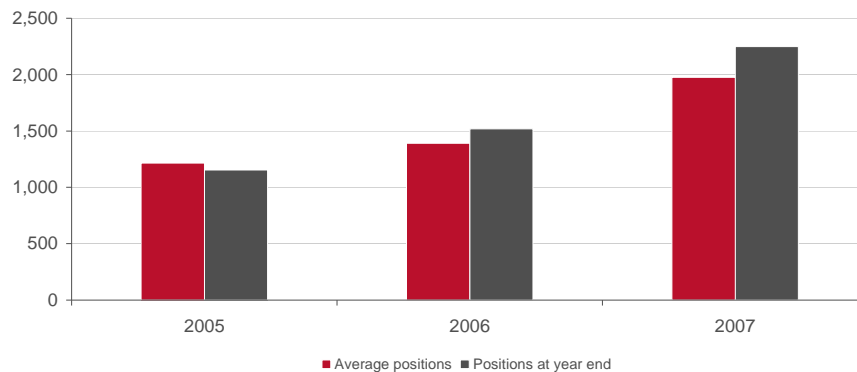
Our auditors for the financial years 2006 and 2007 and the quarters ended March 31, 2007 and March 31, 2008 were PricewaterhouseCoopers hf., ID No. 690681-0139, registered office being Skógarhlíð 12, 105, Reykjavík. Our auditors for the financial year 2005 and the quarter ended March 31, 2006 were KPMG hf., ID No. 590975-0449, registered office being Borgartún 27, 105 Reykjavík, Iceland.

MANAGER

The Corporate Finance unit of Glitnir banki hf. is the manager of the offering and has been advisor to us in the preparation of the Prospectus.

EMPLOYEES

The total number of employees as of March 31, 2008 was 2,078. The average positions at year end for the years 2005 to 2007 are presented below:



LIST OF MAJORITY SHAREHOLDERS

Following is a list of our 10 largest shareholders as of July 11, 2008:

Shareholder	Holding	Percentage of total shares
FL GLB Holding B.V.	1,950,614,919	13.11
FL Group Holding Netherlands B.V.	1,691,533,412	11.37
FL Group hf.	862,017,533	5.79
Þáttur International ehf.	831,649,091	5.59
Saxbygg Invest ehf.	744,035,065	5.00
GLB Hedge	696,772,095	4.68
Glitnir Banki hf.	532,061,825	3.58
Landsbanki Luxembourg S.A.	354,171,590	2.38
Salt investments ehf.	345,453,640	2.32
Lífeyrissjóðir Bankastræti 7	338,986,861	2.28
Total:	8,347,296,031	56.09

We note that the information above is extracted from our shareholders registry. Parties may have an interest or control in the Company without that being reflected in the shareholders registry.

RELATED PARTY TRANSACTION

We have a related party relationship with our subsidiaries, the Board of Directors of the Company, the managing directors of the largest subsidiaries, close family members of individuals referred to herein and entities with significant influence as our largest shareholders. Terms of transactions with related parties are determined on an arms-length basis.

SELECTED FINANCIAL INFORMATION

Following are the key figures that summarise the financial results of the Company for the years 2005, 2006 and 2007 and the first quarter of 2008.

(ISK million)	2005	2006	2007	Q1 2008
Net interest income	22,351	37,084	39,082	13,793
Net insurance premium	229	0	0	0
Net fee and commission income	8,773	26,459	37,644	10,604
Net financial income	4,427	8,503	4,155	812
Other net operating income	631	555	4,214	415
Net operating income	36,411	72,601	85,095	25,624
Administrative expenses	-15,731	-27,301	-48,144	-13,799
Impairment losses	-2,205	-4,759	-5,516	-4,119
Share of profit of associates	1,262	1,470	-54	0
Net gains on non-current assets classified as held for sale	3,323	4,244	2,523	4
Profit before income tax	23,060	46,255	33,904	7,710
Income tax	-4,174	-8,024	-6,253	-1,851
Net profit	18,886	38,231	27,651	5,859
Balance sheet year end				
Total assets at end of period (ISK million)	1,471,945	2,246,340	2,948,910	3,864,876
Equity at the end of the period (ISK million)	84,537	146,119	169,969	187,954
Outstanding shares (ISK million)	13,112	14,161	14,730	14,567
Key ratios				
Return on equity after tax	30.3%	39.4%	19.3%	15.0%
CAD ratio (end of period)	12.6%	15.0%	11.2%	11.0%
Total tier 1 ratio	9.9%	10.8%	8.1%	7.7%
Cost to income ratio	37.9%	38.0%	57.0%	54.0%
Impairment losses as a proportion of average total assets	0.2%	0.3%	0.2%	0.5%
Earnings per share (ISK)	1.47	2.68	1.86	0.40
Average number of full-time employees	1,216	1,392	1,976	2,291

ON THE FINANCIAL STATEMENTS RELEVANT TO THE PROSPECTUS

Our audited consolidated financial statements in respect of the years ended December 31, 2005-2007 and our reviewed interim reports for the quarters ended March 31, 2006, 2007 and 2008 together with the audit reports prepared in connection therewith, have been prepared in accordance with IFRS.

OPERATING AND FINANCIAL REVIEW

The year 2007

The year 2007 was a year of significant change, not only for us but for the world's financial markets in general. After a period of investment to support growth, this was a year of consolidation and integration, reflected in the acquisition and incorporation of FIM in Finland and the reorganisation of our operations in Norway into one group. After tax profit was ISK 27.6 billion in 2007 as compared to ISK 38.2 billion in 2006. The roll out of our wide-ranging branding strategy, launched in 2006, proved to be very successful and an important factor in the consolidation of our operations in the Nordic region, especially in Norway and Finland. In Iceland, we continued to be a leading provider of retail and corporate banking services and increased our focus on supporting the growth of our clients both within and outside Iceland.

The year 2006

The year 2006 was a good year with profit after taxes doubling from the year 2005, from ISK 18.9 billion in 2005 to ISK 38.2 billion in 2006. During the year we continued to grow the business through a balance of organic growth and targeted acquisitions. The results were highlighted by growth in net fees and commissions' income with such income more than tripling between years. This is the result of acquisitions in Sweden and Norway (i.e. Norse Securities ASA, Union Gruppen AS and Fischer Partners Fondkommission AB) and growth in the

Reykjavik office. In the fourth quarter, for the first time, income from fees and commissions exceeded net interest income, demonstrating the revenue mix transformation taking place in 2006.

The year 2005

The year 2005 was a good year with all our profit units showing positive results, and return on equity for the Bank as a whole was 30%. At the same time we grew dramatically, for example, total deposits at the end of the year amounted to ISK 335 billion, increasing by 88% over the year. The most significant factor in the increase was the inclusion of the Norwegian BNbank in the consolidated accounts. Fee and commission income increased by 33% between years, and assets under management amounted to ISK 345 billion at year-end, increasing by 36% from the preceding year. Cost as a ratio of operating expense fell from 48% to 38% over the year, reflecting the increasing creation of value within the Bank.

CASH FLOWS

Net cash provided by operating activities was ISK 148 billion in 2006 compared to ISK 43 billion in 2005. The contribution of deposits in the cash flow was substantial in 2006 or ISK 101 billion and the increase in loans and receivables was almost entirely offset by increase in borrowings.

Cash provided by investing activities was ISK 2.0 billion in 2006 as compared to ISK 13.6 billion used in 2005. The explanations of more favourable outcome in 2006 is an inflow from the proceeds of sales of associated companies and lower investment in subsidiaries or ISK 6 billion in 2006 compared to 15 billion 2005.

Net cash provided by financing activities was ISK 59 billion in 2006 as compared to ISK 39 billion in 2005. The cash inflow from subordinated loans constitutes the largest increase in this category during the year 2006 or ISK 44 billion compared to ISK 21 billion 2005.

Net cash provided by operating activities was ISK 163 billion in 2007 compared to 148 billion in 2006. The increase in deposits continues to be substantial or ISK 242 billion. The increase in borrowings was ISK 167 billion and increase in loans and receivable was almost 150 billion between years.

Cash used in investing activities was ISK 28 billion in 2007 compared to a favourable outcome of ISK 2 billion in 2006. In 2007 we invested in subsidiaries for ISK 27 billion compared to ISK 6 billion 2006.

Net cash used in financing activities was ISK 10 billion in 2007 compared to net cash provided by financing activities of ISK 59 billion in 2006. The cash outflow from subordinated loans in 2007 was ISK 7 billion compared to inflow of ISK 44 billion in cash in 2006.

LIQUIDITY

Our policy is that immediately available funds cover all financial liabilities expected to mature for the following six months. In addition, all financial liabilities expected to mature within the following 12 months must be covered with immediately available funds and other liquid assets. We believe that the status of our immediate liquidity and other liquid assets is in accordance with our policy.

DOCUMENTS ON DISPLAY AND INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Registration Document:

The Company's audited consolidated financial statements in respect of the year ended December 31, 2005, together with the audit report prepared in connection therewith.

The Company's audited consolidated financial statements in respect of the year ended December 31, 2006, together with the audit report prepared in connection therewith. The 2006 financial statements were corrected in February 2007 after an error was observed; this has been corrected in all versions currently available to the public. The auditor's statement covers the changes made due to this error.

The Company's audited consolidated financial statements in respect of the year ended December 31, 2007, together with the audit report prepared in connection therewith.

The Company's reviewed condensed consolidated interim financial statement in respect of the quarter ended March 31, 2006.

The Company's reviewed condensed consolidated interim financial statement in respect of the quarter ended March 31, 2007.

The Company's reviewed condensed consolidated interim financial statement in respect of the quarter ended March 31, 2008.

Copies of the aforementioned documents can be obtained from the registered office of the Issuer or electronically from the Company's website www.glitnir.is.

For the life of this Registration Document, the following documents are available for viewing:

The Registration Document, Security Note and Summary dated July 14, 2008 may be inspected on the issuer's website, www.glitnir.is.

The issuer's Articles of Association may be inspected on the issuer's website, www.glitnir.is.

The consolidated historical financial information for the Issuer's undertakings for more than three financial years preceding the publication of the Registration Document may be inspected on the Issuer's website, www.glitnir.is.

SHARE CAPITAL

The total issued share capital, as of the date of the Prospectus dated July 14, 2008, is ISK 14,880,701,303 divided into 14,880,701,303 shares with a nominal value of ISK 1.00 each. All of our outstanding shares are fully paid and non-assessable.

It is our policy to pay between 20% and 40% of our profit in dividends to shareholders.

ARTICLES OF ASSOCIATION

Our purpose, according to Article 3 of its Articles of Association, is to provide financial services. We may engage in any activities permitted to financial undertakings pursuant to law, and any other activity normally connected with such activities.

Our Board of Directors shall be composed of seven members and an equal number of alternates elected at the Annual General Meeting for a term of one year. Our Board of Directors constitute the supreme authority of the Company, except as otherwise provided in the Articles of Association.

Any resolution submitted to a Board Meeting requires four votes to pass and bind the Company.

The Chief Executive Officers have charge of the day-to-day administration of the Company.

No privileges are attached to our shares. We do not have the right to redeem the shares from our shareholders. There are no restrictions regarding the sale or other assignment of our shares. Each share of ISK 1.00 carries one vote. Upon an increase of share capital, shareholders have a pre-emptive right to subscribe for new shares in direct proportion to their percentage of share ownership.

The Articles of Association do not specifically address actions necessary to change shareholders' rights. Such actions would generally require votes from 2/3 of the votes passed at a legally convened shareholders meeting and votes from shareholders holding at least 2/3 of the share capital, as provided under Article 93 of the Companies Act.

The Annual General Meeting shall be held before the end of the month of April each year. Other shareholders' meetings shall be called at the discretion of the Board of Directors, pursuant to the resolution of a meeting, or if the elected auditing firm or shareholders holding a minimum of 1/10 of our shares so request in writing and specify the business of the meeting. A shareholders' meeting is valid if lawfully convened, without regard to the number of shareholders attending.

TAXATION

Each shareholder should consult a tax advisor regarding the tax consequences which may arise for such person as a result of buying or selling our securities, including the applicability and effect of foreign income tax regulations and provisions contained in treaties to avoid double taxation.

TAX CONSIDERATION FOR RESIDENTS OF ICELAND

Individuals

For individuals, capital income such as interest, dividends and capital gains are taxed as income from capital. The tax rate is 10%.

Taxable Legal Entities

For taxable legal entities, all gains from sale of shares will be taxed as income from business activities at a rate of 18% in the case of a limited liability company.

Taxation of Dividends

We are obligated to withhold 10% tax on paid out dividends in the case of individuals and resident companies. Companies may have a deduction of the same amount as the dividends received and consequently there is no effective tax burden for companies.

TAX CONSIDERATION FOR NON-RESIDENTS OF ICELAND

We are obligated to withhold 10% tax on dividends paid to individuals not residents of Iceland (absent treaty provisions to the contrary). We are obligated to withhold 15% tax on dividends paid to foreign legal entities unless there is a tax treaty in place lowering the percentage. Qualified companies may apply for a reimbursement and/or an advance relief under relevant provisions in double taxation treaties.

Gains from the sale of shares in Icelandic companies by residents of non treaty countries are subject to taxation in Iceland. The tax rate is 10% for individuals and 15% for legal entities.