

FORM OF FINAL TERMS

25 October 2007

Glitnir banki hf.

**Issue of ISK 20,000,000,000 13,5 per cent Fixed Rate Notes due 2009
under the €15,000,000,000
Global Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Offering Circular dated 5th July, 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Offering Circular. The Offering Circular is available for viewing at the office of the Issuer at Kirkjusandur 2, 155 Reykjavik, Iceland and copies may be obtained from the Principal Paying Agent at One Canada Square, London E14 5AL.

1.	Issuer:	Glitnir banki hf.
2.	(i) Series Number:	334
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	ISK
4.	Aggregate Nominal Amount:	
	– Series:	ISK 20,000,000,000
	– Tranche:	ISK 20,000,000,000
5.	Issue Price of Tranche:	100 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	ISK 5,000,000
	(ii) Calculation Amount	ISK 5,000,000
7.	(i) Issue Date:	31 October 2007
	(ii) Interest Commencement Date:	31 October 2007
8.	Maturity Date:	28 October 2009
9.	Interest Basis:	13,5 per cent per annum. Fixed Rate (further particulars below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	(i) Status of Notes:	Senior

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| (ii) | Date Board approval for issuance of Notes obtained: | Not Applicable |
| 14. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions: | Applicable |
| (i) | Rate(s) of Interest: | 13,5 per cent. per annum payable annually |
| (ii) | Interest Payment Date(s): | 28 th October in each year from and including 28 th October 2008 to and including the maturity date. |
| (iii) | Fixed Coupon Amount(s): | ISK 13,500 per Specified Denomination (short first coupon) |
| (iv) | Broken Amount(s):
<i>(Applicable to Notes in definitive form.)</i> | Not Applicable |
| (v) | Day Count Fraction: | Actual/Actual (ICMA) (unadjusted) |
| (vi) | Determination Date(s): | Not Applicable |
| (vii) | Other terms relating to the method of calculating interest for Fixed Rate Notes: | None |
| 16. | Floating Rate Note Provisions | Not Applicable |
| 17. | Zero Coupon Note Provisions | Not Applicable |
| 18. | Index Linked Interest Note Provisions | Not Applicable |
| 19. | Dual Currency Interest Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 20. | Issuer Call | Not Applicable |
| 21. | Investor Put | Not Applicable |
| 22. | Final Redemption Amount: | Not Applicable |
| 23. | Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): | Not Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | Form of Notes: | |
| | Bearer Notes: | Applicable

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| | Registered Notes: | Not Applicable |
| 25. | New Global Note: | No |
| 26. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Reykjavik |

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| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 28. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 29. | Details relating to Installment Notes, including the amount of each installment (each an "Installment Amount") and the date on which each payment is to be made (each an "Instalment Date"): | Not Applicable |
| 30. | Redenomination applicable: | Not Applicable |
| 31. | Other final terms: | Not Applicable |

DISTRIBUTION

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| 32. | (i) If syndicated, names of Managers and underwriting commitments | Not Applicable |
| 33. | If non-syndicated, name [and address]** of relevant Dealer: | Glitnir banki hf., Kirkjusandi, 155 Reykjavik |
| 34. | Total commission and concession:** | Not Applicable |
| 35. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D |
| 36. | Additional selling restrictions: | Not Applicable |
| 37. | ERISA Restrictions: | Not Applicable |

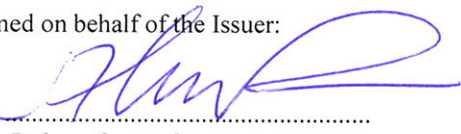
LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the €15,000,000,000 Global Medium Term Note Programme of Glitnir banki hf.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: 

Duly authorised



PART B – OTHER INFORMATION

1. LISTING

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| (i) | Listing: | Iceland |
| (ii) | Admission to trading: | Application has been made for the Notes to be admitted to trading OMX Nordic Exchange with effect from 31 st October 2007. |
| (iii) | Estimate of total expenses related to admission to trading:* | ISK 450,000 |

2. RATINGS

- Ratings:
- The Notes to be issued have been rated:
- Moody's: Aa3 Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
- Fitch: A High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
- S & P: A- An insurer rated 'A' has STRONG financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings

3. NOTIFICATION AND AUTHORISATION

The The Financial Supervisory Authority - Iceland (FME) has provided The Iceland Stock Exchange with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

4. PUBLIC OFFERS

Not Applicable

5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

6. REASONS FOR THE OFFER; ESTIMATED NET PROCEEDS AND TOTAL EXPENSES***

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|-------|---------------------------|--------------------|
| (i) | Reasons for the Offer: | General Funding |
| (ii) | Estimated net proceeds: | ISK 20,000,000,000 |
| (iii) | Estimated total expenses: | Not Applicable |

7. YIELD (*Fixed Rate Notes only*)

- Indication of yield:
- 13.5 per cent. per annum
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

Not Applicable

9. **PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index-Linked Notes only*)

Not Applicable

10. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

Not Applicable.

11. **OPERATIONAL INFORMATION**

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|-------|---|--------------------------|
| (i) | ISIN Code: | XS0327897491 |
| (ii) | Common Code: | 032789749 |
| (iii) | CUSIP: | Not Applicable |
| (iv) | Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable |
| (v) | Delivery: | Delivery free of payment |
| (vi) | Names and addresses of additional Paying Agent(s) and Transfer Agent(s) (if any): | Not Applicable |