

**OPERATING & ADMINISTRATIVE PROCEDURES  
MEMORANDUM**

**23<sup>RD</sup> JUNE, 2008**

**GLITNIR BANKI hf.  
(as Issuer)**

**GLOBAL MEDIUM TERM NOTE PROGRAMME**

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The aggregate nominal amount of all Notes outstanding at any time will not, subject as provided below, exceed €15,000,000,000 or its equivalent in other currencies at the time of agreement to issue. The Programme Agreement provides for the increase in the nominal amount of Notes that may be issued under the Programme. In that event, this Procedures Memorandum shall apply to the Programme as increased.

The documentation of the Programme provides for the issue of Notes denominated in any currency or currencies as may be agreed between the Issuer and the relevant Dealer and being any of:

- Fixed Rate Notes
- Floating Rate Notes
- Zero Coupon Notes
- Dual Currency Interest Notes
- Dual Currency Redemption Notes
- Index Linked Interest Notes
- Index Linked Redemption Notes
- Instalment Notes
- Partly Paid Notes
- other forms of Notes agreed between the relevant Dealer or Lead Manager and the Issuer.

All terms with initial capitals used herein without definition shall have the meanings given to them in the Offering Circular dated 23<sup>rd</sup> June, 2008 as supplemented or replaced from time to time (the **Offering Circular**), or, as the case may be, the Amended and Restated Programme Agreement dated 23<sup>rd</sup> June, 2008 between the Issuer and the Dealers named therein as amended, supplemented or restated from time to time (the **Programme Agreement**) pursuant to which the Issuer may issue Medium Term Notes.

As used herein, in relation to Notes which are to have a “listing” or be “listed” (a) on the London Stock Exchange plc, **listing** and **listed** shall be construed to mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange plc’s Regulated Market and (b) on any other Stock Exchange within the European Economic Area, **listing** and **listed** shall be construed to mean that the Notes have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

This Procedures Memorandum applies to Notes issued on and after 23<sup>rd</sup> June, 2008. The procedures set out in Annex 1 may be varied by agreement between the Issuer, the Principal Paying Agent, the Registrar and the relevant Dealer or the Lead Manager, as the case may be, including to take account of any standardised procedures published by Clearstream, Luxembourg and/or Euroclear (together, the **ICSDs**) and/or the International Capital Markets Services Association and/or the International Capital Market Association. The timings set out in these procedures represent optimum timings to ensure a smooth settlement process. Each of the ICSDs has its own published deadlines for taking certain of the actions described herein (which may be later than the timings described herein). The Issuer, the Principal Paying

Agent, the Registrar, the relevant Dealer or the Lead Manager, as the case may be, and the Common Depository, or Common Service Provider and Common Safekeeper, as the case may be, may agree to vary the timings described herein subject to compliance with such deadlines.

## **OPERATING PROCEDURES**

Dealers must confirm all trades directly with the Issuer and the Principal Paying Agent.

### **1. RESPONSIBILITIES OF THE PRINCIPAL PAYING AGENT**

The Principal Paying Agent will, in addition to the responsibilities in relation to settlement described in Annex 1, be responsible for the following:

- (a) in the case of Notes which are to be listed on a Stock Exchange, distributing to the Stock Exchange and any other relevant authority the number of copies of the applicable Final Terms required by the Stock Exchange and such other relevant authority;
- (b) in the case of Notes which are to be listed on a Stock Exchange, immediately notifying the Issuer and the relevant Dealer if at any time the Principal Paying Agent is notified by the Listing Agent or the Stock Exchange that the listing of a Tranche of Notes has been refused or otherwise will not take place; and
- (c) determining the end of the Distribution Compliance Period in respect of a Tranche in accordance with Clause 5 of the Agency Agreement. The Principal Paying Agent shall upon determining the end of the Distribution Compliance Period in respect of any Tranche notify the Issuer, Euroclear, Clearstream, Luxembourg, DTC and the relevant Dealer or the Lead Manager, as the case may be.

### **2. RESPONSIBILITIES OF EACH DEALER/LEAD MANAGER**

Each Dealer/Lead Manager will confirm the terms of a Tranche and agree with the Issuer a Final Terms (substantially in the form of Annex 3 hereto) giving details of each Tranche of Notes to be issued. In the case of an issue closed on a non-syndicated basis, each Dealer which agrees to purchase Notes from the Issuer will be responsible for notifying the Principal Paying Agent upon completion of the distribution of the Notes of each Tranche purchased by that Dealer. In the case of an issue of Notes closed on a syndicated basis, the Lead Manager will be responsible for notifying the Principal Paying Agent upon completion of the distribution of the Notes of such issue.

### **3. SETTLEMENT**

The settlement procedures set out in Annex 1 shall apply to each issue of Notes (Part 1 in the case of issues of Bearer Notes closed on a non-syndicated basis, Part 2 in the case of issues of Registered Notes closed on a non-syndicated basis, Part 3 in the case of issues of Bearer Notes closed on a syndicated basis and Part 4 in the case of issues of Registered Notes closed on a syndicated basis, in each case whether or not subscribed pursuant to a Subscription Agreement), unless otherwise agreed between the Issuer, the Principal Paying Agent and, if applicable, the Registrar and the relevant Dealer or the Lead Manager, as the case may be. With issues of Notes to be listed on a Stock Exchange other than the London Stock Exchange more time may be required to comply with the relevant Stock Exchange's or any other relevant authority's listing

requirements and with issues of Dual Currency Notes, Index Linked Notes or Partly Paid Notes more time may be required to settle documentation.

A Trading Desk and Administrative Contact List is set out in Annex 4.

**ANNEX 1**

**SETTLEMENT PROCEDURES**

**PART 1**

**SETTLEMENT PROCEDURES FOR ISSUES OF BEARER NOTES CLOSED ON A NON-SYNDICATED BASIS**

**Times set out below are London times and represent the latest time for taking the action concerned. It is recommended that where possible the action concerned is taken in advance of these times.**

<b>Day</b>	<b>London time</b>	<b>Action</b>
Issue Date minus 2	5.00 p.m.	<p>The Issuer may agree terms with one or more of the Dealers for the issue and purchase of Notes (whether pursuant to an unsolicited bid from a Dealer or pursuant to an enquiry by the Issuer). The relevant Dealer instructs the Principal Paying Agent to obtain a common code and ISIN or, if relevant, a temporary common code and ISIN for the Notes from one of the ICSDs. Each common code and ISIN is notified by the Principal Paying Agent to the Issuer and each Dealer which has reached agreement with the Issuer.</p> <p>If a Dealer has reached agreement with the Issuer by telephone, such Dealer confirms the terms of the agreement to the Issuer by electronic communication (substantially in the form set out in Annex 2) attaching a copy of the applicable Final Terms (substantially in the form set out in Annex 3). The relevant Dealer sends a copy of that electronic communication to the Principal Paying Agent for information.</p> <p>The Issuer confirms its agreement to the terms on which the issue of Notes is to be made (including the form of the Final Terms) by signing and returning a copy of the Final Terms to the relevant Dealer and the Principal Paying Agent. The details set out in the signed Final Terms shall be conclusive evidence of the agreement (save in the case of manifest error) and shall be binding on the parties accordingly. The Issuer also confirms its instructions to the Principal Paying Agent (including, in the case of Floating Rate Notes, for the purposes of rate fixing) to carry out the duties to be carried out by the Principal Paying Agent under these Settlement Procedures and the Agency Agreement including preparing, authenticating and issuing either (a) a Temporary Global Note for the Tranche of Notes which is to be purchased and, in the case of the first Tranche of a Series, where the applicable Final Terms does not specify that such Temporary</p>

Day	London time	Action
		<p>Global Note is to be exchangeable only for Notes in definitive form, a Permanent Global Note for such Series or (b) if so specified in the applicable Final Terms, a Permanent Global Note, in each case giving details of such Notes.</p> <p>In the case of Floating Rate Notes, the Principal Paying Agent notifies the ICSDs, the Issuer, (if applicable) the relevant Stock Exchange and any other relevant authority and the relevant Dealer of the Rate of Interest for the first Interest Period (if already determined). Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.</p>
Issue Date minus 1	2.00 p.m.	<p>In the case of Notes which are to be listed on a Stock Exchange or publicly offered in a European Economic Area Member State, the Principal Paying Agent also notifies the Stock Exchange and/or any other relevant authority, as the case may be, by electronic communication or by hand of the details of the Notes to be issued by sending the Final Terms to the Stock Exchange and/or any other relevant authority, as the case may be.</p>
	10.00 a.m. (for prior day <sup>1</sup> currencies)	<p>The relevant Dealer and the Principal Paying Agent give settlement instructions to the relevant ICSD to effect the payment of the purchase price, against delivery of the Notes, to the Principal Paying Agent's account with the relevant ICSD on the Issue Date</p>
	12.00 noon (for other currencies)	<p>The parties (which for this purpose shall include the Principal Paying Agent) may agree to arrange for "free delivery" to be made through the relevant ICSD(s) if specified in the applicable Final Terms, in which case these Settlement Procedures will be amended accordingly.</p>
	ICSD deadlines for the relevant currency	<p>For prior day currencies, the Principal Paying Agent instructs the relevant ICSD(s) to debit its account and pay for value on the Issue Date the aggregate purchase monies received by it to the account of the Issuer previously notified to the Principal Paying Agent for the purpose.</p>
	3.00 p.m.	<p>The Principal Paying Agent prepares and authenticates a</p>

<sup>1</sup> The most common prior day currencies are Australian dollars (AUD), Hong Kong dollars (HKD), Japanese yen (JPY) and New Zealand dollars (NZD) but other currencies in similar time zones may also be prior day currencies. The parties should establish whether or not a particular currency is a prior day currency as soon as possible.

Day	London time	Action
		<p>Global Note for each Tranche of Notes which is to be purchased and, where required as specified above, a Permanent Global Note in respect of the relevant Series, in each case attaching the applicable Final Terms.</p>
		<p>Each Global Note which is a CGN is then delivered by the Principal Paying Agent to the Common Depository. Each Global Note which is an NGN is then delivered by the Principal Paying Agent to the Common Safekeeper, together (if applicable) with an effectuation instruction. In the event that the Common Service Provider and the Common Safekeeper are not the same entity, the Principal Paying Agent should also deliver the applicable Final Terms to the Common Service Provider.</p>
		<p>For securities in NGN form, the Principal Paying Agent then instructs the mark up of the issue outstanding amount of the Global Note to the ICSDs through the Common Service Provider.</p>
	5.00 p.m.	<p>The conditions precedent in the Programme Agreement are satisfied and/or waived.</p> <p>In the case of each Global Note which is an NGN, the Common Safekeeper confirms deposit and effectuation (if applicable) of the Global Note to the Principal Paying Agent, the Common Service Provider and the ICSDs.</p>
	6.00 p.m.	<p>In the case of each Global Note which is a CGN, the Common Depository confirms deposit of the Global Note to the Principal Paying Agent and the ICSDs.</p> <p>In the case of each Global Note which is an NGN, the Common Service Provider relays the Principal Paying Agent's instruction to mark up the issue outstanding amount of the Global Note to the ICSDs.</p>
Issue Date	According to ICSD settlement procedures	The ICSDs debit and credit accounts in accordance with instructions received from the Principal Paying Agent and the relevant Dealer.
	ICSD deadlines for the relevant currency	For non-prior day currencies, the Principal Paying Agent instructs the relevant ICSDs to debit its account and pay for value on the Issue Date the aggregate purchase moneys received by it to such account of the Issuer as shall have been notified to the Principal Paying Agent for the purpose.

<b>Day</b>	<b>London time</b>	<b>Action</b>
On or subsequent to the Issue Date	5.00 p.m.	The Principal Paying Agent forwards a copy of the signed Final Terms to each ICSD.
		The Principal Paying Agent notifies the Issuer forthwith in the event that a Dealer does not pay the purchase price due from it in respect of a Note.
		The Principal Paying Agent notifies the Issuer of the issue of Notes giving details of the Global Note(s) and the nominal amount represented thereby.
		The Principal Paying Agent confirms the issue of Notes to the relevant Stock Exchange and any other relevant authority.

## PART 2

### SETTLEMENT PROCEDURES FOR ISSUES OF REGISTERED NOTES CLOSED ON A NON-SYNDICATED BASIS

Day	Latest time	Action
No later than Issue Date minus 3	2.00 p.m.	The Issuer may agree terms with one or more of the Dealers for the issue and purchase of Notes (whether pursuant to an unsolicited bid from a Dealer or pursuant to an enquiry by the Issuer). The Dealer instructs the Registrar and/or the Principal Paying Agent to obtain the necessary CUSIPs and other securities numbers. Each relevant number is notified by the Registrar and/or the Principal Paying Agent to the Issuer and each Dealer which has reached agreement with the Issuer.
	3.00 p.m.	If a Dealer has reached agreement with the Issuer by telephone, the Dealer confirms the terms of the agreement to the Issuer by electronic communication (substantially in the form set out in Annex 2) attaching a copy of the applicable Final Terms (substantially in the form set out in Annex 3). The Dealer sends a copy of that electronic communication to the Principal Paying Agent and the Registrar for information.
	5.00 p.m.	<p>The Issuer confirms its agreement to the terms on which the issue of Notes is to be made (including the form of the Final Terms) by signing and returning a copy of the Final Terms to the relevant Dealer. The Issuer also confirms its instructions to the Principal Paying Agent (including, in the case of Floating Rate Notes, for the purposes of rate fixing) and the Registrar to carry out the duties to be carried out by the Principal Paying Agent and the Registrar under these Settlement Procedures and the Agency Agreement including, in the case of the Registrar, preparing, authenticating and issuing one or more Registered Global Notes for each Tranche of Notes which are to be purchased by the relevant Dealer, giving details of the Notes.</p> <p>The Issuer confirms its instructions by sending a copy by electronic communication of the signed Final Terms to the Principal Paying Agent and the Registrar. The details set out in the signed Final Terms shall be conclusive evidence of the agreement (save in the case of manifest error) and shall be binding on the parties accordingly.</p>

Day	Latest time	Action
		<p>The relevant Dealer notifies DTC of the participation accounts to be credited with interests in the Registered Global Note to be issued.</p>
Issue Date minus 3	5.00 p.m.	<p>Where the relevant Notes are denominated in U.S. dollars, the relevant Dealer instructs DTC, subject to further instructions, on the Issue Date, to debit its account, or such account as it directs, and pay the purchase price for those Notes to the Issuer's account with a closing bank agreed between the Issuer and the relevant Dealer (the Closing Bank) notified to DTC by the relevant Dealer for such purpose.</p> <p>Where the relevant Notes are denominated in a Specified Currency other than U.S. dollars, the relevant Dealer instructs its paying bank to pay the purchase price for those Notes to the account of the Issuer with the closing bank for value on the Issue Date.</p>
Issue Date minus 2	3.00 p.m.	<p>In the case of Floating Rate Notes, the Principal Paying Agent notifies the Registrar, the relevant clearing systems, the Issuer, (if applicable) the relevant Stock Exchange and any other relevant authority and the relevant Dealer by electronic communication of the Rate of Interest for the first Interest Period (if already determined). Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.</p>
No later than Issue Date minus 1		<p>In the case of Notes which are to be listed on a Stock Exchange, the Principal Paying Agent also notifies the Stock Exchange and any other relevant authority by electronic communication or by hand of the details of the Notes to be issued by sending the Final Terms to the relevant Stock Exchange and any other relevant authority.</p>
Issue Date minus 1 (in the case of pre-closed issues) or Issue Date (in any other case)	agreed time	<p>The Registrar prepares and authenticates the Registered Global Note. The conditions precedent in the Programme Agreement are satisfied and/or waived. The Registrar enters details of the principal amount of Notes to be issued and the registered holder(s) of such Notes in the Register.</p> <p>The Registered Global Note is then delivered by, or on behalf of, the Registrar to a custodian for DTC to credit the principal amount of the relevant Notes to the appropriate participants' accounts of DTC previously notified by the</p>

<b>Day</b>	<b>Latest time</b>	<b>Action</b>
Issue Date:		<p data-bbox="682 325 1446 367">relevant Dealer.</p> <p data-bbox="682 367 1446 430">The relevant Dealer instructs DTC to credit the interests in the Registered Global Note to such accounts as the relevant Dealer has previously notified to DTC.</p> <p data-bbox="682 430 1446 535">DTC debits and credits accounts in accordance with instructions received by it.</p> <p data-bbox="682 535 1446 703">The Closing Bank receives payment for the account of the Issuer and for value on the Issue Date of the aggregate amount paid to it by DTC or, as the case may be, the relevant Dealer through its paying bank.</p>
On or subsequent to the Issue Date:		<p data-bbox="682 735 1446 934">The Principal Paying Agent notifies the Issuer immediately in the event a Dealer does not pay the purchase price due from it in respect of a Note. The Principal Paying Agent notifies the Issuer of the issue of Notes giving details of the Registered Global Note and the nominal amount represented thereby.</p> <p data-bbox="682 934 1446 1081">The Principal Paying Agent confirms the issue of Notes to the relevant Stock Exchange and any other relevant authority.</p> <p data-bbox="682 1081 1446 1312">The relevant Dealer promptly notifies the Principal Paying Agent that the distribution of the Notes purchased by it has been completed. The Principal Paying Agent promptly notifies the Issuer, the Registrar, the relevant Dealers, of the date of the end of the Distribution Compliance Period with respect to the relevant Tranche of Notes.</p>

### PART 3

#### SETTLEMENT PROCEDURES FOR ISSUES OF BEARER NOTES CLOSED ON A SYNDICATED BASIS

The procedures set out below for the period up to, and including, “Issue Date minus 2” apply to all syndicated closings whatever the currency concerned. The timing of the procedures to take place thereafter varies by reference to the deadlines imposed by the Principal Paying Agent, the Common Depositary or, as the case may be, the Common Service Provider and the ICSDs for the particular currency concerned and it is not possible to specify all variations in this memorandum.

Accordingly, all parties should contact each other as early as possible in the process to agree the relevant settlement deadlines. In particular, the Principal Paying Agent, the ICSDs and the Common Depositary or, as the case may be, the Common Safekeeper and Common Service Provider should be involved in these discussions.

The procedures and timings set out below to take place on the Issue Date relate to an illustrative syndicated closing of securities denominated in euro. Whilst the procedures will apply to all syndicated closings in whatever currency, the timings will vary significantly and, in many cases, steps will need to be taken on Issue Date minus 1.

**Times set out below are London times and represent the latest time for taking the action concerned. It is recommended that where possible the action concerned is taken in advance of these times.**

Day	London time	Action
Issue Date minus 3		<p>The Issuer may, subject to the execution of the Subscription Agreement referred to below, agree terms with a Dealer (which expression in this Part 3 includes any entity to be appointed as a dealer under the Subscription Agreement referred to below) (the <b>Lead Manager</b>) for the issue and purchase of Notes to be subscribed pursuant to a Subscription Agreement (whether pursuant to an unsolicited bid by such Lead Manager or pursuant to an enquiry by the Issuer). The Lead Manager may invite other Dealers (new or additional) approved by the Issuer to join an underwriting syndicate either on the basis of an invitation telex agreed between the Issuer and the Lead Manager or on the terms of the Final Terms referred to below and the Subscription Agreement. The Lead Manager and any such Dealers are together referred to as the <b>Managers</b>.</p> <p>The Issuer and the lawyers rendering a legal opinion in connection with the relevant issue agree a form of Final Terms (in substantially the form of Annex 3). A draft Subscription Agreement (in substantially the form of Appendix E to the Programme Agreement or such other form as may be agreed between the Issuer and the Lead Manager) is also prepared and agreed. The Subscription Agreement may, if so agreed, be called by another name. The Lead</p>

Day	London time	Action
		<p>Manager sends a copy of the draft Subscription Agreement to each other Manager at least two full business days before the Subscription Agreement is intended to be signed. At the same time the Lead Manager sends a copy of the Offering Circular and Programme Agreement (together with such other items from the Initial Documentation List as the Lead Manager deems appropriate) to any other Manager which has not previously received such documents. The Subscription Agreement and the Final Terms are agreed and executed and copies of the Subscription Agreement and the Final Terms are sent by electronic communication to the Principal Paying Agent which shall act as the Principal Paying Agent's authorisation (including, in the case of Floating Rate Notes, for the purposes of rate fixing) to carry out the duties to be carried out by it under these Settlement Procedures and the Agency Agreement including preparing and authenticating (a) a Temporary Global Note for the Tranche of Notes which is to be purchased and, in the case of the first Tranche of a Series, where the applicable Final Terms does not specify that such Temporary Global Note is to be exchangeable only for Notes in definitive form, a Permanent Global Note for such Series or (b) if so specified in the applicable Final Terms, a Permanent Global Note, in each case giving details of such Notes. The Principal Paying Agent forwards a copy of the signed Final Terms to the Common Depository or the Common Service Provider, as the case may be.</p> <p>The Lead Manager instructs the Principal Paying Agent to obtain a common code and ISIN or, if relevant, a temporary common code and ISIN for the Notes from one of the ICSDs. Each Common Code and ISIN is notified by the Principal Paying Agent to the Issuer and the Lead Manager.</p> <p>The Lead Manager delivers its allotment list to each of the ICSDs.</p>
Issue Date minus 2	2.00 p.m.	<p>In the case of Notes which are to be listed on a Stock Exchange or publicly offered in a European Economic Area Member State, the Principal Paying Agent notifies the relevant Stock Exchange and/or any other relevant authority, as the case may be, by electronic communication or by hand of the details of the Notes to be issued by sending the Final Terms to the relevant Stock Exchange and/or any other relevant authority, as the case may be.</p>
	3.00 p.m.	<p>In the case of Floating Rate Notes, the Principal Paying Agent notifies the ICSDs, the Issuer, (if applicable) the relevant Stock Exchange and any other relevant authority and</p>

<b>Day</b>	<b>London time</b>	<b>Action</b>
		the Lead Manager of the Rate of Interest for the first Interest Period (if already determined). Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.
	5.00 p.m.	The Lead Manager provides all necessary payment instructions and contact details to the ICSDs and to the Common Depositary or the Common Service Provider, as the case may be.

**The timings set out below relate to a syndicated closing of Notes denominated in euro only**

<b>Issue Date</b>	<b>London time</b>	<b>Action</b>
	10.00 a.m.	For securities in NGN form, the Principal Paying Agent instructs the conditional mark up of the issue outstanding amount of the Global Note to each ICSD through the Common Service Provider.
	12.00 noon	The Principal Paying Agent prepares and authenticates a Global Note for each Tranche of Notes which is to be purchased and, where required as specified above, a Permanent Global Note in respect of the relevant Series, in each case attaching the applicable Final Terms. Each Global Note which is a CGN is then delivered by the Principal Paying Agent to the common Depositary.  Each Global Note which is an NGN is then delivered by the Principal Paying Agent to the Common Safekeeper, together with an effectuation instruction, if applicable.
	1.00 p.m.	In the case of each Global Note which is an NGN, the Common Safekeeper confirms deposit and effectuation (if applicable) of the Global Note to the Principal Paying Agent, the Common Service Provider and each ICSD.
	2.30 p.m.	The Lead Manager confirms that all conditions precedent in the Subscription Agreement and the Programme Agreement have been satisfied and/or waived to the Common Depositary or the Common Service Provider, as the case may be, and, in the case of an issue of NGNs, authorises the Common Service Provider to relay the Principal Paying Agent's mark up instruction to the ICSDs.
	3.00 p.m.	Payment is released to the Issuer by the Common Service Provider or the Common Depositary, as the case may be.
	5.00 p.m.	In the case of an issue of NGNs, the Common Service Provider relays the Principal Paying Agent's instruction to

<b>Day</b>	<b>London time</b>	<b>Action</b>
		<p>mark up the issue outstanding amount of the Global Note to the ICSDs.</p> <p>In the case of an issue of CGNs, the Common Depositary confirms deposit of the Global Note to the ICSDs.</p>
	According to ICSD settlement procedures	The ICSDs debit and credit accounts in accordance with instructions received from the Lead Manager and the allottees and, in the case of NGNs, mark up their records appropriately.
On or subsequent to the Issue Date		<p>The Principal Paying Agent notifies the Issuer of the issue of Notes giving details of the Global Note(s) and the nominal amount represented thereby.</p> <p>The Principal Paying Agent confirms the issue of Notes to the relevant Stock Exchange and any other relevant authority.</p>

## PART 4

### SETTLEMENT PROCEDURES FOR ISSUES OF REGISTERED NOTES CLOSED ON A SYNDICATED BASIS

Day	Latest time	Action
No later than Issue Date minus 10 (or any other number of days agreed between the Issuer, the Lead Manager, the Principal Paying Agent and the Registrar)		<p>The Issuer may, subject to the execution of the Subscription Agreement referred to below, agree terms with the Lead Manager for the issue and purchase of Notes to be subscribed under a Subscription Agreement (whether pursuant to an unsolicited bid by such Lead Manager or under an enquiry by the Issuer). The Lead Manager may invite other Dealers (new or additional) approved by the Issuer to join an underwriting syndicate either on the basis of an invitation telex agreed between the Issuer and the Lead Manager or on the terms of the Final Terms referred to below and the Subscription Agreement. The Lead Manager and such Dealers are together referred to as the <b>Managers</b>.</p> <p>The Lead Manager instructs the Registrar and/or the Principal Paying Agent to obtain the necessary security identification numbers. Each relevant number is notified by the Registrar and/or the Principal Paying Agent to the Issuer and the Lead Manager.</p> <p>The Issuer and the Lead Manager agree a form of Final Terms (in substantially the form of Annex 3) which is submitted to the lawyers rendering a legal opinion in connection with the relevant issue for approval. A draft Subscription Agreement (in substantially the form of Appendix E to the Programme Agreement or any other form agreed between the Issuer and the Lead Manager) is also prepared and agreed. The Subscription Agreement may, if so agreed, be called by another name. The Lead Manager sends a copy of the draft Subscription Agreement to each other Manager at least two full business days before the Subscription Agreement is intended to be signed. At the same time the Lead Manager sends a copy of the Offering Circular, the Programme Agreement and conditions precedent to each other Manager which has not previously received those documents if so requested by any such Manager. The Subscription Agreement and the Final Terms are agreed and executed and a copy of the Final Terms is sent by electronic communication to the Principal Paying Agent and the Registrar which shall act as the Principal Paying Agent's and the Registrar's authorisation (including, in the case of Floating Rate Notes, for the purposes of rate fixing) to carry out the duties to be carried out by each of them under</p>

<b>Day</b>	<b>Latest time</b>	<b>Action</b>
		<p>these Settlement Procedures and the Agency Agreement including preparing, authenticating and issuing a Registered Global Note, giving details of such Notes.</p> <p>Each Manager notifies DTC of the participation accounts to be credited with interests in the Registered Global Note to be issued.</p>
Issue Date minus 3	5.00 p.m.	<p>Where the relevant Notes are denominated in U.S. dollars, the Lead Manager instructs DTC, subject to further instructions, on the Issue Date, to debit its account, or such accounts as it directs and pay the purchase price for those Notes to the Issuer's account with the Closing Bank notified to DTC by the Lead Manager for such purpose.</p> <p>Where the relevant Notes are denominated in a Specified Currency other than U.S. dollars, the Lead Manager instructs its paying bank to pay the purchase price for those Notes to the account of the Issuer with the Closing Bank for value on the Issue Date.</p>
Issue Date minus 2	3.00 p.m.	<p>In the case of Floating Rate Notes, the Principal Paying Agent notifies the Registrar, the relevant clearing systems, the Issuer, (if applicable) the relevant Stock Exchange and any other relevant authority and the Lead Manager by electronic communication of the Rate of Interest for the first Interest Period (if already determined). Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.</p>
No later than Issue Date minus 1	2.00 p.m.	<p>In the case of Notes which are to be listed on a Stock Exchange, the Principal Paying Agent also notifies the relevant Stock Exchange and any other relevant authority by electronic communication or by hand of the details of the Notes to be issued by sending the Final Terms to the relevant Stock Exchange and any other relevant authority.</p>
Issue Date minus 1 (in the case of pre-closed issues) or Issue date (in any other case)	agreed time	<p>The Registrar prepares and authenticates the Registered Global Note. The conditions precedent in the Subscription Agreement and the Programme Agreement are satisfied and/or waived. The Registrar enters details of the principal amount of the Notes to be issued and the registered holder(s) of such Notes in the Register.</p>

The Registered Global Note is then delivered by, or on behalf of, the Registrar to a custodian for DTC to credit the

<b>Day</b>	<b>Latest time</b>	<b>Action</b>
Issue Date:		<p data-bbox="706 262 1437 367">principal amount of the relevant Notes to the appropriate participants' accounts of DTC previously notified by the relevant Manager</p> <p data-bbox="706 399 1437 504">The Lead Manager instructs DTC to credit the interests in the Registered Global Note to such participation accounts as have previously been notified to DTC.</p> <p data-bbox="706 535 1437 598">DTC debits and credits accounts in accordance with instructions received by it.</p> <p data-bbox="706 630 1437 808">The Closing Bank receives payment for the account of the Issuer and for value on the Issue Date of the aggregate amount paid to it by DTC or, as the case may be, the Lead Manager through its paying bank in respect of the Registered Global Note.</p>
On or subsequent to the Issue Date:		<p data-bbox="706 829 1437 934">The Principal Paying Agent notifies the Issuer of the issue of Notes giving details of the Registered Global Note and the nominal amount represented thereby.</p> <p data-bbox="706 966 1437 1039">The Principal Paying Agent confirms the issue of Notes to the relevant Stock Exchange and any other relevant authority.</p> <p data-bbox="706 1071 1437 1373">Each other Manager (if any) promptly notifies the Lead Manager when the distribution of the Notes purchased by it has been completed. The Lead Manager promptly notifies the Principal Paying Agent upon completion of the distribution of the Notes of the relevant Tranche. The Principal Paying Agent promptly notifies the Issuer, the Registrar, the Lead Manager of the date of the end of the Distribution Compliance Period with respect to the relevant Tranche of Notes.</p>

## Explanatory Notes to Annex 1

- (a) Each day is a day on which banks and foreign exchange markets are open for business in London and, in the case of an issue of Registered Notes, New York City, counted in reverse order from the proposed Issue Date.
- (b) The Issue Date must be a Business Day. For the purposes of this Memorandum, **Business Day** means a day which is both:
  - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and in the case of an issue of Registered Notes, New York City and any other place as is specified in the applicable Final Terms as an **Additional Business Centre**;
  - (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and, in the case of an issue of Registered Notes, New York City, and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively), or (B) in relation to any sum payable in euro, a day on which the TARGET 2 System is open; and
  - (iii) a day on which the ICSDs or DTC, as the case may be, are open for general business.
- (c) If any final terms or information to be included in the applicable Final Terms constitute “significant new factors” and consequently trigger the need for a Supplement to the Offering Circular under Article 16 of the Prospectus Directive the timings in Part 1 and Part 2 will change as the Final Terms will need to be approved by the relevant authority as a supplement, which can take up to seven working days.

ANNEX 2

**FORM OF DEALER'S CONFIRMATION TO ISSUER FOR ISSUES WITH NO  
SUBSCRIPTION AGREEMENT**

[Date]

To: Glitnir banki hf.

c.c. The Bank of New York

**Glitnir Banki hf.**

**[Title of relevant Tranche Of Notes (specifying type of Notes)]  
issued pursuant to the €15,000,000,000 Global Medium Term Note Programme**

We hereby confirm the agreement for the issue to us of [describe issue] Notes due [ ] (the **Notes**) under the above Programme pursuant to the terms of issue set out in the Final Terms which we are sending herewith.

[The selling commission in respect of the Notes will be [ ]% of the nominal amount of the Notes and will be deductible from the net proceeds of the issue.]

The Notes are to be credited to [DTC/Euroclear/Clearstream, Luxembourg] account number [ ] in the name of [*Name of Dealer*].

Please confirm your agreement to the terms of issue by signing and sending to us a copy of the attached Final Terms. Please also send a copy of the Final Terms to the Principal Paying Agent and, in the case of an issue of Notes in registered form, the Registrar.

For and on behalf of [*Name of Dealer*]

By: \_\_\_\_\_  
Authorised signatory

## ANNEX 3

### FORM OF FINAL TERMS

[Date]

**Final Terms dated •**

**Glitnir banki hf.**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €15,000,000,000  
Global Medium Term Note Programme**

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 36 of Part A below, provided such person is one of the persons mentioned in Paragraph 36 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]<sup>1</sup>.

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of notes in any other circumstances]<sup>2</sup>.

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<sup>1</sup> Include this legend where a non-exempt offer of Notes is anticipated.

<sup>2</sup> Include this legend where only an exempt offer of Notes is anticipated.

## 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 23<sup>rd</sup> June, 2008, 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. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing during normal business hours at the office of the Issuer at Kirkjusandur 2, 155 Reykjavík, Iceland and copies may be obtained from the Principal Paying Agent at One Canada Square, London E14 5AL.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Offering Circular dated 23<sup>rd</sup> June, 2008, as supplemented from time to time, which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [original date] and [current date], as supplemented from time to time. Copies of such Offering Circulars are available for viewing during normal business hours at the office of the Issuer at Kirkjusandur 2, 155 Reykjavík, Iceland and copies may be obtained from the Principal Paying Agent at One Canada Square, London E14 5AL.

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When completing any final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]*

1. Issuer: Glitnir banki hf.

2. (i) Series Number: [ ]

(ii) Tranche Number: [ ]

*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*

3. Specified Currency or Currencies: [ ]

4. Aggregate Nominal Amount: [ ]
- Series: [ ]
- Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount  
[plus accrued interest from [insert date] (if applicable)]
6. (i) Specified Denominations: [ ]

*[(Note – For Bearer Notes where multiple denominations above €50,000 or equivalent are being used the following sample wording should be followed:*

*"€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Notes in definitive form will be issued with a denomination above €99,000.")*

*(The minimum denomination of a Note shall not be less than €1,000 or its equivalent: N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €1,000 minimum denomination is not required.)]*

- (ii) Calculation Amount [If only one Specified Denomination, insert the Specified Denomination.

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)]*

[ ]

7. (i) Issue Date:

[Specify/Issue Date/Not Applicable]

- (ii) Interest Commencement Date:

*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

8. Maturity Date: *[Fixed Rate – specify date]*  
*[Floating Rate - Interest Payment Date falling in or nearest to [specify the relevant month and year]]*
9. Interest Basis: *[[ ]per cent. Fixed Rate]*  
*[[LIBOR/EURIBOR/specify other reference rate]*  
*+/- [ ]per cent. Floating Rate]*  
*[Zero Coupon]*  
*[Index Linked Interest]*  
*[Dual Currency Interest]*  
*[specify other]*  
*(further particulars specified below)*
10. Redemption/Payment Basis: *[Redemption at par]*  
*[Index Linked Redemption]*  
*[Dual Currency Redemption]*  
*[Partly Paid]*  
*[Instalment]*  
*[specify other]*
- (N.B. If the Final Redemption Amount is or may be other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options: *[Investor Put]*  
*[Issuer Call]*  
*[(further particulars specified below)]*
13. (i) Status of Notes: *[Senior/Subordinated]*
- (ii) Date Board approval for issuance of Notes obtained: *[ ]*
- (N.B. Only relevant for an issue of Subordinated Notes or Notes to be listed on a Stock Exchange outside the EEA)*
14. Method of distribution: *[Syndicated/Non-syndicated]*

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (If payable other than annually, consider amending Condition 5(a))*
- (ii) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date [specify other]
- (N.B: amend in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form)*
- (iv) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]  
*(Applicable to Notes in definitive form)*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA)/specify other]
- (vi) Determination Date(s): [ ] in each year [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / other *[specify other]*]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination / ISDA Determination */specify other*]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [ ]
- (vi) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [ ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other, including fall back provisions in the Agency Agreement)*
- Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)*
- Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a*

*composite rate or amend fall back provisions appropriately)*

- (vii) ISDA Determination: [Applicable/Not Applicable]
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (viii) Margin(s): [+/-] [ ] per cent. per annum
- (ix) Minimum Rate of Interest: [ ] per cent. per annum
- (x) Maximum Rate of Interest: [ ] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360] [360/360] [Bond Basis]  
[30E/360] [Eurobond Basis]  
[30E/360 (ISDA)]  
[specify other]  
*(See Condition 5(b) for alternatives)*
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]

17. Zero Coupon Note Provisions [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-*

*paragraphs of this paragraph)*

- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
- (iv) Day Count Fraction in relation to Early Redemption Amount and late payment: [Conditions 7(e)(iii) and 7(j) apply/specify other]

*(Consider applicable day count fraction if not U.S. dollar denominated)*

18. Index Linked Interest Note Provisions [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(N.B. If the Final Redemption Amount is or may be other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. If interest, but not the Final Redemption Amount, is linked to an underlying consider treating the Notes as if they were derivative securities.)*

- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (iii) Party responsible for calculating the Rate(s) of Interest (if not the Calculation Agent): [ ]
- (iv) Provisions for determining interest where calculation by reference to Index and/or Formula and/or other [need to include a description of market disruption or settlement disruption events and adjustment provisions]

variable is impossible or impracticable or otherwise disrupted:

- (v) Specified Period(s)/Specified Interest Payment Dates: [ ]
  - (vi) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / *specify other*]
  - (vii) Additional Business Centre(s): [ ]
  - (viii) Minimum Rate of Interest: [ ] per cent. per annum
  - (ix) Maximum Rate of Interest: [ ] per cent. per annum
  - (x) Day Count Fraction: [ ]
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is or may be other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. If interest, but not the Final Redemption Amount, is linked to an underlying consider treating the Notes as if they were derivative securities.)*
- (i) Rate of Exchange / method of calculating Rate of Exchange: [*give or annex details*]
  - (ii) Party, if any, responsible for calculating the interest payable: [ ]
  - (iii) Provisions applicable where [*need to include a description of market disruption*]

calculation by reference to Rate of Exchange impossible or impracticable: *or settlement disruption events and adjustment provisions]*

- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

## PROVISIONS RELATING TO REDEMPTION

20. Issuer Call [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

*(N.B. If the Final Redemption Amount is or may be other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]

(iii) If redeemable in part:

1. Minimum Redemption Amount: [ ] per Calculation Amount

2. Higher Redemption Amount: [ ] per Calculation Amount

- (iv) Notice period (if other than as set out in the Conditions): [ ]

*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for*

*example, as between the Issuer and the Principal Paying Agent)*

21. Investor Put [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Optional Redemption Date(s): [ ]

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]

(iii) Notice period (if other than as set out in the Conditions): [ ]

*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

22. Final Redemption Amount [[ ] per Calculation Amount/specify other/see Appendix]

*(N.B. If the Final Redemption Amount is or may be other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply)*

23. Early Redemption Amount: [ ] per Calculation Amount/specify other/see Appendix  
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)):

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes:

- Bearer Notes: [Applicable/Not Applicable]
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- (N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000.")*
- Registered Notes: [Applicable/Not Applicable]
- [Rule 144A Global Note (U.S.\$ [ ] nominal amount registered in the name of a nominee for DTC)]
- [Regulation S Global Note (U.S.\$ [ ] nominal amount) registered in the name of a nominee for DTC]
25. New Global Note: [Yes][No]  
*(In the case of a Registered Note, this must be No)*
26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details]  
*(Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(iii) and 18(vii) relate)*
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
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 [Not Applicable/give details]  
*(NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues)*

interest due on late payment:

29. Details relating to Instalment Notes, including the amount of each instalment (each an Instalment Amount) and the date on which each payment is to be made (each an Instalment Date): [Applicable/Not Applicable/*give details*]

30. Redenomination applicable: Redenomination [Not] Applicable

*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*

31. Other final terms: [Not Applicable/*give details*]

*[(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive)]*

## DISTRIBUTION

32. (i) If syndicated, names [and addresses]\*\* of Managers and [underwriting commitments] \*\*: Not Applicable/*give names [and addresses and underwriting commitments]\*\**

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)\*\**

(ii) Date of Subscription Agreement:\*\* [ ]\*\*

(iii) Stabilising Manager (if any): [Not Applicable/*give name*]

33. If non-syndicated, name and address of relevant Dealer: Not Applicable/*give name and address]\*\**

34. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount.
35. US Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable]
36. Non-exempt Offer: [Not Applicable]
- [An offer of the Notes may be made by the Managers [and [*specify, if applicable* (together, with the Managers, the **Financial Intermediaries**)] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Offering Circular and any supplements have been passported*] (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date*] (**Offer Period**). See further Paragraph 10 of Part B below.
37. Additional selling restrictions: [Not Applicable/*give details*]
38. ERISA Restrictions: [Not Applicable] [*specify*]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on the London Stock Exchange's Regulated Market and, if relevant, listing on the Official List of the UK Listing Authority of the Notes described herein] pursuant to the Global Medium Term Note Programme of Glitnir banki hf.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information*], for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of Glitnir banki hf.:

By: \_\_\_\_\_  
*Duly authorised*

**PART B - OTHER INFORMATION**

**1. LISTING**

- (i) Listing: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [London/Luxembourg/other (*specify*)/] with effect from [●].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (ii) Estimate of total expenses related to admission to trading:\* [ ]\*

**2. RATINGS**

Ratings

The Notes to be issued have been rated:

[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*  
*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”] [and save for any fees payable to the Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

*[(When adding any other description,*

*consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]*

**4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer: [ ]

*(See [“Use of Proceeds”] wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*

(ii) Estimated net proceeds: [ ]

*(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.)*

(iii) Estimated total expenses: [ ]

*(Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.)*

*(If the Notes have a denomination of less than €50,000 or equivalent and if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

*(If the Notes have a denomination greater than €50,000 or equivalent, delete this paragraph 4 unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

**5. [Fixed Rate Notes only - YIELD**

Indication of yield: [ ]

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

*[As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

6. **Floating Rate Notes only – HISTORIC INTEREST RATES (Floating Rate Notes only)\*\***

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **[Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and, if the Notes have a denomination less than €50,000 or equivalent a clear comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the PD Regulation.]\*\*\**

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information].

8. **[Dual Currency Notes only – PERFORMANCE OF RATE(S) OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and, if the Notes have a denomination less than €50,000 or equivalent a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

9. **OPERATIONAL INFORMATION**

ISIN Code: [ ]

Common Code: [ ]

CUSIP: [ ]

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/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) and Transfer Agent(s) (if any): [ ]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Not Applicable]

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all

times during their life. Such recognition will depend upon the satisfaction of the Eurosystem eligibility criteria.][Include this text if “yes” selected in which case the Notes must be issued in NGN form]

10. **TERMS AND CONDITIONS OF THE OFFER\*\*\*\***

Offer Price:	[Issue Price] [specify]
Conditions to which the offer is subject:	[Not Applicable/give details]
Description of the application process:	[Not Applicable/give details]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/give details]
Details of the minimum and/or maximum amount of application:	[Not Applicable/give details]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/give details]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/give details]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/give details]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/give details]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/give details]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/give details]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	None/give details]

**Notes:**

- \* Delete if the minimum denomination is less than €50,000**
- \*\* Note, provisions as to addresses and commitments of dealers, date of Subscription Agreement, commission and concession fees, explanation of ratings, historic interest rates and explanation of how the value of an investment is affected by the underlying are only required where the minimum denomination is less than €50,000**
- \*\*\* If the Final Redemption Amount is or may be other than the nominal value of a Note, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.**
- \*\*\*\* Note, relevant only in relation to Notes with a minimum denomination of less than €50,000 or where the Final Redemption Amount may be more or less than the nominal value of a Note.**

## ANNEX 4

### TRADING DESK AND ADMINISTRATIVE INFORMATION

#### The Issuer

##### **GLITNIR BANKI hf.**

Kirkjusandur 2  
155 Reykjavik

##### Treasury Funding Desk:

Telephone: 354 440 4664/4607  
Telefax: 354 440 4660  
Attention: Treasury

##### Treasury Documentation:

Telephone: 354 440 4675/4666  
Telefax: 354 440 4660

##### Clearing and Settlements:

Telephone: 354 440 4134/4129  
Telefax: 354 440 4159  
backofficefxsettlement@glitnir.is

#### The Dealers

##### **BARCLAYS BANK PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB

Telephone: 020 7773 9090  
Telefax: 020 7773 4876  
Attention: MTN Dealers

##### **BAYERISCHE HYPO- UND VEREINSBANK AG**

Arabellastrasse 12  
D-81925 Munich

Telephone: 0049 89 378 159 62  
Telefax: 0049 89 378 33 15964  
Attention: Debt Capital Markets Documentation (MCD2)

##### **BNP PARIBAS**

10 Harewood Avenue  
London NW1 6AA

Telephone: 020 7595 8601  
Telex: 296723 PARCAP G  
Telefax: 020 7595 2555

Attention: MTN Desk

**CITIGROUP GLOBAL MARKETS LIMITED**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

Telephone: 020 7986 9050  
Telefax: 020 7986 1929  
Attention: MTN Desk

**DAIWA SECURITIES SMBC EUROPE LIMITED**

5 King William Street  
London EC4N 7AX

Telephone: 020 7597 8000  
Telex: 884121 DAIWA G  
Telefax: 020 7597 8644  
Attention: Manager, Transaction Management

**DEUTSCHE BANK AG, LONDON BRANCH**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB

Telephone: 020 7545 2761  
Telefax: 011 3336 1453  
Attention: MTN Trading Desk

**GLITNIR BANKI hf.**

Kirkjusandur 2  
155 Reykjavik

Telephone: 354 440 4664/4665/4666  
Telefax: 354 440 4660  
Attention: Funding

**J.P. MORGAN SECURITIES LTD.**

125 London Wall  
London EC2Y 5AJ

Telephone: 020 7779 3469  
Telefax: 020 7777 9153  
Attention: Euro Medium Term Note Desk

**MERRILL LYNCH INTERNATIONAL**

Merrill Lynch Financial Centre

2 King Edward Street  
London EC1A 1HQ

Telephone: 020 7995 3995  
Telefax: 020 7995 2968  
Attention: EMTN Trading and Distribution Desk

**The Principal Paying Agent and Transfer Agent**

**THE BANK OF NEW YORK**

One Canada Square  
London E14 5AL  
England

Telephone: 020 7964 7662  
Telefax: 020 7964 2536  
Attention: Corporate Trust

**The Registrar and Transfer Agent**

**THE BANK OF NEW YORK**

One Canada Square  
London E14 5AL  
England

Telephone: 020 7964 7662  
Telefax: 020 7964 2536  
Attention: Corporate Trust

**The Principal Paying Agent and Transfer Agent**

**THE BANK OF NEW YORK (LUXEMBOURG), S.A.**

*For correspondence and notices:*

Aerogolf Center  
1A Hoehenhof  
L-1736 Senningerberg  
Luxembourg

Telefax: 352 34 20 90 6035  
Attention: Manager Corporate Trust

*For official documentation:*

Aerogolf Center  
1A Hoehenhof  
L-1736 Senningerberg  
Luxembourg  
RC B 67654