

11 April 2006

**Glitnir banki hf.**  
**Issue of EUR 25,000,000 Zero Coupon Notes due 2012**  
**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 28th July, 2005 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive") as supplemented by a Supplement dated 18<sup>th</sup> January, 2006, constituting a supplementary prospectus for the purposes of section 87G of the Financial Services and Markets Act 2000. 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 as supplemented by the Supplement. The Offering Circular and the supplement are available for viewing at the office of the Issuer at Kirkjusandur 2, 155 Reykjavík, Iceland and copies may be obtained from the Principal Paying Agent at Trinity Tower, 9 Thomas More Street, London E1W 1YT.

1.	Issuer:	Glitnir banki hf.
2.	(i) Series Number:	279
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Euro ("EUR")
4.	Aggregate Nominal Amount:	
	– Series:	EUR 25,000,000
	– Tranche:	EUR 25,000,000
5.	Issue Price of Tranche:	80.78 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:	EUR 50,000
7.	(i) Issue Date:	13 April 2006
	(ii) Interest Commencement Date :	Issue Date
8.	Maturity Date:	13 April 2012
9.	Interest Basis:	Zero Coupon (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/Payment	Not Applicable
12.	Put/Call Options:	Not Applicable

13. (i) Status of Notes: Senior  
(ii) Date Board approval for issuance Not Applicable

14. Method of distribution: Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions:** Not Applicable

16. **Floating Rate Note Provisions** Not Applicable

17. **Zero Coupon Note Provisions** Applicable

- (i) Accrual Yield: 3.621 per cent. per annum  
(ii) Reference Price: Not Applicable  
(iii) Any other formula/basis of determining amount payable: Not Applicable  
(iv) Day Count Fraction in relation to Early Redemption Amount and late payment: 30/360 Modified Following, Unadjusted

18. **Index Linked Interest Note Provisions** Not Applicable

19. **Dual Currency Interest Note Provisions** Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

20. Issuer Call Not Applicable

21. Investor Put Not Applicable

22. Final Redemption Amount of each Note: EUR 50,000 per Note of EUR 50,000 Specified Denomination

23. Early Redemption Amount(s) of each Note 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)): Yes

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

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. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No.

27. 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
28. 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”):	Not Applicable
29. Redenomination applicable:	Redenomination not Applicable
30. Other final terms:	Not Applicable
<b>DISTRIBUTION</b>	
31. (i) If syndicated, names [and addresses] ** of Managers [and underwriting commitments] **: <p style="margin-left: 2em;">(ii) Date of Subscription Agreement:</p> <p style="margin-left: 2em;">(iii) Stabilising Manager (if any):</p>	<p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>
32. If non-syndicated, name and address of relevant Dealer:	IXIS Corporate & Investment Bank 47, quai d’Austerlitz 75648 Paris cedex 13
33. Total commission and concession:	Not Applicable
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D
35. Additional selling restrictions:	<p>FRANCE:</p> <p>Each of the Dealer and the Issuer has represented and agreed that: it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the Final Terms or any other offering material relating to the Notes, and such offers, sales and distributions have been made and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (investisseurs qualifiés), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French <i>Code monétaire et financier</i>.</p>
36. 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**

- (i) Listing: London  
Application has been made for the Notes to be admitted to trading on the London Stock Exchange with effect from 13 April 2006
- (ii) Admission to trading: trading on the London Stock Exchange with effect from 13 April 2006
- (iii) Estimate of total expenses related to admission to trading:\* GBP 100,-

### **2. RATINGS**

- Ratings: The Notes to be issued have been rated:  
Moody's: A1  
Fitch: A

### **3. NOTIFICATION**

Not Applicable

### **4. 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.

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

- (i) Reasons for the Offer: See "Use of Proceeds" wording in Offering Circular
- (ii) Estimated net proceeds: EUR 20,195,000
- (iii) Estimated total expenses: Not Applicable

## 6. OPERATIONAL INFORMATION

- |       |   |                          |
|-------|---|--------------------------|
| (i)   | ISIN Code:  | XS0244218136             |
| (ii)  | Common Code:  | 024421813                |
| (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 against payment |
| (vi)  | Names and addresses of additional Paying Agent(s) and Transfer Agent(s) (if any):   | Not Applicable           |