

**Final Terms**  
26 April 2006

**Glitnir banki hf.**  
**Issue of EUR8,000,000 Capital Protected Note linked to the Nikkei 225 Index due April 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:	285
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Euros ("EUR")
4.	Aggregate Nominal Amount:	
	– Series:	EUR 8,000,000
	– Tranche:	EUR 8,000,000
5.	Issue Price of Tranche:	100 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:	EUR50,000
7.	(i) Issue Date:	26 April 2006
	(ii) Interest Commencement Date:	26 April 2006
8.	Maturity Date:	26 April 2012
9.	Interest Basis:	Fixed Rate to Index linked Interest as set out below:
		In respect of the Interest Period from and including the Issue Date to but excluding the Interest Payment Date falling on or nearest to 26 April 2008 (such period, the "Fixed Rate Interest Period"), the Notes shall be Fixed Rate Notes and the payment of interest shall be

subject to the provisions set out under the “Fixed Rate Note Provisions” below.

In respect of each Interest Period from and including the Interest Payment Date falling on or nearest to the 26 April 2008 to but excluding the Maturity Date (such period, the “Index Linked Interest Period”), the Notes shall be Index Linked Rate Notes and the payment of interest shall be subject to the provisions set out under the “Index Linked Note Provisions” 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. Status of Notes:	Senior
14. Method of distribution:	Non-syndicated

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

15. <b>Fixed Rate Note Provisions:</b>	Applicable in respect of the Fixed Rate Interest Period only
(i) Rate(s) of Interest:	4.85 per cent. per annum payable annually in arrears.
(ii) Interest Payment Date(s):	26 April 2007 and 26 April 2008
(iii) Fixed Coupon Amount(s):	EUR2,425 per EUR50,000 in nominal amount
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	30/360
(vi) Determination Date(s):	Not Applicable
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
16. <b>Floating Rate Note Provisions</b>	Not Applicable
17. <b>Zero Coupon Note Provisions</b>	Not Applicable
18. <b>Index Linked Interest Note Provisions</b>	Applicable in respect of the Index Linked Interest Period only

(i) Index/Formula: The Rate of Interest applicable in respect of each Interest Payment Date shall be calculated as follows:

$$NA * MAX \left[ 0\%; 12\% + \sum_{k=1}^6 MonthlyPerformanceOrdered_k^t \right]$$

where, *MonthlyPerformanceOrdered*<sub>k</sub> k=1...6, are the six worst *MonthlyPerformances*

and:

*MonthlyPerformance*<sub>i</sub>, i=1...12 (12 months) of the Underlying Index year t sorted in ascending order, where:

$$\text{MonthlyPerformance}_i = \frac{\text{Index}_i^t - \text{Index}_{i-1}^t}{\text{Index}_{i-1}^t}$$

and:

*Index*<sub>i</sub><sup>t</sup> is the closing level of the Underlying Index for the month i in Year t

*Index*<sub>i-1</sub><sup>t</sup> is the closing level of the Underlying Index for the month i-1 in Year t

‘Underlying Index’ means the Nikkei 225 Index (Bloomberg Code: NKY)

#### Observations Periods

The relevant ‘Valuation Dates’ are specified below. If any such day is not an Exchange Business Day, the first following day that is an Exchange Business Day shall be used.

<b>k</b>	<b>T = 3</b>	<b>T = 4</b>	<b>T = 5</b>	<b>T = 6</b>
1.	26 May 2008	26 May 2009	26 May 2010	26 May 2011
2.	26 June 2008	26 June 2009	28 June 2010	27 June 2011
3.	28 July 2008	27 July 2009	26 July 2010	26 July 2011
4.	26 August 2008	26 August 2009	26 August 2010	26 August 2011
5.	26 September 2008	28 September 2009	27 September 2010	26 September 2011
6.	27 October 2008	26 October 2009	26 October 2010	26 October 2011
7.	26 November 2008	26 November 2009	26 November 2010	28 November 2011
8.	29 December 2008	28 December 2009	27 December 2010	27 December 2011
9.	26 January 2009	26 January 2010	26 January 2011	26 January 2012
10.	26 February 2009	26 February 2010	28 February 2011	27 February 2012
11.	26 March 2009	26 March 2010	28 March 2011	26 March 2012
12.	27 April 2009	26 April 2010	26 April 2011	19 April 2012

(ii) Calculation Agent responsible for calculating the interest due: UBS Limited

(iii) Provisions for determining interest where calculation by reference to Index and/or Formula is impossible or impracticable: Applicable

If there is a Market Disruption Event in relation to the Index on any Valuation Date, then that Valuation Date shall be deemed to be the next following Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days following the original day that, but for the occurrence of the Market Disruption Event, would have been a Observation Date, in which case the Calculation Agent shall determine the level of the Index in its sole discretion.

**Market Disruption Event:** The occurrence or existence on any Exchange Business Day during the one-half hour period that ends at the relevant Valuation Time of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise), (A) on the relevant Exchange(s) in securities included in the Index, the percentage contribution of such securities, which when aggregated with all other securities in respect of which such a suspension or limitation has occurred or exists on that Exchange Business Day and the X Percentage, comprises more than 20% of the level of the Index, or (B) in options contracts or future contracts on the relevant Index on any Related Exchange if, in any such case, such suspension or limitation is, in the determination of the Calculation Agent, material. For the purpose of determining whether a Market Disruption Event exists at any time, if trading in a security included in the Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (a) the portion of the level of the Index attributable to that security relative to (b) the overall level of the Index.

**Correction of Index:** If the calculation methodology of the Index is materially altered by the Index Sponsor the Calculation Agent shall either (i) use the methodology last in effect prior to the alteration; or (ii) terminate these Notes at fair market value; all at the discretion of the Calculation Agent.

**Exchange(s):** the stock exchanges on which securities comprising the Index are traded, as determined by the Index Sponsor from time to time.

**Exchange Business Day:** a day on which the Index Sponsor calculates and publishes the official closing level of the Index.

**Related Exchange:** Each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index.

**Valuation Time:** the time corresponding to the time at which the Index Sponsor calculates a level for the Index.

(iv) Specified Period(s)/Specified Interest Payment Dates:	26 April in each year
(v) Business Day Convention:	Following Business Day Convention
(vi) Additional Business Centre(s):	Not Applicable
(vii) Minimum Rate of Interest:	0 per cent. per annum
(viii) Maximum Rate of Interest:	Not Applicable
(ix) Day Count Fraction:	Not Applicable
<b>19. Dual Currency Interest Note Provisions</b>	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	As set out in Condition 7(e))

#### **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

**DISTRIBUTION**

31. (i) If syndicated, names of Managers:	Not Applicable
(ii) Date of Subscription Agreement:	Not Applicable
(iii) Stabilising Manager (if any):	Not Applicable
32. If non-syndicated, name of relevant Dealer:	Not Applicable
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:	Not Applicable
	Any Notes purchased by any person for resale may not be offered in any jurisdiction in circumstances that would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in that jurisdiction.
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. 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 the Index Sponsor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: London Professional Securities Market
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchanges' Professional Securities Market with effect from the Issue Date
- (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 any interest material to the offer.

### 5. YIELD (*Fixed Rate Notes only*)

Indication of yield: Not Applicable

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

Nikkei 225: The Nikkei Stock Average ("Index") is an intellectual property of Nihon Keizai Shimbun, Inc. (the "Index Sponsor"). "Nikkei", "Nikkei Stock Average", and "Nikkei 225" are the service marks of the Index Sponsor. The Index Sponsor reserves all the rights, including copyright, to the index.

The Products are not in any way sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor does not make any warranty or representation whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figure as which the Index stands at any particular day or otherwise. The Index is compiled and calculated solely by the Index Sponsor. However, the Index Sponsor shall not be liable to any person for any error in the Index and the Index Sponsor shall not be under any obligation to advise any person, including a purchase or vendor of the Products, of any error therein.

In addition, the Index Sponsor gives no assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the Index.

**7. PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

Not Applicable

**8. OPERATIONAL INFORMATION**

- (i) ISIN Code: XS0245437495
- (ii) Common Code: 24543749
- (iii) 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
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Paying Agent(s) and Transfer Agent(s) (if any): Not Applicable