

FINAL TERMS

June 12, 2006

Glitnir banki hf.

Issue of U.S.\$500,000,000 6.693% Fixed/Floating Rate Subordinated Notes due 2016
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 as supplemented on 18th January, 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Offering Circular. The Offering Circular is available for viewing at the office of the Issuer at Kirkjusandur 2, 155 Reykjavik, Iceland and copies may be obtained from the Principal Paying Agent at Trinity Tower, 9 Thomas More Street, London E1W 1YT. These Final Terms are intended to take effect from their date, notwithstanding that they may have been executed after that date.

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| 1. | Issuer: | Glitnir banki hf. |
| 2. | (i) Series Number: | 293 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | U.S. dollars (U.S.\$) |
| 4. | Aggregate Nominal Amount: | |
| | – Series: | U.S.\$500,000,000 |
| | – Tranche: | U.S.\$500,000,000 |
| 5. | Issue Price of Tranche: | 100 percent of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | U.S.\$100,000 and integral multiples of U.S.\$1,000 in excess thereof. |
| 7. | (i) Issue Date: | June 15, 2006 |
| | (ii) Interest Commencement Date: | June 15, 2006 |
| 8. | Maturity Date: | Interest Payment Date falling in June 2016 |
| 9. | Interest Basis | 6.693% accruing from and including Issue Date to (but excluding) June 15, 2011 (further details below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest Basis or Redemption/Payment Basis: | From (and including) June 15, 2011 to (but excluding) the Maturity Date 3-month U.S.\$ LIBOR + 2.7325 percent |

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| 12. | Put/Call Options: | Issuer call (further details below) |
| 13. | (i) Status of Notes: | Subordinated |
| | (ii) Date Board approval for issuance of Notes obtained: | Not Applicable |
| 14. | Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions | Applicable to (but excluding) June 15, 2011 |
| | (i) Rate(s) of Interest: | 6.693% per annum |
| | (ii) Interest Payment Date(s): | June 15 and December 15 in each year commencing December 15, 2006 up to and including June 15, 2011 |
| | (iii) Fixed Coupon Amount(s): | U.S.\$6,693 per \$100,000 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: | Not Applicable |
| 16. | Floating Rate Note Provisions | Applicable from (and including) June 15, 2011 |
| | (i) Specified Period(s)/Specified Interest Payment Dates: | Quarterly on June 15, September 15, December 15, and March 15 in each year commencing September 15, 2011 to and including the Maturity Date. |
| | (ii) Business Day Convention: | Modified Following Business Day Convention |
| | (iii) Additional Business Center(s): | Not Applicable |
| | (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: | Screen Rate Determination |
| | (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): | Principal Paying Agent |
| | (vi) Screen Rate Determination: | Yes |
| | - Reference Rate: | 3-month U.S.\$ LIBOR |

	- Interest Determination Date:	Second London business day prior to the commencement of each Interest Period.
	- Relevant Screen Page:	Telerate Page 3750
(vii)	ISDA Determination:	No
(viii)	Margin(s):	+2.7325 percent per annum
(ix)	Minimum Interest Rate:	Not Applicable
(x)	Maximum Interest Rate:	Not Applicable
(xi)	Floating Day Count Fraction:	Actual/360
(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating-Rate Notes, if different than those set out in the Conditions:	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index Linked Interest Note Provisions	Not Applicable
19.	Dual Currency Interest Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
20.	Issuer Call	Applicable
(i)	Optional Redemption Date(s):	June 15, 2011 and any Interest Payment Date thereafter, but not including the Maturity Date
(ii)	Optional Redemption Amount of each Note:	U.S.\$100,000 per Note of U.S.\$100,000 Specified Denomination
21.	Investor Put	Not Applicable
22.	Final Redemption Amount of each Note:	U.S.\$100,000 per Note of U.S.\$100,000 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)):	Condition 7(e) applies

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:
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-	Bearer Notes:	Not Applicable
-	Registered Notes:	Applicable
		Rule 144A Global Note (registered in the name of a nominee for DTC)
		Reg S Global Note (registered in the name of a nominee of a common depositary for Euroclear and/or Clearstream, Luxembourg)
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):	Not Applicable
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 and addresses of Managers and underwriting commitments:	Credit Suisse Securities (USA) LLC Eleven Madison Avenue New York, New York 10010-3629 United States of America
			Underwriting Commitment: U.S.\$250,000,000
			UBS Securities LLC 677 Washington Boulevard Stamford, Connecticut 06901 United States of America
			Underwriting Commitment: U.S.\$250,000,000
	(ii)	Date of Subscription Agreement:	June 12, 2006
	(iii)	Stabilising Manager (if any):	Credit Suisse Securities (USA) LLC

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| 32. | If non-syndicated, name of relevant Dealer: | Not Applicable |
| 33. | Total commission and concession: | 0.6 percent of the Aggregate Nominal Amount |
| 34. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA not applicable |
| 35. | Additional selling restrictions: | Not Applicable |
| 36. | ERISA restrictions: | <p>Each US holder and beneficial owner of the Notes is deemed to represent that (1) it is not an “employee benefit plan” as defined in Section 3(3) of ERISA, subject to Title I of ERISA, a plan subject to Section 4975 of the Internal Revenue Code, an entity whose underlying assets include the assets of any Plan , or a governmental or church plan which is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Internal Revenue Code; or (b) its purchase, holding and disposition of its interest in the Notes will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code (or, in the case of a governmental or church plan, any substantially similar federal, state or local law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.</p> |

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

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| (i) | Listing: | None |
| (ii) | Admission to trading: | Not Applicable |
| (iii) | Estimate of total expenses related to admission to trading: | Not Applicable |

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: A2

S&P: BBB+

Fitch: A-

An A rating by Moody's denotes an obligation which is considered upper-medium grade and is subject to low credit risk. The modifier 2 is the middle of three modifiers applied to each rating category and therefore indicates that the obligation ranks in the mid-range of its rating category.

A BBB rating by S&P denotes an obligation that exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation than is the case for higher ratings. The "+" modifier is the highest of the three modifiers applied to each rating category and therefore indicates that the obligation ranks in the highest end of its rating category.

An A rating by Fitch denotes an expectation of low credit risk. It indicates that the capacity for payment of financial commitments is considered strong but may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings. The modifier – is used to denote relative status within each rating category and therefore indicates that the obligation ranks in the lower end of its rating category.

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

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

4. **YIELD** (*Fixed Rate Notes only*)

Indication of yield: Not Applicable

5. **OPERATIONAL INFORMATION**

(i) ISIN Code:

144A Global Note US379308AA70

Reg S Global Note USX3078NAA29

(ii) CUSIP:

144A Global Note 379308 AA 7

Reg S Global Note X3078N AA 2

(iii) Common Code:

144A Global Note 025855345

Reg S Global Note 025845315

(iv) Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

(v) Delivery: Delivery free of payment

(vi) Names and addresses of additional Paying Agent(s) and Transfer Agent(s) (if any): Not Applicable