

FINAL TERMS

July 21, 2006

Glitnir banki hf.
Issue of US\$15,000,000 Floating Rate Amortizing Senior Notes, due 2011
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 26th June, 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 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:	295
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	US dollars (US\$)
4.	Aggregate Nominal Amount:	
	– Series:	US\$15,000,000
	– Tranche:	US\$15,000,000
5.	Issue Price of Tranche:	100% per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:	Initially, notes will be issued in denominations of US\$100,000. Initial transfers of notes will be in denominations of US\$100,000 and in integral multiples of US\$1,000 in excess thereof.
7.	(i) Issue Date:	July 28, 2006
	(ii) Interest Commencement Date:	July 28, 2006
8.	Maturity Date:	July 28, 2011
9.	Interest Basis	3-month U.S.\$ LIBOR plus a spread of 0.82% per annum
10.	Redemption/Payment Basis:	Instalment. Principal will be repaid in five equal, annual instalments beginning July 28, 2007. The notes are amortizing notes with an average life of three years.
11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable

13.	(i) Status of Notes:	Senior
	(ii) Date Board approval for issuance of Notes obtained:	Not Applicable
14.	Method of distribution:	Non-syndicated. Best efforts agency basis.
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
15.	Fixed Rate Note Provisions	Not Applicable
16.	Floating Rate Note Provisions	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	Quarterly in arrear on October 28, July 28, April 28 and January 28 in each year commencing October 30, 2006 (due to Modified Following Business Day Convention) 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(s):	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):	+0.82 per cent. per annum
	(ix) Minimum Rate of Interest:	Not Applicable
	(x) Maximum Rate of Interest:	Not Applicable
	(xi) 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 from 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	Not Applicable

21. Investor Put	Not Applicable
22. Final Redemption Amount of each Note:	US\$100,000 per Note of US\$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:	
- Bearer Notes:	Not Applicable
- Registered Notes:	Applicable
	Rule 144A Global Note (registered in the name of a nominee for DTC) Regulation S Global Note (registered in the name of a nominee for DTC)
25. New Global Note:	No
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29. Details relating to 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"):	See Condition 10. Principal will be repaid in five equal, annual instalments beginning July 28, 2007. The notes are amortizing notes with an average life of three years.
30. Redenomination applicable:	Redenomination Not Applicable
31. Other final terms:	Condition 17 shall not apply. Condition 18 is hereby amended to read as follows: "18. Governing Law and Submission to Jurisdiction (a) Governing law The Agency Agreement, the Deed of Covenant, the Notes (other than Condition 2(b)), the Receipts and the Coupons are governed by, and shall be construed in

accordance with, the laws of the State of New York. Condition 2(b) of the Notes is governed by, and shall be construed in accordance with, Icelandic law.

(b) Submission to jurisdiction

The Issuer agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of New York are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Notes, the Receipts and the Coupons may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the New York courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Appointment of Process Agent

The Issuer appoints CT Corporation System as its agent for service of process, and undertakes that, in the event of it ceasing so to act or ceasing to be registered in the State of New York, it will appoint another person as its agent for service of process in New York in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) Other documents

The Issuer has in the Agency Agreement and

	the Deed of Covenant submitted to the jurisdiction of the New York courts, waived any right it may have to claim sovereign or other immunity from jurisdiction or execution and appointed an agent for service of process in terms substantially similar to those set out above.”
DISTRIBUTION	
32. (i) If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
(ii) Date of Subscription Agreement:	Not Applicable
(iii) Stabilising Manager (if any):	Not Applicable
33. If non-syndicated, name and address of relevant Dealer:	Nomura Securities International, Inc., as placement agent 2 World Financial Center, Bldg. B. New York, New York 10281-1198 Greenwich Capital Markets, Inc., as placement agent 600 Steamboat Road Greenwich, CT 06830
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA rules not applicable
35. Additional selling restrictions:	Not Applicable
36. ERISA restrictions:	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.

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:	None
(ii) Admission to trading:	Not Applicable
(iii) Estimate of total expenses related to admission to trading:	Not Applicable
2. RATINGS	
Ratings:	<p>The Notes to be issued have been rated:</p> <p>Moody's: A1</p> <p>Fitch: A</p> <p>S & P: A-</p> <p>An A1 rating by Moody's denotes an obligation which is considered upper-medium grade and is subject to low credit risk. The modifier 1 is the highest of three modifiers applied to each rating category and therefore indicates that the obligation ranks in the higher end of its rating category.</p> <p>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.</p> <p>An A rating by S&P denotes an obligation that is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligations is still strong. The "-" modifier is the lower of the two modifiers applied to each rating category and therefore indicates that the obligation ranks in the lower end of its rating category.</p>

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

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

4. OPERATIONAL INFORMATION	
(i) Intended to be held in a manner which would allow Eurosystem eligibility:	Not Applicable
(ii) ISIN Code:	
144A Global Note	US37930EAB20
Reg S Global Note	US37930FAB94
(iii) Common Code:	Not Applicable
(iv) CUSIP:	
144A Global Note	37930E AB 2
Reg S Global Note	37930F AB 9
(v) 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
(vi) Delivery:	Delivery against payment
(vii) Names and addresses of additional Paying Agent(s) and Transfer Agent(s) (if any):	Not Applicable