

FINAL TERMS

18th August, 2006

Glitnir banki hf.
Issue of EUR 150,000,000 Floating Rate 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.

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| 1. | Issuer: | Glitnir banki hf. |
| 2. | (i) Series Number: | 305 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro ("EUR") |
| 4. | Aggregate Nominal Amount: | |
| | – Series: | EUR 150,000,000 |
| | – Tranche: | EUR 150,000,000 |
| 5. | Issue Price of Tranche: | 100.00 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | EUR 50,000 |
| 7. | (i) Issue Date: | 21st August, 2006 |
| | (ii) Interest Commencement Date: | The Issue Date |
| 8. | Maturity Date: | Interest Payment Date falling in or nearest to August, 2011 |
| 9. | Interest Basis | 3 months EURIBOR + Margin |
| 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. | (i) Status of Notes: | Senior |
| | (ii) Date Board approval for issuance of Notes obtained: | 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	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	Specified Interest Payment Dates are 21st February, 21st May, 21st August and 21st November in each year from and including 21st November, 2006 to and including 21st August, 2011 subject to adjustment in accordance with the Business Day Convention specified below The period from and including the Issue Date to but excluding the first Specified Interest Payment Date and each successive period from and including a Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date is herein called an " Interest Period ".
	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Additional Business Centre(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):	Not Applicable
	(vi) Screen Rate Determination:	Applicable
	— Reference Rate:	3 months EURIBOR
	— Interest Determination Date(s):	Second day on which the TARGET System is open prior to the start of each Interest Period
	— Relevant Screen Page:	Telerate page 248
	(vii) ISDA Determination:	Not Applicable
	(viii) Margin(s):	+ 0.55 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 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

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| 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)): | As set out in Condition 7(e) |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 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. | New Global Note: | Not Applicable |
| 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"): | Not Applicable |
| 30. | Redenomination applicable: | Redenomination not Applicable |
| 31. | Other final terms: | Not Applicable |

DISTRIBUTION

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| 32. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Date of Subscription Agreement: | Not Applicable |
| | (iii) Stabilising Manager (if any): | Not Applicable |
| 33. | If non-syndicated, name of relevant Dealer: | Nomura International plc |

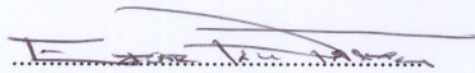
34. Total commission and concession: None
35. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D rules applicable
36. Additional selling restrictions: Not Applicable
37. ERISA restrictions: Not Applicable

RESPONSIBILITY

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

Signed on behalf of the Issuer:

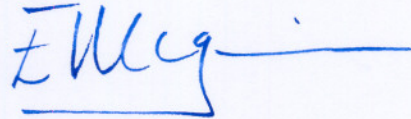
By:



Duly authorised

GLITNIR

Einar Tamimi
General Counsel



Erlendur Magnússon
Managing Director

PART B – OTHER INFORMATION

1. LISTING

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| (i) Listing: | Not Applicable |
| (ii) Admission to trading: | Not Applicable |
| (iii) Estimate of total expenses related to admission to trading: | Not Applicable |

2. RATINGS

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| Ratings: | The ratings attributed to Senior Notes issued under the Programme are as follows |
| | Moody's: A1 |
| | S&P: A- |
| | Fitch: A |

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

Not Applicable

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

Not Applicable

5. YIELD (*Fixed Rate Notes only*)

Not Applicable

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

Not Applicable

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

Not Applicable

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes only*)

Not Applicable

9. OPERATIONAL INFORMATION

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| (i) Intended to be held in a manner which would allow Eurosystem eligibility: | Not Applicable |
| (ii) ISIN Code: | XS0264836387 |
| (iii) Common Code: | 026483638 |

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|---|--------------------------|
| (iv) CUSIP: | Not Applicable |
| (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 |