

FINAL TERMS

5 March 2007

Glitnir banki hf.

**Issue of AUD 50,000,000 Floating Rate Notes due 28 February 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 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: | 320 |
| (ii) Tranche Number: | 1 |
| 3. Specified Currency or Currencies: | Australian Dollars ("AUD") |
| 4. Aggregate Nominal Amount: | |
| – Series: | AUD 50,000,000 |
| – Tranche: | AUD 50,000,000 |
| 5. Issue Price of Tranche: | 100.00 per cent. of the Aggregate
Nominal Amount |
| 6. Specified Denominations: | AUD 500,000 |
| 7. (i) Issue Date: | 07 March 2007 |
| (ii) Interest Commencement Date : | 07 March 2007 |
| 8. Maturity Date: | 28 February 2012 |
| 9. Interest Basis: | From and including the Interest
Commencement Date to but
excluding 28 May 2007, the
Interpolated Rate plus 0.305 per cent.
per annum Floating Rate

Thereafter, 3-month AUD-BBR-
BBSW plus 0305 per cent. per annum
Floating Rate |

The "**Interpolated Rate**" means the straight-line interpolation between 2-month AUD-BBR-BBSW and 3-month AUD-BBR-BBSW, as determined by the Calculation Agent in its sole discretion

(further particulars specified 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. (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: | Interest shall be payable quarterly in arrear on 28 February, 28 May, 28 August and 28 November in each year. The first Interest Payment Date shall be 28 May 2007 |
| (ii) Business Day Convention: | Modified Following Business Day Convention (adjusted) |
| (iii) Additional Business Centre(s): | London Sydney and New York |
| (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: | Yes |
| - Reference Rate: | From and including the Interest Commencement Date to but excluding 28 May, 2007, the Interpolated Rate

Thereafter, 3-month AUD-BBSW |

"AUD-BBSW" means that the rate for a Reset Date will be the average mid rate, for Australian Dollar bills of exchange having a tenor of the Designated Maturity, which appears on the Reuters Screen BKBM Page at approximately the Relevant Time on that Reset Date. If such rate does not

appear on the Reuters Screen BKBM Page by the Relevant Time on the Reset Date, then the rate for that Reset Date will be the arithmetic mean of the mid of the bid and ask rates quoted by five of the Reference Banks to the Calculation Agent. The quotations will be for rates which the Reference Banks quoted or would have quoted at approximately 11:00 a.m., Sydney time, on the Reset Date for Australian Dollar bills of exchange having a tenor of the Designated Maturity and of the type specified for the purpose of quoting on the Reuters Screen BKBM Page. If in respect of a Reset Date the rate for that Reset Date cannot be determined in accordance with the foregoing procedures then the rate for that Reset Date will be the rate determined by the Calculation Agent having regard to comparable indices then available. The rate calculated or determined by the Calculation Agent will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one thousandth of a percentage point (0.0001%)

The "**Designated Maturity**" shall be 3 months in respect of 3-month AUD-BBSW, and 2 months in respect of 2-month AUD-BBSW

Second business day prior to the start of each Interest Period

Reuters Screen BKBM

No

+ 0.305 per cent. per annum

Not Applicable

Not Applicable

Actual/365

Not Applicable

Not Applicable

Not Applicable

Not Applicable

– Interest Determination Date(s):

– Relevant Screen Page:

(vii) ISDA Determination:

(viii) Margin(s):

(ix) Minimum Rate of Interest:

(x) Maximum Rate of Interest:

(xi) Day Count Fraction:

(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:

17. **Zero Coupon Note Provisions**

18. **Index Linked Interest Note Provisions**

19. **Dual Currency Interest Note Provisions**

PROVISIONS RELATING TO REDEMPTION

- 20. Issuer Call Not Applicable
- 21. Investor Put Not Applicable
- 22. Final Redemption Amount of each Note: AUD 500,000 per Note of AUD 500,000 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)): AUD 500,000 per Note of AUD 500,000 Specified Denomination

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. New Global Note: Yes
- 26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: London Sydney and New York
- 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 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

- 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 of relevant Dealer: | Royal Bank of Canada Europe Limited |
| 34. Total commission and concession: | Not Applicable |
| 35. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D applicable |
| 36. Additional selling restrictions: | Not Applicable |
| 37. ERISA Restrictions: | Not Applicable |

RESPONSIBILITY

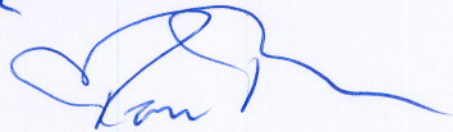
The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised

Guðmundur Hjaltason
Executive Vice President



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: The Notes to be issued have been rated:

S & P:	A-
Moody's:	A1
Fitch:	A

3. NOTIFICATION

Not Applicable

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

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: | Not Applicable |
| (ii) Estimated net proceeds: | Not Applicable |
| (iii) Estimated total expenses: | Not Applicable |

6. YIELD (*Fixed Rate Notes only*)

Indication of yield: Not Applicable

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

Not Applicable

8. 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

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

Not Applicable

10. OPERATIONAL INFORMATION

- (i) Intended to be held in a manner which would allow Eurosystem eligibility: No
- (ii) ISIN Code: XS0290382364
- (iii) Common Code: 029038236
- (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