

12 June 2007

**Glitnir banki hf.**  
**Issue of BRL50,000,000 PLN-Linked Non-Principal Protected Notes due January 2009**  
**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:                                     | 326   |
| (ii) Tranche Number:                                      | 1   |
| 3. Specified Currency or Currencies:                      | Brazilian Real (“ <b>BRL</b> ”), meaning the lawful currency of Federative Republic of Brazil on the Trade Date, or if BRL ceases to exist, the lawful currency in effect in Brazil on the Valuation Date (as defined in the Annex) or Maturity Date into which BRL may be converted or exchanged. If the unit used to measure exchange rates between BRL and United States Dollar (“ <b>USD</b> ”) is changed, the calculations herein shall be adjusted accordingly by the Calculation Agent (as defined in the Annex). |
| 4. Aggregate Nominal Amount:                              |   |
| – Series:   | BRL50,000,000   |
| – Tranche:  | BRL50,000,000   |
| 5. Issue Price of Tranche:                                | 87.17 per cent. of the Aggregate Nominal Amount   |
| 6. Specified Denominations:                               | BRL50,000,000   |
| 7. (i) Issue Date:  | 12 June 2007  |
| (ii) Interest Commencement Date :                         | Not Applicable  |
| 8. Maturity Date:   | 2 January 2009  |
| 9. Interest Basis:  | Not Applicable  |
| 10. Redemption/Payment Basis:                             | Dual Currency Redemption, as set out in the Annex   |
| 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. <b>Fixed Rate Note Provisions:</b>            | Not Applicable |
| 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>  | Not Applicable |
| 19. <b>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:  | As set out in the Annex |
| 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)          |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |   |   |
|---|---|
| 24. Form of Notes:  |   |
| Bearer Notes:   | Applicable<br>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:  | No  |
| 26. Additional Financial Centre(s) or other special provisions relating to Payment Dates:   | Sao Paulo, New York City, TARGET, Warsaw and London   |
| 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 including consequences (if any) of failure to pay, 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  | Not Applicable  |

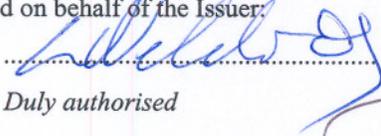
Amount”) and the date on which each payment is to be made (each an “Instalment Date”):

- |  |                               |
|--|-------------------------------|
| 30. Redenomination applicable:   | Redenomination not Applicable |
| 31. Other final terms:   | Not Applicable                |
| <b>DISTRIBUTION</b>  |                               |
| 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:                                | Barclays Bank PLC             |
| 34. Total commission and concession:   | Not Applicable                |
| 35. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D                       |
| 36. Additional selling restrictions:   | Not Applicable                |
| 37. ERISA Restrictions:  | Not Applicable                |

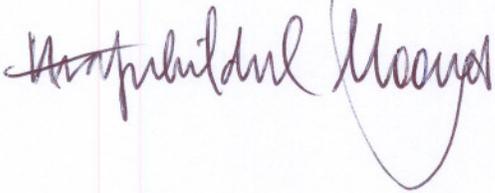
#### RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: 

*Duly authorised*



## 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: Aa3  
Fitch: A

*(The above disclosure reflects the rating allocated to Notes of the type being issued under the Programme generally)*

### 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 an interest material to the offer.

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

- (i) Reasons for the Offer: General funding
- (ii) Estimated net proceeds: BRL50,000,000
- (iii) Estimated total expenses: Not Applicable

### 6. YIELD (*Fixed Rate Notes only*) 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: XS0304200719
- (iii) Common Code: 030420071
- (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

## ANNEX

### REDEMPTION AMOUNT

The Final Redemption Amount is an amount, in PLN, payable on the Maturity Date, as determined by the Calculation Agent, in accordance with the following formula:

PLN Nominal Amount / End FX

where:

“**PLN**” means Polish Zloty.

“**Calculation Agent**” means Barclays Bank PLC. Calculations or determinations required to be made by the Calculation Agent in respect of the Notes shall be calculated or determined by the Calculation Agent in London, its sole discretion, effective as of such determination, and shall be conclusive absent manifest error.

“**PLN Nominal Amount**” is PLN63,852,025, as calculated in accordance with the following formula:

Specified Denomination x Number of Notes x Issue Price x Beg FX

“**Number of Notes**” is 1.

“**Beg FX**” is 1.4650.

“**End FX**” shall be calculated in accordance with the following formula:

PTAX Rate x USD/PLN Rate

“**PTAX Rate**” means the Settlement Rate (PTAX) for each respective Valuation Date, being the offer side of Brazilian Real/U.S. Dollars offered rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one USD, for settlement in two Business Days (where such days are Business Days in both São Paulo and New York City) reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 (“Consultas de Câmbio” or Exchange Rate Inquiry), Option 5 (“Cotações para Contabilidade” or Rates for Accounting Purposes) by approximately 6:00 PM, São Paulo time, on the Valuation Date, as defined in the ISDA FX Definitions as BRL09.

“**USD/PLN Rate**” means the USD/PLN rate expressed as the number of USD per PLN, calculated from USD-PLN fixing published on Reuters Page =NBPO (the “**Fixing Page**”) at 10 A.M. London time, on the Valuation Date, as determined by the Calculation Agent. In case the Fixing Page is not available, the USD/PLN Rate shall be determined by the Calculation Agent in a commercial and reasonable manner.

“**Valuation Date**” means 30 December 2008 which is 2 Business Days prior to the Maturity Date (a “**Scheduled Valuation Date**”), subject to adjustment in accordance with the Preceding Business Day Convention; provided, however, that the adjustment shall be made in accordance with the Following Business Day Convention in the event of an **Unscheduled Holiday**. Notwithstanding the foregoing, if the parties have specified a Scheduled Valuation Date that falls on a date that, as at the Trade Date, is not a Scheduled Business Day in New York City, no adjustment shall be made on account of the fact that such date is not a Business Day in New York City. “**Unscheduled Holiday**” shall mean, for the purpose of the Notes, a day that is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the Principal Financial Centre(s) of the Reference Currency two Business Days prior to the Scheduled Valuation Date.

In the event that a Scheduled Valuation Date becomes subject to the Following Business Day Convention, after the occurrence of an **Unscheduled Holiday**, and if the relevant Valuation Date has not occurred on or before the 30th consecutive day after the Scheduled Valuation Date (any such period being a “**Deferral Period**”) then the next day after the Deferral Period that would have been a Business Day but for the **Unscheduled Holiday**, shall be deemed to be the Valuation Date.

“**Principal Financial Centre of the Reference Currency**” means São Paulo.

**“Reference Currency”** means BRL.

**“Price Source Disruption”** means that in the event that the Settlement Rate (PTAX) or Fixing Page is unavailable in respect of any Valuation Date, the Disruption Fallback shall be at the absolute discretion of the Calculation Agent based upon such information and methodology that the Calculation Agent deems appropriate.