

October 19th, 2007

Glitnir banki hf.

**Issue of GBP 2,550,000 6.000% Fixed-Rate Notes due 15 December 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 5th July, 2007 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 One Canada Square, London E14 5AL.

| | | |
|-----|--|--|
| 1. | Issuer: | Glitnir banki hf. |
| 2. | (i) Series Number: | 332 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | GBP |
| 4. | Aggregate Nominal Amount: | |
| | – Series: | GBP 2,550,000 |
| | – Tranche: | GBP 2,550,000 |
| 5. | Issue Price of Tranche: | 100.00 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | GBP 1,000.00 |
| 7. | (i) Issue Date: | 24 October 2007 |
| | (ii) Interest Commencement Date: | 24 October 2007 |
| 8. | Maturity Date: | 15 December 2012 |
| 9. | Interest Basis: | 6.000 per cent. fixed Rate Quarterly |
| 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: | Applicable |
|-----|------------------------------------|------------|

ed

| | | |
|-------|--|---|
| (i) | Rate of Interest: | 6.000 per cent. per annum payable quarterly in arrears |
| (ii) | Interest Payment Dates: | 15 December, 15 March, 15 June, and 15 September in each year, up to and including the Maturity Date, beginning on 15 December 2007 |
| (iii) | Fixed Coupon Amounts: | £60 per Specified Denomination per annum |
| (iv) | Broken Amount(s): | £8.57 per Specified Denomination, payable on 15 December 2007 |
| (v) | Day Count Fraction: | Actual/Actual |
| (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 | 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: | GBP 1000.00 per Specified Denomination |
| 23. | Early Redemption Amount(s) 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)): | GBP 1000.00 per Specified Denomination |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

| | | |
|-----|---|--|
| 24. | Form of Notes: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 60 days' notice given only upon an Exchange Event |
| 25. | New Global Note: | No |
| 26. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | London and TARGET |
| 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 | Not Applicable |

interest due on late payment:

- | | | |
|-----|--|----------------|
| 29. | Details relating to Installment Notes, including the amount of each installment (each an "Installment Amount") and the date on which each payment is to be made (each an "Instalment Date"): | Not Applicable |
| 30. | 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 and address of relevant Dealer: | Incapital Europe Limited 346 Kensington High Street London W14 8NS |
| 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: | EEA sales restrictions apply |
| 37. | ERISA Restrictions: | Not Applicable |

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the €15,000,000,000 Global Medium Term Note Programme of Glitnir banki hf.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: 

Duly authorised



A

PART B – OTHER INFORMATION

1. LISTING

- | | |
|---|--|
| (i) Listing: | London |
| (ii) Admission to trading: | Application has been made for the Notes to be admitted to trading on the London Stock Exchange with effect from 24 th October 2007. |
| (iii) Estimate of total expenses related to admission to trading: | GBP 500 |

2. RATINGS

- | | |
|----------|---|
| Ratings: | The Notes to be issued have been rated: |
| | Moody's: Aa3 |
| | S & P: A- |
| | Fitch: A |

3. NOTIFICATION AND AUTHORISATION

The Financial Services Authority of the United Kingdom has provided the Commission de Surveillance du Secteur Financier (CSSF Luxembourg) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

4. PUBLIC OFFERS

- | | |
|--|---|
| Offer Period: | The offer to the public commences on 8 October, 2007 and will continue until 19 October, 2007. |
| Offer Price: | 100.00 per cent. |
| Conditions to which the offer is subject: | Not Applicable |
| Description of the application process: | Application through regulated financial intermediaries only. Details of the offer can be found on http://www.eurointernotes.com . |
| Details of the minimum and/or maximum amount of application: | Not Applicable |
| Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | Not Applicable |
| Details of the method and time limits for paying up and delivering the Notes: | Delivery against payment on 24 October, 2007 |
| Manner and date in which results of the offer are to be made public: | Information on the offer will be communicated to the regulated financial intermediaries on 24 October, 2007. The definitive amount of the offer will be available from www.glitnir.is and http://www.eurointernotes.com |
| Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | Not Applicable |
| Categories of potential investors to which the Notes are offered: | Offers may be made by financial intermediaries in the United Kingdom to Professional Investors and Non-Professional Investors. |
| Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | Not Applicable |

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

5. **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.

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

- (i) Reasons for the Offer: See "Use of Proceeds" wording in Offering Circular
- (ii) Estimated net proceeds: The estimated Net Proceeds will be determined on 24 October, 2007 and can be seen on <http://www.glitnir.is> and <http://www.eurointernotes.com>.
- (iii) Estimated total expenses: GBP 500

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

Indication of yield: 6 per cent. per annum
Calculated on a quarterly basis from the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

8. **HISTORIC INTEREST RATES**

Not applicable.

9. **PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not applicable.

10. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not applicable.

11. **OPERATIONAL INFORMATION**

- (i) Intended to be held in a manner which would allow Eurosystem eligibility: No
- (ii) ISIN Code: XS0325287596
- (iii) Common Code: 032528759
- (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): The Bank of New York
One Canada Square, London, E14 5AL, UK
The Bank of New York (Luxembourg), S.A.,
Aereogolf Center, 1A Hoehenhof, L-1736
Senningerberg, Luxembourg