

17 December 2007

Glitnir banki hf.

**Issue of ISK 10,000,000,000 Fixed Rate Notes due 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 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 Reykjavík, 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:	339
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	ISK
4.	Aggregate Nominal Amount:	
	– Series:	ISK 10,000,000,000
	– Tranche:	ISK 10,000,000,000
5.	Issue Price of Tranche:	100 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	ISK 5,000,000
7.	(i) Issue Date:	17 December, 2007
	(ii) Interest Commencement Date:	17 December, 2007
8.	Maturity Date:	18 June, 2009
9.	Interest Basis:	14 per cent. Fixed Rate
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

(i)	Rate(s) of Interest:	14 per cent. per annum payable semi-annually in arrear
(ii)	Interest Payment Date(s):	18 June and 18 December in each year up to and including the Maturity Date
(iii)	Fixed Coupon Amount(s): <i>(Applicable to Notes in definitive form.)</i>	ISK 357.778 on 18 June 2008, ISK 355.833 on 18 December 2008 and ISK 353,889 on 18 June 2009, each per Note of ISK 5,000,000 Specified Denomination
(iv)	Broken Amount(s): <i>(Applicable to Notes in definitive form.)</i>	Not Applicable
(v)	Day Count Fraction:	Actual/360
(vi)	Determination Date(s):	Not Applicable
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
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:	ISK 5,000,000 per Note of ISK 5,000,000 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)):	Condition 7(e) applies
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:	No
26.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Reykjavík
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	Not Applicable

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:

- 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 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
- 33. If non-syndicated, name [and address]** of relevant Dealer: Glitnir banki hf., Kirkjusandur 2, IS-155 Reykjavík
- 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

[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: 
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Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- | | | |
|-------|--|--|
| (i) | Listing: | Reykjavík |
| (ii) | Admission to trading: | Application has been made for the Notes to be admitted to trading on OMX Nordic Exchange hf. with effect from 19 December, 2007. |
| (iii) | Estimate of total expenses related to admission to trading:* | ISK 605,000 |

2. RATINGS

- Ratings:
- The Notes to be issued have been rated:
- Moody's: Aa3 Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
- Fitch: A Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
- S & P: A- An insurer rated 'A' has STRONG financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings

3. NOTIFICATION AND AUTHORISATION**

The Prospectus was approved by The Financial Services Authority, UK, July 5th 2007 and transported to the Icelandic Financial Supervisory Authority (FME), 16 November 2007.

4. PUBLIC OFFERS

Not Applicable

5. 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.

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

- | | | |
|-------|---------------------------|--------------------|
| (i) | Reasons for the Offer: | General Funding |
| (ii) | Estimated net proceeds: | ISK 10,000,000,000 |
| (iii) | Estimated total expenses: | Not Applicable |

7. YIELD (*Fixed Rate Notes only*)

Indication of yield: 14.45 per cent.
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 (*Floating Rate Notes only*)**

Not Applicable

9. **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

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

Not Applicable

11. **OPERATIONAL INFORMATION**

- | | | |
|-------|---|--------------------------|
| (i) | Intended to be held in a manner which would allow Eurosystem eligibility: | Not Applicable |
| (ii) | ISIN Code: | XS0337049091 |
| (iii) | Common Code: | 033704909 |
| (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 free of payment |
| (vii) | Names and addresses of additional Paying Agent(s) and Transfer Agent(s) (if any): | Not Applicable |