

FORM OF FINAL TERMS

May 19, 2008

Glitnir banki hf.

**Issue of ISK2,000,000,000 zero coupon notes
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:	353
	(ii) Tranche Number:	2
3.	Specified Currency or Currencies:	ISK
4.	Aggregate Nominal Amount:	
	– Series:	ISK 5,000,000,000
	– Tranche:	ISK 2,000,000,000
5.	Issue Price of Tranche:	85.105 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	ISK 10,000,000
7.	(i) Issue Date:	22nd May, 2008
	(ii) Interest Commencement Date:	Not Applicable
8.	Maturity Date:	15th June 2009
9.	Interest Basis:	Zero coupon (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

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| 15. | Fixed Rate Note Provisions: | Not Applicable |
| 16. | Floating Rate Note Provisions | Not Applicable |
| 17. | Zero Coupon Note Provisions | Applicable |
| | (i) Accrual Yield: | 16.10 per cent. per annum |
| | (ii) Reference Price: | Not Applicable |
| | (iii) Any other formula/basis of determining amount payable: | Not Applicable |
| | (iv) Day Count Fraction in relation to Early Redemption Amount and late payment: | 30/360 Modified Following |
| 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: | ISK10,000,000 per ISK10,000,000 in nominal amount |
| 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)): | ISK10,000,000 per ISK10,000,000 in nominal amount |

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: | 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 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 |

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| 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

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| 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 Reykjavik, Iceland |
| 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: 
Duly authorised

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 plc's Gilt-Edged and Fixed Interest Market with effect from 22nd May, 2008.
 - (iii) Estimate of total expenses related to admission to trading: GBP 100.-
2. **RATINGS**

Ratings: The Notes to be issued have been rated:

S & P:	BBB+
Moody's:	A2
Fitch:	A-
3. **NOTIFICATION AND AUTHORISATION**

Not Applicable
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: ISK1,702,100,000
 - (iii) Estimated total expenses: Not Applicable
7. **YIELD** (*Fixed Rate Notes only*) Not Applicable
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: No

Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not

necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

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| (ii) | ISIN Code: | XS0364867167 |
| (iii) | Common Code: | 036486716 |
| (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 |