

PRICING SUPPLEMENT

27th November 2000

ISLANDSBANKI-FBA HF.

Issue of Euro 5,000,000

Subordinated Low Interest Protection Callable Notes

CMS-linked 2000-2015

under the Euro 2,000,000,000

Euro Medium Term Note Programme

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|---|--------|--|--|
| 1. | [(i)] | Series Number: | 66 |
| | [(ii)] | Tranche Number: | n.a. |
| 2. | | Specified Currency or Currencies: | Euro |
| 3. | | Aggregate Nominal Amount: | Euro 5,000,000 |
| | - | Tranche: | n.a. |
| | - | Series: | n.a. |
| 4. | | Issue Price of Tranche: | 100 per cent. |
| 5. | | Specified Denominations: | Euro 100,000 |
| 6. | [(i)] | Issue Date: | 15 th December 2000 |
| | [(ii)] | Interest Commencement Date (if different from the Issue Date): | 15 th December 2000 |
| 7. | | Maturity Date: | 15 th December 2015 |
| 8. | | Interest Basis: | EUR-CMS (Constant Maturity Swap Rate) |
| 9. | | Redemption/Payment Basis: | Redemption at par |
| 10. | | Change of Interest Basis or Redemption/Payment Basis: | Notes will change into another Interest Basis at 15 th Dec. 2010; EURIBOR |
| 11. | | Put/Call Options: | Issuer Call |
| 12. | | Status of the Notes: | Subordinated |
| 13. | | Listing: | London |
| 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 |

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- (i) Specified Period(s)/Specified Interest Payment Dates: For the first 10 Years:
the Interest Payment Dates falling on the 15th December in each year, commencing with the Interest Payment Date falling on 15th December 2001 and ending 15th December 2010
- For the next 5 Years:
the Interest Payment Dates falling on the 15th December and the 15th June in each year, commencing with the Interest Payment Date falling on 15th June 2011 and ending 15th December 2015
- (ii) Business Day Convention: Following Business Day
- (iii) Additional Business Centre(s): n.a.
- (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 Agent): Agent
- (vi) Screen Rate Determination:
- Reference Rate: For the first 10 Years:
EUR-CMS (Constant Maturity Swap Rate)
For the next 5 Years:
EURIBOR
 - Interest Determination Date(s): Second day on which the TARGET System is open prior to the start of each Interest Period
 - Relevant Screen Page: For the first 10 Years:
The rate of interest will be determined as follows:
if the 10 years Euro-CMS is greater than 7% the rate of interest will be fixed at 7%, or

if the 10 years Euro-CMS is greater than 5% and less than or equal 7% the rate of interest will be fixed at 100% multiplied by 10 years Euro-CMS, or

if the 10 years Euro-CMS is smaller or equal than 5% the rate of interest will be fixed at 100% multiplied by 10 years Euro-CMS plus 300 basis points.

10 years Euro-CMS is the 10 year Euro mean swap rate quoted against the 6 months EURIBOR expressed as an annual rate as published on Telerate Page 42281 (or such other page as may replace it) as at or about 10.00 am London time on the relevant Interest Determination Date.

For the next 5 Years: Reuters Page EURIBOR
The rate of interest will be determined as follows:

6-month EURIBOR plus 500 basis points

(vii)	ISDA Determination:	
	- Floating Rate Option:	n.a.
	- Designated Maturity:	n.a.
	- Reset Date:	n.a.
(viii)	Margin(s):	[+/-] [] per cent. per annum
(ix)	Minimum Rate of Interest:	n.a.
(x)	Maximum Rate of Interest:	n.a.
(xi)	Day Count Fraction:	30/360 for the first 10 years and thereafter for the remaining term actual/360
(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:	n.a.
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index Linked Interest Note Provisions	Not Applicable
19.	Dual Currency Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
20.	Issuer Call	Applicable
(i)	Optional Redemption Date(s):	15 th December 2010
(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	Euro 5,000,000
(iii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	n.a.
(b)	Higher Redemption Amount:	n.a.
(iv)	Notice period (if other than as set out in the Conditions):	5 Target business days preceding the Optional Redemption Date
21.	Investor Put	Not Applicable
22.	Final Redemption Amount	Par
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)):	n.a.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | Form of Notes: | Temporary Global Note exchangeable for a Permanent Global Note |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | n.a. |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | n.a. |
| 27. | 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 of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | n.a. |
| 28. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | n.a. |
| 29. | Redenomination applicable: | n.a. |
| 30. | Other terms or special conditions: | n.a. |

DISTRIBUTION

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| 31. | (i) If syndicated, names of Managers: | n.a. |
| | (ii) Stabilising Manager (if any): | n.a. |
| 32. | If non-syndicated, name of relevant Dealer: | Erste Bank der oesterreichischen Sparkassen AG |
| 33. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA C |
| 34. | Additional selling restrictions: | n.a. |

OPERATIONAL INFORMATION

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|-----|--|--------------------------|
| 35. | Any clearing system(s) other than Euroclear and Cedelbank and the relevant identification number(s): | n.a. |
| 36. | Delivery: | Delivery against payment |
| 37. | Additional Paying Agent(s) (if any): | n.a. |

ISIN:	XS0120500201
Common Code:	12050020
<i>(insert here any other relevant code)</i>	

LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the €2,000,000,000 Euro Medium Term Note Programme of Islandsbanki-FBA HF.

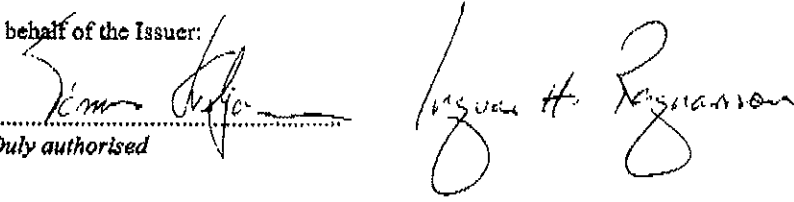
RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:

Duly authorised



Attention: **Manager, Corporate Trust Operations**

ÍSLANDBANKI FBA

CONFIRMATION LETTER - NOTE ISSUE

December 13, 2000

To: Erste Bank der Österreichischen Sparkassen AG

Dear Sirs,

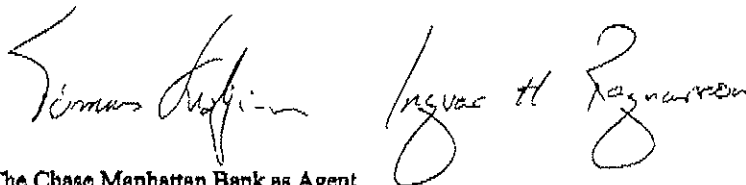
Íslandsbanki-FBA hf.Issue of EUR 5,000,000.- Subordinated Low Interest Protection Callable Notes, CMS-linked 2000 – 2015, issued pursuant to the EUR 2,000,000.- Euro Medium Term Note Programme (the "Notes").

We refer to the Programme Agreement dated 24th February, 1999 (such agreement, as amended, supplemented or restated from time to time, the "Programme Agreement") and hereby acknowledge receipt of your Dealer Accession Letter to us dated November 20th 2000.

We hereby confirm that, with effect from the date hereof, in respect of the issue of the Notes, you shall become a Dealer under the Programme Agreement in accordance with the provisions of clause 11(2) of the Programme Agreement.

Yours faithfully,
Íslandsbanki-FBA hf.

By:



cc: The Chase Manhattan Bank as Agent

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