

## PRICING SUPPLEMENT

27th October, 2003

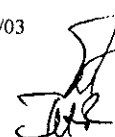
**Íslandsbanki hf.**  
**Issue of U.S.\$20,000,000 Floating Rate Notes due 2008**  
**under the €2,500,000,000**  
**Euro Medium Term Note Programme**

- |     |      |   |   |
|-----|------|---|---|
| 1.  | (i)  | Series Number:  | 120   |
|     | (ii) | Tranche Number:                                       | 1   |
| 2.  |      | Specified Currency or Currencies:                     | United States dollars (U.S.\$)  |
| 3.  |      | Aggregate Nominal Amount:                             |   |
|     | -    | Tranche:  | U.S.\$20,000,000  |
|     | -    | Series:   | U.S.\$20,000,000  |
| 4.  | (i)  | Issue Price of Tranche:                               | 100.00 per cent. of the Aggregate Nominal Amount  |
|     | (ii) | Net proceeds:   | U.S.\$19,990,200  |
| 5.  |      | Specified Denominations:                              | U.S.\$10,000  |
| 6.  |      | Issue Date and Interest Commencement Date:            | 28th October, 2003  |
| 7.  |      | Maturity Date:  | Interest Payment Date falling in October 2008   |
| 8.  |      | Interest Basis:                                       | 3 month USD LIBOR plus 0.23 per cent. Floating Rate (further particulars specified below) |
| 9.  |      | Redemption/Payment Basis:                             | Redemption at par   |
| 10. |      | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable  |
| 11. |      | Put/Call Options:                                     | Not Applicable  |
| 12. |      | Status of the Notes:                                  | Senior  |
| 13. |      | Listing:  | Not Applicable  |
| 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
- (i) Specified Period(s)/Specified Interest Payment Dates: 28th January, 28th April, 28th July and 28th October in each year commencing on 28th January, 2004.
  - (ii) Business Day Convention: Modified Following Business Day Convention
  - (iii) Additional Business Centre(s): New York and London
  - (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: Yes
    - Reference Rate: 3 month USD-LIBOR-BBA
    - Interest Determination Date(s): Second London business day prior to the start of each Interest Period
    - Relevant Screen Page: Telerate Page 3750
  - (vii) ISDA Determination: Not Applicable
  - (viii) Margin(s): Plus 0.23 per cent. per annum
  - (ix) Minimum Rate of Interest: Not Applicable
  - (x) Maximum Rate of Interest: Not Applicable
  - (xi) Day Count Fraction: 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: As per the Conditions
17. Zero Coupon Note Provisions: Not Applicable
18. Index Linked Note Provisions: Not Applicable



19. Dual Currency Note Provisions: Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: Not Applicable

21. Investor Put: Not Applicable

22. Final Redemption Amount of each Note: Nominal Amount

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)): As per Condition 7(e)

#### 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 only upon an Exchange Event

25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No

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 (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable

28. Details relating to Instalment Notes including the amount of each instalment (each an **Instalment Amount**) and the date on which each payment is to be made (each an **Instalment Date**): Not Applicable

29. Redenomination applicable: Redenomination not applicable

30. Other terms or special conditions: Not Applicable

## DISTRIBUTION

31. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
32. If non-syndicated, name of relevant Dealer: Credit Suisse First Boston (Europe) Limited
33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
34. Additional selling restrictions: Not Applicable

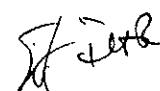
## OPERATIONAL INFORMATION

35. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
36. Delivery: Delivery against payment
37. Additional Paying Agent(s) (if any): Not Applicable

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ISIN:	XS0178805940
Common Code:	017880594

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**LISTING APPLICATION**

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the €2,500,000,000 Euro Medium Term Note Programme of Íslandsbanki hf.

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:

*Duly authorised*

