

30 January 2004

**Íslandsbanki hf.**  
**Issue of CAD 16,000,000 Floating Rate Notes due 23 January 2009**  
**under the €2,500,000,000**  
**Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 17th July, 2003. The Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

1. (i) Series Number: 137  
(ii) Tranche Number: 2  

To form a single Series with the outstanding CAD 12,000,000 Floating Rate Notes due 23 January 2009 of Íslandsbanki hf, Series No. 137, Tranche No. 1, on the first Specified Interest Payment Date.
2. Specified Currency or Currencies: Canadian Dollars ("CAD")
3. Aggregate Nominal Amount:
  - Tranche: CAD 16,000,000
  - Series: CAD 28,000,000
4. (i) Issue Price of Tranche: 100 per cent. of the Aggregate Nominal Amount  
(ii) Net proceeds: CAD 16,000,000
5. Specified Denominations: CAD 100,000
6. (i) Issue Date: 4 February 2004  
(ii) Interest Commencement Date: 4 February 2004
7. Maturity Date: Interest Payment Date falling in or nearest to January 2009
8. Interest Basis: 3 month CAD Libor + 0.285 per cent.  
(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. (i) Status of the Notes: Senior
- (ii) Board approval for issuance of Notes obtained: Not Applicable
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
- (i) Specified Period(s)/Specified Interest Payment Dates: 23 January, 23 April, 23 July and 23 October in each year, commencing the 23<sup>rd</sup> of April 2004 and ending on the Maturity Date
- (ii) Business Day Convention: Modified Following Business Day Convention
- (iii) Additional Business Centre(s): London, New York and Toronto
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: ISDA Determination
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): Not Applicable
- (vi) Screen Rate Determination: No
- Reference Rate: Not Applicable
- Interest Determination Date(s): Not Applicable
- Relevant Screen Page: Not Applicable
- (vii) ISDA Determination: Yes
- Floating Rate Option: CAD-LIBOR-BBA
- Designated Maturity: 3 months
- Reset Date: The day that is two London Banking Days preceding the first day of each Specified Period
- (viii) Margin(s): + 0.285 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: | The Conditions shall apply |
| 17.   | <b>Zero Coupon Note Provisions</b>  | Not Applicable             |
| 18.   | <b>Index Linked Interest Note Provisions</b>  | Not Applicable             |
| 19.   | <b>Dual Currency Interest Note Provisions</b>   | Not Applicable             |

**PROVISIONS RELATING TO REDEMPTION**

- |     |  |  |
|-----|--|--|
| 20. | Issuer Call  | Not Applicable   |
| 21. | Investor Put   | Not Applicable   |
| 22. | Final Redemption Amount of each Note:  | CAD 100,000 per Note of CAD 100,000 Specified Denomination |
| 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)): | Condition 7(e) shall apply                                 |

**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:  | London, New York and Toronto   |
| 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: Skandinaviska Enskilda Banken AB (publ)
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

---

ISIN: XS0185498325 exchangeable for XS0184596806

Common Code: 018549832 exchangeable for 018459680

---

Upon consolidation with the outstanding CAD 12,000,000 Floating Rate Notes due 23 January 2009 of Íslandsbanki hf, Series No. 137, Tranche No. 1, the ISIN of the Notes will be XS0184596806 and the Common Code of the Notes will be 018459680.

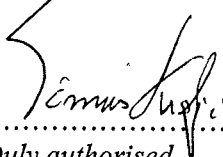
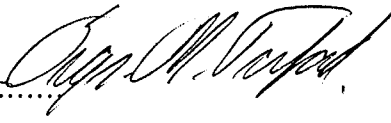
#### LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to 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*