

## PRICING SUPPLEMENT

8th March, 2004

**Íslandsbanki hf.**  
**Issue of £150,000,000 Senior Floating Rate Notes due 2009**  
**under the €3,500,000,000**  
**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 27th February, 2004. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1. (i) Series Number: 138
- (ii) Tranche Number: 1
2. Specified Currency or Currencies: Sterling (£)
3. Aggregate Nominal Amount:
  - Tranche: £150,000,000
  - Series: £150,000,000
4. (i) Issue Price of Tranche: 100.025 per cent. of the Aggregate Nominal Amount
- (ii) Net proceeds: £149,812,500
5. Specified Denominations: £1,000, £10,000 and £100,000
6. (i) Issue Date: 10th March, 2004
- (ii) Interest Commencement Date: 10th March, 2004
7. Maturity Date: 10th March 2009, subject to adjustment in accordance with the Modified Following Business Day Convention
8. Interest Basis: LIBOR + 0.20 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: London

14. Method of distribution: 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: 10th March, 10th June, 10th September and 10th December in each year commencing on 10th June, 2004

(ii) Business Day Convention: Modified Following Business Day Convention

(iii) Additional Business Centre(s): Not Applicable

(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 Sterling LIBOR

– Interest Determination Date(s): First day of each Interest Period

– Relevant Screen Page: Telerate Page 3750

(vii) ISDA Determination: No

(viii) Margin(s): + 0.20 per cent. per annum

(ix) Minimum Rate of Interest: Not Applicable

(x) Maximum Rate of Interest: Not Applicable

(xi) Day Count Fraction: Actual/365 (Sterling)

(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 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 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: | Barclays Bank PLC |
|     | (ii) Stabilising Manager (if any):    | Not Applicable    |

32. If non-syndicated, name of relevant Dealer: Not Applicable
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: XS0187051841  
Common Code: 18705184

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#### LISTING APPLICATION

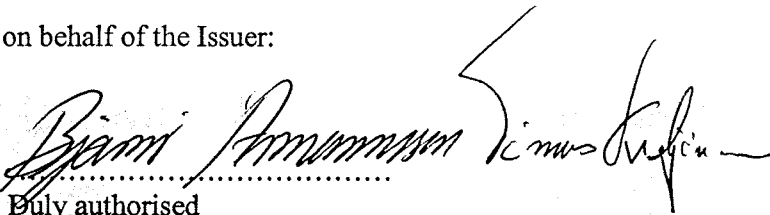
This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the €3,500,000,000 Euro Medium Term Note Programme of Íslandsbanki hf.

#### RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

  
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Fully authorised