

10 December 2004

Íslandsbanki hf.
Issue of Euro 10,000,000 Floating Rate Notes due December 2011
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:	170
	(ii) Tranche Number:	1
2.	Specified Currency or Currencies:	Euro ("EUR")
3.	Aggregate Nominal Amount:	
	– Tranche:	EUR 10,000,000
	– Series:	EUR 10,000,000
4.	(i) Issue Price of Tranche:	100 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds: <i>(Required only for listed issues)</i>	EUR 10,000,000
5.	Specified Denominations:	EUR 100,000
6.	(i) Issue Date:	14 December 2004
	(ii) Interest Commencement Date :	14 December 2004
7.	Maturity Date:	Interest Payment Date falling in or nearest to December 2011
8.	Interest Basis:	3 month EURIBOR + 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:	N/A
11.	Put/Call Options:	None
12.	(i) Status of Notes:	Senior
	(ii) Date [Board] approval for issuance of Notes obtained:	N/A
13.	Listing:	London
14.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions	N/A
16. Floating Rate Note Provisions	Applicable
(i) Specified Period(s)/Specified Interest Payment Dates:	14 March, 14 June, 14 September and 14 December in each year, commencing 14 March 2004.
(ii) Business Day Convention:	Modified Following Business Day Convention
(iii) Additional Business Centre(s):	TARGET
(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 EURIBOR
– Interest Determination Date(s):	The second day on which the TARGET System is open prior to the start of each Interest Period
– Relevant Screen Page:	Telerate page 248
(vii) ISDA Determination:	No
(viii) Margin(s):	+ 0.20 per cent. per annum
(ix) Minimum Rate of Interest:	N/A
(x) Maximum Rate of Interest:	N/A
(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:	Not different
17. Zero Coupon Note Provisions	N/A
18. Index Linked Interest Note Provisions	N/A
19. Dual Currency Interest Note Provisions	N/A

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call	N/A
21. Investor Put	N/A
22. Final Redemption Amount of each Note:	EUR 100,000 per Note of EUR 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)):	EUR 100,000 per Note of EUR 100,000 Specified Denomination

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:	N/A
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:	N/A
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”):	N/A
29. Redenomination applicable:	Redenomination not Applicable
30. Other terms or special conditions:	N/A

DISTRIBUTION

31. (i) If syndicated, names of Managers:	N/A
(ii) Stabilising Manager (if any):	N/A
32. If non-syndicated, name of relevant Dealer:	HSBC Bank plc
33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D
34. Additional selling restrictions:	N/A

OPERATIONAL INFORMATION

35. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	N/A
36. Delivery:	Delivery against payment
37. Additional Paying Agent(s) (if any):	N/A

ISIN:	XS0207396655
Common Code:	020739665

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:

Duly authorised