

PRICING SUPPLEMENT

13 December, 2004

Íslandsbanki hf.
Issue of EUR 10,000,000 Fixed Rate then Equity Linked Redemption Notes due 2009
under the EUR 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. The Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

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|-----|------|---|---|
| 1. | (i) | Series Number: | 157 |
| | (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. |
| | (ii) | Net proceeds: | EUR 10,000,000 |
| 5. | | Specified Denominations: | EUR 1,000 |
| 6. | (i) | Issue Date: | 15 December 2004 |
| | (ii) | Interest Commencement Date: | Not applicable |
| 7. | | Maturity Date: | 15 December 2009 |
| 8. | | Interest Basis: | Fixed Rate then Index Linked |
| 9. | | Redemption/Payment Basis: | Par |
| 10. | | Change of Interest Basis or Redemption/
Payment Basis: | The Interest Rate will switch automatically from
Fixed Rate to Index Linked on 15 December
2006 |
| 11. | | Put/Call Options: | Not Applicable |
| 12. | (i) | Status of the Notes: | Senior |
| | (ii) | Date Board approval for issuance | Not Applicable |

of Notes obtained:

13. Listing: London
14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** Applicable for the period from and including the Issue Date to but excluding 15 December 2006
- (i) Rate(s) of Interest: 3.00 per cent payable annually in arrears
 - (ii) Interest Payment Dates: 15 December 2005 and 15 December 2006
 - (iii) Fixed Coupon Amount(s): EUR 30
 - (iv) Broken Amount(s): Not Applicable
 - (v) Day Count Fraction: 30/360
 - (vi) Determination Date(s): Not Applicable
 - (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
16. **Floating Rate Note Provisions** Not Applicable
17. **Zero Coupon Note Provisions** Not Applicable
18. **Index Linked Interest Note Provisions** Applicable
- (i) Index/Formula: See Annex A attached
 - (ii) Calculation Agent responsible for calculating the interest and/or principal due: Deutsche Bank AG London
 - (iii) Provisions for determining coupon or redemption amount where calculation by reference to Index and/or Formula is impossible or impracticable: Please see Annex A
 - (iv) Specified Period(s)/ Specified Interest Payment Dates: 15 December 2007, 15 December 2008 and 15 December 2009
 - (v) Business Day Convention: Following Business Day Convention
 - (vi) Additional Business Centre(s): [London and TARGET]
 - (vii) Minimum Rate of Interest: Not Applicable
 - (viii) Maximum Rate of Interest: Not Applicable

(ix) Day Count Fraction: 30 /360 (unadjusted)

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: Notional 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: Deutsche Bank AG London
33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
34. Additional selling restrictions:
- The offering of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) and the Bank of Italy pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:
- (i) to professional investors ("operatori qualificati"), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1st July, 1998, as amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24th February, 1998 (the "Financial Services Act") and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999, as amended.
- Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be
- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1st September, 1993 (the "Banking Act"), as amended; and
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, inter alia, on the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and
- (c) in accordance with any other applicable laws

and regulations.

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:	XS0202445341
Common Code:	020244534

LISTING APPLICATION

Application has been made to list the Notes described in this pricing supplement 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

ANNEX 1

The Calculation Agent shall determine the Interest Amount in accordance with the following formula:

- **For the period from and including 15 December 2006 to, but excluding, 15 December 2007:**

if the Performance of *each* Index on the Valuation Date is equal to or greater than 15.00 per cent the Interest Amount payable on the immediately following Interest Payment Date shall be 6.00%; AND the Interest Amount payable on each of the two Interest Payment Dates following such Interest Payment Date (for the avoidance of doubt such dates being 15 December 2008 and 15 December 2009) shall be 6.00%.

Following such determination no further Interest Amounts will be determined by the Calculation Agent, or be payable in addition to the Interest Amounts specified above, in respect of periods from and including 15 December 2007 to but excluding the Maturity Date;

OR

if the Performance of *any* Index on the Valuation Date is less than 15.00 per cent., the Interest Amount payable on the immediately following Interest Payment Date shall be 0.00%.

- **for the period from and including 15 December 2007 to, but excluding, 15 December 2008 (subject to such determination being necessary):**

if the Performance of *each* Index on the relevant Valuation Date is equal to or greater than 15.00 per cent the Interest Amount payable on the immediately following Interest Payment Date shall be 12.00%; AND the Interest Amount payable on the Interest Payment Date following such Interest Payment Date (for the avoidance of doubt such date being 15 December 2009) shall be 6.00%.

Following such determination no further Interest Amount will be determined by the Calculation Agent, or be payable in addition to the Interest Amount specified above, in respect of the period from and including 15 December 2008 to but excluding the Maturity Date;

OR

if the Performance of *any* Index on the Valuation Date is less than 15.00 per cent., the Interest Amount payable on the immediately following Interest Payment Date shall be 0.00%.

- **for period from and including 15 December 2008 to but excluding the Maturity Date (subject to such determination being necessary):**

if the Performance of *each* Index on the relevant Valuation Date is equal to or greater than 15.00 per cent the Interest Amount payable on the immediately following Interest Payment Date shall be 18.00%;

OR

if the Performance of *any* Index on the Valuation Date is less than 15.00 per cent., the Interest Amount payable on the immediately following Interest Payment Date shall be 0.00%.

Where:

“Performance” means the amount determined by the Calculation Agent in accordance with the following formula on each relevant Trigger Valuation Date in respect of each Index:

$$\left(\frac{I_t - I_0}{I_0} \right)$$

“ I_t ” means the arithmetic average on the relevant Trigger Valuation Date of the Official Closing Levels of the relevant Index determined on each Valuation Date;

“ I_0 ” means the Official Closing Level of the relevant Index on the Initial Valuation Date;

“Trigger Period” means each of the following periods:

- 5, 6, 7 December 2007 (inclusive);
- 3, 4, 5 December 2008 (inclusive); and
- 2, 3, 4 December 2009 (inclusive).

“Official Closing Level” means the official closing level of the relevant Index at the Valuation Time on each Valuation Date;

“Index” means each of the following Indices:

Indices	Reuters Code
Nikkei 225 Index	.N225
Standard & Poor’s 500 Index	.SPX
Dow Jones Euro Stoxx 50 Index	.STOXX50E
Swiss Market Index	.SSMI
Hang Seng Index	.HSI
FTSE 100 Index	.FTSE

VALUATION

“Exchange Business Day” means shall mean (a) for each Index in the Basket other than the STOXX, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time, and (b) for the STOXX, any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

Scheduled Trading Day” means (a) for each Index in the Basket other than the STOXX, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions, and (b) for the STOXX, any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

“Valuation Time” means the following:

In relation to the STOXX Index only:

(i) For the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor

In relation the remaining Indices comprised in the Basket:

The time at which the official closing level of the Index is published and announced by the Index Sponsor.

“Valuation Date” means each day in the relevant Trigger Period;

“Trigger Valuation Date” means each of the 7 December 2007, 5 December 2008 and 4 December 2009, subject to the Valuation Date Provision as specified below;

“Initial Valuation Date” means the Issue Date, subject to the Valuation Date Provision as specified below;

“Final Valuation Date” means 4 December 2009, subject to the Valuation Date Provisions as specified below;

“Valuation Date Provisions”

If the Initial Valuation Date or any Valuation Date (each a “Valuation Date”) as the case may be, is a Disrupted Day, then the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of that Index, as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on such date)

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Noteholders of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date. Without limiting the obligation of the Calculation Agent to notify the Noteholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Noteholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

MARKET DISRUPTION

In relation to the STOXX only:

“Market Disruption Event” means for the purposes of this Note either:

(i) (a) the occurrence or existence, in respect of any Component Security, of:

- (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
- (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; OR
- (3) an Early Closure in respect of such Component Security; AND

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR

(b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange

“Exchange Disruption” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Related Exchange.

“Early Closure” means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case

may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

In relation to the remaining Indices comprised in the Basket:

"Market Disruption Event" means in respect of an Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case if the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to securities that comprise 20 percent or more of the level of the relevant Index, or (ii) in options contracts or futures contracts relating to the relevant Index on any relevant Related Exchange.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (i) effect transactions in or obtain market values securities that comprise 20 percent or more of the level of the relevant Index, or (ii) to effect transactions in options contracts or futures contracts relating to the relevant Index on any relevant Related Exchange.

ADJUSTMENTS

“Adjustment to Index”

(a) If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "Successor Index") will be deemed to be the Index.

(b) If (i) on or prior to any Valuation Date a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization and other routine events) (an "Index Modification") or permanently cancels the Index and no Successor Index exists (an "Index Cancellation") or (ii) on any Valuation Date in respect of an Index Transaction or Index Basket Transaction, the Index Sponsor fails to calculate and announce a relevant Index (an "Index Disruption" and together with an Index Modification and an Index Cancellation, each an "Index Adjustment Event"), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant prices using, in lieu of a published level for that Index, the level for that Index as at that Valuation Date as determined by the Calculation

Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

“Correction of Index”

In the event that any price or level published by the Index Sponsor and which is utilized for any calculation or determination made under the Notes is subsequently corrected and published by the Index Sponsor within 30 days of the previously published level, but no later than the Final Valuation Date, either party may notify the other party of (a) that correction and (b) the amount that is payable as a result of that correction, the date on which it is payable and, to the extent necessary, the Calculation Agent will adjust the terms of the Notes to account for such correction.

All calculations and determinations made by the Calculation Agent in relation to the Notes shall, in the absence of manifest error, wilful default, or bad faith, be final and binding on the Holders of the Notes and of the coupons. Neither the Issuer nor the Calculation Agent shall have any responsibility to any person for any error or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Notes or (ii) any determination made by the Calculation Agent.

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"Exchange" means, in respect of each component security of the Index (each, a "Component Security"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"Related Exchange" means Eurex, or any successors to such exchanges or quotation systems.

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“Related Exchange” means the Osaka Securities Exchange, or any successor to such exchange or quotation system.

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“Related Exchange” means London International Financial Futures and Options Exchange (“LIFFE”).

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“Related Exchange” means Eurex

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“Related Exchange” means the Stock Exchange of Hong Kong Limited

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ANNEX B

Information relating to the S&P 500 Index

General

The S&P 500 Index is a market-value weighted index. The Index is published by Standard & Poor's ("S&P") and through other electronic services e.g. Reuters, and it is intended to provide a benchmark for the performance of leading U.S. listed stocks and, in a wider context, of the U.S. economy. The origins of the S&P 500 Index go back to 1923 and the S&P 500 Index was developed in its present form in 1957. The index was developed with a base level of 10 for the 1941- 43 base period.

Constituent Companies

The calculation of the value of the S&P 500 Index is based on the relative value of the aggregate market value (common shares multiplied by stock price) of the common stocks of 500 companies as of a particular time as compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 to 1943. As at December 1995 the 500 companies included in the in the S&P 500 Index represented approximately 76 per cent of the aggregate market value of common stocks traded on the New York Stock Exchange.

Calculation of the S&P 500 Index

S&P currently computes the S&P 500 Index as at a particular time as follows:

- (1) the market value of each component is determined
- (2) the market values of all component stocks at the same time are aggregated.
- (3) the mean average of the market values as of each week in the base period of the years 1941 to 1943 of the common stock of each company in a group of 500 substantially similar companies is determined.
- (4) the mean average of the market values of all such common stocks over such base period (as per (3) above) are aggregated (such aggregate amount is the "Base Value")
- (5) the aggregate market value of all component stocks as of such time (as per (2) above) is divided by the Base Value.
- (6) the resultant quotient (expressed in decimals) is multiplied by ten

S&P adjusts the formula to negate the effect of changes in the market value of a component stock that are determined by the S&P to be arbitrary or not due to true market fluctuations.

The S&P 500 Index is published during each day on which shares are traded on the NYSE. It is continuously updated under a contract with S&P and each day's closing value is verified by S&P. The common stocks which comprise the S&P 500 Index are reviewed and updated on a quarterly basis.

Performance of the S&P 500 Index

The recent price history should not be taken as an indication of future performance.

.SPX		
Trade Date	High	Low
30/11/04	1188.459961	1127.53
31/10/04	1142.050049	1090.19
30/09/04	1131.540039	1099.11
31/08/04	1109.680054	1060.72
31/07/04	1140.839966	1078.78
30/06/04	1146.339966	1113.32
31/05/04	1127.73999	1076.32
30/04/04	1150.569946	1107.23
31/03/04	1163.22998	1087.06
29/02/04	1158.97998	1124.44
31/01/04	1155.380005	1105.08
31/12/03	1112.560059	1053.41
30/11/03	1063.650024	1031.2
31/10/03	1053.790039	995.97
30/09/03	1040.290039	990.36
31/08/03	1011.01001	960.84
31/07/03	1015.409973	962.1
30/06/03	1015.330017	963.59
31/05/03	965.3800049	902.83
30/04/03	924.2399902	847.85
31/03/03	895.9000244	788.9
28/02/03	864.6400146	806.29
31/01/03	935.0499878	840.34
31/12/02	954.2800293	869.45
30/11/02	941.8200073	872.05
31/10/02	907.4400024	768.63
30/09/02	924.0200195	800.2
31/08/02	965	833.44
31/07/02	994.460022	775.68
30/06/02	1070.73999	952.92
31/05/02	1106.589966	1048.96
30/04/02	1147.839966	1063.46
31/03/02	1173.939941	1108.74
28/02/02	1130.199951	1074.36
31/01/02	1176.969971	1081.66
31/12/01	1173.619995	1114.5
30/11/01	1163.380005	1054.31
31/10/01	1110.609985	1026.76
30/09/01	1155.400024	944.75
31/08/01	1226.27002	1124.87
31/07/01	1239.780029	1165.54
30/06/01	1286.619995	1203.03
31/05/01	1315.930054	1232
30/04/01	1269.300049	1091.99
31/03/01	1267.420044	1081.19

28/02/01	1376.380005	1215.44
31/01/01	1383.369995	1274.62

The closing level of the Index on 10 December 2004 was 1188

Source: Bloomberg

Information relating to the Dow Jones STOXX 50 Index

General

Deutsche Borse, Dow Jones and Co. Inn, Euronext Paris S.A and Schweizer Bourse have together founded a new company, named STOXX limited, and created a new family of indices. They consist of four major indices and nineteen sector indices calculated for Western Europe and the Euro Zone.

The four major indices are:

Dow Jones STOXXSM the European broad index (which replicated the Dow Jones Global Indices Europe index).

Dow Jones STOXX50SM the European blue-chip index (a fifty stock index derived from the Dow Jones STOXXSM)

Dow Jones EURO STOXXSM, the euro broad index (Dow Jones STOXX excluding those countries not participating the European economic and monetary union).

Dow Jones EURO STOXX50SM the European blue-chip index (a fifty stock index derived from the Dow Jones STOXXSM) (the “EURO STOXX 50 Index” or “Index”)

The nineteen sector indices (derived from Dow Jones STOXXSM and Dow Jones EURO STOXXSM) are:

- Dow Jones STOXX Auto
- Dow Jones STOXX Bank
- Dow Jones STOXX Basic Resources
- Dow Jones STOXX Chemical
- Dow Jones STOXX Conglomerate
- Dow Jones STOXX Construction
- Dow Jones STOXX Consumer cyclical
- Dow Jones STOXX Consumer non-cyclical
- Dow Jones STOXX Energy
- Dow Jones STOXX Financial Services
- Dow Jones STOXX Food & Beverages
- Dow Jones STOXX Industrial
- Dow Jones STOXX insurance
- Dow Jones STOXX Media
- Dow Jones STOXX Pharmaceutical
- Dow Jones STOXX Retail
- Dow Jones STOXX Technology
- Dow Jones STOXX Telecom
- Dow Jones STOXX Utility

Calculation of the Dow Jones EURO STOXX 50 Index

The Dow Jones EURO STOXX 50 Index is capitalisation-weighted and is calculated on both a price and total return basis. It is calculated in Euro on a real-time basis and pricing information is provided every fifteen seconds.

Calculation is based on Laspeyres' formula.

The Index is computed on the basis of last prices and the latest available currency rates: either a traded price on various exchanges listed herein or a currency rate movement will trigger the recalculation of the Index after the opening trade of a component stock is received.

The Index is published by the Index Sponsor and through other electronic services e.g. Reuters.

In the event of a suspension of the quotation of a component stock during any trading session, the last traded price is used for all subsequent computations. If a quotation of a component stock is suspended before the trading begins, the adjusted closing price from the previous day is taken for the calculation of the Index. If there is a stock exchange holiday in one or more countries, the last available stock price from such exchange(s) and the last available currency rate will be used for the Index calculation.

The Index base was compiled on 31 December 1991 and the base value was set at 1,000.

The Index is calculated each day when at least one of the exchanges of a component stock is open for business. Trading hours of the various exchanges vary.

Index Composition

Securities are selected for the Index so as to represent the largest and most liquid securities in the market and to reflect the economic sector breakdown of the market. The goal is to represent eighty per cent of each industrial group in each market, and therefore represent eighty per cent on the investable universe of each market.

The Index is a sub-set of the Dow Jones STOXX. Only companies listed on exchanges participating in European Economic and Monetary Union are included in the Index. The European and Euro sector indices are comprised of the same components as the respective broad indices.

Periodic review

The composition of the Index will be reviewed annually, and changes will be implemented on the third Friday of September in each year, using market data from the end July as the basis for the review process.

Decision making bodies

STOXX Limited has an advisory committee which advises the supervisory board on matters relating to the Index. This committee proposes changes of the composition of the constituent stocks to the supervisory board. It makes recommendations with respect to the accuracy and transparency of the Index computation. Decisions on the composition and changes in the Index are reserved to the Supervisory Board.

Performance of the Index.

The recent price history should not be taken as an indication of future performance.

.STOXX50E		
Trade Date	High	Low
30/11/04	2932.93	2808.03
31/10/04	2849.56	2727.76
30/09/04	2797.87	2676.22
31/08/04	2716.71	2559.88
31/07/04	2842.81	2638.59
30/06/04	2847.48	2710.4
31/05/04	2830.18	2630.21
30/04/04	2919.57	2779.19
31/03/04	2965.15	2680.04
29/02/04	2936.51	2808.69
31/01/04	2911.43	2760.84
31/12/03	2771.51	2631.57
30/11/03	2673.95	2530.64
31/10/03	2596.4	2382.76
30/09/03	2654.3	2374.64
31/08/03	2610.28	2414.47
31/07/03	2528.76	2359.44
30/06/03	2536.77	2336.72
31/05/03	2397.91	2196.81
30/04/03	2402.16	2033.12
31/03/03	2253.08	1847.62
28/02/03	2291.66	2037.74
31/01/03	2551.47	2086.32
31/12/02	2728.84	2348.01
30/11/02	2690.3	2383.77
31/10/02	2600.4	2115.32
30/09/02	2733.94	2119.35
31/08/02	2880.08	2370.71
31/07/02	3193.5	2293.12
30/06/02	3440.17	2827.79
31/05/02	3610.03	3381.24
30/04/02	3788.94	3505.38
31/03/02	3811.04	3601.27
28/02/02	3714.39	3401.68
31/01/02	3864.08	3557.57
31/12/01	3865.4	3567.5
30/11/01	3820	3417.33
31/10/01	3666.32	3147.43
30/09/01	3758.61	2741
31/08/01	4150.89	3701.77
31/07/01	4307.94	3854.63
30/06/01	4511.14	4049.58
31/05/01	4617.44	4349.11
30/04/01	4527.61	3909.88

31/03/01	4436.72	3870.34
28/02/01	4771.81	4221.39
31/01/01	4812.49	4571.65

The closing level of the Index on 10 December 2004 was 2903.959961
Source: Bloomberg

Information relating to the Nikkei 225 Stock Average Index

General

The Nikkei 225 Stock Average (the “Nikkei 225 index”) is a price-weighted index of 225 top-rated Japanese companies listed in the First Section of the Tokyo stock exchange which is calculated and announced by Nihon Keizai Shimbun, Inc (the “Index Sponsor”). The constituent stocks of the Nikkei 225 Index are selected on the basis of their high market liquidity to represent the overall performance of the market and to reflect current market trends. The Nikkei 225 stock average was first published in May 16, 1949 where the average price was Japanese Yen 176.21 with a divisor of 225.

Management of the Nikkei 225 Index

The Index Steering Committee of the Index Sponsor reviews the constituent stocks every year. A constituent stock is deleted from the Nikkei 225 Index if it ceases to be authorised to be traded of the first section of the Tokyo Stock Exchange due to (i) the bankruptcy or merger with or acquisition by another company; (ii) the delisting of the stock or its being moved to “Seiri-Post” owing to, for example, excess debt on the part of the issuer; or (iii) the moving of the stock to a listing on the second section of the Tokyo Stock Exchange. Constituent stocks which have relatively low market liquidity may also be deleted. However, the number of constituent stocks which may be deleted in this way is limited to three per cent of the total number of constituent stocks.

Stocks which fulfil the eligibility criteria may nevertheless not be adopted if at the time of selection (i) they have been listed on the first section of the Tokyo Stock exchange for less than three years, or (ii) less than sixty million shares of the relevant stock are outstanding. As an exception to this rule a stock which has been newly listed on the first section of the Tokyo Stock Exchange and is deemed to represent the overall performance of the market may replace a stock which is a constituent of the Nikkei 225 Index but has lower market liquidity.

Stocks which are added or to be removed are determined and announced by the Index Sponsor after consultation with advisers.

Calculation of the Nikkei 225 Index

The value of the Nikkei 225 Index at any given time is calculated by aggregating the sum of the 225 constituent stocks and dividing the total by the appropriate divisor. The value of the divisor is adjusted to maintain continuity e.g. if a price adjustment should occur to a constituent stock due to a rights issue. The adjustment to the divisor ensures that the level of the Nikkei 225 Index does not change as a result of such an event.

The Nikkei 225 Index is updated every minute during the trading hours of the Tokyo Stock Exchange on each trading day by Quick Corporation. The Nikkei 225 Index is published by the Index Sponsor and through other electronic services e.g. Reuters.

Performance of the Nikkei 225 Index

The recent price history should not be taken as an indication of future performance.

.N225		
Trade Date	High	Low
30/11/04	11268.80957	10690.9502
31/10/04	11410.40039	10575.23047
30/09/04	11357.84961	10737.78027
31/08/04	11279.70996	10545.88965
31/07/04	11988.12012	11018.79004
30/06/04	11887.9502	10963.55957
31/05/04	11785.25977	10489.83984
30/04/04	12195.66016	11623.65039
31/03/04	11869	11045.94043
29/02/04	11069.28027	10299.42969
31/01/04	11193.63965	10665.15039
31/12/03	10681.28027	9859
30/11/03	10869.34961	9614.599609
31/10/03	11238.62988	10173.54004
30/09/03	11160.19043	10148.36035
31/08/03	10415.53027	9224.049805
31/07/03	10070.11035	9078.740234
30/06/03	9188.950195	8488.889648
31/05/03	8461.730469	7745.689941
30/04/03	8249.980469	7603.759766
31/03/03	8509.429688	7824.819824
28/02/03	8821.30957	8253.759766
31/01/03	8829.05957	8237.030273
31/12/02	9320.110352	8256.519531
30/11/02	9294.099609	8246.530273
31/10/02	9293.860352	8197.219727
30/09/02	9884.599609	8969.259766
31/08/02	10162.2998	9439.410156
31/07/02	11050.69043	9547.849609
30/06/02	11905.16016	10060.71973
31/05/02	12081.42969	11250.86035
30/04/02	11812.99023	10896.12012
31/03/02	12034.04004	10540.30957
28/02/02	10798.66992	9420.849609
31/01/02	10979.91992	9843.120117
31/12/01	11052.50977	10170.90039
30/11/01	11186.75	9955.089844
31/10/01	11052.00977	9604.089844
30/09/01	10812.88965	9382.950195
31/08/01	12407.37012	10684.16016
31/07/01	12929.66016	11531.67969
30/06/01	13510.7002	12511.66016
31/05/01	14556.11035	13216.57031
30/04/01	14099.49023	12579.55957
31/03/01	13867.58008	11433.87988

28/02/01	13862.29004	12784.16992
31/01/01	14186.62012	13123.80957

The closing level of the Index on 10 December 2004 was 10756.8
Source: Bloomberg

Information relating to the FTSE 100 Index

General Description

The FTSE 100 Index (the FTSE 100 Index) is a capitalisation-weighted index of the 100 most highly capitalised companies traded on the London Stock Exchange Limited. The FTSE 100 Index was developed with a base level of 1,000 as of 3 January, 1984. The FTSE 100 Index is calculated continuously during London Stock Exchange trading hours. The FTSE 100 Index is published by FTSE International Limited.

Calculation of the FTSE 100 Index

The FTSE 100 Index is calculated using the following formula:

$$\sum_{i=1}^n \frac{X_i \cdot W_i}{d}$$

Where:

" X_i " is the latest mid price of the i^{th} component security (or the price at the close of the Index on the previous day);

" n " is the number of securities in the Index;

" W_i " is the weighting for the i^{th} component security (equal to the number of ordinary shares issued by the company); and

" d " is the divisor (a figure which represents the total issued share capital of the Index at the base date and which can be adjusted to allow changes in the issued share capital of individual constituents to be made without distorting the Index).

Performance of the FTSE 100 Index

The recent price history should not be taken as an indication of future performance.

.FTSE		
Trade Date	High	Low
30/11/04	4823.799805	4624.200195
31/10/04	4732.899902	4551.600098
30/09/04	4630.700195	4459.299805
31/08/04	4490.100098	4283
31/07/04	4487.899902	4283.200195
30/06/04	4535.100098	4400.700195
31/05/04	4573.700195	4363
30/04/04	4601.600098	4385.100098
31/03/04	4566.200195	4291.299805
29/02/04	4556.899902	4357.399902
31/01/04	4531.399902	4390.700195
31/12/03	4491.799805	4312.5
30/11/03	4423.600098	4270.5
31/10/03	4393.799805	4091.300049
30/09/03	4329.600098	4081.800049
31/08/03	4286.899902	4044.899902
31/07/03	4183	3951.5
30/06/03	4218.799805	4021.600098
31/05/03	4096	3875.300049
30/04/03	3997.300049	3612.300049
31/03/03	3881.699951	3277.5
28/02/03	3747	3535.100098
31/01/03	4027.600098	3391.5
31/12/02	4218.600098	3803.399902
30/11/02	4224.799805	3953.300049
31/10/02	4197.5	3663.399902
30/09/02	4246.399902	3609.899902
31/08/02	4466.399902	3900.699951
31/07/02	4708.700195	3625.899902
30/06/02	5085.100098	4442.899902
31/05/02	5282.200195	5016.899902
30/04/02	5292.299805	5116
31/03/02	5331.600098	5101
28/02/02	5238	5015.5
31/01/02	5362.299805	5052.799805
31/12/01	5411.200195	5032.299805
30/11/01	5383.200195	4988.299805
31/10/01	5279.799805	4730.700195
30/09/01	5379.600098	4219.799805
31/08/01	5644.200195	5286.700195
31/07/01	5726.100098	5260.5
30/06/01	5981.799805	5519.600098
31/05/01	5993.700195	5690.5

30/04/01	5995.399902	5354.299805
31/03/01	6050.399902	5279.600098
28/02/01	6309.899902	5901.700195
31/01/01	6360.299805	6029.299805

The closing level of the Index on 10 December 2004 was 4694
Source: Bloomberg

Information relating to the Swiss Market Index

General description

The Swiss Market Index (the “SMI”) is a capital-weighted index, unadjusted for dividends. It comprises the highly liquid shares of up to 25 of the most important large-cap Swiss companies (so-called blue chips), which represent approximately 80% of the total market capitalisation. Its first calculation took place on 30 June 1988. The capital factor was determined in such a way that the product of total capitalisation and capital factor resulted in an index figure of 1500 points. The market capitalisation is calculated on the basis of the total number of outstanding shares. The SMI is published real time. If a trade is concluded in one or more SMI stocks, the index is recalculated and published via Swiss Market Feed. Only prices of trades concluded on-exchange (i.e. on the SWX Swiss Exchange) is factored into the index calculation.

Calculation of the SMI.

The SMI is computed using the Laspeyres method with a weighted arithmetic mean of a defined number of securities issues. The current level of the index is arrived at by multiplying the market capitalisation of all securities contained in the index by the capital factor (C factor). The capital factor on 1 June 1987 was 1,000. The SMI is calculated as follows.

$$I_S = C_{d^*} \sum_{i=1}^N p_{i,t^*} x_{i,d}$$

Legend:

d: current day

t: current time on day d

I_s: current index status

cd: capital factor on day d

N: number of issues in index

p_{i,t}: last-paid price of security I

x_{i,d}: number of shares of security I on day d

The SMI is calculated in real time. As soon as new trade occurs in an issue contained in the SMI the index is recalculated. Dissemination takes place each second via EXFEED Ltd’s Swiss Market Feed (SMF), insofar as the value of the index has changed since its most recent publication.

Further Information relating to the Index

The Index Sponsor maintains an Internet Site at the following address where further information may be available in respect of the Index at www.swx.com and also www.virt-x.com.

Performance of the SSMI Index

The recent price history should not be taken as an indication of future performance.

.SSMI		
Trade Date	High	Low
30/11/04	5720.2	5354.1
31/10/04	5624.4	5301.7
30/09/04	5621.4	5428.3
31/08/04	5597.1	5264.5
31/07/04	5669.8	5415.9
30/06/04	5755.7	5584.4
31/05/04	5904.9	5569.8
30/04/04	5898.9	5633.9
31/03/04	5941.7	5437.5
29/02/04	5926.8	5713.3
31/01/04	5825.2	5496.2
31/12/03	5489.9	5324.9
30/11/03	5379.8	5127.7
31/10/03	5301.8	5017.7
30/09/03	5445.2	5001.3
31/08/03	5262.9	4961.9
31/07/03	5101.1	4682.5
30/06/03	5010.9	4679
31/05/03	4688.1	4432.3
30/04/03	4675.3	4070.7
31/03/03	4483.1	3618
28/02/03	4492.4	3997.5
31/01/03	5000.7	4192.6
31/12/02	5208.7	4573.8
30/11/02	5213.3	4751.4
31/10/02	5091.8	4333.1
30/09/02	5262.8	4396.8
31/08/02	5551.9	4676.2
31/07/02	6058.2	4372.6
30/06/02	6572.7	5490.5
31/05/02	6740.6	6448.5
30/04/02	6723.1	6487
31/03/02	6677.2	6317.5
28/02/02	6433.1	6059.1
31/01/02	6460.1	6164.5
31/12/01	6523.8	6178.1
30/11/01	6645.1	6025.2
31/10/01	6369.8	5735.2
30/09/01	6563.7	4973.5
31/08/01	7002.3	6466.8
31/07/01	7316	6657.8
30/06/01	7604.8	6938
31/05/01	7725.8	7273.9

30/04/01	7358.4	6679.6
31/03/01	7675.3	6501
28/02/01	8102.9	7592
31/01/01	8180.1	7808.7

The closing level of the Index on 10 December 2004 was 5581.8
Source: Bloomberg

Information relating to the Hang Seng Index

General description

The Hang Seng Index (“HSI”) has an history of 30 years and is one of the earliest stock market indexes in Hong Kong. Since its public launch on 24 November 1969, the HSI has become the most widely-quoted indicator of the performance of the Hong Kong stock market. The HSI is widely used as the base for various derivatives products. The Hang Seng Index futures contracts were introduced by the Hong Kong Exchange in 1986, followed by the introduction of index options contracts on the HSI in 1993. In 1999, the first exchange-traded-fund adopting the HSI as its base index was listed in the Stock Exchange of Hong Kong (“SEHK”). Today, there are more than 260 index-linked products based on the HSI, and the total size of passive funds tracking the HSI exceeds HKD35 billion.

Constituent

The Hang Seng Index has currently 33 constituent stocks, which cover about 70% of the market capitalisation of all eligible stocks listed on the Main Board of the SEHK. Constituent stocks of the HSI are selected by a rigorous process of detailed analysis. Only companies with a primary listing on the main Board of the SEHK are eligible as constituents. H-shares are not eligible for inclusion as H-Share companies are only partially listed in Hong Kong.

Sub-Indexes

To better reflect the price movements of the major sectors of the market, four sub indexes were introduced in 1985. The 33 constituent stocks are grouped under Finance, Utilities, Properties, and Commerce and Industry.

A mapping of the four sub-indexes to the nine industries of the Hang Seng Stock Classification System, introduced in 2001 is shown as follows:

HANG SENG INDEX	HANG SENG STOCK CLASSIFICATION SYSTEM	
Sub-Indexes	Code	INDUSTRY
Finance	50	Financials
Utilities	40	Utilities
Properties	60	Properties & Construction
Commerce and Industry	00	Oil & Resources
	10	Industrial Goods
	20	Consumer Goods
	30	Services
	70	Information Technology
	80	Conglomerates

Calculation Methodology:

Full market capitalisation weighting is adopted for index calculation using the following formula:

$$\text{Current Index} = \frac{\sum (P_t \times IS)}{\sum (P_{t-1} \times IS)} \times \text{Yesterday's Closing Index}$$

Legenda:

P_t : Current Price at Day t
 P_{t-1} : Closing Price at day (t-1)

IS: issued shares

No adjustment is made when constituent stocks go ex-dividend or ex bonus in the form of warrants

Further Information relating to the Index

The Index Sponsor maintains an Internet Site at the following address where further information may be available in respect of the Index at <http://www.hsi.com.hk/>

Performance of the HSI Index

The recent price history should not be taken as an indication of future performance.

Trade Date	High	Low
30/11/04	14137.32	13001.32
31/10/04	13402.96	12743.42
30/09/04	13356.88	12865.06
31/08/04	12904.24	12131.76
31/07/04	12399.37	11862.68
30/06/04	12538.65	11781.82
31/05/04	12222.26	10917.65
30/04/04	13126.15	11856.34
31/03/04	14058.21	12400.35
29/02/04	13984.38	12877.09
31/01/04	13780.71	12664.99
31/12/03	12740.5	12111.23
30/11/03	12537.19	11661.47
31/10/03	12304.57	11372.53
30/09/03	11444.72	10762.03
31/08/03	10934.52	9924.14
31/07/03	10236.89	9512.2
30/06/03	10067.86	9526.92
31/05/03	9587.17	8707.43
30/04/03	8973.81	8331.87
31/03/03	9316.27	8586.7
28/02/03	9463.99	9029.95
31/01/03	9892.7	9179.24
31/12/02	10246.86	9244.9
30/11/02	10170.3	9388.35
31/10/02	9860.87	8772.48
30/09/02	10044.57	9014.58
31/08/02	10478.65	9632.98
31/07/02	10939.56	9687.5
30/06/02	11475.19	10291.16
31/05/02	12021.72	11260.2
30/04/02	11497.58	10610.76
31/03/02	11381.85	10387.49
28/02/02	11108.48	10393.83
31/01/02	11919.41	10671.77
31/12/01	11957.83	11049.15
30/11/01	11525.26	10097.64
31/10/01	10638.58	9758.98
30/09/01	11180.79	8894.36
31/08/01	12544.64	11003.95
31/07/01	13236.98	12003.16
30/06/01	13900.68	12787.01
31/05/01	13989.16	13091.51
30/04/01	13621.8	12061.55
31/03/01	14696.47	12396.97

28/02/01	16274.67	14573.54
31/01/01	16255.11	14512.71

The closing level of the Index on 10 December 2004 was 13901.81

Source: Bloomberg