

## Pricing Supplement

March 7, 2005

**Íslandsbanki hf.**  
**Issue of CHF 250,000,000 1.625 per cent. Notes due March 11, 2009**  
**under the €5,000,000,000**  
**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 December 29, 2004. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

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|-----|---|--|
| 1.  | (i) Series Number:  | 182  |
|     | (ii) Tranche Number:  | 1  |
| 2.  | Specified Currency or Currencies:                           | Swiss francs (" <b>CHF</b> ")                                    |
| 3.  | Aggregate Nominal Amount:                                   |  |
|     | - Series:   | CHF 250,000,000  |
|     | - Tranche:  | CHF 250,000,000  |
| 4.  | (i) Issue Price of Tranche:                                 | 100.245 per cent. of the Aggregate Nominal Amount                |
|     | (ii) Net Proceeds:  | CHF 248,612,500  |
| 5.  | Specified Denominations:                                    | CHF 5,000  |
| 6.  | (i) Issue Date:   | March 11, 2005   |
|     | (ii) Interest Commencement Date:                            | March 11, 2005   |
| 7.  | Maturity Date:  | March 11, 2009   |
| 8.  | Interest Basis:   | 1.625 per cent. Fixed 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. | (i) Status of the Notes:                                    | Senior   |
|     | (ii) Date of Board approval for issuance of Notes obtained: | Not Applicable   |
| 13. | Listing:  | SWX Swiss Exchange   |

14. Method of distribution: Syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions:** Applicable
- (i) Rate of Interest: 1.625 per cent. per annum payable annually in arrear
- (ii) Interest PaymentDate(s): March 11 in each year, commencing March 11, 2006 up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): CHF 81.25 per CHF 5,000 in nominal amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: 30/360
- (vi) Determination Date(s): Not Applicable
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: None
16. **Floating Rate Note Provisions:** Not Applicable
17. **Zero Coupon Note Provisions:** Not Applicable
18. **Index Linked Interest 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: CHF 5,000 per Note of CHF 5,000 Specified Denomination
23. Early Redemption Amount 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 set out in Condition 7(e)

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes: Permanent Global Note exchangeable for Definitive Notes only upon (i) an Exchange Event (as defined in the Permanent Global Note) or (ii) if the Principal Swiss Paying Agent deems the printing of Definitive Notes to be necessary or useful, after consultation with the Issuer, or if, under Swiss or any other applicable laws and regulations, the enforcement of obligations under

the Notes can only be ensured by means of effective Definitive Notes. In such case, the Issuer shall provide, at its own cost and expense, for the printing and delivery of Definitive Notes with Coupons attached in accordance with the rules and regulations of the SWX Swiss Exchange.

The Permanent Global Note shall be deposited with SIS SegInterSettle AG, the Swiss Securities Services Corporation in Olten, Switzerland ("**SIS SegInterSettle AG**", which expression shall include any other clearing institution recognized by the SWX Swiss Exchange) until final redemption or the exchange thereof for Definitive Notes in accordance with the terms of such Permanent Global Note.

Each Noteholder shall be the beneficial owner of an interest in the Permanent Global Note to the extent of his claims against the Issuer. In accordance with the regulations of the SWX Swiss Exchange, Noteholders do not have the right to request the printing and delivery of Definitive Notes.

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| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Dates:  | Zurich  |
| 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 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:   |   |
|     | (i) Paying Agents:   | Credit Suisse First Boston shall act as principal Swiss paying agent (the "Principal Swiss Paying Agent") in respect of the Notes. All references in the Terms and Conditions of the Notes to the Agent shall be deemed to be references to the |

Principal Swiss Paying Agent.

ABN AMRO Bank N.V., Amsterdam, Zurich Branch, Bank Julius Baer & Co. Ltd., Bank Sarasin & Co. Ltd, Bank Vontobel AG, Bayerische Hypo- und Vereinsbank AG, Munich, Zurich Branch, BNP PARIBAS (SUISSE) SA, Cantonalbanks of Switzerland, Credit Suisse, Lombard Odier Darier Hentsch & Cie, Pictet & Cie, Schweizer Verband der Raiffeisenbanken SVRB and UBS AG shall act as Swiss paying agents (the "Swiss Paying Agents") in respect of the Notes. All references in the Terms and Conditions of the Notes to the Paying Agents shall be deemed to be references to the Swiss Paying Agents.

(ii) Payments:

Payments of principal and interest in respect of Notes denominated in Swiss francs will be made irrespective of any present or future transfer restrictions and without regard to any bilateral or multilateral payment or clearing agreement which may be applicable at the time of such payments in freely disposable Swiss francs without collection costs in Switzerland and without any restrictions and irrespective of nationality, domicile or residence of the holder of a Note or Coupon and without requiring any certification, affidavit or the fulfilment of any other formality.

The receipt by the Principal Swiss Paying Agent of the due and punctual payment of the funds in Swiss francs in Zurich, in the manner provided by the conditions in this Pricing Supplement, shall release the Issuer from its obligation under the Notes and Coupons for the payment of interest and principal due on the respective Interest Payment Dates and on the Maturity Date to the extent of such payment.

Condition 6 of the Conditions of the Notes shall be construed accordingly.

(iii) Notices:

So long as the Notes are listed on the SWX Swiss Exchange and so long as the rules of the SWX Swiss Exchange so require, all notices in respect of the Notes shall be validly given through the Principal Swiss Paying Agent by means of electronic publication on the internet website of the SWX Swiss Exchange ([www.swx.com](http://www.swx.com)).

Condition 14 of the Conditions of the Notes shall

(iv) Alternative Jurisdiction:

be construed accordingly.

The Issuer agrees to the additional jurisdiction of the courts of the Canton of Zurich, the place of jurisdiction being Zurich 3. The Issuer elects legal and special domicile at Credit Suisse First Boston, Uetlibergstrasse 231, CH-8045 Zurich, Switzerland, and agrees that, for the purpose of any proceedings brought in Switzerland, holders of all or some of the Notes shall have the option to be collectively represented (in accordance with all applicable laws and customary practice in Switzerland). The holders of all Notes (whether or not collectively represented) shall have equal status irrespective of their domicile.

Condition 18 of the Conditions of the Notes shall be construed accordingly.

## DISTRIBUTION

31. (i) If syndicated, names of Managers:

Credit Suisse First Boston  
UBS AG  
*(as Joint-Lead Managers)*

Cantonalbanks of Switzerland  
ABN AMRO Bank N.V., Amsterdam,  
Zurich Branch  
Bank Julius Baer & Co. Ltd.  
Bank Sarasin & Co. Ltd  
Bank Vontobel AG  
Bayerische Hypo- und Vereinsbank AG, Munich,  
Zurich Branch  
BNP PARIBAS (SUISSE) SA  
LGT Bank in Liechtenstein AG  
Lombard Odier Darier Hentsch & Cie  
Pictet & Cie  
Schweizer Verband der Raiffeisenbanken SVRB  
*(as Managers)*

(ii) Stabilising Dealer (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 rules are applicable in accordance with usual Swiss practice

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):

SIS SegalInterSettle AG  
Swiss Security Number 2065252

36. Delivery: Delivery against payment
37. Additional Paying Agent(s) (if any): Credit Suisse First Boston  
 Uetlibergstrasse 231  
 CH-8045 Zurich  
 Switzerland  
*(as Principal Swiss Paying Agent)*
- ABN AMRO Bank N.V., Amsterdam,  
 Zurich Branch  
 Bank Julius Baer & Co. Ltd.  
 Bank Sarasin & Co. Ltd  
 Bank Vontobel AG  
 Bayerische Hypo- und Vereinsbank AG, Munich,  
 Zurich Branch  
 BNP PARIBAS (SUISSE) SA  
 Cantonalbanks of Switzerland  
 Credit Suisse  
 Lombard Odier Darier Hentsch & Cie  
 Pictet & Cie  
 Schweizer Verband der Raiffeisenbanken SVRB  
 UBS AG  
*(as Swiss Paying Agents)*

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ISIN:	CH0020652522
Common Code:	021279358
Swiss Security Number:	2065252

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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 €5,000,000,000 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*