

29 March 2005

**Íslandsbanki hf.**  
**Issue of CZK 600,000,000 3.00% Notes due 1st April, 2010**  
**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 29th December, 2004. The Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

1.	(i)	Series Number:	190
	(ii)	Tranche Number:	1
2.		Specified Currency or Currencies:	Czech Koruna ("CZK")
3.		Aggregate Nominal Amount:	
	–	Tranche:	CZK 600,000,000
	–	Series:	CZK 600,000,000
4.	(i)	Issue Price of Tranche:	99.830 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	CZK 598,380,000
5.		Specified Denominations:	CZK 10,000
6.	(i)	Issue Date:	1st April, 2005
	(ii)	Interest Commencement Date:	1st April, 2005
7.		Maturity Date:	1st April, 2010
8.		Interest Basis:	3.00 per cent. Fixed Rate
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 [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** Applicable
- (i) Rate(s) of Interest: 3.00 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 1st April in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): CZK 300 per CZK 10,000 in nominal amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ISMA)
- (vi) Determination Date(s): one in one calendar year
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: The Modified Following Business Day Convention shall apply.
- In the case of an Interest Payment Date being postponed or being brought forward (as the case may be) in accordance with the Modified Following Business Day Convention, the amount of interest payable shall not be adjusted.
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: CZK 10,000 per Note of CZK 10,000 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) applies

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

24. Form of Notes: Permanent Global Note exchangeable for

Definitive Notes only upon an Exchange Event

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|--------------------------------|--|--------------------------------|
| 25.                            | Additional Financial Centre(s) or other special provisions relating to Payment Dates:  | TARGET                         |
| 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                 |
| <b>DISTRIBUTION</b>            |  |                                |
| 31.                            | (i) If syndicated, names of Managers:  | Not Applicable                 |
|                                | (ii) Stabilising Manager (if any):   | Not Applicable                 |
| 32.                            | If non-syndicated, name of relevant Dealer:  | Commerzbank Aktiengesellschaft |
| 33.                            | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:   | TEFRA C                        |
| 34.                            | Additional selling restrictions:   | Not Applicable                 |
| <b>OPERATIONAL INFORMATION</b> |  |                                |
| 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:  
Common Code:

XS0215426957  
021542695

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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*