

**Amended and Restated Final Terms dated 24 July 2007**

**Pricing Supplement**

30<sup>th</sup> June, 2005

**Íslandsbanki hf.**

**Issue of USD 5,000,000 Fixed and Floating Rate Notes linked to 6-Month USD LIBOR  
under the €7,500,000,000  
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 16<sup>th</sup> June 2005. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1.	(i) Series Number:	212
	(ii) Tranche Number:	1
2.	Specified Currency or Currencies:	USD
3.	Aggregate Nominal Amount:	
	– Tranche:	USD 5,000,000
	– Series:	USD 5,000,000
4.	(i) Issue Price of Tranche:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	Not Applicable
5.	Specified Denominations:	USD 50,000
6.	(i) Issue Date:	30 <sup>th</sup> June, 2005
	(ii) Interest Commencement Date :	30 <sup>th</sup> June, 2005
7.	Maturity Date:	Interest Payment Date falling in or nearest to June, 2015
8.	Interest Basis:	Fixed Rate and Floating Rate (further particulars specified below)
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest Basis or Redemption/Payment	Not Applicable
11.	Put/Call Options:	Issuer Call (further particulars specified below)
12.	(i) Status of Notes:	Senior
	(ii) [Date [Board] approval for issuance	Not Applicable

13. Listing: None
14. Method of distribution: Non-syndicated

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

15. **Fixed Rate Note Provisions** Applicable
- (i) Rate(s) of Interest: 7.50 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 30<sup>th</sup> June, 2006
- (iii) Fixed Coupon Amount(s): USD 3,750 per USD 50,000 in nominal amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ISMA)
- (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** Applicable
- (i) Specified Period(s)/Specified Interest Payment Dates: 30<sup>th</sup> June, of each year, starting as of 30<sup>th</sup> June, 2007 up to and including the Maturity Date
- (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: The applicable Rate of Interest for each Specified Interest Payment Date shall be:
- On 30<sup>th</sup> June, 2007:  
7.50% + 4.20% - 6-Month USD LIBOR
- On 30<sup>th</sup> June, 2008:  
Previous Coupon Paid + 4.30% - 6-Month USD LIBOR
- On 30<sup>th</sup> June, 2009:  
Previous Coupon Paid + 4.40% - 6-Month USD LIBOR
- On 30<sup>th</sup> June, 2010:  
Previous Coupon Paid + 4.50% - 6-Month USD LIBOR
- On 30<sup>th</sup> June, 2011:  
Previous Coupon Paid + 4.60% - 6-Month USD LIBOR
- On 30<sup>th</sup> June, 2012:  
Previous Coupon Paid + 4.70% - 6-Month USD LIBOR
- On 30<sup>th</sup> June, 2013:

Previous Coupon Paid + 4.80% - 6-Month  
USD LIBOR

On 30<sup>th</sup> June, 2014:

Previous Coupon Paid + 4.90% - 6-Month  
USD LIBOR

On 30<sup>th</sup> June, 2015:

Previous Coupon Paid + 5.00% - 6-Month  
USD LIBOR

With:

**“Previous Coupon Paid”** equaling the Rate of  
Interest paid on the immediately preceding  
Specified Interest Payment Date.

(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	Not Applicable
(vi) Screen Rate Determination:	Yes
– Reference Rate:	LIBOR
– Interest Determination Date(s):	Five London business days prior to the start of each Interest Period
– Relevant Screen Page:	Telerate Page3750
(vii) ISDA Determination:	No
(viii) Margin(s):	Not Applicable
(ix) Minimum Rate of Interest:	0 per cent. per annum
(x) Maximum Rate of Interest:	Not Applicable
(xi) Day Count Fraction:	Actual/Actual (ISMA)
(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 Applicable
17. <b>Zero Coupon Note Provisions</b>	Not Applicable
18. <b>Index Linked Interest Note Provisions</b>	Not Applicable
19. <b>Dual Currency Interest Note Provisions</b>	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

20. Issuer Call	Applicable
(i) Optional Redemption Date(s):	30 <sup>th</sup> June of each year, starting as of 30 <sup>th</sup> June, 2006 up to and including 30 <sup>th</sup> June, 2014.
(ii) Optional Redemption Amount(s) of each Specified Denomination Note and method, if any, of calculation of such amount(s):	USD 50,000 per Note of USD 50,000
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	Not Applicable

21. Investor Put Not Applicable

**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 on 60 days' notice given 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 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: KBC Bank NV

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: XS0223126854  
Common Code: 22312685

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**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By: 

*Duly authorised*



Einar Tamimi  
General Counsel