

PRICING SUPPLEMENT

ÍSLANDBANKI HF.

€7,500,000,000
EURO MEDIUM TERM NOTE PROGRAMME

No. 216
HKD200,000,000 4.01 per cent. Fixed Rate Notes due 6 July 2009

Barclays Capital

The date of this Pricing Supplement is 4 July 2005

Íslandsbanki hf.
Issue of HKD200,000,000 4.01 per cent. Fixed Rate Notes due 6 July 2009
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 16th June 2005. The Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

1.	(i) Series Number:	216
	(ii) Tranche Number:	Not Applicable
2.	Specified Currency or Currencies:	Hong Kong Dollars (HKD)
3.	Aggregate Nominal Amount:	HKD200,000,000
	- Tranche:	Not Applicable
	- Series:	Not Applicable
4.	Issue Price of Tranche:	100.00 per cent.
5.	Specified Denominations:	HKD1,000,000
6.	(i) Issue Date:	6 July 2005
	(ii) Interest Commencement Date (if different from the Issue Date):	Not Applicable
7.	Maturity Date:	6 July 2009
8.	Interest Basis:	4.01 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 (although Condition 7(b) is applicable)
12.	Status of Notes:	Senior secured and unsubordinated
13.	Listing:	Not Applicable
14.	Method of distribution:	Non-Syndicated
Provisions Relating to Interest (if any) Payable		
15.	Fixed Rate Note Provisions	Applicable
	(i) Rate(s) of Interest:	4.01 per cent. Per annum payable annually
	(ii) Interest Payment Date(s):	Annually, on every 6 July, commencing from 6 July 2006, up to and including the Maturity Date, subject to adjustment in accordance with the

	Modified Following Business Day Convention for which the Relevant Business Day are London, Hong Kong and New York.
(iii) Fixed Coupon Amount(s):	Not Applicable
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	Actual/365 (Fixed), adjusted
(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:	Par
23. Early Redemption Amount(s) 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)):	The Early Redemption Amount for each Note shall be the fair market value of a Note, as determined by the Calculation Agent in its sole discretion
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 Bearer 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: N/A
 (ii) Stabilising Manager (if any): Not Applicable
 32. If non-syndicated, name of relevant Dealer: Barclays Bank PLC
 33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
 34. Additional selling restrictions: Not Applicable

Operational Information

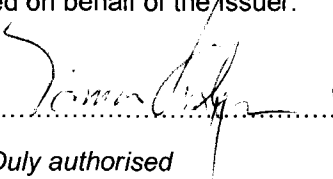

35. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
 36. Delivery: Delivery against payment
 37. Additional Paying Agent(s) (if any): N/A

ISIN:	XS0223893602
Common Code:	022389360

Responsibility

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

Signed on behalf of the Issuer:

By:  
Duly authorised