

## PRICING SUPPLEMENT

26 March 2004

**Kaupthing Búnaðarbanki hf.**  
**Issue of EUR 15,000,000 Floating Rate Notes due 2009**  
**under the €2,000,000,000**  
**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 24th June, 2003. This Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

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|-----|---|---|
| 1.  | Issuer:   | Kaupthing-Búnaðarbanki Íslands hf.                        |
|     | (i) Series Number:  | 21  |
|     | (ii) Tranche Number:                                      | 1   |
| 3.  | Specified Currency or Currencies:                         | Euro ("EUR")  |
| 4.  | Aggregate Nominal Amount:                                 | EUR 15,000,000  |
|     | (i) Tranche:  | EUR 15,000,000  |
|     | (ii) Series:  | EUR 15,000,000  |
| 5.  | (i) Issue Price:  | 100.00 per cent. of the Aggregate Nominal Amount          |
|     | (ii) Net proceeds   | EUR 15,000,000  |
| 6.  | Specified Denominations:                                  | EUR 100,000   |
| 7.  | (i) Issue Date:   | 1 April 2004  |
|     | (ii) Interest Commencement Date:                          | 1 April 2004  |
| 8.  | Maturity Date:  | Interest Payment Date falling in or nearest to April 2009 |
| 9.  | Interest Basis:   | 3-months EURIBOR + 0.23 per cent. Floating Rate           |
| 10. | Redemption/Payment Basis:                                 | Redemption at par   |
| 11. | Change of Interest Basis or Redemption/<br>Payment Basis: | Not Applicable  |

12.	Put/Call Options:	Not Applicable
13.	Status of the Notes:	Senior, unsubordinated
14.	Listing:	Luxembourg
15.	Method of distribution:	Non-syndicated

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

16.	<b>Fixed Rate Note Provisions</b>	Not Applicable
17.	<b>Floating Rate Note Provisions</b>	Applicable
(i)	Specified Period(s)/Specified Interest Payment Dates:	The Specified Interest Payment Dates shall be 1 April, 1 July, 1 October and 1 January in each year from (and including) 1 April 2004 to (and including) 1 April 2009
(ii)	Business Day Convention:	Modified Following Business Day Convention
(iii)	Additional Business Centre(s):	New York, London, TARGET
(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	Issuing and Principal Paying Agent
(vi)	Screen Rate Determination:	Yes
	– Reference Rate:	3-months EURIBOR
	– Interest Determination Date(s):	The second day on which the TARGET System is open prior to the start of each Interest Period
	– Relevant Screen Page:	Telerate page 248
(vii)	ISDA Determination:	
	– Floating Rate Option:	Not Applicable
	– Designated Maturity:	Not Applicable
	– Reset Date:	Not Applicable
(viii)	Margin(s):	+ 0.23 per cent. per annum

(ix)	Minimum Rate of Interest:	Not Applicable
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/360
(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:	As per the Conditions
18.	<b>Zero Coupon Note Provisions</b>	Not Applicable
19.	<b>Index Linked Interest Note Provisions</b>	Not Applicable
20.	<b>Dual Currency Note Provisions</b>	Not Applicable

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

21.	Issuer Call	Not Applicable
22.	Investor Put	Not Applicable
23.	Final Redemption Amount of each Note	EUR 15,000,000
24.	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 set out in Condition 7 (e)

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

25.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
26.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	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

29. Details relating to Instalment Notes:
- (i) Instalment Amount(s): Not Applicable
  - (ii) Instalment Date(s): Not Applicable
30. Redenomination applicable: Redenomination not applicable
31. Other terms or special conditions: Not Applicable

#### **DISTRIBUTION**

32. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
33. If non-syndicated, name of relevant Dealer: Dresdner Bank AG London Branch
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
35. Additional selling restrictions: Not Applicable

#### **OPERATIONAL INFORMATION**

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

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ISIN: XS018 976 617 2  
Common Code: 18 976 617

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## **LISTING APPLICATION**

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the €2,000,000,000 Euro Medium Term Note Programme of Kaupthing Búnaðarbanki hf.

## **RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By: .....  
Duly authorised