FINAL TERMS

18 October 2005

Kaupthing Bank hf.
Issue of Euro 100,000,000 Floating Rate Notes due 2009
under the €12,000,000,000
Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 2nd September, 2005 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the office of the Issuer at Borgartun 19, 105 Reykjavik, Iceland and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

1.	Issuer:		Kaupthing Bank hf.
2.	Series Number:		11
3.	Specified Currency or Currencies:		Euro (**EUR**)
4.	Aggregate Nominal Amount:		EUR 100,000,000
5.	Issue Price:		99.903 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:		EUR 1,000
7.	(i)	Issue Date:	20 October 2005
	(ii)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		Interest Payment Date falling in October 2009
9.	Interest Basis:		3 month EURIBOR + 0.15 per cent. Floating Rate (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par

11.	Change of Interest Basis or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	(a) Status of the Notes:	Senior Notes
	(b) Date Board approval for issuance of Notes obtained:	Not Applicable
14.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions**	Not Applicable
16.	**Floating Rate Note Provisions**	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	Interest shall be payable quarterly on 20 January, 20 April, 20 July and 20 October of each year, commencing on 20 January 2006, in each case subject to adjustment in accordance with the Business Day Convention specified below
	(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:	Screen Rate Determination
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	Not Applicable
	(vi) Screen Rate Determination:	
	– Reference Rate:	3 month EURIBOR
	– Interest Determination Date(s):	The day that is two Business Days prior to the commencement 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):	+ 0.15 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 set out in the Conditions
17.	**Zero Coupon Note Provisions**		Not Applicable
18.	**Index Linked Interest Note Provisions**		Not Applicable
19.	**Dual Currency Interest Note Provisions**		Not Applicable
20.	Target Redemption Note Provisions:		Not Applicable
21.	Range Accrual Note Provisions:		Not Applicable

PROVISIONS RELATING TO REDEMPTION

22.	Issuer Call	Not Applicable
23.	Investor Put	Not Applicable
24.	Target Redemption Note Provisions:	Not Applicable
25.	Final Redemption Amount of each Note	EUR 1,000 per Note of EUR 1,000 Specified Denomination
26.	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(f)):	As set out in the Conditions

27.	Capital Notes Provisions	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
29.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
30.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
31.	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
32.	Details relating to Instalment Notes:	Not Applicable
33.	Redenomination applicable:	Redenomination not applicable
34.	Other final terms:	Not Applicable

DISTRIBUTION

35.	(i)	If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
	(ii)	Date of Subscription Agreement:	Not Applicable
	(iii)	Stabilising Manager (if any):	Not Applicable
36.		If non-syndicated, name and address of relevant Dealer:	Banca IMI S.p.A. Corso Matteotti, 6 20121 Milan Italy
37.		Total commission and concession:	0.039 per cent. of the Aggregate Nominal Amount

38.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D
39.	Additional selling restrictions:	Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €12,000,000,000 Euro Medium Term Note Programme of Kaupthing Bank hf.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: ....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

(i) Listing:	Luxembourg
(ii) Admission to trading:	Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date.

2. RATINGS

Ratings:	The Notes to be issued have been rated: Moody's: A1

3. NOTIFICATION

Not applicable.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i)	Reasons for the Offer:	See the section entitled "Use of Proceeds" on page 71 of the Base Prospectus.
(ii)	Estimated net proceeds:	EUR 99,864,000
(iii)	Estimated total expenses:	Not Applicable

6. HISTORIC INTEREST RATES

Details of historic EURIBOR rates can be obtained from Telerate.

7. OPERATIONAL INFORMATION

(i)	ISIN Code:	XS0232537471
(ii)	Common Code:	023253747
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	Not Applicable
(iv)	Delivery:	Delivery against payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable