

November 29, 2005

**KAUPTHING BANK HF.**

**Issue of EUR 50,000,000 Floating Rate Notes due December 1, 2008  
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 September 2, 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 Reykjavic, Iceland and on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London, EC2N 2DB.

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|-----|---|---|
| 1.  | Issuer:   | Kaupthing Bank hf.  |
| 2.  | (i) Series Number:  | 15  |
|     | (ii) Tranche Number:                                      | 1   |
| 3.  | Specified Currency or Currencies:                         | Euro ("EUR")  |
| 4.  | Aggregate Nominal Amount:                                 |   |
|     | (i) Series:   | EUR 50,000,000  |
|     | (ii) Tranche:   | EUR 50,000,000  |
| 5.  | Issue Price:  | 100.05 per cent. of the Aggregate Nominal Amount                                |
| 6.  | Specified Denominations:                                  | EUR 1,000   |
| 7.  | (i) Issue Date:   | December 1, 2005  |
|     | (ii) Interest Commencement Date:                          | December 1, 2005  |
| 8.  | Maturity Date:  | December 1, 2008  |
| 9.  | Interest Basis:   | EURIBOR + 0.12 per cent. Floating Rate<br>(further particulars specified below) |
| 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. (a) Status of the Notes: Senior
- (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 is payable quarterly in arrear on March 1, June 1, September 1 and December 1 of each year (subject to adjustment in accordance with the Business Day Convention specified below) from and including March 1, 2006 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: Screen Rate Determination
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): Deutsche Bank AG, London Branch
- (vi) Screen Rate Determination:
- Reference Rate: 3 month EURIBOR
  - Interest Determination Date(s): 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): +0.12 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:	Not Applicable
17. Zero Coupon Note Provisions:	Not Applicable
18. Index Linked Interest Note Provisions:	Not Applicable
19. Dual Currency 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 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 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)):	Condition 7(f) applies
27. Capital Notes Provisions:	
(i) Special Event Redemption Amount:	Not Applicable
(ii) Special Event Redemption Date(s):	Not Applicable
(iii) Investment Considerations:	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
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|-----|--|-------------------------------|
| 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 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:  |                               |
|     | (i) Instalment Amount(s):  | Not Applicable                |
|     | (ii) Instalment Date(s):   | Not Applicable                |
| 33. | Redenomination applicable:   | Redenomination not applicable |
| 34. | Other final terms:   | Not Applicable                |

**DISTRIBUTION**

- |     |  |   |
|-----|--|---|
| 35. | (i) If syndicated, names of Managers:                                      | 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:                    | Credit Suisse, acting through its division Credit Suisse First Boston, Paradeplatz 8, CH-8001 Zurich, Switzerland |
| 37. | Total commission and concession:   | 0.12 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  |

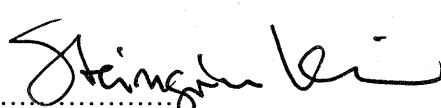
**RESPONSIBILITY**

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**

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|---|----------------|
| (i) Listing:  | None           |
| (ii) Admission to trading:  | Not Applicable |
| (iii) Estimate of total expenses related to admission to trading: | Not Applicable |

### **2. RATINGS**

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

### **3. NOTIFICATION**

Not Applicable

### **4. INTEREST 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**

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|---------------------------------|---|
| (i) Reasons for the Offer:      | See "Use of Proceeds" on page 71 of the Base Prospectus |
| (ii) Estimated net proceeds:    | EUR 49,965,000  |
| (iii) Estimated total expenses: | Not Applicable  |

### **6. YIELD**

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|----------------------|----------------|
| Indication of yield: | Not Applicable |
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### **7. HISTORIC INTEREST RATES**

Not Applicable

### **8. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not Applicable

### **9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable

## 10. OPERATIONAL INFORMATION

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|--|--------------------------|
| (i) ISIN Code:   | XS0235769618             |
| (ii) Common Code:  | 023576961                |
| (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           |