

## FORM OF FINAL TERMS

February 13, 2007

**Kaupthing Bank hf.**  
**Issue of EUR 250,000,000 CMS-Linked Notes due February 15, 2017**  
**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 31st August, 2006 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 and the First Supplement to the Base Prospectus dated February 2, 2007. 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, as amended from time to time. The Base Prospectus and the First Supplement to the Base Prospectus are 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.   |
|    | (i) Series Number:                | 30   |
|    | (ii) Tranche Number:              | 1  |
| 3. | Specified Currency or Currencies: | Euro (EUR)   |
| 4. | Aggregate Nominal Amount:         |  |
|    | (i) Series:                       | EUR 250,000,000  |
|    | (ii) Tranche:                     | EUR 15,000,000   |
| 5. | Issue Price:                      | 100.00 per cent. of the Aggregate Nominal Amount                 |
| 6. | Specified Denominations:          | EUR 50,000   |
| 7. | (i) Issue Date:                   | February 15, 2007  |
|    | (ii) Interest Commencement Date:  | February 15, 2007  |
| 8. | Maturity Date:                    | Interest Payment Date falling on or nearest to February 15, 2017 |

- |     |  |   |
|-----|--|---|
| 9.  | Interest Basis:  | Floating Rate<br><br>10 year CMS rate * 102 % |
| 10. | Redemption/Payment Basis:                                  | Redemption at par                             |
| 11. | Change of Interest Basis or Redemption/<br>Payment Basis:  | Not applicable                                |
| 12. | Put/Call Options:  | None  |
| 13. | (a) Status of the Notes:                                   | Senior Notes                                  |
|     | (b) Date Board approval for issuance<br>of Notes obtained: | Not applicable                                |
| 14. | Method of distribution:                                    | Non-syndicated                                |

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

- |     |  |  |
|-----|--|--|
| 15. | <b>Fixed Rate Note Provisions</b>  | Not Applicable   |
| 16. | <b>Floating Rate Note Provisions</b>   | Applicable   |
|     | (i) Specified Period(s)/Specified<br>Interest Payment Dates:   | annually in arrears on February 15 of each year,<br>commencing on February 15, 2008 up to and<br>including February 15, 2017                                 |
|     | (ii) Business Day Convention:  | Following Business Day Convention, unadjusted  |
|     | (iii) Additional Business Centre(s):   | None   |
|     | (iv) Manner in which the Rate of<br>Interest and Interest Amount is to<br>be determined:                 | Screen Rate Determination  |
|     | (v) Party responsible for calculating<br>the Rate of Interest and Interest<br>Amount (if not the Agent): | Principal Paying Agent (Deutsche Bank AG,<br>London Branch)  |
|     | (vi) Screen Rate Determination:  | Applicable   |
|     | – Reference Rate:  | 10 year constant maturity swap (“CMS”) rate as<br>published on Reuters ISDAFIX2 on 11.a.m.<br>Frankfurt time on the relevant Interest<br>Determination Dates |

– Interest Determination Date(s):	Second day on which the TARGET System is open prior to the start of each Interest Period
– Relevant Screen Page:	Reuters ISDAFIX2
(vii) ISDA Determination:	Not applicable
(xi) Day Count Fraction:	actual/actual (ICMA Rule 251)
(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:	<p>Formula for calculating the Rate of Interest (“R”):  <math>R = 10 \text{ year CMS rate} * 102 \text{ per cent.}</math></p> <p>R will be determined to the third decimal place, with 0.0005 being rounded upward</p> <p>If, for any reason, the Reference Rate does not appear on the Relevant Screen page on a Interest Rate Determination Date, the Calculation Agent will determine the rate in accordance with the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) as if “EUR-ISDA-EURIBOR Swap Rate-11:00” was selected.</p>
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
20. Target Redemption Note Provisions:	Not Applicable
21. Range Accrual Note Provisions:	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>	
22. Issuer Call	Not Applicable
23. Investor Put	Not Applicable
24. Target Redemption Note Provisions:	Not Applicable
25. Final Redemption Amount of each Note	100 per cent. per Note of EUR 50,000 Specified Denomination
26. Early Redemption Amount(s) of each	Not applicable

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)):

27. Capital Notes Provisions Not Applicable

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. (a) Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 60 days notice given at any time/only upon an Exchange Event

(b) New Global Note: Yes

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:

(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 of relevant Dealer: Bayerische Landesbank  
Brienner Straße 18  
D- 80333 Munich  
Germany
37. Total commission and concession: Not applicable
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 e12,000,000,000 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 February 15, 2007.
- (iii) Estimate of total expenses related to admission to trading: EUR 4,550

### **2. RATINGS**

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

### **3. NOTIFICATION**

The Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (as amended) has provided the Commission de Surveillance du Secteur Financier (CSSF) with a certificate of approval attesting that the Prospectus and the First Supplement to the Prospectus have been drawn up in accordance with the Prospectus Directive.

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

Save for any fees payable to the Dealer, 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: Not applicable
- (ii) Estimated net proceeds: Not applicable
- (iii) Estimated total expenses: Not applicable

### **6. OPERATIONAL INFORMATION**

- (i) ISIN Code: XS0287354640

- (ii) Common Code: 028735464
- (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
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: Yes

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| 13. | (a) Status of the Notes:                                   | Senior Notes                                  |
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36. If non-syndicated, name of relevant Dealer: Bayerische Landesbank  
Brienner Straße 18  
D- 80333 Munich  
Germany
37. Total commission and concession: Not applicable
38. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
39. Additional selling restrictions: Not Applicable

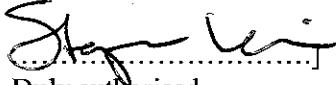
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- (ii) Common Code: 028735464
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