

FINAL TERMS

22 May 2007

Kaupthing Bank hf.
Issue of EUR 1,620,000 3Year Equity Linked Notes due 21 May 2010
under the EUR12,000,000,000
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. 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.	(i) Series Number:	54
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Euro ("EUR")
4.	Aggregate Nominal Amount:	
	(i) Series:	EUR 1,620,000
	(ii) Tranche:	EUR 1,620,000
5.	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:	EUR 10,000
7.	(i) Issue Date:	22 May 2007
	(ii) Interest Commencement Date:	Not Applicable
8.	Maturity Date:	21 May 2010
9.	Interest Basis:	Not Applicable

- | | | |
|-----|--|--|
| 10. | Redemption/Payment Basis: | Final Redemption Amount will be determined as provided below |
| 11. | Change of Interest Basis or Redemption/
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 | Not Applicable |
| 17. | Zero Coupon Note Provisions | Not Applicable |
| 18. | Index Linked Interest Note Provisions | Not Applicable |
| 19. | Dual Currency Interest 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 | See Annex 1 below |
| 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 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 only upon an Exchange Event
- (b) New Global Note: No
29. Additional Financial Centre(s) or other special provisions relating to Payment Dates: London
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 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: Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ, UK
37. Total commission and concession: Not Applicable

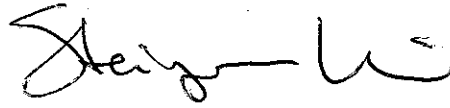
38. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
39. Additional selling restrictions: Not Applicable

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: **Guðni Aðalsteinsson**
..... Framkvæmdastjóri / CFO / Treasurer
Duly authorized Treasurer



PART B – OTHER INFORMATION

1. LISTING

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

2. RATINGS

Ratings: The Notes to be issued have been rated:
Moody's: Aa3
Fitch Ratings Ltd A

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

Not Applicable

6. YIELD (*Fixed Rate Notes only*)

Not Applicable

7. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Not Applicable

8. PERFORMANCE OF INDEX, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING INDEX (*Index-Linked Notes only*)

Not Applicable

9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Notes only)

Not Applicable

10. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0300731006
- (ii) Common Code: 030073100
- (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: No

ANNEX 1

1. Calculation of the Redemption Amount

The Redemption Amount payable in respect of each Notes shall be an amount as determined by the Calculation Agent in accordance with the following:

"Calculation Agent" means Credit Suisse International

Unless the Notes have not been redeemed in accordance with Optional Early Redemption 1 or Optional Early Redemption 2 as specified below, or purchased and cancelled, each Note shall be redeemed on the Maturity Date by the Issuer:

- (i) if, on any Valuation Date (as defined below), the Share Price is not equal to or greater than the Knock-out Level then each Note will redeem at the Underperformance Amount.

"Underperformance Amount" means the amount in EUR (rounded to the nearest cent, half of one cent being rounded upwards) as determined by the Calculation Agent in accordance with the following formula:

$$100\% + \underset{j=1}{\overset{2}{\text{MIN}}} \left[0\%; \frac{\text{Share}_{j,3} - (105\% \times \text{Share}_{j,0})}{(105\% \times \text{Share}_{j,0})} \right]$$

where:

"Share_{j,0}" is the Initial Price of Underlying Share j

"Share_{j,1}" is the Official Closing Price of Underlying Share j on 15th May 2008

"Share_{j,2}" is the Official Closing Price of Underlying Share j on 15th May 2009

"Share_{j,3}" is the Official Closing Price of Underlying Share j on 14th May 2010

- (ii) if, at any Valuation Date, the Share Price is equal to or greater than the Knock-out Level (as defined below) than the note shall redeem pursuant to the relevant Optional Early Redemption.

- (a) "Optional Early Redemption 1" means, if the Price of the Underlying Share has a performance amount of $\underset{j=1}{\overset{2}{\text{MIN}}} \frac{\text{Share}_{j,1}}{\text{Share}_{j,0}} \geq 105\%$ on the relevant Valuation Date, the Notes will redeem at 131.25%. Otherwise the Notes will not redeem.

- (b) "Optional Early Redemption 2" means, if the Price of the Underlying Share has a performance amount of $\underset{j=1}{\overset{2}{\text{MIN}}} \frac{\text{Share}_{j,2}}{\text{Share}_{j,0}} \geq 105\%$ on the on the relevant Valuation Date, the Notes will redeem at 162.5%. Otherwise the Notes will not redeem.

- (c) "Redemption at Maturity" means, if the Price of the Underlying Share has a performance amount of $\underset{j=1}{\overset{2}{\text{MIN}}} \frac{\text{Share}_{j,3}}{\text{Share}_{j,0}} \geq 105\%$ on the relevant Valuation Date, the Notes will redeem at 193.75%. Otherwise the Notes will redeem at the Underperformance Amount as specified above.

2. Definitions

“**Knock-out Level**” means 105% of the Initial Price;

“**Maturity Date**” means 21 May 2010;.

“**Valuation Date**” means in respect of

- (a) the Optional Early Redemption 1, 15 May 2008, provided that if such Valuation Date is not an Exchange Business Day for any Share, in respect of that Share only, the next following day that is an Exchange Business Day relating to that Share subject to the Market Disruption Event provision; and
- (b) in respect of Optional Early Redemption 2, 15 May 2009; and
- (c) in respect of Final Redemption Date, 14 May 2010.

“**Exchange Business Day**” means, in respect of any Share, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on which both the relevant Exchange are open for business, other than a day on which trading on such Exchange is scheduled to close prior to its regular weekday closing time;

“**Share Price**” means, subject to the provisions of the Market Disruption Events, in respect of each Share on any day, the Closing Price of the relevant Share quoted on the relevant Exchange as determined by the Calculation Agent as at the Valuation Date on such day in respect of that Share as published by the Exchange at the Valuation Date provided that if such price is not published in respect of any share the Calculation Agent shall in its discretion acting in a commercially reasonable manner determine such price.

“**Share**” means the common shares of ING Groep NV and BBVA SA.

“**Banking Day**” means, in respect of any city, a day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in such city;

“**Currency Business Day**” means a day which is a Banking Day in London;

“**Early Closure**” means in respect of a Share, as the case may be, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

“**Exchange**” means:

in respect of a Share, the stock exchange so specified against the relevant Share Issuer or such other stock exchange on which such Share is, in the determination of the Issuer, traded or quoted as the Issuer may (in its absolute discretion) select and notify to Securityholders or (in any such case) any transferee or successor exchange.

3. Disrupted Day

If the Issuer determines that the Initial Setting Date or Final Averaging Date in respect of a Share is a Disrupted Day in respect of that Share, then the Initial Setting Date or, as the case may be, Final Averaging Date in respect of that Share will be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading Days

immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day in respect of that Share, would have been the Initial Setting Date or, as the case may be, Final Averaging Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day will be deemed to be the Initial Setting Date or, as the case may be, Final Averaging Date in respect of that Share, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Issuer shall determine the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

4. Adjustments

(a) Adjustments

Following the declaration by any Share Issuer of a Potential Adjustment Event (as defined below) or following any adjustment to the settlement terms of listed contracts on the relevant Shares traded on a Related Exchange, the Issuer will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (i) make the corresponding adjustment, if any, to the calculation of the Final Redemption Amount and/or the relevant Initial Setting Price and/or the Share Price, as the case may be, and/or any other relevant terms as the Issuer determines, in its absolute discretion, to be appropriate to account for that diluting or concentrative effect including the replacement of the relevant Share Issuer and its Shares and (ii) determine the effective date(s) of the adjustment(s). In that case, such adjustments shall be deemed to be so made from such date(s).

The Issuer may (but need not) in its absolute discretion determine the appropriate adjustments by reference to the adjustment(s) in respect of such Potential Adjustment Event made by any Related Exchange to listed contracts on the relevant Shares traded on such Related Exchange.

For the purposes hereof:

“Potential Adjustment Event” means with respect to any Share Issuer, any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Shares of (1) such Shares or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of such Share Issuer equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired or owned (directly or indirectly) by such Share Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Issuer;
- (C) an Extraordinary Dividend;
- (D) a call by the Share Issuer in respect of Shares that are not fully paid;
- (E) a repurchase by the Share Issuer or any of its subsidiaries of its Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a

distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Issuer, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

- (G) any other event that may have a diluting or concentrating effect on the theoretical value of the relevant Shares.

(b) **Merger Events and Tender Offers**

(i) Upon each Merger Event with respect to a Share Issuer if the consideration for the Shares consists (or at the option of the holder of the Shares, may consist) (whether in whole or part) of New Shares, then, on or after the relevant Merger Date, the New Shares (as subsequently modified in accordance with any relevant terms), and their issuer (if any) will be deemed the relevant "Share" and the relevant "Share Issuer" respectively and, if the Issuer determines it to be appropriate, the Issuer will make such adjustment to the calculation of the Final Redemption Amount and/or the relevant Initial Setting Price, as the case may be, and/or to any other relevant terms in such manner as it may determine, in its absolute discretion, to be appropriate, provided, however, that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares; or

(ii) Upon each Merger Event with respect to a Share Issuer, if the consideration for the Shares consists solely of cash or any other securities (other than New Shares) or other assets (whether of the offeror or a third party) and upon each Tender Offer on or after the relevant Merger Date or Tender Offer Date, the Issuer shall, (A) make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Issuer determines appropriate to account for the economic effect on the Securities of such Merger Event or Tender Offer (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment.

(c) **Nationalisation or Delisting**

If at any time (A) the Issuer determines that all the Shares of a Share Issuer or all the assets or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority entity or instrumentality thereof ("**Nationalisation**") or (B) the relevant Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer ("**Delisting**"), the Issuer will make such adjustment to the calculation of the Final Redemption Amount and/or the relevant Initial Setting Price, as the case may be, and/or to any other relevant terms in such manner as it may determine, in its absolute discretion, to be appropriate.

(d) **Liquidation**

If at any time, by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or analogous proceeding affecting a Share Issuer (i)

all the Shares of such Share Issuer are required to be transferred to any trustee, liquidator or other similar official or (ii) holders of the Shares of such Share Issuer become legally prohibited from transferring them, the Share Price of the Share relating to such Share Issuer shall immediately be deemed to be less than the relevant Initial Setting Price.

(e) **Notification of adjustments**

The Issuer shall procure that any adjustments made hereunder are made available to Securityholders at the specified offices of the Fiscal Agent and, if so required by the rules of any stock exchange on which the Securities may be listed, that such adjustments are notified to Securityholders.

(f) **Replacement Shares**

If (i) an event described in paragraph 4(d) of this Schedule occurs with respect to any Share Issuer on or prior to the Initial Setting Date, or (ii) an event described in paragraph 4(a), 4(b), or 4(c) of this Schedule occurs with respect to any Share Issuer at any time, then in place of such Share Issuer (an "**Affected Share Issuer**"), the Issuer may select a substitute Share Issuer which shall be deemed to be a Share Issuer and the Shares of such substitute Share Issuer, as determined by the Issuer, shall be deemed to be Shares in the place of the Shares of the Affected Share Issuer (the "**Affected Shares**") and the Issuer shall make such adjustments to the calculation of the Final Redemption Amount and/or to any other relevant terms as it may determine in good faith, in its absolute discretion, to be appropriate.

In addition, following a Merger Event or Tender Offer involving two or more Share Issuers, the Issuer may, in its absolute discretion, designate one or more of such Share Issuers as an Affected Share Issuer and select a substitute Share Issuer in order to maintain the same number of Share Issuers as before the relevant Merger Event or Tender Offer and, in the event of a demerger of a Share Issuer such that the holder of Shares in the relevant Share Issuer would thereby become the holder of Shares in two or more companies in place of the relevant Shares, the Issuer may, in its absolute discretion, following the declaration by the Share Issuer of the terms of such demerger, deem such Share Issuer an Affected Share Issuer and replace it as provided in this paragraph.

Upon effecting any such replacement, the Issuer shall notify Securityholders in accordance with General Condition of such replacement.

FINAL TERMS

21 May 2007

Kaupthing Bank hf.
JPY 13,000,000,000 Fixed Rate Notes due 21 May 2011
under the EUR 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 31 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. 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.

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|-----|-----------------------------------|---|
| 1. | Issuer: | Kaupthing Bank hf. |
| | (i) Series Number: | 56 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Japanese Yen ("JPY") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | JPY 13,000,000,000 |
| | (ii) Tranche: | JPY 13,000,000,000 |
| 5. | Issue Price: | 97.01 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | JPY 10,000,000 |
| 7. | (i) Issue Date: | 21 May 2007 |
| | (ii) Interest Commencement Date: | Not Applicable |
| 8. | Maturity Date: | 21 May 2011 |
| 9. | Interest Basis: | 0.69% - Fixed 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
	(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	Applicable
	(i) Rate(s) of Interest:	0.69 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	21 May in each year up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	JPY 69,000 per JPY 10,000,000 Specified Denomination
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	30/360, unadjusted
	(vi) Determination Date(s):	Not Applicable
	(vi) 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 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 JPY 10,000,000 per Note of JPY 10,000,000 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)): The Calculation Agent will determine and calculate in its sole discretion the redemption amount in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption.
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. (a) Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
- (b) New Global Note: No
29. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Tokyo, London and TARGET
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 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 of relevant Dealer: Deutsche Bank AG, London Branch
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

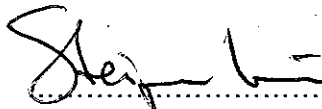
LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 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: **Guðni Aðalsteinsson**
Duly authorised
Frankvæðingastjórnarstýringar
Chief Treasurer

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 21 May 2007
- (iii) Estimate of total expenses related to admission to trading: Not Applicable

2. RATINGS

- Ratings: The Notes to be issued have been rated
- Moody's Aa3
Fitch A

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 "Use of Proceeds" wording in Base Prospectus
- (ii) Estimated net proceeds: JPY 12,611,300,000
- (iii) Estimated total expenses: Not Applicable

6. YIELD (*Fixed Rate Notes only*)

Indication of yield: 1.46455 per cent per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Not Applicable

8. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Notes only*)

Not Applicable

9. PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes only*)

Not Applicable

10. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0301691589
- (ii) Common Code: 030169158
- (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: Not Applicable