

15 June 2007

Kaupthing Bank hf.
Issue of JPY 8,200,000,000 Floating Rate Notes due June 2009
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.

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| 1. | Issuer: | Kaupthing Bank hf. |
| 2. | (i) Series Number: | 64 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Japanese Yen ("JPY") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | JPY 8,200,000,000 |
| | (ii) Tranche: | JPY 8,200,000,000 |
| 5. | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | JPY 10,000,000 |
| 7. | (i) Issue Date: | 18 June 2007 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | The Specified Interest Payment Date falling on or nearest to 18 June 2009 |
| 9. | Interest Basis: | 3 months JPY LIBOR Floating Rate
(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |

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| 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

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| 15. | Fixed Rate Note Provisions | Not Applicable |
| 16. | Floating Rate Note Provisions | Applicable |
| | (i) Specified Period(s)/Specified
Interest Payment Dates: | 18 March, 18 June, 18 September and 18 December
in each year up to and including the Maturity Date,
subject in each case to adjustment in accordance
with the Business Day Convention set out below.
The first Specified Interest Payment Date will be
18 September 2007. |
| | (ii) Business Day Convention: | Modified Following Business Day Convention |
| | (iii) Additional Business Centre(s): | London |
| | (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 months JPY LIBOR |
| | – Interest Determination
Date(s): | Second London business day prior to the start of
each Interest Period (as of 11.00 am London time) |
| | – Relevant Screen Page: | Reuters Screen Page LIBOR 01 |
| | (vii) ISDA Determination: | |
| | – Floating Rate Option: | Not Applicable |
| | – Designated Maturity: | Not Applicable |
| | – Reset Date: | Not Applicable |

(viii)	Margins:	Not Applicable
(ix)	Minimum Rate of Interest:	Not Applicable
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/360, adjusted
(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 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)):	JPY 10,000,000 per Note of JPY 10,000,000 Specified Denomination.
27.	Capital Notes Provisions	Not Applicable
(i)	Special Event Redemption Amount:	
(ii)	Special Event Redemption Date(s):	
(iii)	Investment Considerations:	

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, TARGET and 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 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: Commerzbank Aktiengesellschaft
60 Gracechurch Street
London EC3V 0HR
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 EUR12,000,000,000 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

Guðni Aðalsteinnsson
Framkvæmdastjóri
Chief Executive Officer



Guðný Arna Sveinsdóttir
Framkvæmdastjóri fjármála
Chief Financial Officer

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 Luxembourg Stock Exchange's regulated market with effect from 18 June 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 8,200,000,000
- (iii) Estimated total expenses: Not Applicable

6. YIELD (*Fixed Rate Notes only*)

Indication of yield: 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: XS0306243865
- (ii) Common Code: 030624386
- (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