

FINAL TERMS

27th June, 2007

Kaupthing Bank hf.
Issue of €500,000,000 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 31st August, 2006 which, as supplemented on 2 February 2007, 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, as supplemented by the Supplement. 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 supplemented by the Supplement. The Base Prospectus and the Supplement 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.

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| 1. | Issuer: | Kaupthing Bank hf. |
| 2. | (i) Series Number: | 66 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro ("€") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | €500,000,000 |
| | (ii) Tranche: | €500,000,000 |
| 5. | Issue Price: | 99.923 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | €50,000 |
| 7. | (i) Issue Date: | 29th June, 2007 |
| | (ii) Interest Commencement Date: | 29th June, 2007 |
| 8. | Maturity Date: | Interest Payment Date falling on or nearest to June 2009 |
| 9. | Interest Basis: | 3 month EURIBOR + 0.15 per cent. Floating Rate (further particulars specified below) |

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| 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: | 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: | 29th March, 29th June, 29th September and 29th December, in each year commencing on 29th September, 2007 up to and including 29th June, 2009 |
| | (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): | Second day on which the TARGET System is open prior to the start of each Interest Period |
| | – Relevant Screen Page: | Reuters page EURIBOR01 |
| | (vii) ISDA Determination: | |
| | – Floating Rate Option: | Not Applicable |

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| | – 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: | 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 | €50,000 per Note of €50,000 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)): | €50,000 per Note of €50,000 Specified Denomination. |
| 27. | Capital Notes Provisions | |

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| (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

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| 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: | 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

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| 35. | (i) If syndicated, names of Managers: | Deutsche Bank AG, London Branch Fortis Bank NV The Royal Bank of Scotland plc |
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- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager (if any): Fortis Bank NV
36. If non-syndicated, name of relevant Dealer: Not Applicable
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: The Notes will not be qualified for sale under the securities laws of any province or territory of Canada. Each Manager has represented and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws. Each Manager has also represented and agreed that it has not and will not distribute or deliver the Base Prospectus, or any other offering material in connection with any offering of Notes in Canada, other than in compliance with applicable securities laws.

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

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Astaug Guðjónsdóttir



STEINGRÍMUR P. KARASON

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 29th June, 2007.
- (iii) Estimate of total expenses related to admission to trading: €1,500

2. RATINGS

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

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

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

4. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0306851998
- (ii) Common Code: 030685199
- (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
- Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not

necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

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

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| (i) Reasons for the Offer: | See " <i>Use of Proceeds</i> " wording in Base Prospectus |
| (ii) Estimated net proceeds: | EUR 499,115,000 |
| (iii) Estimated total expenses: | Not Applicable |