

28 June 2007

Kaupthing Bank hf.
ISK750,000,000 Floating Rate Notes due 2 July 2010
issued pursuant to 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, as supplemented by the supplemental prospectus dated 2 February 2007 (the Supplemental Prospectus") which together constitute the 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 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: | 69 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Icelandic Krona ("ISK") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | ISK 750,000,000 |
| | (ii) Tranche: | ISK 750,000,000 |
| 5. | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | ISK 500,000 |

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| 7. | (i) Issue Date: | 2 July 2007 |
| | (ii) Interest Commencement Date: | 2 July 2007 |
| 8. | Maturity Date: | Interest Payment Date falling on or nearest to 2 July 2010 |
| 9. | Interest Basis: | 3 month REIBOR – 0.05 per cent. Floating Rate.
(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest Basis or Redemption/
Payment Basis: | Not Applicable

Not Applicable |
| 12. | Put/Call Options: | Not Applicable |
| 13. | Status of the Notes: | Senior |
| 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: | Each 2 July, 2 October, 2 January and 2 April, from
and including 2 October 2007 to and including the
Maturity Date |
| | (ii) Business Day Convention: | Modified Following Business Day Convention |
| | (iii) Additional Business Centre(s): | For the avoidance of doubt the Business Days are
Reykjavik, London and New York |
| | (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): | Agent |

(vi)	Screen Rate Determination:	Yes
	– Reference Rate:	3 month REIBOR
	– Interest Determination Date(s):	The second day on which Reykjavik is open prior to the start of each Interest Period
	– Relevant Screen Page:	Reuters Screen REIBOR
(vii)	ISDA Determination:	Not Applicable
(viii)	Margin(s):	minus 0.05 per cent.
(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:	The Conditions apply
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	ISK 500,000 per Note of ISK 500,000 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)):

Condition 7(f) applies

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: Reykjavik, London and New York
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 | 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: | Royal Bank of Canada Europe Limited
71 Queen Victoria Street
London
EC4V 4DE |
| 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 |

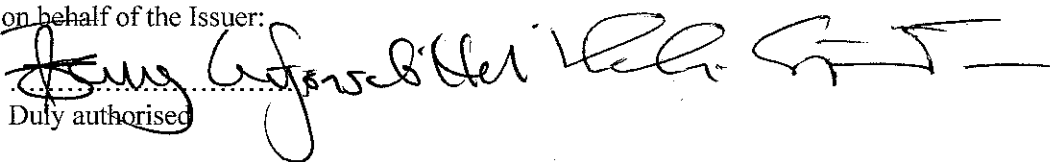
RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

Duly authorised



sign. Astaug Guðjónsdóttir

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: 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

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|-------|---------------------------|--|
| (i) | Reasons for the Offer: | See "Use of Proceeds" wording in Base Prospectus |
| (ii) | Estimated net proceeds: | ISK 745,312,500 |
| (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*)

Details of historic REIBOR rates can be obtained from the Central Bank of Iceland's website:
<http://www.sedlabanki.is>

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: XS0308617520
- (ii) Common Code: 030861752
- (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