

## FINAL TERMS

16 July 2007

**Kaupthing Bank hf.**  
**Issue of BGN50,000,000 5.25 per cent. Callable Notes due 18 July 2017**  
**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 31 August 2006, as supplemented on 2 February 2007, 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, as so supplemented. 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 so supplemented. The Base Prospectus, as so supplemented, 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:                | 72   |
|    | (ii) Tranche Number:              | 1  |
| 3. | Specified Currency or Currencies: | Bulgarian Lev ("BGN")  |
|    |                                   | Euroclear currently does not accept BGN as an eligible settlement currency. Until Euroclear Acceptance (as defined below) is permissible, interests in, payments under, or ownership of the Notes cannot occur via Euroclear and will be traded and settled only in Clearstream, Luxembourg. It is possible that payments under the Notes will be settled and cleared through Euroclear (such acceptance a <b>Euroclear Acceptance</b> ) if in the future BGN becomes an eligible settlement currency. |
| 4. | Aggregate Nominal Amount:         |  |
|    | (i) Series:                       | BGN50,000,000  |
|    | (ii) Tranche:                     | BGN50,000,000  |
| 5. | Issue Price:                      | 100 per cent. of the Aggregate Nominal Amount  |

- |     |  |  |
|-----|--|--|
| 6.  | Specified Denominations:                                   | BGN100,000   |
| 7.  | (i) Issue Date:  | 18 July 2007   |
|     | (ii) Interest Commencement Date:                           | 18 July 2007   |
| 8.  | Maturity Date:   | 18 July 2017   |
| 9.  | Interest Basis:  | 5.25 per cent. Fixed Rate<br>(further particulars specified below) |
| 10. | Redemption/Payment Basis:                                  | Redemption at par  |
| 11. | Change of Interest Basis or Redemption/<br>Payment Basis:  | Not Applicable   |
| 12. | Put/Call Options:  | Issuer call<br>(further particulars specified below)               |
| 13. | (a) Status of the Notes:                                   | Senior   |
|     | (b) Date Board approval for issuance<br>of Notes obtained: | Not Applicable   |
| 14. | Method of distribution:                                    | Syndicated   |

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

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|-----|---|---|
| 15. | <b>Fixed Rate Note Provisions</b>   | Applicable  |
|     | (i) Rate(s) of Interest:  | 5.25 per cent. per annum payable annually in arrear           |
|     | (ii) Interest Payment Date(s):  | 18 July in each year up to and including the<br>Maturity Date |
|     | (iii) Fixed Coupon Amount(s):   | BGN5,250 per BGN100,000 in nominal amount                     |
|     | (iv) Broken Amount(s):  | Not Applicable  |
|     | (v) Day Count Fraction:   | 30/360  |
|     | (vi) Determination Date(s):   | Not Applicable  |
|     | (vi) Other terms relating to the<br>method of calculating interest for<br>Fixed Rate Notes: | None  |
| 16. | <b>Floating Rate Note Provisions</b>  | Not Applicable  |
| 17. | <b>Zero Coupon Note Provisions</b>  | Not Applicable  |
| 18. | <b>Index Linked Interest Note Provisions</b>  | 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 Applicable

(i) Optional Redemption Date(s): 18 July 2012

(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): BGN100,000 per Note of BGN100,000 Specified Denomination

(iii) If redeemable in part:

(a) Minimum Redemption Amount: Not Applicable

(b) Maximum Redemption Amount: Not Applicable

(iv) Notice period (if other than as set out in the Conditions): 15 Business Days, where "Business Day" means any day (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sofia and Reykjavik and (ii) on which the TARGET System is open

23. Investor Put Not Applicable

24. Target Redemption Note Provisions: Not Applicable

25. Final Redemption Amount of each Note BGN100,000 per Note of BGN100,000 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)): BGN100,000 per Note of 100,000 Specified Denomination

27. Capital Notes Provisions

(i) Special Event Redemption Not Applicable

Amount:

- (ii) Special Event Redemption Not Applicable  
Date(s):
- (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: TARGET and Reykjavik For the purposes of Condition 6(e), London shall not apply
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: Not Applicable
34. Other final terms: Not Applicable

#### DISTRIBUTION

35. (i) If syndicated, names of Managers : Citigroup Global Markets Limited.  
First Investment Bank
- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager (if any): Citigroup Global Markets Limited.
36. If non-syndicated, name of relevant Dealer: Not Applicable

37. Total commission and concession: There are no commissions deducted from the net proceeds of the issue, Citigroup Global Markets Limited shall pay the Managers certain fees in respect of this issue of Notes.
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.

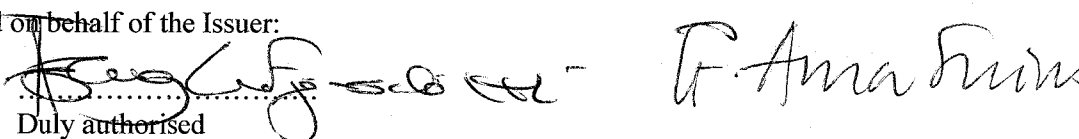
### RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

Duly authorised



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 July 2007.
- (iii) Estimate of total expenses related to admission to trading: EUR4,500

### 2. RATINGS

- Ratings: The Notes to be issued have been rated:
- |                    |     |
|--------------------|-----|
| 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. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the Offer: See 'Use of Proceeds' section in the Prospectus
- (ii) Estimated net proceeds: BGN50,000,000
- (iii) Estimate of total expenses related to admission to trading: Not Applicable

### 5. YIELD (*Fixed Rate Notes only*)

Indication of yield: 5.25 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.

### 6. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0309095262

- (ii) Common Code: 030909526
- (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 free of 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