

7 November 2007

**Kaupthing Bank hf.**  
**Issue of CZK 800,000,000 Floating Rate Notes due 9 November 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 13 September, 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. 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:                                    | 9  |
|     | (ii) Tranche Number:                                  | 1  |
| 3.  | Specified Currency or Currencies:                     | CZK  |
| 4.  | Aggregate Nominal Amount:                             |  |
|     | (i) Series:   | CZK 800,000,000  |
|     | (ii) Tranche:   | CZK 800,000,000  |
| 5.  | Issue Price:  | 100 per cent. of the Aggregate Nominal Amount  |
| 6.  | (i) Specified Denominations:                          | CZK 2,000,000  |
|     | (ii) Calculation Amount                               | CZK 2,000,000  |
| 7.  | (i) Issue Date:                                       | 9 November 2007  |
|     | (ii) Interest Commencement Date:                      | Issue Date   |
| 8.  | Maturity Date:  | Interest Payment Date falling on or nearest to November 2009                         |
| 9.  | Interest Basis:                                       | PRIBOR 3 months + 0.76 per cent. Floating Rate (further particulars specified below) |
| 10. | Redemption/Payment Basis:                             | Redemption at par (further particulars specified below)                              |
| 11. | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable   |

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|-----|---|----------------|
| 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. | <b>Fixed Rate Note Provisions</b>    | Not Applicable |
| 16. | <b>Floating Rate Note Provisions</b> | Applicable     |

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|--------|--|--|
| (i)    | Specified Period(s)/Specified Interest Payment Dates:  | 9 February, 9 May, 9 August and 9 November 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 9 February 2008. |
| (ii)   | Business Day Convention:   | Modified Following Business Day Convention   |
| (iii)  | Additional Business Centre(s):   | TARGET, Prague   |
| (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): | The Fiscal Agent   |
| (vi)   | Screen Rate Determination:   |  |
|        | – Reference Rate:  | PRIBOR 3 months  |
|        | – Interest Determination Date(s):  | Second TARGET and Prague business day prior to the start of each Interest Period   |
|        | – Relevant Screen Page:  | Reuters Screen Page PRBO   |
| (vii)  | ISDA Determination:  |  |
|        | – Floating Rate Option:  | Not Applicable   |
|        | – Designated Maturity:   | Not Applicable   |
|        | – Reset Date:  | Not Applicable   |
| (viii) | Margin(s):   | +0.76 per cent.per annum   |
| (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.	<b>Zero Coupon Note Provisions</b>	Not Applicable
18.	<b>Index Linked Interest Note Provisions</b>	Not Applicable
19.	<b>Equity Linked Interest Note Provisions</b>	Not Applicable
20.	<b>Commodity Linked Interest Note Provisions</b>	Not Applicable
21.	<b>Additional Disruption Events (applicable to Equity Linked Interest Notes only):</b>	Not Applicable
22.	<b>Dual Currency Interest Note Provisions</b>	Not Applicable
23.	Target Redemption Note Provisions:	Not Applicable
24.	Range Accrual Note Provisions:	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>		
25.	Issuer Call	Not Applicable
26.	Investor Put	Not Applicable
27.	Target Redemption Note Provisions:	Not Applicable
28.	Final Redemption Amount	CZK 2,000,000 per Calculation Amount
29.	Early Redemption Amount:	
	Early Redemption Amount payable on redemption for taxation reasons or on event of default or on an illegality (or, in the case of Equity Linked Notes, following a De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 9(b)(ii)(b) or, following an Additional Disruption Event (if applicable) or, in the case of Credit Linked Notes, following a Merger Event, and/or the method of calculating the same <b>(required if Early Redemption Amount different from that set out in</b>	CZK 2,000,000 per Calculation Amount

**Condition 7(f):**

30. Capital Notes Provisions
- (i) Special Event Redemption Amount: Not Applicable
- (ii) Special Event Redemption Date(s):
- (iii) Investment Considerations:
31. Equity Linked Redemption Notes: Not Applicable
32. Additional Disruption Events (applicable to Equity Linked Redemption Notes only): Not Applicable
33. Credit Linked Notes: Not Applicable
34. Commodity Linked Redemption Notes: Not Applicable

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

35. (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
36. Additional Financial Centre(s) or other special provisions relating to Payment Dates: TARGET, Prague
37. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
38. 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
39. Details relating to Instalment Notes:
- (i) Instalment Amount(s): Not Applicable

- (ii) Instalment Date(s): Not Applicable
40. Redenomination applicable: Redenomination not applicable
41. Other final terms: Not Applicable

**DISTRIBUTION**

42. (i) If syndicated, names of Managers Not Applicable
- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager (if any): Not Applicable
43. If non-syndicated, name and address of relevant Dealer: Fortis Bank NV/SA  
Montagne du Parc, 3  
B-1000 Brussels
44. U.S.Selling Restrictions: TEFRA D
45. Additional selling restrictions: As per EMTN Programme, inclusive of :  
  
European Economic Area

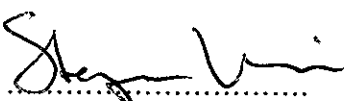
In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC) (each, a "Relevant Member State"), the Notes may not be sold or offered or any offering materials relating thereto distributed, with effect from and including the date on which the Prospectus Directive is implemented in the Relevant Member State, to the public (within the meaning of that Directive) in that Relevant Member State, except in the circumstances which do not require the publication of a prospectus pursuant to the Prospectus Directive.

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:

  
.....  
Duly authorised  
STEINGRÍMUR KARASON  
CHIEF RISK OFFICER

  
**Guðni Aðalsteinsson**  
Frankvæðingastjóri fjárfestingar  
Chief Treasurer

**PART B – OTHER INFORMATION**

<b>1. LISTING</b>	
(i) Admission to trading:	Not Applicable
(ii) Estimate of total expenses related to admission to trading:	Not Applicable
<b>2. RATINGS</b>	
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 Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

<b>4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES</b>	
(i) Reasons for the Offer:	See "Use of Proceeds" wording in Base Prospectus
(ii) Estimated net proceeds:	CZK 800,000,000
(iii) Estimated total expenses:	Not Applicable

<b>5. YIELD</b> ( <i>Fixed Rate Notes only</i> )	Not Applicable
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**6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING INDEX :** Not Applicable

**7. PERFORMANCE OF [THE EQUITY/BASKET OF EQUITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE EQUITY/BASKET OF EQUITIES]]:** Not Applicable

**8. PERFORMANCE OF [THE COMMODITY/BASKET OF COMMODITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/BASKET OF COMMODITIES]]:**

Not Applicable

**9. INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY]**

Not Applicable

**10. PERFORMANCE OF RATE[S] OF EXCHANGE:** Not Applicable

<b>11. OPERATIONAL INFORMATION</b>	
(i) ISIN Code:	XS0329669187
(ii) Common Code:	032966918
(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