

18 July 2007

**KBC INTERNATIONALE FINANCIERINGSMAATSCHAPPIJ N.V.**

**(KBC IFIMA N.V.)<sup>1</sup>**

**Issue of Mexican Pesos 50,000,000 Index Linked Notes due July 2010**

**Guaranteed by KBC Bank NV**

**under the €40,000,000,000**

**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 3rd October, 2006 as supplemented by the Supplement dated 31 May 2007 (together hereinafter referred to as the “Base Prospectus”) which constitutes a base prospectus for the purposes of 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 a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and copies may be obtained during normal business hours at the registered office of the Issuer.

*Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the shares based upon such investigations and not in reliance upon any information given in this document.*

*No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.*

*By investing in the Notes each investor represents that:*

- (a) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer, the Guarantor or any Dealer as investment advice or as a recommendation to invest in the Notes,*

<sup>1</sup> The financial statements of KBC IFIMA N.V. according to IFRS accounting rules are only submitted to KBC Bank NV, its Parent Company and Guarantor under the EMTN Programme. Financial statements of KBC Bank NV on a consolidated basis are published according to IFRS accounting rules and can be found on website [www.kbc.com](http://www.kbc.com) in 2006 Annual Report.

*it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer, the Guarantor or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.*

- (b) *Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.*
- (c) *Status of Parties. None of the Issuer, the Guarantor and any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.*

- |     |      |   |   |
|-----|------|---|---|
| 1.  | (i)  | Series Number:  | 2870  |
|     | (ii) | Tranche Number:                                       | 1   |
| 2.  |      | Status of Notes:                                      | Senior Guaranteed Notes   |
| 3.  |      | Specified Currency or Currencies:                     | Mexican Pesos (“MXN”)   |
| 4.  |      | Aggregate Nominal Amount:                             |   |
|     | (i)  | Series:   | MXN 50,000,000  |
|     | (ii) | Tranche:  | MXN 50,000,000  |
| 5.  |      | Issue Price:  | 100 per cent. of the Aggregate Nominal Amount   |
| 6.  |      | Specified Denominations                               | MXN 50,000  |
| 7.  | (i)  | Issue Date:   | 18 July 2007  |
| 8.  |      | Maturity Date:  | 19 July 2010, subject to adjustment in accordance with the Modified Following Business Day Convention |
| 9.  |      | Interest Basis:                                       | Not Applicable  |
| 10. |      | Redemption/Payment Basis:                             | Index Linked Redemption   |
| 11. |      | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable  |
| 12. |      | Put/Call Options:                                     | Not Applicable  |
| 13. |      | Tax Gross-Up:   | Condition 11 (a) applicable   |
| 14. |      | Method of distribution:                               | Non-syndicated  |

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

- |     |  |                            |                |
|-----|--|----------------------------|----------------|
| 15. |  | Fixed Rate Note Provisions | Not Applicable |
|-----|--|----------------------------|----------------|

16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index Linked Interest Note Provisions	Not Applicable
19.	Equity Linked Interest Note Provisions	Not Applicable
20.	Commodity Linked Interest Note Provisions	Not Applicable
21.	Currency Linked Interest Note Provisions	Not Applicable
22.	Dual Currency Note Provisions	Not Applicable
23.	Additional Disruption Events ( <i>applicable to Index Linked Interest Notes and Equity Linked Interest Notes only</i> ):	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

24.	Issuer Call	Not Applicable
25.	Investor Put	Not Applicable
26.	Final Redemption Amount of each Note:	See point (29) "Index Linked Redemption Notes", of these Final Terms.
27.	Early Redemption Amount:  Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default or on an illegality (or, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 7(b)(ii)(b) 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 8(b)(ii)(b) or, in the case of Index Linked Notes or Equity Linked Notes, 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 (required if Early Redemption Amount different from that set out in Condition 5(e)):	Not Applicable  Such amount(s) determined by the Calculation Agent which shall represent the fair market value of each Note on the date of redemption, including accrued interest (if any), adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. For the purposes hereof:  (i) the references to "together (if appropriate) with interest accrued to (but excluding) the date of redemption" shall be deemed to be deleted from each of Condition 5(b) and Condition 5(h); and  (ii) the references to "together with accrued interest thereon to the date of repayment" shall be deemed to be deleted from Condition 13.
28.	Currency Linked Redemption Notes:	Not Applicable
29.	Index Linked Redemption Notes:	Applicable

(i)	Whether the Notes relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant sponsors:	Basket of Indices: The Notes relate to Nikkei 225 (Bloomberg Code <NKY Index>), S&P 500 (Bloomberg Code <SPX Index>), and DJ Euro Stoxx 50 (Bloomberg Code <SX5E Index>), each of them “Index <sub>i</sub> ” or “Index”
(ii)	Calculation Agent responsible for making calculations pursuant to Condition 7:	Banco Bilbao Vizcaya Argentaria, S.A.
(iii)	Exchange(s):	As defined in condition 7 (c)
(iv)	Related Exchange(s):	Any exchange on which futures contracts and/or options contracts on the Index are traded.
(v)	Redemption Amount:	See Annex 1
(vi)	Valuation Date:	See Annex 1
(vii)	Valuation Time:	Condition 7(c) applies
(viii)	Strike Price:	Not Applicable
(ix)	Disrupted Day:	Applicable
(x)	Multiplier for each Index comprising the basket:	Not Applicable
(xi)	Correction of Index Levels:	Correction of Index Levels applies
(xii)	Other terms or special conditions:	Not Applicable
30.	Equity Linked Redemption Notes:	Not Applicable
31.	Additional Disruption Events:	Not Applicable
32.	Credit Linked Notes:	Not Applicable
33.	Commodity Linked Redemption Notes:	Not Applicable

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

34.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes only upon an Exchange Event
35.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	TARGET, New York and Mexico
36.	Talons for future Coupons or Receipts to	

- be attached to Definitive Notes (and dates on which such Talons mature): No
37. 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
38. Details relating to Instalment Notes:
- (i) Instalment Amount(s): Not Applicable
- (ii) Instalment Date(s): Not Applicable
39. If the Specified Currency is the currency of a member state of the European Union, whether a Redenomination Clause is to be included: Redenomination not applicable
40. Consolidation provisions: Not Applicable
41. Other final terms: Not Applicable

## **DISTRIBUTION**

- 42.
- (i) If syndicated, names and addresses 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: Banco Bilbao Vizcaya Argentaria, S.A., of Vía de los Poblados, S/N 28033 Madrid - Spain
44. Additional selling restrictions: Not Applicable

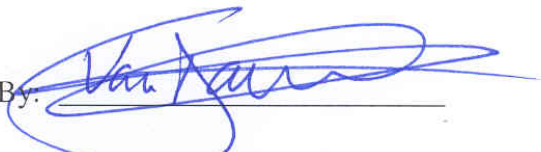
## **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €40,000,000,000 Euro Medium Term Note Programme of KBC Internationale Financieringsmaatschappij N.V. (KBC IFIMA N.V.).

## **RESPONSIBILITY**


The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Bloomberg and the Indices web-pages, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:   
*Duly authorised*

**Dirk VAN DAMME**  
Head Issues

Signed on behalf of the Guarantor:

By:   
*Duly authorised*

**Peter Buelens**  
General Manager  
Treasury

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING:

- (i) Listing: Luxembourg
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from 18 July 2007
- (iii) Estimate of total expenses related to admission to trading: EUR 1,500

### 2. RATINGS:

The rating of the Guarantor is:

S & P: AA-

Moody's: Aa2

Fitch Ratings: AA-

### 3. NOTIFICATION:

*The Commission de Surveillance du Secteur Financier* has provided the competent authorities of Belgium, Hungary, Spain (*Comision Nacional del Mercado de Valores – “CNMV”-*) and United Kingdom (*Financial Services Authority – “FSA”-*) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

### 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: The net proceeds of each issue of notes shall be applied by the Issuer to assist the financing of the activities of the Guarantor
- (ii) Estimated net proceeds: MXN 50,000,000
- (iii) Estimated total expenses: Not Applicable

6. **YIELD:** (*Fixed Rate Notes only*) Not Applicable

### 7. HISTORIC INTEREST RATES:

Not Applicable

**8. PERFORMANCE OF INDEX, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX/BASKET OF INDICES:**

Past and future performance and volatility of each Index can be obtained on Bloomberg screen <NKY Index> for Index1, Bloomberg screen <SPX Index> for Index2, and Bloomberg screen <SX5E Index> for Index3.

A small movement in any of the Indices may result in a large change in the value of the Notes.

**9. PERFORMANCE OF THE EQUITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE EQUITY** (*Equity Linked Notes only*)

Not Applicable

**10. PERFORMANCE OF [RATE[S] OF EXCHANGE/FORMULA/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE[S] OF EXCHANGE/FORMULA/CURRENCIES]]** (*Currency Linked Notes only*)

Not Applicable

**11. 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]]** (*Commodity Linked Notes only*)

Not Applicable

**12. INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY]** (*Credit Linked Notes only*)

Not Applicable

**13. OPERATIONAL INFORMATION:**

(i) ISIN Code: XS0310428528

(ii) Common Code: 031042852

(iii) Any clearing system(s) other than Euroclear Bank SA/NV 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



## ANNEX 1

(This Annex forms part of the Final Terms to which it is attached)

### PROVISIONS RELATING TO REDEMPTION

#### 1. Early Redemption Amount

For the purposes of the Notes, Condition 5 (e) of the Offering Circular shall be deemed to be deleted and replaced by the following:

- (i.) If on the First Observation Date, the Calculation Agent determines that  $\text{MIN}_{i \rightarrow 1}^{i=3} \left( \frac{\text{Index}_{i,1}}{\text{Index}_{i,0}} \right) \geq 1$ , then the Notes shall be redeemed by the Issuer on the First Early Redemption Date at an amount (the “Early Redemption Amount”) calculated by the Calculation Agent as follows:

**Specified Denomination \* 116.00%**

- (ii.) If on the Second Observation Date, the Calculation Agent determines that  $\text{MIN}_{i \rightarrow 1}^{i=3} \left( \frac{\text{Index}_{i,2}}{\text{Index}_{i,0}} \right) \geq 1$ , then the Notes shall be redeemed by the Issuer on the Second Early Redemption Date at an amount (the “Early Redemption Amount”) calculated by the Calculation Agent as follows:

**Specified Denomination \* 132.00%**

#### 2. Final Redemption Amount

For the purposes of the Notes, Condition 5 (a) of the Offering Circular shall be deemed to be deleted and replaced by the following:

Unless previously redeemed or purchased and cancelled as specified in these Final Terms, the Notes shall be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount determined by the Calculation Agent as follows:

- (i.) If, on the Final Observation Date, the Calculation Agent determines that  $\text{MIN}_{i \rightarrow 1}^{i=3} \left( \frac{\text{Index}_{i,3}}{\text{Index}_{i,0}} \right) \geq 1$  then the Notes shall be redeemed by the Issuer on the Maturity Date at an amount (the “Final Redemption Amount”) calculated by the Calculation Agent as follows:

**Specified Denomination \* 148.00%**

- (ii.) If, on the Final Observation Date, the Calculation Agent determines that  $\text{MIN}_{i \rightarrow 1}^{i=3} \left( \frac{\text{Index}_{i,3}}{\text{Index}_{i,0}} \right) < 1$  then the Notes shall be redeemed by the Issuer on the Maturity Date at an amount (the “Final Redemption Amount”) calculated by the Calculation Agent as follows:

## Specified Denomination \* 100.00%

### 3. Definitions

For the purpose of these Final Terms:

**“Index”** means: (i) the Nikkei 225 Index (“Index1”); (ii) the Standard and Poor’s 500 Index (“Index2”); and (iii) the Dow Jones Euro STOXX Index (“Index3”), the official prices of which are calculated by the relevant Index Sponsor and published on the relevant Screen Page.

**“Index Sponsor”** means: (i) Nihon Keizai Shimbun, Inc. for the Nikkei 225 Index; (ii) Standard & Poor’s (a division of The McGraw-Hill Companies, Inc.) for the Standard & Poor’s 500 Index; and (iii) STOXX Limited and Dow Jones & Company for the Dow Jones Euro STOXX 50 Index or, in each case, any successor thereto.

**“Index<sub>i,0</sub>”** means the Closing Price of Index<sub>i</sub> on the Issue Date.

**“Index<sub>i,1</sub>”** means the Closing Price of Index<sub>i</sub> on the First Early Observation Date.

**“Index<sub>i,2</sub>”** means the Closing Price of Index<sub>i</sub> on the Second Observation Date.

**“Closing Price”** means, for each Exchange Business Day and each Index, the official closing level of the Index as determined and published by the Index Sponsor as of the Valuation Time.

**“Exchange”** means (i) the Tokyo Stock Exchange for the Nikkei 225 Index; (ii) the New York Stock Exchange, the American Stock Exchange and the National Association of Securities Dealers Automated Quotation System for the Standard & Poor’s 500 Index; and (iii) each exchange or quotation system on which each component security of the Index is principally traded for the Dow Jones Euro STOXX 50 index or, in each case, the successor thereto.

**“Related Exchange”** means, for each Index, any exchange or quotation system on which futures or options contracts on an Index may be traded.

**“Screen Page”** means: (i) Bloomberg code NKY <Index> for the Nikkei 225 Index; (ii) Bloomberg code SPX <Index> for the Standard & Poor’s 500 Index; and (iii) Bloomberg code SX5E <Index> for the Dow Jones Euro STOXX 50 Index or, in each case, any successor thereto.

**“Exchange Business Day”** means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day both the Exchange or Related Exchange: (i) other than a day on which trading on any such Exchange or Related Exchange is scheduled to close prior to its regular weekday closing time for the Standard & Poor’s 500 Index and the Dow Jones Euro STOXX 50 Index; or (ii) including a day in which trading on any such Exchange or Related Exchange is scheduled to close prior to its regular weekday closing time for the Nikkei 225 Index.

**“Calculation Agent”** means Banco Bilbao Vizcaya Argentaria, S.A.

**“Business Day for Fixing”** means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system (the **“TARGET System”**) is open, a day on which commercial banks and foreign exchange markets are open for general business in New York; and a day on which commercial banks and foreign exchange markets settle payments and are open for general business in Tokio.

**“Business Day for Payment”** means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system (the **“TARGET System”**) is open and a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London; and a day on which commercial banks and foreign exchange markets settle

payments and are open for general business in New York; and a day on which commercial banks and foreign exchange markets settle payments and are open for general business in Mexico.

**“Early Redemption Date”** means each of 18 July 2008 (the “First Early Redemption Date”), and 20 July 2009 (the “Second Early Redemption Date”), both subject to adjustment for payment only in accordance with the Modified Following Business Day Convention.

**“Observation Date”** means, subject to the occurrence of a Disrupted Day, each of 3 July 2008 (the “First Observation Date”), 6 July 2009 (the “Second Observation Date”), and 5 July 2010 (the “Final Observation Date”), or if such day is not a Scheduled Trading Day with respect to any Index, then the next following day which is a Scheduled Trading Day with respect to such Index shall be the relevant Observation Date with respect to such Index and with respect to all other Indices in the Basket of Indices the Observation Date shall remain the original Observation Date.

**“Valuation Time”** means the time with reference to which the Index Sponsor calculates and publishes the official closing level of the Index on each Exchange Business Day.