

FINAL TERMS

21 October 2014

**KBC INTERNATIONALE FINANCIERINGSMAATSCHAPPIJ N.V.
(KBC IFIMA N.V.)**

Issue of USD 10,410,000 Floating Rate Linked Interest Notes due October 2020

Principal protected

**Guaranteed by KBC Bank NV
under the EUR 15,000,000,000**

Wholesale 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 (the “Conditions”) set forth in the base prospectus dated 25 June 2014, as supplemented by a supplement dated 2 September 2014 together the “Base Prospectus”. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of a combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplement are available on the website of the Luxembourg Stock Exchange at www.bourse.lu and the website of the Issuer at www.kbc.com and copies may be obtained during normal business hours at the registered office of the Issuer.

For the avoidance of doubt, this document does not constitute final terms for the purposes of Article. 5 of the Prospectus Directive as the offer of the Notes documented by these Final Terms in conjunction with the Base Prospectus, falls under the exemption from the requirement to publish a prospectus prescribed by Article 3, 2.(d) of the Prospectus Directive.

GENERAL DESCRIPTION OF THE NOTES

- | | | |
|---|---|--|
| 1 | (i) Series Number: | W00038 |
| | (ii) Tranche Number: | 1 |
| 2 | Specified Currency: | USD |
| 3 | Aggregate Nominal Amount: | |
| | (i) Series: | USD 10,410,000 |
| | (ii) Tranche: | EUR 10,410,000 |
| 4 | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 5 | (i) Specified Denominations: | USD 100,000 and multiples of USD 1,000 in excess thereof |
| | (ii) Calculation Amount: | USD 1,000 |
| 6 | Issue Date: | 21 October 2014 |
| 7 | (i) Maturity Date: | 21 October 2020 (the “Scheduled Maturity Date”). |
| | (ii) Business Day Convention for Maturity Date: | Modified Following Business Day Convention |
| | (iii) Additional Business Centre(s): | New York |

8	Interest Basis	Floating Rate Notes
9	Redemption/Payment Basis:	Fixed Redemption Notes
10	Put/Call Options:	
	(i) Investor Put:	Not Applicable
	(ii) Issuer Call:	Not Applicable
11	Tax Gross-Up:	Condition 14(a) applicable
12	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13	Fixed Rate Notes	Not Applicable
14	Floating Rate Notes	Applicable
	(i) Interest Commencement Date:	Issue Date
	(ii) Interest Period End Dates:	21 October in each year, starting on 21 October 2015, up to and including 21 October 2020
	(iii) Business Day Convention for Interest Period End Dates:	Not Applicable
	(iv) Interest Payment Dates:	21 October in each year, starting on 21 October 2015, up to and including the Maturity Date
	(v) Business Day Convention for Interest Payment Dates:	Modified Following Business Day Convention
	(vi) Additional Business Centre(s):	Target2
	(vii) Interest Variable Option:	Screen Rate Determination
	(viii) Party responsible for calculating the Variable Rate(s) of Interest and Interest Amount(s):	Calculation Agent
	(ix) Interest Multiplier:	+ 93 per cent.
	(x) Margin:	Not Applicable
	(xi) ISDA Determination	Not Applicable
	(xii) Screen Rate Determination:	Applicable
	– Reference Rate:	5Y USD CMS
	– Interest Determination Dates:	The second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York prior to the start of each Interest Period.
	– Relevant Screen Page:	Reuters Page <ISDAFIX1>, at 11:00 a.m. New York City time
	(xiii) Rates Variance:	Not Applicable
	(xiv) Asian Option – Interest Rates:	Not Applicable
	(xv) Digital Option:	Not Applicable
	(xvi) Minimum Rate of Interest:	Not Applicable
	(xvii) Maximum Rate of Interest:	Not Applicable
	(xviii) Day Count Fraction:	30/360

15 Range Accrual Notes	Not Applicable
16 Zero Coupon Notes	Not Applicable
17 Index Linked Interest Notes	Not Applicable
18 Equity Linked Interest Notes	Not Applicable
19 Inflation Linked Interest Notes	Not Applicable
20 Currency Linked Interest Notes	Not Applicable
21 Fund Linked Interest Notes	Not Applicable
22 Commodity Linked Interest Notes	Not Applicable
23 Additional Disruption Events	Not Applicable Change in Law Hedging Disruption Increased Cost of Hedging
24 Alternative Currency Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

25 Issuer Call	Not Applicable
26 Investor Put	Not Applicable
27 Autocall Early Redemption	Not Applicable
28 Final Redemption Amount	Redemption will be at par
29 Early Redemption Amount	Condition 5(e) applies – Fixed Early Redemption Amount: Not Applicable – Fixed Early Redemption Percentage: 100% – Including Interest: Applicable
Early Redemption Amount payable on redemption for taxation reasons or on an illegality (or, in the case of Floating Rate Notes, following a cessation of the Reference Rate or, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 6(a)(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 7(b)(ii)(b) or, in the case of Inflation Linked Notes, following an Inflation Index Cancellation pursuant to a Cessation of Publication in accordance with Condition 8(b)(ii) or, in the case of Currency Linked Notes, following a Currency Disruption Event, in accordance with Condition 9(b)(i)(D)) or, in the case of Commodity Linked Notes, following a Market Disruption Event, in accordance with Condition 10(c)(iii) or following a modification and cessation of calculation of a commodity index in accordance with Condition 10(e)(ii)(b) or, in the case of Credit Linked Notes, following a	

	Merger Event in accordance with Condition 12(i) or following an Additional Disruption Event (if applicable) or, following a Scheduled Payment Currency Disruption Event:	
30	Index Linked Redemption Notes	Not Applicable
31	Equity Linked Redemption Notes	Not Applicable
32	Inflation Linked Redemption Notes	Not Applicable
33	Currency Linked Redemption Notes	Not Applicable
34	Commodity Linked Redemption Notes:	Not Applicable
35	Credit Linked Notes:	Not Applicable
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
36	Form of Notes:	
	(i) Form:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes only upon an Exchange Event.
	(ii) New Global Note:	No
37	Calculation Agent responsible for calculating the Variable Rate(s) of Interest, Interest Amount(s), Redemption Amount(s) and for making calculations pursuant to the Conditions:	KBC Bank NV 2 Havenlaan, 1080, Brussel
38	Additional Financial Centre(s) and/or other elections relating to Payment Days:	Not Applicable
39	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
40	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
41	Details relating to Instalment Notes:	
	(i) Instalment Amount(s):	Not Applicable
	(ii) Instalment Date(s):	Not Applicable

THIRD PARTY INFORMATION

The brief explanation on the meaning of the ratings in paragraph 2 of Part B of these Final Terms (the "Reference Information") has been extracted from www.standardandpoors.com, www.moodys.com and www.fitchratings.com (the "Relevant Websites"). 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 each of the Relevant Websites, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: *[Signature]*
Duly authorised

Signed on behalf of the Guarantor:
By: *[Signature]*
Duly authorised

By: [Signature]
Duly authorised
CAROLINE ROSENFELD

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING:

Admission to trading:	Not Applicable
Estimate of total expenses related to admission to trading:	Not Applicable

2. RATINGS¹:

The Notes to be issued have not been rated. The rating of the Guarantor is:

Standard & Poor's Credit Market Services Italy Srl:
A (negative outlook)
Moody's France S.A.S.: A2 (negative outlook)
Fitch France S.A.S.: A- (stable outlook)

Brief explanation on the meaning of the rating

(source: www.standardandpoors.com; www.moodys.com and www.fitchratings.com)

Standard & Poor's Credit Market Services Italy Srl. ("S&P"): A: An Obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's France S.A.S. ("Moody's"): A2: Obligations rated 'A' are judged to be of upper-medium grade, subject to low credit risk, but that have elements present that suggest a susceptibility to impairment over the long term. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Fitch France S.A.S. ("Fitch"): A-: High Credit Quality: "A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. "+" or "-" may be appended to a rating to indicate the relative position of a credit within the rating category. Such suffixes are not added to ratings in the 'AAA' category or to ratings below the 'B' category.

S&P, Moody's and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009 and listed on the "List of Registered and

¹ A list of credit rating agencies registered under Regulation (EC) No. 1060/2009 and listed on the "List of Registered and Certified CRA's" is published on the ESMA website (<http://esma.europa.eu/page/List-registered-and-certified-CRAs>).

Certified CRA's" as published by ESMA in accordance with Article 18(3) of such Regulation.

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 offer of the Notes has an interest material to the offer. The Dealer and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and its/their affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER

Reasons for the offer: The net proceeds from the issue of Notes will be applied by the Issuer to assist the financing of the activities of the Guarantor or its Affiliates to the extent permitted by applicable law.

5. YIELD:

Indication of yield: Not Applicable

6. HISTORIC INTEREST RATES: (Floating Rate Notes only)

Details of historic and projected performance of CMS rates can be obtained from Reuters.

7. PERFORMANCE OF [THE INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING [THE INDEX/BASKET OF INDICES]: (Index-Linked Notes only)

Not Applicable

8. PERFORMANCE OF [THE UNDERLYING EQUITY/BASKET OF UNDERLYING EQUITIES], AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE UNDERLYING EQUITY/BASKET OF UNDERLYING EQUITIES]] (Equity Linked Notes only)

Not Applicable

9. PERFORMANCE OF INFLATION AND OTHER INFORMATION CONCERNING INFLATION INDEX] (Inflation Linked Notes only)

Not Applicable

10. PERFORMANCE OF [THE UNDERLYING FUND INTEREST/BASKET OF FUND INTERESTS] AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE UNDERLYING FUND INTEREST/BASKET OF FUND INTERESTS]] (Fund Linked Notes only)

Not Applicable

11. PERFORMANCE OF [RATE[S] OF EXCHANGE/FORMULA/CURRENCIES/ INDEX OR INDICES] AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE[S] OF EXCHANGE/FORMULA/CURRENCIES/ INDEX OR INDICES]] (Currency Linked Note, or Notes linked to any other underlying only)

Not Applicable

12. PERFORMANCE OF [THE UNDERLYING COMMODITY/BASKET OF UNDERLYING COMMODITIES/THE COMMODITY INDEX/ BASKET OF COMMODITY INDICES] AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDICES]] (Commodity Linked Notes only)

Not Applicable

13. **INFORMATION IN RELATION TO THE REFERENCE ENTITY AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY]** (*Credit Linked Notes only*)

Not Applicable

14. **OPERATIONAL INFORMATION:**

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| (i) ISIN: | XS1117476280 |
| (ii) Common Code: | 111747628 |
| (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) Agent: | KBL European Private Banker S.A |
| (vi) Names and addresses of additional Paying Agent(s) (if any): | Not applicable |
| (vii) Intended to be held in a manner which would allow Eurosystem eligibility: | No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) <i>[include this text for registered notes]</i> . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

DISTRIBUTION

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| Method of distribution: | Non-syndicated |
| If syndicated: | |
| (A) Names of Managers: | Not Applicable |
| (B) Stabilisation Manager(s) (if any): | Not Applicable |
| If non-syndicated, name of Dealer: | KBC Bank NV |
| US Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D applicable |