

Final Terms dated 31 May 2007

**Fortis Luxembourg Finance S.A.**

*(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under No. B 24.784)*

**Issue of AUD 50,000,000 6.75% 3y Fixed Rate Notes due 13 July 2010**

**Guaranteed by FORTIS BANK nv-sa**

**under the EUR 15,000,000,000**

**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 29 September 2006 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 relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus (together, the “**Base Prospectus**”).

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the website of the Luxembourg Stock Exchange and copies may be obtained from Fortis Luxembourg Finance S.A. at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and Fortis Bank nv-sa at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, Fortis Banque Luxembourg S.A. at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands, Fortis Banque (Suisse) S.A. at 20, boulevard des Philosophes CH-1211 Geneva and Citibank, N.A. at 5 Carmelite Street, London EC4Y 0PA.

These Final Terms do not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of these Final Terms in any jurisdiction where such action is required.

**An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors included in the Base Prospectus and any complementary risk considerations included in this Final Terms prior to investing in the Notes. Each prospective investor should also carefully consider the tax considerations relating to the Notes included in the Base Prospectus and any other or up-to-date tax considerations that would be relevant for such prospective investor.**

**Moreover, prospective investors and purchasers of Notes must inform themselves about all the relevant, applicable and up-to-date restrictions, including but not limited to selling and transfer restrictions relating to the Notes, prior to investing in the Notes.**

**In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, prospective investors should consult a specialised financial advisor or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on its own independent review of the information included in the Base Prospectus and in this Final Terms.**

**Investors should be aware that the Notes are issued in AUD (Australian Dollar) and are as such subject to exchange rate risk. Investors should be aware that as a result of such risk they may receive at maturity an amount in AUD that, if converted in Euro by the investor, has a lower value than the initially invested amount.**

1.	(i)	Issuer:	Fortis Luxembourg Finance S.A.
	(ii)	Guarantor:	Fortis Bank nv-sa
2.	(i)	Series Number:	397
	(ii)	Tranche Number:	1
3.		Currency or Currencies:	“AUD” Australian dollar
4.		Form:	Bearer Notes
5.		Principal Amount of Tranche:	
	(i)	Series:	AUD 50,000,000

	(ii) Tranche:	AUD 50,000,000
6.	Issue Price:	101.5 per cent. of the Principal Amount of Tranche
7.	Specified Denominations:	AUD 2,000 ; AUD 5,000 ; AUD 10,000
8.	(i) Issue Date:	13 July 2007
	(ii) Interest Commencement Date:	Issue Date
9.	Maturity Date:	13 July 2010
10.	Interest Basis:	6.75 per cent. Fixed Rate
11.	Redemption Amount:	Principal Amount <i>(further particulars specified below)</i>
12.	Change of Interest or Redemption Amount:	Not Applicable
13.	Terms of redemption at the option of the Issuer/Noteholders or other Issuer's/Noteholders' option:	Not Applicable
14.	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior

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

15.	<b>Fixed Rate Note Provisions</b>	Applicable
	(i) Interest Rate:	6.75 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	13 July in each year commencing on 13 July 2008 and ending on the Maturity Date, adjusted in accordance with the Following Business Day Convention.
	(iii) Interest Period Dates:	13 July of each year, starting on 13 July 2007 and ending on 13 July 2010.
	(iv) Fixed Coupon Amount[(s)]:	AUD 135 per AUD 2,000 in Principal Amount AUD 337.50 per AUD 5,000 in Principal Amount AUD 675 per AUD 10,000 in Principal Amount
	(v) Broken Amount(s):	Not Applicable
	(vi) Day Count Fraction:	Actual/Actual, unadjusted
	(vii) Other terms relating to the method of calculating interest for Fixed Interest Rate Notes:	Not Applicable
16.	<b>Floating Rate Note Provisions</b>	Not Applicable
17.	<b>Zero Coupon Note Provisions</b>	Not Applicable
18.	<b>Index-Linked Interest Note/Equity Linked Interest Note/other variable-linked interest Note Provisions</b>	Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

19.	<b>Redemption at the option of the Issuer or other Issuer's option</b>	Not Applicable
20.	<b>Redemption at the option of the Noteholder or other Noteholder's option</b>	Not Applicable

21.	<b>Final Redemption Amount of each Note</b>	AUD 2,000 per Note of AUD 2,000 Specified Denomination
		AUD 5,000 per Note of AUD 5,000 Specified Denomination
		AUD 10,000 per Note of AUD 10,000 Specified Denomination

In cases where the Final Redemption Amount is linked to an index, shares or other variable-linked: Not Applicable

**22. Early Redemption Amount**

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): The Conditions shall apply

23.	Instalment Date(s) (if applicable):	Not Applicable
24.	Instalment Amount(s) (if applicable):	Not Applicable
25.	Unmatured Coupons to become void upon early redemption:	Not Applicable

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

26.	<b>Form of Notes:</b>	<b>Bearer Notes:</b> Temporary Global Note exchangeable for Definitive Notes.
27.	New Global Note:	Not Applicable
28.	Business Day Jurisdictions for Condition 7(g) and any special provisions relating to payment dates:	Not Applicable
29.	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon:	No
30.	Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Exchange for Definitive Notes at the request of the holder at the expense of:	Holder

**INDEX LINKED NOTES PROVISIONS**

33.	<b>Index Linked Provisions</b>	Not Applicable
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**EQUITY LINKED NOTES PROVISIONS**

34.	<b>Equity Linked Provisions</b>	Not Applicable
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**CREDIT LINKED NOTE PROVISIONS**

35.	<b>Credit Linked Note Provisions:</b>	Not Applicable
36.	Other terms or special conditions:	Not Applicable

**DISTRIBUTION**

- |     |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                      |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 37. | (i) If syndicated, names and addresses of Managers and underwriting commitments:                                                                                                                                                                                                                                               | Not Applicable                                                                                                                                       |
|     | (ii) Stabilising Manager (if any):                                                                                                                                                                                                                                                                                             | Not Applicable                                                                                                                                       |
|     | (iii) Date of Subscription Agreement:                                                                                                                                                                                                                                                                                          | Not Applicable                                                                                                                                       |
|     | (iv) Total commission and concession:                                                                                                                                                                                                                                                                                          | The Issuer will pay to the Dealers a combined management, underwriting and selling commission of 1.375 per cent. of the Principal Amount of Tranche. |
| 38. | If non-syndicated, name and address of Dealer:                                                                                                                                                                                                                                                                                 | Fortis Bank nv-sa, Montagne du Parc 3, B-1000 Brussels                                                                                               |
| 39. | Applicable Netherlands selling restrictions for Notes issued by Fortis Luxembourg Finance S.A. which have a maturity of less than 12 months and are money market instruments as referred to in art. 1a(d) of the Decree on the Dutch Securities Markets Supervision Act 1995 ( <i>Besluit toezicht effectenverkeer 1995</i> ): | Not Applicable                                                                                                                                       |
| 40. | Additional selling restrictions:                                                                                                                                                                                                                                                                                               | Not Applicable                                                                                                                                       |

**ADMISSION TO TRADING**

These Final Terms comprise the final terms required to list and have admitted to trading the Notes described herein pursuant to the EUR 15,000,000,000 Euro Medium Term Note Programme of Fortis Bank nv-sa and Fortis Luxembourg Finance S.A. guaranteed by Fortis Bank nv-sa.

**RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

*Duly authorised*

Signed on behalf of the Guarantor:

By:

*Duly authorised*

By:

*Duly authorised*

By:

*Duly authorised*

## 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 listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange for the purposes of the Prospectus Directive with effect from 13 July 2007.
- (iii) The aggregate principal amount of Notes issued has been translated in Euro at the rate of 1.646 (for Notes not denominated in Euro) EUR 30,376,670.72

### 2. RATINGS

- Ratings: The Notes to be issued have been rated (ratings allocated to Notes issued under the Programme generally):
- S & P: AA-
- Moody's: Aa2
- Fitch: AA-
- A brief explanation of the meaning of the ratings is included in the Base Prospectus.

### 3. NOTIFICATION

The Luxembourg *Commission de Surveillance du Secteur Financier* has provided the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM") and the Banking Finance and Insurance Commission (*Commission bancaire, financière et des assurances*, the "CBFA") 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 OFFER

"Save as disclosed in "Plan of Distribution", so far as the Issuer and the Guarantor are aware, no person involved in the offer 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 See "Use of Proceeds" wording in Base Prospectus.
- (ii) Estimated net proceeds: AUD 50,062,500
- (iii) Estimated total expenses: AUD 50,000 of out of pocket expenses plus the commissions mentioned under item 37(iv)
- (see also the item 10 of the Part B below)

### 6. Fixed Rate Notes only – YIELD

- Indication of yield: 6.19%.
- As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. **This yield doesn't take into account the currency risk.**

### 7. HISTORIC INTEREST RATES

Not Applicable

### 8. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

## 9. PERFORMANCE OF RATE OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Not Applicable

## 10. OPERATIONAL INFORMATION

ISIN Code: XS0304263808

Common Code: 030426380

New Global Note intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

Any clearing system other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number: Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent (if any): Not Applicable

Calculation Agent: Not Applicable

Conditions to which the offer is subject: The Issuer reserves the right to withdraw the present offer, if the minimum amount, if any, is not placed or if there are market or other disruptions not enabling a smooth placement or settlement of the Notes, as determined by the Issuer in its sole discretion.

Moreover, the offer of the Notes is subject to the following conditions:

- the Notes have been accepted for listing on regulated market mentioned under item 1 of the Part B above;
- there has been no such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in the view of the Issuer or the Dealer be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market; and
- there has been no adverse change, financial or otherwise in the condition or general affairs of the Issuer and/or the Guarantor as determined by the Dealer in its sole discretion.

Total amount of the offer: AUD 50,000,000

Nevertheless, the Issuer reserves the right to modify the total nominal amount of the Notes to which investors can subscribe, to close earlier the subscription period and to cancel the planned issue, being understood that in the later case no Notes will be issued. Such an event will be published in the same way the Final Terms and the Base Prospectus will be published in relation to the Notes and, in case of Notes which are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and the rules and regulations of that exchange so require), in a leading newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or on the website of the Luxembourg Stock Exchange.

An offer to the public:	<p>An offer to the public will be made in Belgium, the Grand Duchy of Luxembourg, the Netherlands from (and including) 4 June 2007 to (and including) 9 July 2007.</p> <p>In case of early termination of the subscription period due to oversubscription or to changes in market conditions as determined by the Dealer or the Issuer in its sole discretion, allotment of the Notes will be made based on objective allotment criteria according to which the subscriptions will be served in the chronological order of their receipt by the Dealer and, if required, the last subscriptions will be reduced proportionately in order to correspond with the total amount of Notes that will be issued. Any payments made in connection with the subscription of Notes and not allotted will be redeemed within 7 Brussels Business Days (i.e., days on which banks are open for general business in Brussels) after the date of payment and the holders thereof shall not be entitled to any interest in respect of such payments.</p> <p>By subscribing to or otherwise acquiring the Notes, the holders of the Notes are deemed to have knowledge of all the Terms and Conditions of the Notes and to accept the said Terms and Conditions.</p>
Minimum and/or maximum amount of application:	Not Applicable
Method and time limits for paying for the securities and for the delivery of the securities:	<p>Not Applicable</p> <p>Payment of the Notes must be received at the latest on or before the Issue Date by debit of a cash account. The delivery of the Notes will take place as described in the Base Prospectus and this Final Terms. On or about the Issue Date, the relevant securities account of each Noteholder will be credited of the relevant amount of Notes purchased.</p>
Manner and date in which results of the offer are to be made public:	Not Applicable
Categories of potential investors to which the securities are offered:	The offer will consist of an offer to the public in Belgium, the Grand Duchy of Luxembourg and The Netherlands.
Process for notification to applicants of amount allotted:	The Noteholders will be directly notified of the number of Notes which has been allotted to them as soon as possible after the Issue Date.
Expected price and method of determination:	Not Applicable
Expenses and taxes charged to the subscriber/purchaser:	<p>Expenses and taxes charged to the subscribers or purchasers of the Notes include:</p> <ul style="list-style-type: none"> <li>- Legal, administrative and other costs relating to the issue of the Notes and amounting to AUD 50,000 (these costs are included in the pricing of the Notes);</li> <li>- Costs for the subscribers relating to inscription of the Notes on a securities account: free of charge at Fortis Bank nv-sa(*), Fortis Bank (Nederland) N.V. and Fortis Banque Luxembourg S.A..</li> <li>- Financial service: free of charge at Fortis Bank nv-sa, Fortis Bank (Nederland) N.V. and Fortis Banque Luxembourg S.A..</li> <li>- Tax on stock market transactions other than upon initial subscription: 0.07 % capped at €500 per transaction and per party.</li> <li>- Costs for the subscribers relating to the delivery of the Notes in definitive form (if requested by the subscriber): EUR 20 + VAT per delivery at Fortis Bank (*).</li> </ul>

(\* The opening of a securities account is free of charge at Fortis Bank nv-sa. Investors must inform themselves well as to the costs that could be charged to them by other financial institutions.