

Final Terms dated March 31, 2016

**Banque Internationale à Luxembourg, société anonyme**  
*(incorporated with limited liability in Luxembourg)*

SERIES NO: 3425  
TRANCHE NO: 1

**Issue of 9,159,822 Very Long Term Warrants**  
**under the €10,000,000,000**  
**Euro Medium Term Note and Warrant 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 22 May, 2015 (the "Base Prospectus") the First Supplement to the prospectus dated 29 May, 2015 and the Second Supplement to the prospectus dated September 3, 2015 which together constitutes a base prospectus for the purposes of 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 such 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. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus has been published on ([www.bil.com](http://www.bil.com)).

### A. ISSUE DETAILS

- |     |   |  |
|-----|---|--|
| 1.  | (i) Series Number:  | 3425   |
|     | (ii) Tranche Number:  | 1  |
| 2.  | Title:  | Call Warrant Linked to iShares Core EURO STOXX 50 UCITS ETF (ISIN Code IE00B53L3W79) |
| 3.  | Number:   | 9,159,822  |
| 4.  | Call:   | The Warrants are Call Warrants.  |
| 5.  | Warrant Style:  | The Warrants are American Style Warrants   |
| 6.  | Issue Date:   | March 31, 2016   |
| 7.  | Trade Date:   | March 8, 2016  |
| 8.  | Final Exercise Date:  | 10 Business Days prior to March 31, 2066   |
| 9.  | Exercise Date or Exercise Dates (European Style only):                                      | Not Applicable   |
| 10. | Automatic Exercise:   | Applicable   |
| 11. | Minimum Exercise Number:  | Not Applicable   |
| 12. | Maximum Exercise Number (American Style only):  | Not Applicable   |
| 13. | Calculation Agent:  | Banque Internationale à Luxembourg SA  |
| 14. | Date of resolution of Board of Directors of the Issuer approving the issue of the Warrants: | Not Applicable   |
| 15. | Issue Price:  | EUR 0.95 per Warrant   |

### B. PROVISIONS RELATING TO THE TYPE OF WARRANTS

- |     |  |                |
|-----|--|----------------|
| 16. | Cash Settlement Provisions in relation to Index Linked Warrants: | Not Applicable |
| 17. | Cash Settlement Provisions in relation to Index Linked Warrants: | Not Applicable |
| 18. | Physical Settlement Provisions in relation                       | Applicable     |

to ETF Linked Warrants:

(General Condition 4(c))

- |        |                           |   |
|--------|---------------------------|---|
| (i)    | "Exchange Traded Fund":   | iShares Core EURO STOXX 50 UCITS ETF  |
| (ii)   | "ETF Issuer":             | iShares VII plc Sicav (the " <b>Sub-Fund</b> ")   |
| (iii)  | "ETF Share":              | Share issued by a sub-fund of the iShares VII plc Sicav (the " <b>Sub-Fund</b> ")   |
| (iv)   | ISIN of ETF Share:        | IE00B53L3W79  |
| (v)    | "Bloomberg Screen":       | SXRT GY Equity  |
| (vi)   | "Exchange":               | Xetra Stock Exchange  |
| (vii)  | "Exercise Price":         | means the Closing Price which will be notified to Warrantholder in accordance with Warrant Condition 15.  |
| (viii) | "Share Amount":           | means a fraction of ETF Shares calculated in accordance with<br>$\frac{1}{\textit{Parity}}$   |
| (ix)   | "Parity":                 | means the number of Warrants required for the delivery of one ETF Share to the relevant Warrantholder and the Parity will be notified to Warrantholders on the Initial Valuation Day in accordance with Warrant Condition 15. The Parity is expected to be 60 to 80 Warrants for delivery of one ETF Share. |
| (x)    | "Business Day":           | means a day (other than a Saturday or a Sunday) on which banks are open for business in Luxembourg, Belgium and when the underlying gets a closing price on Xetra   |
| (xi)   | "Settlement Date":        | means 10 Business Days following reception of the exercise notice by the Issuer.  |
| (xii)  | "Initial Valuation Date": | March 31, 2016  |
| (xiii) | Cash Floor:               | Not Applicable  |

### C. GENERAL PROVISIONS APPLICABLE TO THE WARRANTS

- |                   |   |
|-------------------|---|
| Form of Warrants: | Permanent Global Warrant exchangeable for Definitive Warrants in the limited circumstances specified in the permanent Global Warrant. |
|-------------------|---|

Signed on behalf of the Issuer:

By:

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Duly authorised

## Part B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: None
- (ii) Admission to trading: Not Applicable

### 2. RATINGS

Ratings: Not Applicable

### 3. NOTIFICATION

Not Applicable

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the offer.

### 5. PERFORMANCE OF THE ETF SHARE AND OTHER INFORMATION CONCERNING THE ETF SHARE

The Underlying is an ETF (Exchange Traded Fund), a sub-fund of the iShares VII plc Sicav, regulated by the Central Bank of Ireland.

The investment objective of the Sub-Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the EURO STOXX® 50 Index.

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the EURO STOXX® 50 Index, (the “**Benchmark Index**”). The Sub-Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. It is the intention of BlackRock Asset Management Ireland Ltd (the “**Investment Manager**”) to replicate the constituents of the Benchmark Index and therefore the Sub-Fund may invest up to 20% of its Net Asset Value in Shares issued by the same body in order to replicate its Benchmark Index. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in the Sub-Fund prospectus).

The base currency of iShares Core EURO STOXX 50 UCITS ETF is Euro (€).

Details regarding the Sub-Fund and the Sub-Fund prospectus are available on [www.ishares.com](http://www.ishares.com). Details of the Sub-Fund performance and quotation are available on <http://xetra.com>

The Benchmark Index is designed to measure the performance of 50 European companies with the objective of reflecting the market sector leaders in the EMU. The market captures approximately 60% of the free float market capitalisation of the EURO STOXX® Total Market Index (TMI), which in turn covers approximately 95% of the free float market capitalisation of the represented countries.

The Benchmark Index was developed with a base value of 1.000 as of 31 December 1991.

The Benchmark Index is continuously calculated and quoted.

The closing value of the Benchmark Index is based on the closing/adjusted price of the shares in the Dow Jones EURO STOXX 50 ® index. If a share did not trade all day then the previous day's closing/adjusted price is used. The same applies in case of a suspended quotation or stock exchange holiday.

Past performance, Benchmark Index value and more information about the Index are also available on the internet web site: <http://www.stoxx.com/>

The Issuer does not intend to provide post-issuance information.

## 6. OPERATIONAL INFORMATION

ISIN:	LU1371472975
Common Code:	137147297
Any clearing system(s) other than Euroclear or Clearstream Luxembourg and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of Fiscal Agent:	Banque Internationale à Luxembourg SA

## 7. DISTRIBUTION

(i) Method of distribution:	Non-syndicated
(ii) If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
(iii) Date of [Subscription] Agreement:	Not Applicable
(iv) If non-syndicated, name and address of relevant Dealer:	Banque Internationale à Luxembourg SA
(v) Total commission and concession:	EUR 0.05 per Warrant
(vi) U.S. Selling Restrictions:	TEFRA Not Applicable
(vii) Non-exempt Offer:	An offer of the Warrants may be made by the Issuer in connection with the Non-exempt Offer in Luxembourg and Belgium (the "Public Offer Jurisdictions")
Non-exempt Offer Jurisdictions:	Luxembourg and Belgium
Offer Period:	From and including March 8, 2016 to and including March 16, 2016 save in case of early termination due to oversubscription.
(viii) General Consent:	Not Applicable
(ix) Other conditions to consent:	Not Applicable

## 8. TERMS AND CONDITIONS OF THE OFFER

(i) Offer Price:	Issue Price
(ii) Conditions to which the offer is subject:	In addition to the right to amend or to cancel the Warrant Issue pursuant to the Adjustments Provisions described in the Prospectus, the Issuer reserves the right (but not the obligation) to cancel the Warrant issue, fully or partly, on or before the Issue Date, should any of the following events occur:

(i) if the total subscribed amount is less than EUR 500;

(ii) incidents of an economic, financial or political nature occur that, in the Issuer's judgement, could jeopardise the launch of the Warrants;

(iii) market conditions do not permit the total subscribed amount to be allocated, in which case a reduction will be made according to the Issuer's best judgement.

The Issuer may in addition to what is provided in these Final Terms up until the Issue Date replace the Exchange Traded Fund with a corresponding Exchange Traded Fund

- |        |  |  |
|--------|--|--|
| (iii)  | Description of the application process:  | A prospective Warrantholder in the applicable Public Offer Jurisdiction should contact the Issuer prior to the end of the Offer Period. A prospective Warrantholder will subscribe for the Warrants in accordance with the usual process existing between the Issuer and its customers relating to the subscription of securities generally. |
| (iv)   | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:                                | Not Applicable   |
| (v)    | Time period (including any possible amendments) during which the offer will be open and description of the application process:              | Investors will have to contact the Issuer during business hours until the end of the Offer Period. Investors will be notified by the Issuer of their allocations of Warrants   |
| (vi)   | Details of the minimum and/or maximum amount of application:   | Not Applicable   |
| (vii)  | Details of the method and time limits for paying up and delivering the Warrants:   | Investors will be notified by the Issuer of their allocations of Warrants and the settlement arrangements in respect thereof. The Warrants will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.  |
| (viii) | Manner in and date on which results of the offer are to be made public:  | Investors will be notified by the Issuer of their allocations of Warrants and the settlement procedures in respect thereof.  |
| (ix)   | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | Not Applicable. The terms of the Public Offer do not provide for a procedure for the exercise of any right of pre-emption or negotiability of subscription rights.   |
| (x)    | Whether tranche(s) have been reserved for certain countries:   | Not Applicable   |
| (xi)   | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:      | Not Applicable   |
| (xii)  |  |  |
| (xiii) | Amount of any expenses and taxes specifically charged to the   | Not Applicable. The terms of the Public Offer do not provide for any expenses and/or taxes to be   |

subscriber or purchaser:

charged to any subscriber and/or purchaser of the Warrants.

(xiv) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.

Not Applicable

## SUMMARY OF THE WARRANTS

### Section A – Introduction and warnings

Element	
A.1	<p><b>This summary should be read as an introduction to the Base Prospectus.</b></p> <p><b>Any decision to invest in any Notes or Warrants should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference.</b></p> <p><b>Where a claim relating to information contained in the Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</b></p> <p><b>Civil liability attaches to the Issuer solely on the basis of this summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in such (Notes or Warrants).</b></p>
A.2	Not Applicable

### Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	Banque Internationale à Luxembourg, société anonyme
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer is a <i>société anonyme</i> incorporated and domiciled in the Grand Duchy of Luxembourg and operating under Luxembourg law.
B.4b	Trend information	Not Applicable – There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.



Element	Title																																									
B.5	Description of the Group	At 31 March, 2015, the Bank held a direct interest of at least 20 per cent. in sixteen undertakings. Precision Capital S.A. holds 89.93 per cent. of the issued share capital in BIL and the Grand Duchy of Luxembourg holds a further 9.99 per cent.																																								
B.9	Profit forecast or estimate	Not Applicable – No profit forecasts or estimates have been made in the Base Prospectus.																																								
B.10	Audit report qualifications	Not Applicable – No qualifications are contained in any audit report included in the Base Prospectus.																																								
B.12	<p>Selected historical key financial information:</p> <p><b>Consolidated Income Statement</b></p> <p>The table below sets out summary information extracted from the Issuer's audited income statement for the year ended 31 December, 2014, and from the Issuer's unaudited income statement for each of the two six months ended 30 June, 2014 and 30 June, 2015.</p> <table border="1"> <thead> <tr> <th></th> <th>30 June 2014</th> <th>31 December, 2014</th> <th>30 June 2015</th> </tr> <tr> <th>Profit or loss</th> <th>(in EUR)</th> <th>(in EUR)</th> <th>(in EUR)</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td>281 032 258</td> <td>529 283 239</td> <td>317 578 039</td> </tr> <tr> <td>Expenses</td> <td>-165 768 306</td> <td>-338 554 895</td> <td>-173 410 971</td> </tr> <tr> <td>Gross operating income</td> <td>115 263 952</td> <td>190 728 344</td> <td>144 167 068</td> </tr> <tr> <td>Cost of risk and provisions for legal litigation</td> <td>-21 197 845</td> <td>-26 286 321</td> <td>-14 605 138</td> </tr> <tr> <td>Net income before tax</td> <td>94 066 107</td> <td>164 442 023</td> <td>129 561 930</td> </tr> <tr> <td>Tax expense</td> <td>-26 346 893</td> <td>-41 927 344</td> <td>-21 163 520</td> </tr> <tr> <td>Net income</td> <td>67 719 214</td> <td>122 514 679</td> <td>108 398 410</td> </tr> <tr> <td>Net Income - Group share</td> <td>67 719 214</td> <td>122 514 679</td> <td>108 398 410</td> </tr> </tbody> </table> <p><b>Consolidated Balance Sheet Information</b></p> <p>The table below sets out summary information extracted from the Issuer's audited statement of financial position as at 31 December, 2014, and from the Issuer's unaudited income statement for each of the two six months ended 30 June, 2014 and 30 June, 2015.</p>			30 June 2014	31 December, 2014	30 June 2015	Profit or loss	(in EUR)	(in EUR)	(in EUR)	Income	281 032 258	529 283 239	317 578 039	Expenses	-165 768 306	-338 554 895	-173 410 971	Gross operating income	115 263 952	190 728 344	144 167 068	Cost of risk and provisions for legal litigation	-21 197 845	-26 286 321	-14 605 138	Net income before tax	94 066 107	164 442 023	129 561 930	Tax expense	-26 346 893	-41 927 344	-21 163 520	Net income	67 719 214	122 514 679	108 398 410	Net Income - Group share	67 719 214	122 514 679	108 398 410
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Element	Title			
	<b>Consolidated datas</b>	30 June 2014	31 December, 2014	30 June 2015
		<i>(in EUR)</i>	<i>(in EUR)</i>	<i>(in EUR)</i>
	<b>Assets</b>			
	Loans and advances to credit institutions	4 033 275 214	2 349 556 202	1 985 257 276
	Loans and advances to customers	10 085 703 610	10 838 506 113	11 455 007 697
	Loans and securities available for sale	5 655 098 190	5 667 750 747	6 123 673 811
	Positive fair value of derivative products	692 446 612	425 057 766	299 485 220
	Other assets	1 074 861 543	1 003 911 664	1 018 151 937
	<b>Total assets</b>	<b>21 541 385 169</b>	<b>20 284 782 492</b>	<b>20 881 575 941</b>
	<b>Liabilities</b>			
	Amounts due to credit institutions	2 271 546 676	2 009 224 539	2 045 939 257
	Amounts due to customers	13 833 176 255	13 444 133 543	14 288 565 734
	Negative fair value of derivative products	853 875 317	712 019 921	419 962 574
	Debt securities	2 324 664 518	2 038 228 226	2 083 699 943
	Subordinated debt	529 919 861	451 200 114	445 568 856
	Other liabilities	447 012 936	397 839 436	423 862 154
	Shareholders' equity	1 281 189 606	1 232 136 713	1 173 977 415
	<b>Total liabilities</b>	<b>21 541 385 169</b>	<b>20 284 782 492</b>	<b>20 881 575 941</b>
	<p>Certain figures as at December 31, 2014 have been restated as more fully described in the Base Prospectus.</p> <p><b>Statements of no significant or material adverse change</b></p> <p>There has been no significant change in the financial or trading position of the BIL Group since 31 December, 2014 and there has been no material adverse change in the prospects of the Issuer or the BIL Group since 30 June, 2015.</p>			
<b>B.13</b>	Events impacting the Issuer's solvency	Not Applicable – There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.		
<b>B.14</b>	Dependence upon other group entities	Not Applicable - BIL is not dependent upon other group entities (Please also refer to Element B5).		
<b>B.15</b>	Principal activities	BIL operates in the areas of retail banking, private banking, corporate banking and financial markets in the major financial centres in Luxembourg, Switzerland, Singapore, Denmark and the Middle East.		
<b>B.16</b>	Controlling shareholders	Precision Capital S.A. ("Precision Capital") holds 89.93 per cent. of the share capital in Banque Internationale à Luxembourg and the Grand Duchy of Luxembourg a further 9.99 per cent.		
<b>B.17</b>	Credit ratings	<p>The Issuer has been rated A- by Standard &amp; Poor's and BBB+ by Fitch.</p> <p>Issuers rated "A-" by Standard &amp; Poor's are considered to</p>		

Element	Title	
		<p>have a strong capacity to meet financial commitments, but are somewhat susceptible to adverse economic conditions and change in circumstances.</p> <p>Issuers rated “BBB” by Fitch are considered to have good credit quality. “BBB” ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers ‘+’ or ‘-’ may be appended to a rating to denote relative status within categories from ‘AA’ to ‘B’.</p>

## Section C – Securities

Element	Title	
C.1	Description of Securities/ISIN	<p>The Warrants to be issued under the Programme may be Index Linked Warrants to which cash settlement applies or ETF Linked Warrants to which cash settlement and/or physical settlement applies.</p> <p>The Warrants to be issued under the Programme may be American Style Warrants or European Style Warrants. The Warrants to be issued under the Programme are call or put warrants.</p> <p>The Warrants are ETF Linked Warrants and are American Style Warrants. The Warrants are call warrants.</p> <p>International Securities Identification Number ("ISIN"): LU1371472975</p>
C.2	Currency	The currency of this Series of Warrants is Euro ("EUR").
C.5	Restrictions on transferability	Not Applicable – There are no restrictions on the free transferability of the Notes and the Warrants.
C.8	Rights attached to the Securities, including ranking and limitations on those rights	<p>Warrants issued under the Programme will have terms and conditions relating to, among other matters:</p> <p>The rights attached to the Warrants include:</p> <p>.</p> <p><b><i>Unscheduled termination and cancellation</i></b></p> <p>The Issuer shall have the right to terminate the Warrants prior to the settlement date for reasons of illegality or following certain adjustment or disruption events. In such case, the amount payable on termination and cancellation shall be, for each Warrant, an amount equal to the fair market value of the Warrant plus any exercise price paid in relation to such Warrant less all costs incurred by the Issuer or any of its affiliates in connection with such termination and cancellation (such amount, the "Early Cancellation Amount").</p> <p><b><i>Status (Ranking)</i></b></p> <p>The Warrants constitute unsubordinated and unsecured</p>

Element	Title	
		obligations of the Issuer and will rank pari passu among themselves
		<p><b><i>Settlement on scheduled settlement date</i></b></p> <p>Please also refer to Element C.18.</p>
C.9	Interest/Redemption	<p>Please also refer to Element C.8.</p> <p>No interest is payable in relation to the Warrants</p>
C.10	Derivative component in the interest payments	Not applicable Please also refer to Element C.9.
C.11	Admission to trading on a regulated market	<p>Warrants issued under the Programme may be listed on the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange or such other stock exchange or market specified below, or may be issued on an unlisted basis.</p> <p>The Warrants are not intended to be admitted to trading on any market.</p>
C.15	Any underlying which may affect the value of the Securities	<p>The amount payable or deliverable on the Warrants will depend on the value of the underlying asset.</p> <p>If the Warrants are terminated prior to the settlement date for reasons of illegality or following certain adjustment or disruption events, the Early Cancellation Amount payable will be determined in accordance with Element C.8.</p> <p>If the Warrants are not exercised and terminated prior to the settlement date, then the share amount for each Warrant deliverable on the settlement date will be determined in accordance with Element C.18.</p>
C.16	The expiration or maturity date of the derivative securities – the exercise date or final reference date	The exercise date(s) of the Series of Warrants will be any day from the Initial Valuation Date to the Final exercise Date and the settlement date of the Series of Warrants will be 10 Business Days following reception of the exercise notice by the Issuer subject to adjustment in accordance with the general conditions of the Warrants.
C.17	Settlement procedure of derivative securities	<p>The Warrants are physically settled.</p> <p>The settlement of the Series of Warrants shall take place through Euroclear Bank SA/NV and Clearstream</p>

Element	Title	
		Banking, société anonyme.
C.18	Return on derivative securities	<p>If the Warrants are terminated and cancelled prior to the settlement date, the Early Cancellation Amount will be determined in accordance with Element C.8.</p> <p>If the Warrants have not already been exercised and settled, the share amount for each Warrant deliverable on the settlement date will be:</p> $\frac{1}{\textit{Parity}}$ <p>"Calculation Agent" means Banque Internationale à Luxembourg SA</p> <p>"Closing Price" means the official closing price of the ETF Share quoted on the Exchange on the Initial Valuation Date as determined by or on behalf of the Calculation Agent.</p> <p>"ETF Share" means the ETF Share set out in Element C.20.</p> <p>"Exchange" means Xetra Stock Exchange.</p> <p>"Initial Valuation Date" means March 31, 2016.</p> <p>"Issue Price" means EUR 0.95 per Warrant</p> <p>"Parity" is the number of Warrants required for the delivery of one ETF Share to the relevant Warranholder and will be calculated in accordance with the following formula:</p> <p>Underlying Option Price (expressed as percentage) multiplied by the Closing Price divided by the Issue Price.</p> <p>"Underlying Option Price" is the price of the underlying option as determined by the Calculation Agent as of the Initial Valuation Date using a market standard valuation model.</p>
C.19	Exercise price/final reference price of the underlying	The Exercise Price and the Parity will be determined on the Initial Valuation Date as set out in Element C.18
C.20	Underlying	The underlying asset of each Series of Warrants will be iShares Core EURO STOXX 50 UCITS ETF (ISIN Code IE00B53L3W79) (the "ETF Share") issued by

Element	Title	
		iShares VII plc Sicav (the “ETF Issuer”) regulated by the Central Bank of Ireland
C.21	Admission to trading in respect of the Securities	Not Applicable

#### Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer	<p>In purchasing Notes or Warrants, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes or Warrants. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes or Warrants. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of key risk factors which could materially adversely affect its business and ability to make payments due under the Notes or Warrants. These key risk factors include:</p> <ul style="list-style-type: none"> <li>• <i>Credit risk</i>: the creditworthiness of its customers and counterparties;</li> <li>• <i>Market risk</i>: the risks linked to the fluctuations of market prices;</li> <li>• <i>Operational risk</i>: the risk of financial or non-financial impact resulting from inadequate or failed internal processes or systems, from people's failings or from external events;</li> <li>• <i>Soundness of other financial institutions – counterparty risk</i>: its exposure to counterparties in the financial services industry arising through trading, lending, deposit-taking, clearance and settlement and numerous other activities and relationships, including hedging and other risk management strategies utilised by the Issuer;</li> <li>• <i>Liquidity risk</i>: the risk that the Issuer continues to hold sufficient funds to meet its contracted and contingent commitments to customers and counterparties;</li> <li>• <i>Regulatory risk</i>: substantial regulation and regulatory oversight in the jurisdictions in which it operates, together with future regulatory</li> </ul>

Element	Title	
		<p>developments, including changes to accounting standards and the amount of regulatory capital required to support the risk, fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments and international agencies;</p> <ul style="list-style-type: none"> <li>• Uncertain <i>economic conditions</i>: the level of banking, finance and financial services required by its customers which is heavily dependent on customer confidence, market interest rates and other factors that affect the economy;</li> <li>• Competition: strong competition across all its markets from local and international financial institutions including banks, building societies, life insurance companies and mutual insurance organisations.</li> </ul>
<b>D.3</b>	Key risks regarding the Securities	Not Applicable
<b>D.6</b>	Risk warning	<p>There are no events of default in relation to the Warrants and if the Issuer defaults on any obligation under the Warrants, Warranholders will have no right to declare all of the remaining obligations of the Issuer to be immediately due and payable or deliverable, as the case may be.</p> <p>A postponement of valuation or determination due to a market disruption event or a disrupted day or certain extraordinary events affecting the underlying asset to which the Warrants are linked may have an adverse effect on the value of the Warrants.</p> <p>There will be a time lag between the time a Warranholder gives instructions to exercise and the time the applicable cash settlement amount or share amount, as the case may be, relating to such exercise is determined, and such time lag could decrease the cash settlement amount or share amount, as the case may be.</p> <p>Warranholders may have to tender a certain number of Warrants at any one time in order to exercise the Warrants and Warranholders with fewer Warrants will either have to sell or purchase additional Warrants, incurring transaction costs, in order to realise their investment.</p> <p>The number of American style Warrants exercisable on any date other than the expiration date may be limited to a maximum number.</p> <p>A Warranholder may not receive the cash settlement amount relating to a Warrant if it fails to deliver the required notice.</p> <p>Factors affecting the performance of the Index may adversely affect the value of the Warrants and returns</p>



Element	Title	
		<p>on the Warrants do not reflect a direct investment in underlying shares or other assets comprising the Index.</p> <p>A change in the composition or discontinuance of the Index and/or the substitution of the Index with a successor Index could adversely affect the market value of the Index.</p> <p>The Warrants are not sponsored, endorsed, sold, or promoted by the sponsor of such Index. No representation is made by the sponsor of the Index on the results obtained from the use of such Index, the levels of such Index at any time on any day or the advisability of investing in the Warrants linked to such Index. The sponsor of the Index has no obligation to advise any person of any error in such Index and neither the Index nor the sponsor thereof is liable for any such errors. The Issuer and the Issuer's affiliates are not liable to the Warrantheolders for any actions or omissions of the sponsor of the Index, the accuracy, completeness, and timeliness of any information concerning such Index, the performance of such Index, any data included in or omitted from such Index or use thereof in connection with the Warrants.</p> <p>A Warrantheolder may not receive the share amount relating to a Warrant if it fails to deliver the required notice and pay the Exercise Price and Warrantheolder expenses relating to such Warrant.</p> <p>The occurrence of a settlement disruption event may lead to a delayed and/or reduced share amount or Early Cancellation Amount, as the case may be, in respect of the Warrants and in certain circumstances may even be zero. In this case, a Warrantheolder could lose up to all of its investment in the Warrants.</p> <p>No issuer of the ETF Share will have participated in establishing the terms of the Warrants and factors affecting the performance of the ETF Share may adversely affect the value of the Warrants. Warrantheolders have no claim against the issuer of the ETF Share or recourse to the ETF Share.</p> <p>Adjustments to the condition of the Warrants made by the Calculation Agent following the occurrence of potential adjustment events or additional disruption events affecting the ETF Share may have an adverse effect on the value of the Warrants</p> <p>.</p> <p><b>Investors may lose all or a substantial portion of their investment.</b> The Warrants/Notes are designed for specific investment objectives or strategies and, therefore, have a more limited secondary market and</p>

Element	Title	
		<p>may experience more price volatility. Warrant/Noteholders may not be able to sell the Warrants/Notes readily or at prices that will enable them to realise their anticipated yield. No investor should purchase the Warrants/Notes unless such investor understands and is able to bear the risk that the Warrants/Notes may not be readily saleable, that the value of such Warrants/Notes will fluctuate over time, that such fluctuations may be significant and that such investor may lose all or a substantial portion of the purchase price of the Warrants/Notes.</p>

### Section E – Offer

Element	Title	
E.2b	Use of proceeds	Not Applicable.
E.3	Terms and conditions of the offer	<p>This issue of Warrants is being offered in a Non-exempt Offer in Luxembourg and Belgium.</p> <p>The issue price of the Warrants is EUR 0.95 per Warrant.</p> <p>Offer Period is from and including March 8, 2016 to and including March 16, 2016 save in case of early termination due to oversubscription</p> <p><b><i>Please refer to paragraphs 7(vii) and 8 of Part B of the Final Terms</i></b></p>
E.4	Interest of natural and legal persons involved in the issue/offer	Other than as mentioned above, so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the offer, including conflicting interests.
E.7	Expenses charged to the investor by the Issuer	Not Applicable