

Final Terms dated 6 June 2016

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

Issue of EUR 50,000,000 Fixed to Floating Rate Subordinated Notes due May 2028

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 20 May 2016 which constitutes a base prospectus for the purposes of the Prospectus Directive (the "Base Prospectus"). 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. The Base Prospectus has been published on Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

1.
  - (i) Series Number: 3531
  - (ii) Tranche Number: 1
  - (iii) Date on which the Notes will be consolidated and form a single Series: Not Applicable
2. Specified Currency or Currencies: Euro ("EUR")
3. Aggregate Nominal Amount:
  - (i) Series: EUR 50,000,000
  - (ii) Tranche: EUR 50,000,000
4. Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
5.
  - (i) Specified Denomination: EUR 100,000
  - (ii) Calculation Amount: EUR 100,000
6.
  - (i) Issue Date: 8 June 2016
  - (ii) Interest Commencement Date: Issue Date
7. Maturity Date: Interest Payment Date falling on or nearest to 8 June 2028
8. Interest Basis:
  - (i) 4.00 per cent. Fixed Rate from and including the Interest Commencement Date to but excluding 8 June, 2018; to
  - (ii) 6 month EURIBOR + 2.30 per cent. Floating Rate from and including 8 June 2018 to but excluding the Maturity Date.

(further details specified below)
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, each made according to the requirements set out in articles 63(j), 77 and 78 of Regulation (EU) N° 575/2013 (the "CRR"), the Notes will be redeemed on the Maturity

10. Change of Interest Basis: Date at 100 per cent. of their nominal amount  
Applicable. The Interest Basis changes from Fixed Rate to Floating Rate from and including 8 June, 2018.
11. Put/Call Options: Not Applicable
12. (i) Status of the Notes: Subordinated. The Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The rights and claims of the holders of Notes and Coupons relating to them against the Issuer in respect of such Notes and related Coupons (including any damages (if payable)) are subordinated to the claims of Senior Creditors.
- (ii) Date Board of Directors approval for issuance of Notes obtained: Board of Directors approval dated 13 November, 2015
13. Governing law: Luxembourg law

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

14. Fixed Rate Note Provisions: Applicable from and including the Interest Commencement Date to, but excluding, 8 June 2018  
(Condition 4(a) in the Terms and Conditions of the Subordinated Notes)
- (i) Rate of Interest: 4.00 per cent. per annum payable semi-annually in arrear on each Interest Payment Date specified in Paragraph 14 (ii) below
- (ii) Interest Payment Dates: Semi-annually on 8 June and 8 December in each year commencing on 8 December 2016 and ending on 8 June 2018 adjusted in accordance with the Modified Following Business Day Convention.
- (iii) Fixed Coupon Amount: EUR 2,000 per Calculation Amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: 30/360 Unadjusted
- (vi) Determination Dates: Not Applicable
- (vii) Adjustment of Rate of Interest: Not Applicable
- (viii) Business Day Convention: Modified Following Business Day Convention
- (ix) Business Centre(s): TARGET2
15. Reset Note Provisions: Not Applicable  
(Condition 4(b) in the Terms and Conditions of the Subordinated Notes)
16. Floating Rate Note Provisions: Applicable from, and including, 8 June 2018 to, but excluding, the Maturity Date  
(Condition 4(c) in the Terms and Conditions of the Subordinated Notes)
- (i) Interest Period(s): the 6 month period beginning on (and including) 8 June 2018 and ending on (but excluding) the

	First Interest Payment Date specified below and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below
(ii) Specified Interest Payment Dates:	Semi-annually in arrear on 8 June and 8 December in each year, from (and including) 8 December 2018 up to, and including, the Maturity Date
(iii) First Interest Payment Date:	8 December 2018
(iv) Interest Period Date:	Interest Payment Date
(v) Business Day Convention:	Modified Following Business Day Convention
(vi) Business Centre(s):	TARGET2
(vii) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	Not Applicable
(ix) Screen Rate Determination:	
▪ Reference Rate:	Six (6) month EURIBOR Reference Currency: Euro Designated Maturity: 6 months
▪ Interest Determination Date(s):	Second day on which the TARGET2 system is open prior to the start of each Interest Period
▪ Relevant Time:	11.00 a.m. Brussels time
▪ Relevant Financial Centre:	Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)
▪ CMS Rate definitions:	Not Applicable
▪ Relevant Screen Page:	Reuters EURIBOR 01
(x) ISDA Determination:	Not Applicable
(xi) Linear Interpolation:	Not Applicable
(xii) Margin(s):	+2.30 per cent. per annum
(xiii) Minimum Rate of Interest:	Not Applicable
(xiv) Maximum Rate of Interest:	Not Applicable
(xv) Day Count Fraction:	Actual/360
(xvi) Adjustment of Rate of Interest:	Not Applicable
17. Zero Coupon Note Provisions:	Not Applicable
	(Condition 5(b) in the Terms and Conditions on the Subordinated Notes)
18. Range Accrual Notes:	Not Applicable
19. Index Linked Interest Note Provisions	Not Applicable

20. Equity Linked Interest Note Provisions Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

21. Index Linked Redemption Note Provisions Not Applicable

22. Equity Linked Redemption Note Provisions: Not Applicable

23. Reverse Convertible Notes and Physical Delivery: Not Applicable

24. Issuer Call Option: Not Applicable  
(Condition 5(d) in the Terms and Conditions of the Subordinated Notes)

25. Investor Put Option: Not Applicable

26. Final Redemption Amount of each Note: EUR 100,000 per Specified Denomination  
(Condition 5(a) in the Terms and Conditions of the Subordinated Notes )

27. Early Redemption Amount of each Note payable on redemption upon the occurrence of a Capital Event Redemption (Condition 5 (e) in the Terms and Conditions of the Subordinated Notes) and for Taxation Reasons (Condition 5 (c) in the Terms and Conditions of the Subordinated Notes). Subject to the requirements set out in articles 63(j), 77 and 78(4)(a)(b) of the CRR, Euro 100,000 per Specified Denomination

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

28. Form of Notes: Bearer Notes

29. New Global Note: Yes  
Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note

30. Additional Financial Centre(s): Not Applicable

31. Talons for future Coupons to be attached to Definitive Notes: No

Signed on behalf of the Issuer:

By:

\_\_\_\_\_  
Duly authorised

## Part B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: The official list of the Luxembourg Stock Exchange
- (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 8 June 2016.
- (iii) Estimated expenses in relation to the admission to trading: € 4,480

### 2. RATINGS

- Ratings: The Notes to be issued are expected to be rated BBB- by S&P and BBB by Fitch.

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

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Dealer and its 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 its affiliates in the ordinary course of business.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: See "Use of Proceeds" wording in the Base Prospectus
- (ii) Estimated net proceeds: EUR 49,650,000,000.00

### 5. FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES

Details of historic six-month EURIBOR rates can be obtained from Bloomberg (EUR006M Index).

### 6. OPERATIONAL INFORMATION

- ISIN: XS1426144561
- Common Code: 142614456
- Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): Not Applicable
- Delivery: Delivery against payment
- Names and addresses of initial Paying Agents: Banque Internationale à Luxembourg SA  
69, route d'Esch  
L-1470 Luxembourg
- Names and addresses of additional Paying Agents (if any): Not Applicable
- Calculation Agent: Banque Internationale à Luxembourg SA

Intended to be held in a manner which would allow Eurosystem eligibility: No.

**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) Stabilisation Manager(s) (if any): Not Applicable
- (v) If non-syndicated, name and address of relevant Dealer: Morgan Stanley & Co. International plc  
25 Cabot Square  
London,
- (vi) Total commission and concession: Not Applicable
- (vii) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D