

BIL 15Y OPTI-WARRANT

Lyxor UCITS ETF DAX

BIL Code : 382031 ISIN :



Terms and conditions

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| ISSUER | Banque Internationale à Luxembourg S.A. (“BIL”) 69, route d’Esch, L-2953 Luxembourg Luxembourg Register of Commerce n°: B-6307 Credit institution approved in Luxembourg by the CSSF |
| TYPE | American Style Call Warrants |
| NOTIONAL AMOUNT PER WARRANT | EUR 100.00 (the “NA”) |
| CURRENCY/ISSUE PRICE | EUR TBD |
| SUBSCRIPTION PERIOD | From 09 th April 2018 to 23 rd April 2018 inclusive |
| ISSUE DATE | 27 th April 2018 |
| PAYMENT DATE | 27 th April 2018 |
| MATURITY DATE | 27 th April 2033 |
| UNDERLYING | Lyxor UCITS ETF DAX (ISIN Code LU0252633754); this is an ETF (Exchange Traded Fund), established in Luxembourg. The ETF prospectus is available on www.lyxoretfr.fr [1] |
| EXERCISE PRICE | Closing price of the underlying security on Euronext Paris on 30 th April 2018 (EUR) |
| PARITY | Number of warrants necessary to buy an underlying security on payment of the exercise price ; parity is defined as Exercise Price divided by Notional Amount. |
| PAY-OFF | The payoff at Exercise Date is defined as: = NA x max (28% ; Underlying Performance) With NA : Notional Amount per Warrant Underlying Performance is Underlying Closing Price at Exercise Date divided by Underlying Exercise Price |
| EXERCISE | If the Underlying Performance is above 28%, Exercise consists in the delivery to the issuer (BIL s.a.) of a certain number of warrants (representing parity) allowing the holder of the warrants to buy an underlying security at the exercise price. Else Exercise consists in the cash settlement for each warrant of 28% of the Notional Amount Per Warrant. If the warrants are not exercised during the Exercise Period, they will be redeemed at 28% of the Notional Amount per Warrant. To exercise the warrants, warrant holders must send their instructions to the registered office of Banque Internationale à Luxembourg S.A. at the earliest on 3 rd May 2019 and at the latest 10 business days before the maturity date. |
| EXERCISE PERIOD | Any bank business days in Luxembourg, Belgium and when the Underlying gets a closing price on Euronext Paris from 3 rd May 2019 to 10 business days before the maturity date |
| EXERCISE PROCEDURE | As set out in condition 4(a) of the general condition of the warrants contained in BIL Base Prospectus |
| ELIGIBLE JURISDICTIONS | Luxembourg / Belgium |
| APPLICABLE LAW | Luxembourg law |

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| SALE COMMISSION | In case a secondary exists (not guaranteed by BIL) in connection with such warrants a sale commission of 0.50% applicable to the sale amount |
| EXERCISE COMMISSION | Subscription commission and charges linked to the underlying security as stated in the prospectus of the underlying security |
| BELGIAN TAXATION | <p>The warrants that the beneficiary receives (whether free or not) by reason of his/her professional activity constitute a benefit of whatever nature for the beneficiary. This benefit is taxable when the warrants are allocated. This allocation date is the sixtieth day following the date when the warrants are offered on condition that the beneficiary has accepted the offer of the warrants in writing and not later than this sixtieth day. The taxable benefit is determined as a percentage of the last closing price of the underlying security which precedes the day of the offer and thus consequently as a percentage of the notional amount per warrant, subject to deduction of any intervention by the beneficiary of the benefit. The benefits which are realised when the warrants are sold or exercised or on the sale of the shares received as a result of the exercise of the warrants do not constitute professional income. Moreover, a capital gain realised on the warrants or shares is not taxable as miscellaneous income, provided that it is realised in the framework of the normal management of private wealth (portfolio securities). A loss realised on the sale of the warrants or shares is not tax deductible. This tax treatment is subject to change and depends on the circumstances of each investor [2].</p> <p>The granting of warrants entails specific consequences linked, among other things, to the social (employment) and tax legislation applicable to the investor according to their individual situation, the consequences of which BIL declines all responsibility. In the event of doubt as to the impact of such warrants, the investor is invited to seek help from any adviser which he/she deems useful or necessary when considering setting up a warrant plan.</p> |
| LISTING | None |
| SECONDARY MARKET | The issuer does not guarantee a secondary market for the warrants. An indicative price of the warrants is available on request at the registered office of Banque Internationale à Luxembourg S.A. |
| SELLING RESTRICTIONS | <p>As set out in the Issuer Base Prospectus.</p> <p>For a description of the restrictions on offers and sales of Warrants, see "Plan of Distribution" in the Base Prospectus.</p> <p>The Warrants, and in certain cases, the securities (if any) to be delivered under the terms of the Warrants, have not been and will not be registered under the U.S. Securities Act of 1933 or under the securities laws of any state or other jurisdiction of the United States. No Warrant may be offered, sold, resold, transferred, pledged, delivered or redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person (as defined herein).</p> |

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Furthermore, the Warrants do not constitute, and have not been marketed as, swaps or contracts of sale of a commodity for future delivery (or options thereon) subject to the the U.S. Commodity Exchange Act ("CEA"). Neither the sale or trading in Warrants has been approved by the U.S. Commodity Futures Trading Commission ("CFTC") pursuant to the CEA, and no U.S. person (as defined herein) may at any time trade, exercise or maintain a position in the Warrants.

The Warrants may not be exercised within the United States. The exercise of the Warrants will be conditional upon the holder (and any person on whose behalf the holder is acting) being a non-U.S. person. The securities to be delivered upon the exercise of the Warrants may not be delivered within the United States upon exercise other than in "offshore transactions" pursuant to Regulation S, unless registered under the Act or an exemption from such registration is available.

"U.S. person" means a person that is a "U.S. person" as defined in Regulation S under the Securities Act.

Investors hereby certify to the Issuer that neither him nor any person on whose behalf the warrant are being subscribed or being exercised, is a U.S person (as defined herein).

More generally, each potential Investor, Distributor and/or Intermediary has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each Eligible Jurisdiction in which (as the case maybe) it purchases, offers, sells or delivers Warrants or has in its possession or distributes the Transaction Documents, any other Marketing Materials for the Warrants and the Issuer shall not have any responsibility therefore.

TRANSACTION DOCUMENTS

This term sheet is a simple summary and is no substitute for a reading by the investor of the Terms and Conditions contained in BIL Base Prospectus as supplemented by the Final Terms/Pricing Supplement (as the case maybe) relating to this issue. BIL Base Prospectus and the Final Terms/Pricing Supplement (as the case maybe) in English are available on request at the registered office of the Issuer. If there is any contradiction between the terms and conditions in this term sheet and BIL Base Prospectus as supplemented by the Final Terms/Pricing Supplement (as the case maybe), BIL Base Prospectus supplemented by the Final Terms/Pricing Supplement (as the case maybe) will prevail.

RISK FACTORS

Credit risk: if the Issuer is in payment default (for example following bankruptcy), the investor runs the risk that their initial capital will be repaid only partially or even not at all on maturity.

Capital risk: the risk that the initial capital is not fully repaid on maturity. This repayment depends on the movements in the underlying security. A partial loss of capital is possible.

Liquidity risk: the warrants are not listed on the stock market, so that the probability that a secondary market will be formed is limited. If the investor wishes to sell their warrant before maturity, they will be bound by the bid/offer prices at the time. Intermediate selling prices may therefore be below the issue price as a result of changes in market conditions.

Market risk: the price of the warrant may fluctuate, depending, among other things, on interest rates, market volatility, the net asset value of the underlying security and the issuer's financial soundness.

Interest rate risk: an interest rate rise or fall will influence the (bid or offer) price.

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Risk on the warrant's underlying: any event or incident occurring in relation to the underlying will have a direct effect on the warrant issued such as (but not limited to) its price, its liquidity and its volatility.

Correlation Risk : Due to the fact that the Underlying is an ETF that as far as practicably possible replicates the DAX Index it is possible that the ETF will not perfectly replicate the DAX Index or as the case maybe outperform or underperform the DAX Index.

A detailed reading by the investor of all the risk factors contained in BIL Base Prospectus in the "Risk Factors" section is necessary before any investment decision.

[1]] <http://www.lyxoretf.fr/france/en/retail/etffinder/lyxor-dax-dr-ucits-etf-capi/eur>

DISCLAIMER

Clients, Distributor or Intermediary are advised to make an independent review and reach their own conclusions regarding the economic benefits and risks of the securities the indicative terms of which are proposed herein and the legal, regulatory, credit, tax, and accounting aspects of the proposed securities relation to their particular circumstances. Although the indicative terms set out above reflect the terms as of the specified date on which BIL believes securities or other obligations might be issued, no assurance can be given that such an issue could in fact be arranged, and no specific issuer is obligated to issue such securities or obligations. The price and other terms on which securities might be issued will be a function of market prices prevailing at the time of issue and the demand for securities of the issuer at that time. This term sheet does not constitute an offer to sell or the solicitation of an offer to buy securities of the type generically described herein. Actual offerings of a specific issuer are made, in accordance with applicable law, by prospectus or other appropriate offering documents