

Structured products

Diversify and control your investments



BANQUE
INTERNATIONALE
À LUXEMBOURG

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Are you looking for investment solutions that are more closely tailored to your requirements and your market views? Our structured products can easily be integrated into your portfolio and help you achieve your objectives.

What is a structured product?

A structured product is an investment product that has a predefined, clear and transparent payoff structure at maturity. It is an alternative to traditional financial products and another way of investing in financial markets which offers a greater choice to better suit your specific investment needs.

BIL structured products can be a smart way of achieving your target return depending on the level of risk you are willing to take.

A simple example is a product with capital protection and participation in the performance of an index. In such a case, the structured product integrates two different financial instruments: a bond to protect the capital at maturity and an option to capture performance. These investment instruments are then combined in the form of a product issued by BIL.

These products offer a potentially attractive return with or without capital protection, as the case may be. A traditional structured product combines several different financial instruments within an integrated solution. By using the right combination of instruments, a structured product can therefore provide you with an investment solution that is perfectly tailored to your investment objectives.



Advantages and risks of a structured product

- A potential way of reducing your exposure to negative returns, thus improving the performance of your portfolio.
- An opportunity to benefit from the price fluctuations of many asset classes (equities, currencies, commodities, interest rates, etc.).
- Depending on your choice of structured product, you may be exposed to the risk of capital loss, as well as market, interest rate, credit and liquidity risks.
- Investors are exposed to BIL credit risk.



Choosing BIL gives you access to a wide range of structured products developed by experts in their field



SECURITY

- The security of being able to count on an extremely reliable and well-known partner
- BIL is rated highly by the main credit rating agencies (Standard & Poor's A-, Moody's A2, Fitch Ratings BBB+)
- It has received many awards in Luxembourg:
 - 2019 : rated best bank by The Banker and best retail bank and best corporate bank by Global Banking and Finance Review
 - 2019/2018/2017: rated the best bank in Luxembourg by Global Finance
 - 2017: rated best private bank in Luxembourg for super affluent clients by Euromoney
- Two leading shareholders: Legend Holdings, a global investment company listed on the Hong Kong Stock Exchange, and the Luxembourg State



SUPPORT

- A team of specialists dedicated to the creation of structured products
- Personalised support in our 40 branches and private banking centres throughout the world and in Luxembourg

Diversify and strengthen your portfolio thanks to **BIL structured products**

Because your investment needs and risk profile are unique and closely linked to your projects, we can provide you with tailor-made products, as well as products linked to specific themes or based on our research and strategy.

Our structured products can cover a wide range of asset classes, from equities to bonds, as well as less liquid assets such as private equity and real estate. They may be available in different currencies, tailored to different investment profiles and potentially improve the return on your portfolio with a predefined approach.



Potential enhancement
of your portfolio
returns



Easy access to a wide
range of products and
markets



Opportunity to profit
from various markets
and asset classes



The European Structured Investment Products Association (EUSIPA) defines different categories of structured products:

Capital protected

The capital is fully protected at maturity. They have fixed or conditional coupons, and enable investors to participate in the performance of an index or in dedicated underlyings like equities, commodities, funds, etc. At BIL, these products are called BIL Fix and BIL Yes.

Yield enhancement

Solutions with a higher-yielding coupon, but where all or part of the invested capital is at risk. At BIL, these products are called BIL Plus.

Participation and leverage products

Products that may outperform or match the performance of an underlying asset, comprising upside leverage and/or downside protection. At BIL, these products are called BIL Plus when the capital is at risk or BIL Yes when the capital is not at risk.

Above a certain investment amount and for certain risk profiles, we can also create hybrid solutions (combining the aforementioned types of products) according to your needs.

Do you want more information about our structured products?

Make an appointment to discuss it with your Relationship Manager, or call **+352 4590-5000**



Do you want to make your life easier?

Consult our current structured products and invest directly from your smartphone. Use BILnet online banking and **get 30% off entry fees.**

Examples of the BIL range of structured products

Indicative levels obtained in 2019. These levels depend on market conditions and may no longer be attainable.

FLOORED AND CAPPED FLOATER NOTE

Issuer: BIL SA
Currency: EUR
Maturity: 3 years
Underlying: 3-month EURIBOR* rate
Minimum coupon: 0.20% p.a.
Maximum coupon: 1% p.a.
Capital protection: 100% at maturity**



Main advantages

- This product has a guaranteed minimum coupon, while offering investors the opportunity to benefit from interest rate rises.
- Your capital is fully protected at maturity.

How it works

Every quarter, if the 3-month EURIBOR* is:

- Above 1% p.a., investors will receive a coupon of 1% p.a.;
- Between 0.20% p.a. and 1% p.a., investors will receive a coupon equal to the 3-month EURIBOR*;
- Strictly below 0.20% p.a., investors will receive a coupon of 0.20% p.a.

BONUS NOTE LUXURY

Issuer: BIL SA
Currency: EUR
Maturity: 18 months
Underlying: Kering, L'Oréal & LVMH
Bonus coupon: 5.00%
Protection barrier: 60% at maturity**

Main advantages

The product has a minimum coupon of 5% in the event of a moderate fall in the underlyings. It has a security cushion, protecting investors against a fall of up to 40% at maturity, while enabling them to benefit from any rise in the underlyings, with a minimum of 5%.

How it works

At maturity, if on the final observation date, the worst-performing of the three underlyings (Kering, L'Oréal, LVMH) closes (final level):

- Above its initial level, investors will receive the full amount of the rise of the worst-performing share, with a minimum of 5%;
- Between 60% and 100% of its initial level, investors will receive 105% of their initial investment;
- Strictly below 60% of its initial level, the invested capital will be redeemed in shares at the final level/initial level of the worst-performing share.

Example

Suppose that Kering is trading at EUR 457. If, at maturity, Kering is the worst-performing share and closes (final level) at:

- EUR 594 (130% of its initial level), investors will recover the amount of their investment plus a 30% bonus (subject to fees, taxes and duties);
- EUR 470.71 (103% of its initial level), investors will recover the amount of their investment plus a 5% coupon (subject to fees, taxes and duties);
- EUR 205 (45% of its initial level), investors will recover 45% of their investment, redeemed in Kering shares. In such a case investors have a capital loss.

* In the event that the external reference rate temporarily or permanently ceases or materially changes, Articles 98 to 100 of the bank's General Terms & Conditions shall apply.

** The capital protection applies only at maturity. During the lifetime of the product, its price may fluctuate in line with market conditions.

WOMEN LEADERSHIP NOTE

Issuer :BIL SA
Currency:EUR
Maturity:5 years
Underlying:Istox Global Women Leadership Index
Participation:150%
Capital protection:100% at maturity*

Main advantages

This product offers investors the opportunity to benefit from 150% of the performance of this index. It offers capital protection of 100% in the event of a market downturn. For example, if the index has appreciated by 10% over the life of the product, investors will recover the full amount of their invested capital plus a bonus of 15% (150% x 10%).

How it works

At maturity, if on the final observation date the index closes:

- Above 100% of its initial level, investors will recover the full amount of their investment and receive 150% of the index's rise;
- Below 100% of its initial level, the invested capital will be redeemed, as the note is 100% capital protected.

AUTOCALL NOTE ROYAL DUTCH SHELL

Issuer:BIL SA
Currency:EUR
Maturity:4 years
Underlying:Royal Dutch Shell
Protection barrier:80% at maturity*
Coupon barrier:80%
Memory coupon:5.37% per half year (10.74% p.a.)
Autocall barrier:100%
Observation frequency:Half-yearly

Main advantages

The product has a coupon of 5.37% per half-year if the underlying is at or above 80% of its initial level on the observation dates.

It has a security cushion protecting investors against a fall of up to 20% at maturity.

How it works

The product can be redeemed early on each of the observation dates, as per the observation frequencies (every six months). On these dates, if the underlying is equal to or above the level of the autocall barrier, the product will be redeemed early, and investors will then recover the full amount of their investment plus the coupon. At maturity, (if the product has not been already redeemed), suppose that Royal Dutch Shell stock was trading initially at EUR 25.12, and if, at maturity the shares close at (final level):

- Above or equal to 80% of its initial level, investors will recover the full amount of their investment plus the coupon;
- Strictly below 80% of its initial level, the invested capital will be redeemed in shares at the final level/initial level.

Example

- EUR 27.63 (110% of its initial level). Investors will recover the full amount of their investment (subject to fees, taxes and duties) plus the coupons;
- EUR 22.60 (90% of its initial level). Investors will recover the full amount of their investment (subject to fees, taxes and duties) plus the coupons;
- EUR 11.30 (45% of its initial level). Investors will recover 45% of the amount invested, redeemed in Royal Dutch Shell shares. In such a case investors have a capital loss.



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