

MIFID II product governance / Retail investors, professional investors and ECPs – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II") (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice, portfolio management and non-advised sales , subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

Pricing Supplement dated July 13, 2018

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

Legal entity identifier (LEI): 9CZ7TVMR36CYD5TZBS50

Issue of EUR 1,000,000 Autocallable Equity Linked Notes due July 17, 2020

under the €10,000,000,000

Programme for the issue of Euro Medium Term Notes and Warrants

Part A– CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 13 of the Luxembourg Law dated 10 July, 2005 relating to prospectuses for securities, as amended, in each case, in relation to such offer.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated May 18, 2018 and the First Supplement to it dated July 3, 2018 (together the "Base Prospectus"). In case of any inconsistencies between the terms used in this Pricing Supplement and the Prospectus, this Pricing Supplement shall prevail.

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|----|-------|--|----------------|
| 1. | (i) | Series Number: | 3989 |
| | (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 1,000,000
	(ii) Tranche	EUR 1,000,000
4.	Issue Price:	100 per cent. of the Aggregate Nominal Amount
5.	(i) Specified Denominations:	EUR 1,000
	(ii) Calculation Amount:	EUR 1,000
6.	(i) Issue Date:	July 17, 2018
	(ii) Interest Commencement Date:	Not Applicable
7.	Maturity Date:	July 17, 2020
8.	Interest Basis:	Not Applicable
9.	Redemption Basis:	Equity Linked Redemption (further particulars specified in the Annex)
10.	Change of Interest or Redemption/Payment Basis:	Not Applicable
11.	Put/Call Options:	Not Applicable
12.	(i) Status of the Notes:	Senior
	(ii) Date Board approval for issuance of Notes obtained:	Not Applicable
13.	Governing law:	Luxembourg law

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	Not Applicable
15.	Reset Note Provisions:	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Dual Currency Interest Note Provisions:	Not Applicable
19.	Range Accrual Notes Provisions	Not Applicable
20.	Index Linked Interest Note	Not Applicable
21.	Equity Linked Interest Note	Not Applicable

PROVISIONS RELATING TO REDEMPTION

22.	Index Linked Redemption Note Provisions:	Not Applicable
23.	Equity Linked Redemption Note Provisions:	Applicable - See Annex (Condition 21 (e) and (h) in the Terms and Conditions of the Senior Notes will not apply for the purpose of this Pricing Supplement)
24.	Reverse Convertible Notes and Physical Delivery:	Applicable - See Annex (Condition 21 (e) and (h) in the Terms and Conditions of the Senior Notes will not apply for the purpose of this Pricing Supplement)

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| 25. | Issuer Call Option: | Applicable– See Annex |
| 26. | Investor Put Option: | Not Applicable |
| 27. | Final Redemption Amount of each Note: | See Annex (Condition 21 (e) and (h) in the Terms and Conditions of the Senior Notes will not apply for the purpose of this Pricing Supplement) |
| 28. | Early Redemption Amount:

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default: |

As set out in the Terms and Conditions |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 29. | Form of Notes: | Bearer Notes |
| 30. | New Global Note: | No

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 |
| 31. | Additional Financial Centre(s): | TARGET |
| 32. | Talons for future Coupons to be attached to Definitive Notes: | No |
| 33. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment. | Not Applicable |
| 34. | Details relating to Instalment Notes: | Not Applicable |
| 35. | Other final terms: | Condition 21 (e) and (h) in the Terms and Conditions of the Senior Notes will not apply for the purpose of this Pricing Supplement - See Annex |

Signed on behalf of the Issuer:

By:

Duly authorised

Part B – OTHER INFORMATION

1. **LISTING:** Not applicable

2. **RATINGS:** Not Applicable

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

Save for the fees payable to the Dealers, 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. OPERATIONAL INFORMATION

ISIN Code: XS1846503040

Common Code: 184650304

CFI: Not Applicable

FISN: Not Applicable

Any clearing system(s) other than Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme and the relevant identification number(s):

Not Applicable

Delivery:

Delivery against payment

Names and addresses of initial Paying Agents:

Banque Internationale à Luxembourg SA

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. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

5. DISTRIBUTION

(i) Method of distribution: Non-syndicated

(ii) If syndicated, names and addresses of Managers and underwriting: Not Applicable

commitments/quotas (material features):

- (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: Banque Internationale à Luxembourg SA
- (vi) Total commission and concession: Not Applicable
- (vii) U.S. Selling Restrictions and U.S. Federal Income Tax Considerations: Reg. S Compliance Category 2; TEFRA D. The Notes are not Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986..
- (viii) Prohibition of Sales to EEA Retail Investors: Not Applicable

Annex

1/ Automatic Early Redemption Amount

The Automatic Early Redemption Amount (t) payable on the Automatic Early Redemption Date(t) in accordance with the Modified Following Business Day Convention will be determined by the Calculation Agent on each Automatic Early Redemption Valuation Date(t) as follows, for t = 1 to 3:

$$N^* \text{ Digital}_t + N \times [4.50 \% \times \text{ Digital}_t \times (1 + \text{Number}_t)]$$

Where:

“**N**” means the Calculation Amount per Specified Denomination, i.e. EUR 1,000

“**Digital_t**” is equal to 1 if the official Closing Price of the Worst Performing Share on the Automatic Early Redemption Valuation Date(t) is at or above the Barrier Level, otherwise 0.

“**Number_t**” means the number of successive Automatic Early Redemption Dates(t) immediately preceding where $\text{Digital}_n = 0, \forall n < t$.

“**Closing Price**” means the official closing price of each Share on the Exchange on each Automatic Early Redemption Valuation Date.

“**Share**” means

LVMH	ISIN	FR0000121014 (Bloomberg ticker MC FP Equity)
Cie Financière Richemont	ISIN	CH0210483332 (Bloomberg ticker CFR SW Equity)
Burberry	ISIN	GB0031743007 (Bloomberg ticker BRBY LN Equity)

“**Worst Performing Share**” means the Share with the lowest performance calculated as Final Level / Initial Level.

“**Initial Level**” means the official Closing Price of the Share on July 17, 2018 as observed by the Calculation Agent.

“**Final Level**” means the official closing level of each Share on each Automatic Early Redemption Valuation Date (t).

“**Exchange**” means Paris for LVMH / Basel for Cie Financière Richemont and London for Burberry or any successor exchange

“**Barrier Level**” means :

“% of the Initial Level”	Automatic Early Redemption Date(t)
95%	January 17, 2019
85%	July 17, 2019
75%	January 17, 2020

“Automatic Early Valuation Date (t)” means 5 Paris business days for LVMH, 5 Basel business days for Cie Financière Richemont and 5 London business days for Burberry prior to each Automatic Early Redemption Date(t).

3/ Final Redemption Amount

Unless previously redeemed, the Final Redemption Amount will be determined by the Calculation Agent on the Final Valuation Date as follows:

- if the Final Level of the Worst Performing Share on the Final Valuation Date is strictly below the Knock In Barrier:
 - (i) Physical delivery of the Number of Deliverable Shares of the Worst Performing Share (the **“Physical Settlement”**) plus
 - (ii) The residual cash amount, equivalent to an amount in the Specified Currency equal to the Residual Number of Shares multiplied by the Final Level of the Worst Performing Share, all rounded to the nearest EUR cent.

Where :

“Number of Deliverable Shares” means a number of Shares equal to the Specified Denomination multiplied by the FX Official Fixing divided by the Initial Level (rounded to the lower whole share) multiplied by the number of Specified Denominations.

And “Residual Number of Shares” means the fraction of the Worst Performing Share to be delivered (if any), rounded up to three decimal places, multiplied by the number of Specified Denominations divided by the FX Official Fixing.

- if the Final Level of the Worst Performing Share on the Final Valuation Date is equal to or above the Knock In Barrier :

$$N_+ [N \times 18.00 \%]$$

Where:

“N” means the Calculation Amount per Specified Denomination, i.e. EUR 1,000

“Knock In Barrier” means 65 % of the Initial Level.

“Initial Level” means the official Closing Price of the Share on July 17, 2018 as observed by the Calculation Agent.

“Final Level” means the official closing level of the Worst Performing Share on the Final Valuation Date.

“Calculation Agent” means Banque Internationale à Luxembourg, société anonyme.

« **Final Valuation Date** » means 5 Target business days for LVMH, 5 Basel business days for Cie Financière Richemont and 5 London business days for Burberry prior to the Maturity Date (July 10, 2020).

"FX Official Fixing ":

1) If the Deliverable share is denominated in CHF: Official Fixing WMR (4 pm London Time) of the EURCHF on the Last Observation Date, published on Bloomberg EURCHF WMCO Curncy;

2) If the Deliverable share is denominated in GBP: Official Fixing WMR (4 pm London Time) of the EURGBP on the Last Observation Date, published on Bloomberg EURGBP WMCO Curncy;

3) Otherwise “1”

4/ Disruption Events

- | | | |
|-------|---|--|
| (i) | Additional Disruption Events: | The following Additional Disruption Events apply to the Notes:

Change of Law
Failure to Deliver
Hedging Disruption
Increased Cost of Hedging
Insolvency Filing
The Trade Date is June 19, 2018 |
| (ii) | Delayed Redemption on Occurrence of Extraordinary Events: | Not Applicable |
| (iii) | Share Substitution Criteria: | As determined by the Calculation Agent |