

This document constitutes a base prospectus (the "**Base Prospectus**") for the purpose of Art. 5 (4) of the Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") in connection with the Commission Regulation (EC) No 809/2004, as amended, relating to reference asset linked securities (the "**Securities**") issued from time to time by UniCredit Bank AG ("**HVB**" or the "**Issuer**") under the Euro 50,000,000,000 Debt Issuance Programme (the "**Programme**").



UniCredit Bank AG

Munich, Federal Republic of Germany

Base Prospectus

for the issuance of

Reference Asset Linked Securities

under the Euro 50,000,000,000 Debt Issuance Programme

16 December 2016

This Base Prospectus has been approved by the Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended (*loi relative aux prospectus pour valeurs mobilières telle que modifiée*, the "**Luxembourg Prospectus Law**"), which implements the Prospectus Directive into Luxembourg law. By approving this Base Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer according to the provisions of article 7 (7) of the Luxembourg Prospectus Law. Application has been or will be made to the Luxembourg Stock Exchange for Securities to be issued under this Base Prospectus up to the expiry of 12 months after the date of approval of this Base Prospectus and to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market, which is a regulated market for the purposes of Directive 2004/39/EC. Securities issued under this Base Prospectus may also be listed and traded on an alternative stock exchange or may not be listed at all.

This Base Prospectus is to be read together with the information provided in (a) the registration document of UniCredit Bank AG dated 22 April 2016 (the "**Registration Document**"), whose information is incorporated herein by reference, (b) any supplements to this Base Prospectus (the "**Supplements**") as well as (c) in all other documents whose information is incorporated herein by reference (see "General Information – Information incorporated by reference in this Base Prospectus" below) as well as (d) the respective Final Terms (the "**Final Terms**").

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Base Prospectus nor any other information supplied in connection with the Programme is intended to provide the basis of any credit evaluation and should not be considered as a recommendation by the Issuer, that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Securities. Potential investors should note that an investment in the Securities is only suitable for highly sophisticated investors, who understand the nature of such Securities and the extent of their exposure to risk and have sufficient knowledge, experience and access to professional advisors (including their financial, legal and tax advisors) in order to form their own legal, tax and financial opinion upon the existing risks of such investments in such Securities.

Each investor contemplating purchasing any Securities should make its own independent evaluation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Securities.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date of this Base Prospectus or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Issuer will be obliged to supplement this Base Prospectus. Investors should read *inter alia* the most recent non-consolidated or consolidated financial statements and interim reports, if any, of the Issuer when deciding whether or not to purchase any Securities.

The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Securities come must inform themselves about any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States of America and on the offer or sale of the Securities in the European Economic Area (see "General Information – Selling Restrictions" below).

The Securities have not been and will not be registered under the U. S. Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States of America or to U.S. persons (see "General Information – Selling Restrictions" below).

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SUMMARY

Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the specification of 'Not applicable'.

A. INTRODUCTION AND WARNINGS

A.1	Warning	<p>This Summary should be read as an introduction to the Base Prospectus.</p> <p>Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>UniCredit Bank AG ("UniCredit Bank", the "Issuer" or "HVB"), Arabellastraße 12, 81925 Munich, which in its capacity as Issuer assumes liability for the Summary including any translation thereof, as well as any person which has tabled it, may be held liable, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, or it does not provide, when read together with the other parts of the Base Prospectus, all necessary key information.</p>
A.2	<p>Consent to the use of the Base Prospectus</p> <p>Indication of the offer period</p> <p>Other conditions attached to the consent</p>	<p>[Subject to the following paragraphs, the Issuer gives its consent to the use of the Base Prospectus during the offer period for subsequent resale or final placement of the Securities by financial intermediaries.]</p> <p>[Not applicable. The Issuer does not give its consent to the use of the Base Prospectus for subsequent resale or final placement of the Securities by financial intermediaries.]</p> <p>[Resale or final placement of the Securities by financial intermediaries can be made and consent to use the Base Prospectus is given [for the following offer period of the Securities: <i>[Insert offer period for which consent is given]</i>] [during the period of the validity of the Base Prospectus].]</p> <p>[Not applicable. No consent is given.]</p> <p>[The Issuer's consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions as well as the terms and conditions of the offer.]</p> <p>[Moreover, the Issuer's consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the</p>

	Provision of terms and conditions of the offer by financial intermediary	<p>Securities. This commitment is made by the publication of the financial intermediary on its website stating that the prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent.]</p> <p>[Not applicable. No consent is given.]</p> <p>[Information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.]</p> <p>[Not applicable. No consent is given.]</p>
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B. ISSUER

B.1	Legal and commercial name	UniCredit Bank AG (" UniCredit Bank ", the " Issuer " or " HVB " and, together with its consolidated subsidiaries, the " HVB Group ") is the legal name. HypoVereinsbank is the commercial name.
B.2	Domicile / Legal form / Legislation / Country of incorporation	UniCredit Bank is a stock corporation incorporated under the laws of the Federal Republic of Germany and domiciled in the Federal Republic of Germany.
B.4b	Known trends affecting the issuer and the industries in which it operates	The performance of HVB Group will depend on the future development on the financial markets and the real economy in 2016 as well as other remaining imponderables. In this environment, HVB Group will continuously adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived therefrom on a regular basis.
B.5	Description of the group and the issuer's position within the group	<p>UniCredit Bank is the parent company of HVB Group. HVB Group holds directly and indirectly equity participations in various companies.</p> <p>UniCredit Bank has been an affiliated company of UniCredit S.p.A., Rome ("UniCredit S.p.A.", and together with its consolidated subsidiaries, "UniCredit") since November 2005 and hence a major part of UniCredit from that date as a sub-group. UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.</p>
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable; Deloitte GmbH, Wirtschaftsprüfungsgesellschaft (previously operating under the name Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft), the independent auditor (<i>Wirtschaftsprüfer</i>) of UniCredit Bank, has audited the consolidated financial statements (<i>Konzernabschluss</i>) of HVB Group for the financial year ended 31 December 2014 and for the financial year ended 31 December 2015 and the unconsolidated financial statements of UniCredit Bank for the financial year ended 31 December 2014 and for the financial year ended 31 December 2015 and has in each case issued an unqualified audit opinion thereon.

B.12	Selected historical key financial information	<p align="center">Consolidated Financial Highlights as of 31 December 2015*</p> <table border="1"> <thead> <tr> <th>Key performance indicators</th> <th>1/1/2015 – 31/12/2015</th> <th>1/1/2014 – 31/12/2014¹⁾</th> </tr> </thead> <tbody> <tr> <td>Net operating profit</td> <td>€ 983m</td> <td>€ 892m</td> </tr> <tr> <td>Profit before tax</td> <td>€ 776m</td> <td>€ 1,083m</td> </tr> <tr> <td>Consolidated profit</td> <td>€ 750m</td> <td>€ 785m</td> </tr> <tr> <td>Earnings per share</td> <td>€ 0.93</td> <td>€ 0.96</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Balance sheet figures</td> <td>31/12/2015</td> <td>31/12/2014</td> </tr> <tr> <td>Total assets</td> <td>€ 298,745m</td> <td>€ 300,342m</td> </tr> <tr> <td>Shareholders' equity</td> <td>€ 20,766m</td> <td>€ 20,597m</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Key capital ratios</td> <td>31/12/2015 Basel III</td> <td>31/12/2014 Basel III</td> </tr> <tr> <td>Common Equity Tier 1 capital</td> <td>€ 19,564m</td> <td>€ 18,993m</td> </tr> <tr> <td>Core capital (Tier 1 capital)</td> <td>€ 19,564m</td> <td>€ 18,993m</td> </tr> <tr> <td>Risk-weighted assets (including equivalents for market risk and operational risk)</td> <td>€ 78,057m</td> <td>€ 85,768m</td> </tr> <tr> <td>Common Equity Tier 1 capital ratio²⁾</td> <td>25.1%</td> <td>22.1%</td> </tr> <tr> <td>Core capital ratio (Tier 1 ratio)²⁾</td> <td>25.1%</td> <td>22.1%</td> </tr> </tbody> </table> <p>* Figures shown in this table are audited and taken from the consolidated financial statements of HVB Group for the financial year ended 31 December 2015.</p> <p>¹⁾ without discontinued operations</p> <p>²⁾ calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</p>	Key performance indicators	1/1/2015 – 31/12/2015	1/1/2014 – 31/12/2014¹⁾	Net operating profit	€ 983m	€ 892m	Profit before tax	€ 776m	€ 1,083m	Consolidated profit	€ 750m	€ 785m	Earnings per share	€ 0.93	€ 0.96				Balance sheet figures	31/12/2015	31/12/2014	Total assets	€ 298,745m	€ 300,342m	Shareholders' equity	€ 20,766m	€ 20,597m				Key capital ratios	31/12/2015 Basel III	31/12/2014 Basel III	Common Equity Tier 1 capital	€ 19,564m	€ 18,993m	Core capital (Tier 1 capital)	€ 19,564m	€ 18,993m	Risk-weighted assets (including equivalents for market risk and operational risk)	€ 78,057m	€ 85,768m	Common Equity Tier 1 capital ratio ²⁾	25.1%	22.1%	Core capital ratio (Tier 1 ratio) ²⁾	25.1%	22.1%
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	Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change	There has been no material adverse change in the prospects of HVB Group since 31 December 2015, the date of its last published audited financial statements.																														
	Description of significant change in the financial position subsequent to the period covered by the historical financial information	Not applicable. There has been no significant change in the financial position of HVB Group since 30 June 2016.																														
B.13	Recent events	Not applicable. There are no recent events particular to UniCredit Bank which are to a material extent relevant to the evaluation of its solvency.																														

B.14	Statement of dependency upon other entities within the group	See Element B.5 above. Not applicable. UniCredit Bank is not dependent on any entity within HVB Group.
B.15	Principal activities	UniCredit Bank offers a comprehensive range of banking and financial products and services to private, corporate and public sector customers, international companies and institutional customers. This range extends from mortgage loans, consumer loans, savings-and-loan and insurance products, and banking services for private customers through to business loans and foreign trade financing and investment banking products for corporate customers. In the private banking and wealth management customer segments, UniCredit Bank offers comprehensive financial and asset planning with needs-based advisory services by generalists and specialists. HVB Group continues to be the centre of competence for the international markets and investment banking operations for the entire UniCredit. In addition, the Corporate & Investment Banking business segment acts as a product factory for customers in the Commercial Banking business segment.
B.16	Direct or indirect ownership or control	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.

C. SECURITIES

C.1	Type and class of the securities / security identification number	The securities are reference asset linked securities (the " Securities ") and will be issued as [notes][certificates]. [The Securities are represented by a permanent global note without interest coupons.] [The Securities are initially represented by a temporary global note without interest coupons which will be exchangeable for a permanent global note without interest coupons.] The holders of the Securities (the " Security Holders ") are not entitled to receive definitive Securities. <i>[To be inserted only in the case of several issues:</i> The [ISIN][,][and] [WKN][,][and] [Common Code][,][and [the Principal Amount] [is][are] specified in the Annex table to this summary.] <i>[To be inserted only in the case of one single issue:</i> [Principal Amount ¹ : [●]] [ISIN: [●]] [WKN: [●]] [Common Code: [●]]]
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¹ The Principal Amount shall be not less than 1,000 Euro.

C.2	Currency of the securities issue	The Securities are issued in [<i>insert specified currency</i>] (the " Specified Currency ").
C.5	Restrictions of any free transferability of the securities	Not applicable. The Securities are freely transferable.
C.8	Rights attached to the securities, including ranking and limitations to those rights	<p>Interest on the Securities</p> <p><i>[Insert if the Securities pay an interest:</i></p> <p>Subject to the occurrence of a risk event, the Security Holders have the right to receive payments of interest amount(s) on the respective interest payment date(s).]</p> <p><i>[Insert if the Securities are zero coupon Securities:</i></p> <p>The Securities do not bear any interest.]</p> <p><i>[In case of specified amount applicable:</i></p> <p>The interest amounts per security will be calculated as the product of the specified interest amount [less an interest adjustment amount] in relation to each interest payment date and the principal amount per Security divided by the aggregate principal amount of the Securities.</p> <p>However, should the interest payments actually made by the reference entity on the reference asset be less than the specified amount, the interest amounts payable to the Security Holders will be calculated as each Security's pro rata share in the interest payments actually made by the reference entity on the reference asset [as adjusted for [the interest adjustment amount].]</p> <p><i>[In case of expected amount applicable:</i></p> <p>The interest amounts are linked to the respective interest payments scheduled to be made by the reference entity on the reference asset calculated on a pro rata basis [less an interest adjustment amount].</p> <p>However, should the interest payments actually made by the reference entity on the reference asset be less than the interest payments scheduled to be made, the interest amounts payable to the Security Holders will be linked to the respective payments actually made by the reference entity on the reference asset [as adjusted for the interest adjustment amount].</p> <p>If the interest payments actually made by the reference entity on the reference asset are more than those scheduled to be made, no adjustment will be made and the Security Holders will still receive the amount representing payments scheduled to be made [as adjusted for the interest adjustment amount.]]</p> <p><i>[In case of received amount applicable:</i></p> <p>The interest amounts are linked to the respective interest payments actually made by the reference entity on the reference asset calculated on a pro rata basis [less an interest adjustment amount].]</p> <p><i>[In case of fixed rate Securities that provide for only one fixed interest rate for the respective Interest Period:</i></p> <p>The Securities pay a fixed interest rate (as defined below).]</p> <p><i>[In case of fixed rate Securities that specify different interest rates for each Interest Period:</i></p>

The Securities pay fixed interest rates (as defined below).]
 ["**Interest Rate**" for the [respective] Interest Period means [*Insert Interest Rate*]]

Interest Period	Interest Rate
[Insert] ²	[Insert] ³

[In case of floating rate Securities:

The Securities pay a floating interest rate (as defined below).

"**Interest Rate**" means [for the respective Interest Period] the [Reference Rate as displayed on the Screen Page [*insert*] on the relevant Interest Determination Date[,] [plus the Premium [*insert*]] [minus the Discount [*insert*]].

"**Reference Rate**" means [●].]

[If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, the Interest Rate for this Interest Period is the Maximum Interest Rate.]

[If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, the Interest Rate for this Interest Period is the Minimum Interest Rate.]

Redemption of the Securities

Subject to the occurrence of a risk event, the Security Holders have the right to receive [*If cash settlement is applicable, insert: payment of the redemption amount*] [*If physical settlement is applicable, insert: delivery of the redemption delivery amount and payment of the supplemental cash amount (where relevant)*] on the settlement date.

[If cash settlement is applicable, insert:

[In case of specified amount applicable:

The redemption amount will be calculated as the product of the specified redemption amount [less a redemption adjustment amount] multiplied by the principal amount per Security divided by the aggregate principal amount of the Securities.

However, should the redemption payment actually made by the reference entity on the reference asset be less than the specified redemption amount, the redemption amount payable to the Security Holders will be calculated as each Security's pro rata share in the redemption payment [as adjusted for the redemption adjustment amount.]

[In case of expected amount applicable:

The redemption amount is linked to the respective redemption payment scheduled to be made by the reference entity on the reference asset calculated on a pro rata basis [less a redemption adjustment amount].

² This option may be applicable more than once.

³ This option may be applicable more than once.

	<p>However, should the redemption payment actually made by the reference entity on the reference asset be less than the redemption payment scheduled to be made, the redemption amount payable to the Security Holders will be calculated as each Security's pro rata share in the redemption payment actually made by the reference entity on the reference asset [as adjusted for the redemption adjustment amount].</p> <p>If the redemption amount actually paid by the reference entity on the reference asset is greater than the redemption payment scheduled to be made, no adjustment will be made and the Security Holders will still receive the amount representing payments scheduled to be made [as adjusted for the redemption adjustment amount].]</p> <p><i>[In case of received amount applicable:</i></p> <p>The redemption amount is linked to the respective redemption payment actually made by the reference entity on the reference asset calculated on a pro rata basis [less a redemption adjustment amount].]</p> <p><i>[If physical settlement is applicable, insert:</i></p> <p>The redemption amount is calculated as each Security's pro rata share in the reference asset [less a redemption adjustment amount].]</p> <p>Early redemption of the Securities upon occurrence of a Risk Event</p> <p>Upon the occurrence of a Risk Event and fulfilment of the acceleration condition, interest shall cease to accrue and the Issuer shall redeem the Securities early. "Risk Event" means the occurrence of one or more of the following events:</p> <p>[a partial or whole unscheduled redemption (including a substitution of the reference asset for cash, rights or other assets) (an "Unscheduled Redemption")][,]</p> <p>[a failure of the reference entity to pay cashflows in respect of the reference asset corresponding to those scheduled (a "Cashflow Discrepancy")][,]</p> <p>[the Calculation Agent determines that an event has occurred causing the result of the market value of the reference asset expressed as a percentage of its related principal amount minus the scheduled cashflow value to be equal to or lower than a specified threshold (a "Reference Asset Value Event")][,]</p> <p>[a bankruptcy event occurs concerning the custodian of any reference asset or such custodian fails to perform certain acts (a "Custody Event")][,]</p> <p>[an event occurs (i) which makes it (for reasons beyond the control of the Issuer or its affiliates) impossible or unreasonable for the Issuer or its affiliates to (a) convert a reference currency into the Specified Currency or vice versa or (b) to settle a foreign exchange transaction involving conversion of a reference currency into the Specified Currency or vice versa or (ii) the currency regime is changed or substituted (a "FX Disruption Event")][,]</p> <p>[a change in law (including tax law) meaning that the Issuer is unable to perform its obligations under the Securities, the reference entity is unable to perform its obligations under the reference asset, it becomes illegal for the Issuer or the reference entity to deal in assets required to hedge risks associated with the Securities and/or reference asset, as applicable, or the Issuer will incur a materially increased cost in performing its obligations</p>
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	<p>under the Securities (including due to tax law) (a "Change in Law")][,]</p> <p>[the Issuer is unable to (i) enter into or realise transactions hedging its obligations under the Securities or (ii) receive or pass payments, for tax reasons or otherwise, from such transactions (a "Hedging Disruption")][,]</p> <p>[Credit Event in respect of the reference entity and the reference asset [<i>Insert where Credit Events apply to obligations</i>: or one or more of the obligations].</p> <p>"Credit Event" means the occurrence of one or more of the following events as determined by the Calculation Agent at any time during the term of the Securities: [Bankruptcy][,] [Failure to Pay][,] [Obligation Default][,] [Obligation Acceleration][,] [Repudiation/Moratorium][,] [Restructuring][,] [Governmental Intervention] [each of] which may occur on or after the issue date and on or prior to the scheduled maturity date.]</p> <p>"Bankruptcy" means in relation to the Reference Entity that such entity (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.]</p>
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		<p>["Failure to Pay"] means [without regard to any grace period or any conditions precedent to the commencement of any grace period][after the expiration of the Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period)] applicable to the Reference Asset, [<i>Insert if Credit Events apply to Obligations: and/or any Obligation,</i>] the failure by the Reference Entity to make, when and where due, any payments under the Reference Asset [<i>Insert if Credit Events apply to Obligations: or under one or more of its Obligations</i>] [<i>Insert if "Payment Requirement" is specified as applicable: in an aggregate amount not less than the Payment Requirement (individually or collectively)</i>] in accordance with the terms of such Reference Asset [<i>Insert if Credit Events apply to Obligations: or such Obligation</i>] at the time of such failure.]</p> <p>["Obligation Default"] means the Reference Asset [<i>Insert if Credit Events apply to Obligations: and/or any Obligation</i>] [<i>Insert if "Default Requirement" is specified as applicable: in an aggregate amount not less than the Default Requirement</i>] has become capable of being declared due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described) [<i>Insert if Credit Event "Failure to Pay" is applicable: , other than a failure to make any required payment, in respect of the Reference Asset</i>] [<i>Insert if Credit Events apply to Obligations: or the Obligation</i>], provided that the determination of the occurrence of an Obligation Default shall be made without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Asset [<i>Insert if Credit Events apply to Obligations: or the Obligation</i>] [any event or circumstance which may with giving notice by the holders of the Reference Asset [<i>Insert where Credit Events apply to Obligations: or the Obligation</i>] (or the relevant quorum of holders of the Reference Asset [<i>Insert if Credit Events apply to Obligations: or the Obligation</i>]) or the lapse of time or both, result in the Reference Asset [<i>Insert where Credit Events apply to Obligations: or the Obligation</i>] becoming due and payable before they would have been due and payable, as the case may be, and as a result of, or on the basis of, the occurrence of a default, event of default or similar condition or event (howsoever described) in accordance with the terms of the Reference Asset [<i>Insert if Credit Events apply to Obligations: or the Obligation</i>] or otherwise.]</p> <p>["Obligation Acceleration"] means the Reference Asset [<i>Insert if Credit Events apply to Obligations: and/or any Obligation</i>] [<i>Insert if "Default Requirement" for Obligation Acceleration is specified as applicable: in an aggregate amount not less than the Default Requirement</i>] has become due and payable before it would otherwise has been due and payable as a result of, or on the basis of, the occurrence of default, event of default or another similar condition or event (however described) [<i>Insert if Credit Event "Failure to Pay" is applicable: , other than a failure to make any required payment, in respect of the Reference Asset</i>] [<i>Insert if Credit Events apply to Obligations: or the Obligation</i>].]</p>
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		<p>["Repudiation/Moratorium" means that an authorized officer of the Reference Entity or a Governmental Authority</p> <ul style="list-style-type: none"> (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> and/or any Obligation] [<i>Insert if "Default Requirement" is applicable:</i> with an aggregate amount not less than the Default Requirement] or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> or the Obligation].] <p>["Restructuring" means that, with respect to the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> and/or any Obligation] [<i>Insert if "Default Requirement" is applicable:</i> with an aggregate amount not less than the Default Requirement,] any one or more of the following events occurs in a form that binds all holders of the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> or the Obligation], is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> or the Obligation] to bind all holders of the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> or the Obligation] or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> or the Obligation] (including, in each case, in respect of bonds only, by way of an exchange), and such event is not expressly provided for under the terms of the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> or the Obligation] in effect as of the later of the Issue Date and the date as of which the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> or the Obligation] is issued or incurred:</p> <ul style="list-style-type: none"> (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination); (ii) a reduction in the amount of principal or premium payable at maturity (including by way of redenomination); (iii) a postponement or other deferral of a date or dates for either (a) the payment or accrual of interest or (b) the payment of principal or premium; (iv) a change in the ranking in priority of payment of the Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> or the Obligation], causing a subordination of such Reference Asset [<i>Insert if Credit Events apply to Obligations:</i> and/or any Obligation] to any other obligation of the Reference Entity]; or (v) any change in the currency of any payment of interest, principal or premium to any currency.] <p>"Governmental Intervention" means that, with respect to the Reference</p>
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	<p>Asset [<i>Insert where Credit Events apply to Obligations: and/or any Obligation</i>] [<i>Insert if "Default Requirement" is specified as applicable: in relation to an aggregate amount of not less than the Default Requirement</i>], any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Reference Asset:</p> <ul style="list-style-type: none"> (i) any event which would affect creditors' rights so as to cause: <ul style="list-style-type: none"> (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination); (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination); (c) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium; or (d) a change in the ranking in priority of payment of the Reference Asset [<i>Insert where Credit Events apply to Obligations: and/or any Obligation</i>], causing the subordination of such Reference Asset [<i>Insert where Credit Events apply to Obligations: and/or any Obligation</i>] to any other Reference Asset [<i>Insert where Credit Events apply to Obligations: and/or any Obligation</i>]; (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Asset [<i>Insert where Credit Events apply to Obligations: or Obligation</i>]; (iii) a mandatory cancellation, conversion or exchange; or (iv) any event which has an analogous effect to any of the events specified in (i) to (iii).] <p>Early redemption amounts</p> <p><i>[If the Securities bear interest: Upon the occurrence of a Risk Event and fulfilment of the acceleration condition, interest amounts cease to accrue from and including the interest payment date immediately preceding the day on which such Risk Event has occurred.]</i> The Securities will be redeemed at their acceleration [<i>If cash settlement is applicable, insert: redemption amount</i>][<i>If physical settlement is applicable, insert: delivery amount</i>].</p> <p><i>[If cash settlement is applicable, insert:</i></p> <p>The acceleration redemption amount is calculated as the sum of the reference asset redemption amount, if any, and each Security's pro rata share in the proceeds from an auction of the reference asset [<i>Insert if leverage factor is applicable: less a leverage loss adjustment amount,</i>] [<i>Insert if the reference currency is not equal to the Specified Currency: less any costs or expenses incurred in connection with the issuance of the Securities</i>] [<i>Insert for</i></p>
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	<p><i>Securities with a built-in cross currency swap and if the reference currency is equal to the Specified Currency:</i> less the costs incurred by the Issuer and its affiliates in connection with the issuance and the termination of any hedge transactions and any other costs or expenses incurred in connection with the issuance of the Securities] [[minus]][plus] an adjustment amount value]. If no bids are obtained for the purpose of the auction of the reference asset, the acceleration redemption amount will be zero.</p> <p>If it is impossible or unreasonable for the Issuer to determine the acceleration redemption amount or the proceeds from the auction are zero (such event being an "Auction Failure") [<i>Insert if the reference currency is not equal to the Specified Currency:</i> or convert the acceleration redemption amount to the Specified Currency due to a disruption event (a "Conversion Failure")], the Issuer shall upon submission of an account notice by the Security Holders endeavour to redeem the Securities in case of an Auction Failure by delivery of the acceleration delivery amount [<i>Insert if the reference currency is not equal to the Specified Currency:</i> and in case of a Conversion Failure by payment of the acceleration redemption amount in the reference currency].]</p> <p><i>[If Physical Settlement is applicable, insert:</i></p> <p>Upon the occurrence of a risk event and fulfilment of the acceleration condition interest shall cease to accrue and the Issuer shall redeem the Security by delivery of the acceleration delivery amount and supplemental cash amount (where relevant).</p> <p>If it is impossible or unreasonable for the Issuer to deliver the acceleration delivery amount it shall notify the Security Holders thereof. Upon submission of an account notice by the Security Holders following such notification the Issuer shall use all reasonable endeavours to redeem each Security on a pro rata basis by payment of the acceleration redemption amount. Such acceleration redemption amount is calculated as the result of the proceeds from an auction of the reference asset less [<i>Insert if leverage factor is applicable:</i> less a leverage loss adjustment amount,] [<i>Insert if the reference currency is not equal to the Specified Currency:</i> less any costs or expenses incurred in connection with the issuance of the Securities] [<i>Insert for Securities with a built-in cross currency swap and if the reference currency is equal to the Specified Currency:</i> less the costs incurred by the Issuer and its affiliates in connection with the issuance and the termination of any hedge transactions and any other costs or expenses incurred in connection with the issuance of the Securities] [[minus]][plus] an adjustment amount value].</p> <p><i>[If the Securities bear interest:</i></p> <p>Any payments of interest amounts are contingent upon the reference entity's payments on the reference asset being made as scheduled.]</p> <p><i>[Insert if the Reference Currency is not equal to the Specified Currency:</i> In case any amount required for the determination of the redemption amount received is denominated in a currency other than the Specified Currency then such amount shall be converted by the calculation agent at the relevant exchange rate as per the relevant FX valuation date.]</p> <p>Status of the Securities</p> <p>The obligations under the Securities constitute direct, unconditional and</p>
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		<p>unsecured obligations of the Issuer and rank, unless provided otherwise by law, <i>pari passu</i> with all other unsecured unsubordinated present and future obligations of the Issuer.</p> <p>Limitation of the rights</p> <p>The presentation period in § 801 paragraph 1 sentence 1 BGB is reduced to ten years for the Securities.</p> <p>Governing law of the Securities</p> <p>The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.</p>
C.11	Admission to trading on a regulated market	<p>[Application [has been] [will be] made to the [Luxembourg Stock Exchange] [Insert relevant regulated or other equivalent market(s)] for the Securities to be admitted to trading on the [Luxembourg Stock Exchange's regulated market] [Insert relevant regulated or other equivalent market(s)] [within [Insert period of time] from the Issue Date] [with effect from [Insert expected date]].]</p> <p>[Not applicable. No application for the Securities to be admitted to trading on a regulated or other equivalent market has been made and no such application is intended.]</p>
C.15	Effect of the underlying on the value of the securities	<p>[If cash settlement is applicable: Any redemption amount (except in the case of an early redemption) is dependent upon the reference entity's payments on the reference asset being made as scheduled [if specified amount or expected amount: or, if a redemption amount received by the holder of a reference asset is less than that scheduled, within the postponement period determined by the Issuer following the Issuer's election to postpone the settlement date].]</p> <p>[If physical settlement is applicable: Any redemption delivery amount (except in the case of an early redemption) is dependent upon the reference asset's nominal amount on the relevant settlement date.]</p> <p>Security Holders will only participate in monies effectively paid on the reference asset.</p> <p>[If the Securities bear interest: Any payments of interest amounts are contingent upon the reference entity's payments on the reference asset being made as scheduled. Payments of interest amounts further depend on the non-occurrence of risk events in relation to the reference entity in respect of the reference asset. Upon the occurrence of a risk event (i) interest amounts cease to accrue and shall not be payable in respect of the Securities from and including the interest payment date immediately preceding the day on which a risk event has occurred and (ii) the Issuer shall redeem the Securities early.</p> <p>[If the Leverage Factor is applicable: The Securities provide for a leverage factor. In this case the Security Holder is exposed to both a leveraged positive performance as well as a negative performance of the Reference Asset.]</p>
C.16	The expiration or maturity date	The Securities are redeemed on [●] (the " Settlement Date ").

	of the derivative securities – the exercise date or final reference date														
C.17	Settlement procedure of the securities	<p>All payments must be made to [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom] [<i>Insert name and address of other paying agent</i>] (the "Principal Paying Agent"). The Principal Paying Agent shall pay the amounts due to the Clearing System for credit to the respective accounts of the depository banks for transfer to the Security Holders.</p> <p>The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.</p> <p>"Clearing System" means [<i>Insert Clearing System</i>].</p>													
C.18	Description of how any return on derivative securities takes place	<p>[[Payment of the Redemption Amount][Delivery of the Redemption Delivery Amount] to each relevant Security Holder on the Settlement Date.]</p> <p>[The Redemption Amount per Security is equal to the product of (i) the [<i>Insert if a specified amount is applicable</i>: Specified Redemption Amount][<i>Insert if an expected amount is applicable</i>: Scheduled Reference Asset Redemption Amount] [in the Reference Currency][in the Specified Currency] [<i>Insert if a received amount is applicable</i>: Reference Asset Redemption Amount in the Reference Currency] [less the relevant Redemption Adjustment Amount]; and (ii) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.</p> <table border="1" data-bbox="522 1123 1398 1543"> <tr> <td data-bbox="522 1123 906 1207">[Specified Redemption Amount]</td> <td colspan="2" data-bbox="906 1123 1398 1207">[<i>Insert aggregate amount in respect of all Securities</i>]</td> </tr> <tr> <td data-bbox="522 1207 906 1423">[Scheduled Reference Asset Redemption Amount]</td> <td data-bbox="906 1207 1203 1423">[<i>Insert expected redemption amounts in Reference Currency</i>]</td> <td data-bbox="1203 1207 1398 1423">[<i>Insert expected redemption amounts in Specified Currency</i>]</td> </tr> <tr> <td data-bbox="522 1423 906 1543">[Redemption Adjustment Amount]</td> <td colspan="2" data-bbox="906 1423 1398 1543">[<i>Insert aggregate amount in respect of all Securities in the</i>] [<i>Specified Currency</i>][<i>Reference Currency</i>]</td> </tr> </table> <p>]</p> <p>[The Redemption Delivery Amount is a nominal amount per Security equal to the relevant portion of the Reference Asset equal to an amount of the product of (i) the Aggregate Reference Asset Nominal Amount [less the relevant Redemption Adjustment Amount]; and (ii) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.</p> <table border="1" data-bbox="522 1770 1398 1900"> <tr> <td data-bbox="522 1770 906 1854">Aggregate Reference Asset Nominal Amount</td> <td data-bbox="906 1770 1398 1854">[<i>Insert aggregate nominal amount of the Reference Asset</i>]</td> </tr> <tr> <td data-bbox="522 1854 906 1900">[Redemption Adjustment</td> <td data-bbox="906 1854 1398 1900">[<i>Insert aggregate amount in respect of</i></td> </tr> </table>	[Specified Redemption Amount]	[<i>Insert aggregate amount in respect of all Securities</i>]		[Scheduled Reference Asset Redemption Amount]	[<i>Insert expected redemption amounts in Reference Currency</i>]	[<i>Insert expected redemption amounts in Specified Currency</i>]	[Redemption Adjustment Amount]	[<i>Insert aggregate amount in respect of all Securities in the</i>] [<i>Specified Currency</i>][<i>Reference Currency</i>]		Aggregate Reference Asset Nominal Amount	[<i>Insert aggregate nominal amount of the Reference Asset</i>]	[Redemption Adjustment	[<i>Insert aggregate amount in respect of</i>
[Specified Redemption Amount]	[<i>Insert aggregate amount in respect of all Securities</i>]														
[Scheduled Reference Asset Redemption Amount]	[<i>Insert expected redemption amounts in Reference Currency</i>]	[<i>Insert expected redemption amounts in Specified Currency</i>]													
[Redemption Adjustment Amount]	[<i>Insert aggregate amount in respect of all Securities in the</i>] [<i>Specified Currency</i>][<i>Reference Currency</i>]														
Aggregate Reference Asset Nominal Amount	[<i>Insert aggregate nominal amount of the Reference Asset</i>]														
[Redemption Adjustment	[<i>Insert aggregate amount in respect of</i>														

		<table border="1"> <tr> <td>Amount]</td> <td><i>all Securities in the</i> [<i>Specified Currency</i>][<i>Reference Currency</i>]</td> </tr> </table>]	Amount]	<i>all Securities in the</i> [<i>Specified Currency</i>][<i>Reference Currency</i>]
Amount]	<i>all Securities in the</i> [<i>Specified Currency</i>][<i>Reference Currency</i>]			
C.19	Final reference price of the underlying	Not applicable. There is no exercise price or final reference price of the underlying reference asset.		
C.20	Type of the underlying and description where information on the underlying can be found	<p>The Securities are linked to [a][an] [bond] [loan] [assignable loan (<i>Schuldscheindarlehen</i>)] [issued by][agreed between] [●] [<i>Insert in case of a bond: ([ISIN: [●]][Insert alternative securities identification number]</i>)] denominated in [<i>Insert reference currency</i>] as the underlying reference asset (the "Reference Asset").</p> <p>For further information about the past and the future performance of the Reference Entity, please refer to [[<i>Insert relevant website</i>] (or any successor website)].</p>		

D. RISKS

D.2	Key information on the key risks that are specific to the Issuer	<p><i>Potential investors should be aware that in the case of the occurrence of one of the below mentioned risk factors the Securities may decline in value and that they may sustain a total loss of their investment.</i></p> <ul style="list-style-type: none"> • Macroeconomic Risk Risks from a deterioration in the macroeconomic development and/or the financial markets and from geopolitical uncertainties. • Systemic Risk Risks from disruptions or the functional collapse of the financial system or parts of it. • Credit Risk (i) Risks from changes in the credit rating of a contracting party (borrower, counterparty, issuer or country); (ii) risks from a deterioration of the overall economic situation and negative effects on the demand for credit and the solvency of the borrowers of HVB Group; (iii) risks from a decrease in value of credit collateral; (iv) risks from derivative/trading business; (v) risks from intra-Group exposures; (vi) risks from government bonds held by the bank. • Market Risk (i) Risk for trading and banking books from a deterioration in market conditions; (ii) interest rate and exchange rate risks from the general banking business. • Liquidity Risk (i) Risk that the bank will not be able to meet its payment obligations in full or on time; (ii) risks from the procurement of liquidity; (iii) risks from intra-Group liquidity transfers; (iv) market liquidity risk. • Operational Risk (i) Risk of losses resulting from flawed internal processes or systems, human error or external events; (ii) IT risks; (iii) risks from fraud; (iv) legal and tax
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	<p>risks; (v) compliance risk.</p> <ul style="list-style-type: none"> • Business Risk <p>Risks of losses arising from unexpected negative changes in the business volume and/or margins.</p> <ul style="list-style-type: none"> • Real estate Risk <p>Risk of losses resulting from changes in the fair value of the real estate portfolio of HVB Group.</p> <ul style="list-style-type: none"> • Financial investment Risk <p>Risk of decreases in the value of the investment portfolio of the HVB Group.</p> <ul style="list-style-type: none"> • Reputational Risk <p>Risk of a negative profit/loss effect caused by adverse reactions by stakeholders due to a changed perception of the bank.</p> <ul style="list-style-type: none"> • Strategic Risk <p>(i) Risk that results from management being slow to recognise important developments in the banking sector or drawing false conclusions about these trends; (ii) risks arising from the strategic orientation of HVB Group's business model; (iii) risks arising from the consolidation of the banking market; (iv) risks arising from changing competitive conditions in the German financial sector; (v) risks arising from a change in HVB's rating.</p> <ul style="list-style-type: none"> • Regulatory Risks <p>(i) Risks arising from changes to the regulatory and statutory environment of HVB Group; (ii) risks arising from the introduction of new charges and taxes to stabilise the financial markets and involve banks in the sharing of costs for the financial crisis; (iii) risks in connection with potential resolution measures or a reorganisation proceeding.</p> <ul style="list-style-type: none"> • Pension Risk <p>Risk that the pension provider will have to provide additional capital to service the vested pension commitments.</p> <ul style="list-style-type: none"> • Risks arising from outsourcing activities <p>Cross-risk-type, which affects the following risk types in particular: operational risk, reputational risk, strategic risk, business risk, credit, market and liquidity risk.</p> <ul style="list-style-type: none"> • Risks from concentrations of risk and earnings <p>Risks from concentrations of risk and earnings indicate increased potential losses and represent a business-strategy risk for the Bank.</p> <ul style="list-style-type: none"> • Risks from the stress testing measures imposed on HVB Group <p>The business performance of HVB Group could be negatively affected in case of a poor stress test performance by HVB Group, HVB, UniCredit S.p.A. or one of the financial institutions with which they do business.</p> <ul style="list-style-type: none"> • Risks from inadequate risk measurement models <p>It is possible that the internal models of HVB Group could be rated as inadequate following investigations or verification through the regulatory authorities, or that they could underestimate existing risks.</p> <ul style="list-style-type: none"> • Unidentified/unexpected risks
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		HVB Group could incur greater losses than those calculated with the current risk management methods or losses previously left out of its calculations entirely.
D.6	Key information on the key risks that are specific to the securities	<p>In the opinion of the Issuer, the key risks described below may, with regard to the Security Holder, adversely affect the value of the Securities and/or the amounts to be distributed (including the delivery of any quantity of Reference Assets to be delivered) under the Securities and/or the ability of Security Holders to sell the Securities at a reasonable price prior to the maturity date of the Securities.</p> <ul style="list-style-type: none"> • Potential conflicts of interest <p>The risk of conflicts of interest (as described in E.4) is related to the possibility that the Issuer, distributors or any of their affiliates, in relation to certain functions or transactions, may pursue interests which may be adverse to or do not regard the interests of the Security Holders.</p> <ul style="list-style-type: none"> • Key risks related to the Securities <p><i>Key risks related to the market</i></p> <p>Under certain circumstances a Security Holder may not be able to sell his Securities at all or at an adequate price prior to their redemption.</p> <p>The market value of the Securities will be affected by the creditworthiness of the Issuer and a number of other factors (e.g., exchange rates, prevailing interest and yield rates, the market for similar securities, the general economic, political and cyclical conditions, the tradability of the Securities and Reference Asset-related factors) and may be substantially lower than the principal amount or the purchase price.</p> <p>Security Holders may not rely on being able to sufficiently hedge against price risks arising from the Securities at any time.</p> <p><i>Key risks related to the Securities in general</i></p> <p>The Issuer may possibly fail to perform its obligations under the Securities in whole or in part, e.g., in case of an insolvency of the Issuer or due to governmental or regulatory interventions. Such risk is not protected by a deposit protection scheme or any similar compensation scheme.</p> <p>An investment into the Securities may be illegal or unfavourable for a potential investor or not suitable, with regard to his knowledge or experience and his financial needs.</p> <p>The real rate of return of an investment into the Securities may be reduced or may be zero or even negative (e.g., due to incidental costs in connection with the purchase, holding and disposal of the Securities, future money depreciation (inflation) or tax effects).</p> <p>The redemption amount may be less than the issue price or the respective purchase price and, under certain circumstances, no interest or ongoing payments will be made.</p> <p>The proceeds from the Securities may possibly not be sufficient to make interest or principal payments arising from a financing purchase of the Securities and require additional capital.</p> <p><i>Risks related to Reference Asset-linked Securities</i></p> <p><i>Risks arising from the influence of the Reference Asset on the market value of</i></p>

	<p><i>the Securities</i></p> <p>The market value of the Securities and the amounts payable under the Securities significantly depend on the value of the Reference Asset and/or the payments made thereunder. It is not possible to predict how the Reference Asset and/or the payments made thereunder develop in the future. Additionally, the market value of the Securities will be affected by a number of Reference Asset-related factors.</p> <p><i>Risks arising from the fact that the observation of the Reference Asset occurs only at specified dates or times or periods</i></p> <p>Due to the fact that the observation of the Reference Asset and/or the payments made thereunder only occurs at specified dates, times or periods, amounts payable under the Securities may be considerably lower than the value of the Reference Asset may have suggested.</p> <p><u><i>[In case of Securities with a Specified Redemption Amount, the following applies: Risks related to a Specified Redemption Amount</i></u></p> <p>A Specified Redemption Amount provided for in the Final Terms might not be paid on the Settlement Date if the Securities are terminated, redeemed, called or sold before their Settlement Date.]</p> <p><u><i>[In case of Securities with a Scheduled Reference Asset Interest Amount, Reference Asset Interest Amount, Scheduled Reference Asset Redemption Amount or Reference Asset Redemption Amount, the following applies: Risks arising from the fact that the interest or redemption amounts payable under the Securities may be linked to amounts payable to a holder of the Reference Asset</i></u></p> <p>The Issuer’s payment obligations are limited to the amounts which a holder of the Reference Asset actually receives under the Reference Asset within a certain time period preceding the payment date under the Securities.]</p> <p><u><i>[In case of Securities with cash settlement, the following applies: Risk that payments under the Securities may be postponed</i></u></p> <p>Payments may be postponed following the occurrence of a Potential Risk Event; no interest will be paid on the deferred amounts.]</p> <p><i>Risks related to an early redemption and Risk Events</i></p> <p>If a Risk Event occurs, as specified in the Final Terms, the Securities may be early redeemed. The Acceleration Redemption Amount may be below the Issue Price or Purchase Price in which case the Security Holder would suffer a partial or total loss of his invested capital.</p> <p><u><i>[In case of Securities with a Leverage Factor, the following applies: Risks relating to a Leverage Factor</i></u></p> <p>In case of the occurrence of a Risk Event, the loss of the Security Holder will significantly increase by applying a Leverage Factor when calculating the losses.]</p> <p><i>Redemption of the Securities may be less advantageous than direct investment in Reference Assets</i></p> <p>Cash settlement amounts on the Securities on redemption may be less than the recovery which would be ultimately realised by a holder of Reference Assets of the Reference Entity if redemption amounts are not received by a holder of the Reference Asset prior to the Maturity Date under the Securities.</p>
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	<p><i>[In case of Securities where the Reference Currency is not the Specified Currency, the following applies: Currency and Currency Exchange Rate risk with respect to the Reference Asset</i></p> <p>If the Reference Asset is denominated in a currency other than the Specified Currency, there is a Currency Exchange Rate risk.]</p> <p><i>Risks arising from negative effects of hedging arrangements by the Issuer on the Securities</i></p> <p>The entering or the liquidation of hedging transactions by the Issuer may, in individual cases, adversely affect the price of the Reference Asset and/or payments to be made thereunder.</p> <p><i>Risks related to Physical Settlement</i></p> <p>The Securities might be redeemed at the maturity date of the Securities by delivery of a quantity of the Reference Asset.</p> <p><i>Risks relating to fixed rate Securities</i></p> <p>The market value of the fixed rate Securities may be very volatile, depending on the volatility of interest rates on the capital market.</p> <p><i>Risks relating to Floater Securities</i></p> <p>Security Holders are exposed to the risk of fluctuating interest rates and uncertain interest income.</p> <p><i>Special risks related to reference rates</i></p> <p>The performance of an underlying reference rate is affected by a number of factors. The reference rates underlying the Securities, might not be available for the entire term of the Securities.</p> <p><i>Risks related to benchmarks</i></p> <p>The underlying reference rate may qualify as a benchmark within the meaning of Regulation (EU) 2016/1011. Potential investors should be aware that they face the risk that any changes to the relevant benchmark may have a material adverse effect on the value of and the amount payable under the Securities.</p> <p><i>Risks due to a limitation of the interest rate to a Maximum Interest Rate</i></p> <p>Floating rate interest payments may be limited.</p> <ul style="list-style-type: none"> • Key risks related to the Reference Asset <p>General risks</p> <p><i>No rights of ownership of the Underlying or its Components</i></p> <p>The Reference Asset will not be held by the Issuer for the benefit of the Security Holders, and as such, Security Holders will not obtain any rights of ownership (e.g., voting rights or other rights) with respect to the Reference Asset and will neither have any recourse rights against the Reference Entity.</p> <p>[Key risks related to bonds</p> <p>The performance of bond-linked Securities primarily depends on the value of the Reference Assets, the payments made thereunder, the creditworthiness of the Reference Entity and its ability and willingness to perform its obligations under the Reference Assets or any other obligation, which may be subject to</p>
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		<p>certain factors.]</p> <p>[Key risks related to loans</p> <p>The performance of loan-linked Securities primarily depends on the value of the Reference Assets, the payments made thereunder, the creditworthiness of the Reference Entity and its ability and willingness to perform its obligations under the Reference Assets or any other obligation, which may be subject to certain factors.]</p>
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E. OFFER

E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	Not applicable, the net proceeds from each issue of Securities will be used by the Issuer for its general corporate purposes, i.e. making profit and/or hedging certain risks.
E.3	Description of the terms and conditions of the offer	<p>[Day of the first public offer <i>[Insert]</i> (the "Issue Date").]</p> <p>[The Securities are <i>[initially]</i> offered during a Subscription Period[, and continuously offered thereafter]. Subscription Period: <i>[Insert start date of the subscription period]</i> to <i>[Insert end date of the subscription period]</i>[(both dates included)].]</p> <p>[A public offer will be made in <i>[Luxembourg]</i> [and] <i>[Austria]</i>.]</p> <p>[The smallest transferable unit is <i>[Insert]</i>.]</p> <p>[The smallest tradable unit is <i>[Insert]</i>.]</p> <p>[The Securities will be offered to <i>[qualified investors]</i>[,] [and/or] <i>[retail investors]</i> [and/or] <i>[institutional investors]</i> [by way of <i>[a private placement]</i> <i>[a public offer]</i>] <i>[by financial intermediaries]</i>.]</p> <p>[As of the <i>[day of the first public offer]</i><i>[start of the new public offer]</i> the Securities described in the Final Terms will be offered on a continuous basis up to its maximum issue size. The number of offered Securities may be reduced or increased by the Issuer at any time and does not allow any conclusion on the size of actually issued Securities and therefore on the liquidity of a potential secondary market.]</p> <p>[The continuous offer will be made on current ask prices provided by the Issuer.]</p> <p>[The public offer may be terminated by the Issuer at any time without giving any reason.]</p> <p>[No public offer occurs. [The Securities shall be admitted to trading on an organised market.]]</p> <p>[Application to listing <i>[will be]</i> <i>[has been]</i> made as of <i>[Insert expected date]</i> on the following markets: <i>[Insert relevant market(s)]</i>.]</p> <p>[The Securities are already traded on the following markets: <i>[Insert relevant market(s)]</i>.]</p>

E.4	Any interest that is material to the issue/offer including conflicting interest	<p>Any of the relevant distributors and/or their affiliates may be customers of, and borrowers from the Issuer and its affiliates. In addition, any of such distributors and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.</p> <p>Besides, conflicts of interest in relation to the Issuer or the persons entrusted with the offer may arise for the following reasons:</p> <ul style="list-style-type: none"> • The Issuer specifies the Issue Price. • The Issuer and one of its affiliates act as Market Maker of the Securities (however, no such obligation exists). • Distributors may receive inducements from the Issuer. • The Issuer, any relevant distributor and any of their affiliates act as Calculation Agent or Paying Agent in relation to the Securities. • From time to time, the Issuer, any relevant distributor and any of its affiliates may be involved in transactions on their own account or on the account of their clients, which affect the liquidity or the value of the Reference Assets. • The Issuer, any distributor and their affiliates may issue securities in relation to the Reference Asset and/or the Reference Entity on which already other securities have been issued. • The Issuer, any distributor and any of their affiliates may possess or obtain material information about the Reference Asset and/or the Reference Entity (including publicly not accessible information) in connection with its business activities or otherwise. • The Issuer, any distributor and any of their affiliates may engage in business activities with the Reference Entity, its affiliates, competitors or guarantors. • The Issuer, any distributor and any of their affiliates may also act as a member of a syndicate of banks, as financial advisor or as bank of the Reference Entity or a sponsor of the Reference Asset.
E.7	Estimated expenses charged to the investor by the Issuer or the distributor	<p>[Selling Concession: [An upfront fee in the amount of <i>[Insert]</i> is included in the Issue Price.] <i>[Insert details]</i>]</p> <p>[Other Commissions: [A total commission and concession of up to [●]% may be received by the distributors] <i>[Insert details]</i>][[Not applicable. No such expenses will be charged to the investor by the Issuer or a distributor. However, other charges like custody fees or transaction fees might be charged.]</p>

ANNEX TO THE SUMMARY

Series	Tranche	[ISIN] [WKN] [Common Code] (C.1)	[Principal Amount (C.1)]
<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>

RISK FACTORS

*The following is a disclosure of risk factors that, in the opinion of UniCredit Bank AG as issuer (the "Issuer"), are material with respect to the Issuer and to the securities issued under this base prospectus (the "Base Prospectus") (the "Securities") in order to assess the risk associated with these Securities. Moreover, further risks that are currently unknown or currently believed to be not material may also have a negative impact on the value of the Securities. Potential investors should be aware that the Securities may decline in value and that the sum of amounts distributed under the Securities may be below the value that the respective Security Holder spent for the purchase of the Securities (including any Incidental Costs) (the "Purchase Price"). As a result, the respective Security Holder may sustain a **partial loss** (e.g. in the case of an unfavourable performance of the Reference Asset) or **total loss** (e.g. in the case of a substantially unfavourable performance of the Reference Asset or of an insolvency of the Issuer) of his investment.*

In the following, any reference to amounts distributed under the Securities shall, in the case of Securities with physical delivery of the Reference Asset, as specified in the Final Terms, also include any amounts or quantities of the Reference Asset to be delivered to the Security Holders under the Securities.

POTENTIAL INVESTORS SHOULD BE AWARE THAT THE SECURITIES ARE NOT CAPITAL PROTECTED AND MAY DECLINE IN VALUE AND THAT SECURITY HOLDERS MAY SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT IN THE SECURITIES.

The Base Prospectus, including these risk factors, and relevant final terms of the Securities (the "Final Terms") do not replace a professional consultation with a potential investor's house bank or financial adviser. However, potential investors should carefully consider these Risk Factors before making a decision to purchase any Securities in any case.

Potential investors should consider all information provided in (a) this Base Prospectus and in any supplements thereto, (b) the registration document of UniCredit Bank AG dated 22 April 2016 (the "Registration Document"), the information of which is incorporated herein by reference, (c) all documents the information of which is incorporated in the Base Prospectus by reference, and (d) the relevant Final Terms. An investment in the Securities is only suitable for highly sophisticated investors, who understand the nature of such Securities and the extent of the incorporated risk and who have sufficient knowledge, experience and access to professional advisors (including their financial, accounting, legal and tax advisors) in order to form their own legal, tax, accounting and financial opinion upon the existing risks in relation to the Securities. Furthermore, potential investors should be aware that the risks described below may arise separately or cumulatively in combination with other risks and may possibly have mutually reinforcing effects. The order of the risks described below does not imply any statement about the likelihood of occurrence of each risk or the degree of influence of such risk factor on the value of the Securities.

"Security Holder" means the holder of a Security.

"Reference Asset" means the underlying asset of the Securities which can either be a bond or a loan (including German law governed *Schuldscheindarlehen*).

In the opinion of the Issuer, the significant risks described below may adversely affect the value of the Securities and/or the amounts to be distributed (including the delivery any quantity of the Reference Asset to be delivered) under the Securities and/or the ability of Security Holders to sell the Securities at a reasonable price prior to the maturity date of the Securities:

A. Risks related to the Issuer

The risk factors related to the Issuer included in the Registration Document of UniCredit Bank AG dated 22 April 2016 are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 124 et seq.

Potential investors should consider the information within the section entitled "Risk Factors" of the Registration Document. This section contains information on risks which may affect the assets, liabilities and the financial position of the Issuer and its ability to fulfil its obligations arising from the Securities.

B. Risks related to potential conflicts of interest

1. General potential conflicts of interest

The Issuer, a financial institution or a financial intermediary with whom the Issuer has entered into a distribution agreement (the "**Distributor**") or any of their affiliates may, in connection with the below mentioned functions or transactions, as the case may be, pursue interests, which may be adverse to the interests of the Security Holders or do not take them into account (the "**Conflicts of Interest**").

Potential conflicts of interest related to the Issue Price

The Securities will be offered at a price determined by the Issuer (the "**Issue Price**"). The Issue Price is based on internal pricing models of the Issuer and may be higher than the market value of the Securities. The Issue Price may contain, beside upfront, management or other fees, an additional premium that may not be obvious to the Security Holders. Such an additional premium depends on several factors, particularly on the volume of the Securities of each series as well as current and expected market conditions and market outlooks as of the time of the issuance of the Securities. The premium will be added to the original mathematical value of the Securities and may differ between each issue of the Securities as well as from the premiums charged by other market participants.

Potential conflicts of interest related to market maker activities

The Issuer, any of its affiliates and any other company that the Issuer has appointed as market maker (each a "**Market Maker**"), may, but is not obliged to, undertake market making activities for the Securities. "**Market Making**" means that the Market Maker, under normal market conditions, continuously quotes bid and offer prices at which it is willing to trade the Securities in a certain volume. Through Market Making the liquidity and/or the value of the Securities may substantially be influenced. The prices quoted by a Market Maker may, to the detriment of the investor, substantially deviate from the mathematical (intrinsic) value of the Securities and usually do not correspond to the prices which would have been formed without Market Making and in a liquid market.

Potential conflicts of interest related to Distributors and inducements

From the Issuer Distributors may receive certain inducements in form of turnover-dependent placement- and/or management fees. Placement fees are one-off payments which, alternatively, may be granted by the Issuer in the form of an appropriate discount on the Issue Price. On the other hand, payment of management fees is recurring and dependant on the volume of the outstanding Securities at the given point of time placed by the relevant Distributor. The amount of the relevant inducement will be agreed between the Issuer and the relevant Distributor, may be subject to change and may differ with respect to the individual Distributor and Series of Securities.

Potential conflicts of interest related to the function as calculation agent or paying agent

The Issuer, any Distributor or any of their affiliates may act as a calculation agent or paying agent in relation to the Securities. In this function, the relevant entity may, *inter alia*, calculate amounts to be distributed under the Securities and make adjustments or other determinations, as described in the Final Terms, by i.e. exercising reasonable discretion (§ 315 German Civil Code, *Bürgerliches*

Gesetzbuch, "BGB"). The aforementioned calculations, adjustments and determinations may adversely influence the value of, and/or the amounts to be distributed under the Securities and may be adverse to the interests of the respective Security Holder.

2. Potential conflicts of interest related to the Reference Asset-linked Securities

The Securities are linked to a Reference Asset. In this context, the following additional conflicts of interest may exist:

Potential conflicts of interest related to additional transactions

The Issuer, any Distributor or any of its affiliates may from time to time, without regard to the interests of the Security Holders, participate in transactions involving bonds, loans, shares or other securities, fund shares, futures contracts, commodities, indices, currencies or derivatives for their own account or for the account of their customers. Additional transactions may result in further liquidity constraints of the Reference Asset, in particular, following hedging transactions in a Reference Asset with an already restricted liquidity.

Potential conflicts of interest related to the issuance of additional securities linked to the same Reference Asset

The Issuer, any Distributor and any of its affiliates may issue securities with respect to a Reference Asset on which securities already have been issued. An introduction of such new competing products may negatively affect the market value of the Securities.

Potential conflicts of interest related to Reference Asset-related information

In the course of their business activities or otherwise, the Issuer, any Distributor or any of their affiliates may be in possession of or may acquire important Reference Asset-related information (also not publicly available) over the term of the Securities. This increases the offer and, therefore, may limit the possibility to trade the Securities in case of limited demand. An issuance of such new competing securities may, therefore, adversely affect the tradability of the Securities.

Potential conflicts of interest related to business activities

The Issuer, any Distributor or any of their affiliates may, without regard to the interests of the Security Holders, deal with other issuers, any of their affiliates, competitors or any guarantor and engage in any kind of commercial or investment banking or other business activities. Any such action may, with respect to the Security Holders, adversely affect the price of the Reference Asset.

Potential conflicts of interest related to other functions of the Issuer

The Issuer, any Distributor and any of their affiliates may, without regard to the interests of the Security Holders, act as a member of a syndicate of banks, as financial advisor or as a bank of the Reference Entity or another issuer prior or after the issuance of the Securities. In the course of the aforementioned functions actions may be taken or recommendations may be made which, with respect to the Security Holders, may adversely affect the Reference Asset.

C. Risks related to the Securities

1. Risks related to the market

Risk that no active trading market for the Securities exists

There is a risk that the Securities may not be widely distributed and no active trading market (the "**Secondary Market**") may exist and may develop for the Securities.

The Issuer is not obliged to make applications for the Securities to be admitted to the regulated market of any stock exchange or to be listed on any other exchange, market or trading system within the European Economic Area. Even if the Issuer makes such application, there is no assurance that such

applications will be accepted or that an active trading will develop or be maintained. If the Securities are not traded on any stock exchange or any other market or trading system, pricing information for the Securities may in addition be more difficult to obtain.

Neither the Issuer nor any Distributor or any of its affiliates is obliged to undertake any Market Making activities. There is also no obligation to appoint a Market Maker or to continue a Market Making during the whole term of the Securities. If there is no Market Maker, or Market Making is only made to a limited extent, the Secondary Market in the Securities may be very limited.

Neither the Issuer nor any Distributor can therefore assure that a Security Holder will be able to sell his Securities at an adequate price prior to their redemption. Even in the case of an existing Secondary Market it cannot be excluded that the Security Holder may not be in a position to dispose of the Securities in the case of an unfavourable development of the Reference Asset or of a Currency Exchange Rate, e.g. if such development occurs outside of the trading hours of the Securities.

Risk related to a possible repurchase of the Securities

The Issuer may, but is not obliged to, purchase Securities at any time and at any price in the open market, by tender offer or private agreement. Any Securities purchased in this way by the Issuer may be held, resold or cancelled. A repurchase of Securities by the Issuer may adversely affect the liquidity of the Securities.

Risk related to the offering volume

The issue volume described in the Final Terms does not allow any conclusion on the volume of the Securities actually issued or outstanding at any time and thus on the liquidity of a potential Secondary Market.

Risks related to a sale of the Securities prior to the maturity date

Prior to the redemption of the Securities, the Security Holders may only be able to realise the value represented by the Securities through a sale of the Securities in the Secondary Market. The price at which a Security Holder may be able to sell his Securities may be substantially lower than the principal amount or the Purchase Price. In the case of a sale of the Securities at a certain point of time at which the market value of the Securities is below the Purchase Price paid, the respective Security Holder will be suffering a loss. Costs associated with the sale of the Securities in the Secondary Market (e.g. order fees or trading venue fees) may in addition increase the loss.

If the Issuer acts as the only Market Maker or if there is no Market Maker, the Secondary Market may become even more limited. The more limited the Secondary Market is, the more difficult it may be for Security Holders to realise the value of the Securities prior to the settlement of the Securities. Therefore, a certain risk does exist that Security Holders have to hold the Securities until maturity or early redemption.

Risks related to market value-influencing factors

The market value of the Securities will be affected by a number of factors. These are *inter alia* the creditworthiness of the Issuer, the relevant prevailing interest and yield rates, the market for similar securities, the general economic, political and cyclical conditions, the tradability and the remaining term of the Securities as well as additional Reference Asset-related market value-influencing factors (as described in *Risks arising from the influence of the Reference Asset on the market value of the Securities*). These factors may be mutually reinforcing or neutralizing.

The market value, at which a Security Holder will be able to sell the Securities, may be substantially below the Issue Price. The Issuer does not guarantee that the spread between purchase and selling prices lies within a certain range or remains constant. If the Security Holder sells the Securities at a time where the market value of the Securities is below the Issue Price, it will suffer a loss.

Risks related to the spread between bid and offer prices

During extraordinary market situations or the occurrence of technical disruptions, the Market Maker for the Securities may temporarily suspend the quotation of bid and offer prices for the Securities or increase the spread between bid and offer prices. Should the Market Maker in special market situations be unable to conclude transactions to hedge against price risks resulting from the Securities, or when such transactions are very difficult to conclude, the spread between the bid and offer prices may be expanded in order to limit its economic risk.

Currency and Currency Exchange Rate risk with respect to the Securities

If the Securities are denominated in a currency (the "**Specified Currency**") other than the currency of the jurisdiction where a Security Holder is domiciled or where the Security Holder seeks to receive funds, there is a Currency Exchange Rate risk (as described in *Currency Exchange Rate risk*). Currencies may also be devalued or replaced by a different currency whose development cannot be predicted.

Currency Exchange Rate risk

Exchange rates between currencies (the "Currency Exchange Rates") are determined by factors of supply and demand in the international currency markets and are influenced by macro-economic factors, speculations and interventions by the central banks and governments as well as by political factors (including the imposition of currency controls and restrictions). In addition, there are other factors (e.g. psychological factors) which are almost impossible to predict, (e.g. a crisis of confidence in the political regime of a country) and which also may have a material impact on a Currency Exchange Rate. Currencies may be very volatile. There may be an increased risk in connection with currencies of countries whose standard of development is not comparable to the standard of the Federal Republic of Germany or of other industrialized countries (the "Industrialized Countries"). In the case of any irregularities or manipulations in connection with the fixing of Currency Exchange Rates, this may have a material adverse effect on the Securities.

Risks related to hedging transactions with respect to the Securities

Security Holders may not rely on being able to sufficiently hedge against price risks arising from the Securities at any time. Their ability to make transactions to preclude or limit such price risks will depend on, *inter alia*, the relevant prevailing market conditions. In some cases, there may be no suitable transactions available at a certain point of time or Security Holders may conclude transactions only at a market price that is disadvantageous to them.

2. Risks related to the Securities in general

Credit risk of the Issuer

The Securities constitute unsecured obligations of the Issuer vis-a-vis the Security Holders. Any person who purchases the Securities therefore relies on the creditworthiness of the Issuer and has, in relation to his position under the Securities, no rights or claims against any other person. Security Holders are subject to the risk of a partial or total failure of the Issuer to fulfil obligations which the Issuer is liable to perform under the Securities in whole or in part, for example, in the event of the Issuer's insolvency. The worse the creditworthiness of the Issuer is the higher is the risk of a loss. Such risk is not protected by a statutory deposit protection, the deposit protection scheme of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbandes deutscher Banken*), the Compensation Fund of German Banks (*Entschädigungseinrichtung deutscher Banken GmbH*) or any similar compensation scheme. **In the case of realization of the credit risk of the Issuer the Security Holder may sustain a total loss of his capital, even if the Securities provide for conditional minimum payment at their maturity.**

Possible limitations of the legality of purchase and lack of suitability of the Securities

There is the risk, that an investment in the Securities is illegal, unfavourable or not suitable for a potential investor.

The purchase, holding and/or disposal of certain Securities may, for certain investors, be prohibited, limited or associated with adverse regulatory or other consequences. It *inter alia* cannot be ruled out that the specific investor is restricted or not entitled to invest in the Securities due to supervisory regulations or that the investment is attached to special reporting or notification requirements (e.g. with respect to certain funds).

Additionally, the purchase or holding of Securities may be excluded or unsuitable under civil law agreements (e.g. if eligibility as trustee stock (*Mündelsicherheit*) is required) or may not be fully consistent with all investment policies, guidelines and restrictions applicable to it.

An investment in the Securities requires detailed knowledge of the features of the relevant Security. Thus, potential investors should have experience with investing in structured securities and the risks associated therewith. An investment in the Securities is only suitable for investors who

- have sufficient knowledge and experience in financial and business affairs to evaluate the merits and risks as well as the suitability of an investment in structured securities;
- have the ability to evaluate the merits and risks in the context of their financial situation on the basis of appropriate analytical tools or, in case of lack of knowledge, have the possibility to take respective professional advice; and
- are able to bear the economic risk of an investment in structured securities for an indefinite period.

Under consideration of the characteristics of the Securities and the substantial risks inherent in purchasing the Securities, the Securities may also not be an economically appropriate investment.

As a result, each potential investor must determine, based on its own independent review and, if applicable, professional advice, if the purchase, holding and disposal of the Securities fully complies with the investor's legal requirements, knowledge and experience and financial needs, objectives and circumstances (or if the investor is acquiring the Securities in a fiduciary capacity, the trustee).

Risks arising from financial markets turmoil as well as governmental or regulatory interventions

Turmoil in the international financial markets may also in the future adversely affect inflation, interest rates, the Reference Asset and the Reference Entity, the amounts to be distributed under the Securities or the value of the Securities and result in extensive governmental and regulatory interventions.

As a reaction to the financial market crisis which begun in 2007, the European and the German legislator enacted or planned several directives, regulations and laws which might affect the Security Holders. In particular, Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Resolution Directive**") and the law for the recovery and resolution of institutions and financial groups (German Recovery and Resolution Act, *Sanierungs- und Abwicklungsgesetz*) implementing the Resolution Directive into national German law contain additional or amended regulatory provisions which may affect the Issuer and the Securities issued. Besides, the Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15 July 2014 establishing uniform rules and a uniform mechanism for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM Regulation**"), provides certain resolution tools.

The German Recovery and Resolution Act and the SRM Regulation provide tools which enable the competent supervisory or resolution authorities to restructure or dissolve credit institutions and investment firms if there is a potential default risk regarding the respective credit institution or

investment firm and provided that the default risk may not be prevented by other effective means and the application of the tool serves the public interest. These resolution tools, in accordance with the Resolution Directive, include among others a "bail-in" instrument enabling the competent resolution authority to convert relevant capital instruments or certain eligible liabilities into shares or common capital tier 1 capital instruments or to write them down in whole or in part. By suspension, modification and termination (in whole or in part) of the rights under the Securities, the resolution tools may materially affect the rights of the Security Holders. The extent, to which the claims resulting from the Securities forfeit due to the "bail-in" instrument, depends on a number of factors, on which the Issuer potentially has no influence.

If the resolution conditions are met, the competent resolution authority may as an alternative to a resolution issue a transfer order pursuant to which the Issuer would be forced to transfer its shares or assets and liabilities in whole or in part to a so-called bridge bank or an asset management company. In the context of a transfer order, the Issuer as initial debtor of the Securities may be replaced by another debtor (which may have a fundamentally different risk tolerance or creditworthiness than the Issuer). Alternatively, the claims may remain towards the initial debtor, but the situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical to the situation prior to the transfer order.

With respect to insolvency proceedings opened on or after 1 January 2017, § 46f of the German Banking Act (*Kreditwesengesetz*, the "**KWG**") provides that, in the case of an insolvency proceeding of the Issuer, claims from certain (also already issued) unsecured debt securities (such as bearer bonds) are deemed subordinated to other unsecured claims against the Issuer, unless a subordination is not otherwise agreed or prescribed by law. Debt instruments with derivative redemption or interest payment (other than an exclusive dependence of the payment on a fixed or variable reference interest rate) or with a settlement in ways other than monetary payment shall not be comprised in principle. As yet there is no practical experience with respect to the scope of the provision it cannot be ruled out that as a result of this subordination in a liquidation scenario a "bail-in" instrument may be applied to the Securities before this resolution measure is applied to other unsecured obligations, and Security Holders must, with respect to the distribution of proceeds in an insolvency proceeding of the Issuer, expect a substantial deterioration of their quota.

The Issuer may be subject to a restructuring or reorganisation procedure pursuant to the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz*, the "**KredReorgG**"). While a restructuring procedure generally may not interfere with rights of creditors, the reorganisation plan established under a reorganisation procedure may provide measures that affect the Security Holder's rights as the credit institution's creditor against its will, including a reduction of existing claims or a suspension of payments. The Security Holders' rights may be adversely affected by the reorganisation plan which might be adopted irrespective of their particular voting behaviour by a majority vote.

The German Act on the Ring-Fencing of Risks and for the Wind-Down of Credit Institutions and Financial Groups (*Gesetz zur Abschirmung von Risiken und zur Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen - Trennbankengesetz*) incorporates provisions into the KWG providing that, even without the occurrence of a resolution or recovery event, credit institutions may be obliged to transfer positions which are regarded by the legislator as being "risk inherent" to a legally and financially independent financial trading institution if having reached certain thresholds (separation of banking activities). Furthermore, the competent authority may, from 1 July 2016 on, prohibit the Issuer from having further types of activities being carried out by specific institutions in order to avoid risks. The claims of the Security Holders may be negatively affected thereby including, in particular, that the Issuer as initial debtor of the Securities may be replaced by another debtor (who may have a completely different risk tolerance or creditworthiness than the Issuer). Alternatively, the claims may continue to be towards the Issuer, however, the situation with regard to the debtor's assets,

business activity and/or creditworthiness may not necessarily be the same as before the transfer order. It is planned that pursuant to the Regulation of the European Parliament and of the Council on structural measures improving the resilience of EU credit institution, which are considered to be systemically important, shall be restricted by the competent authorities with regard to their business activities, including a prohibition of proprietary trading and the separation of certain trading activities. The draft of this regulation has been published by the European Commission on 28 January 2014. This could in the future - in comparison to the *Trennbankengesetz* – have further impairments in relation to the Issuer's ability to meet its obligations under the Securities.

The aforementioned measures may result in a default of all claims under the Securities and thus to a total loss of the investment of the Security Holder. There may be negative effects in the market value of the Securities even before the execution of such rights. In addition, the Issuer's assets may be withdrawn under these measures, which further adversely affects the ability of the Issuer to meet its payment obligations under the Securities.

Further impairments might result from European legislative activities regarding the improvement of resilience of EU credit institutions

It is generally not or only partly possible to predict future market turmoil, regulatory measures and further legislative projects.

Risk of re-qualification of the Securities

It cannot be excluded that the Securities and their legal structure might be contested by an administrative body (e.g., tax authorities or supervisory authorities) or a Security Holder before court. This might result in the legal or tax re-qualification of the Securities (e.g. as an investment fund) and might have material adverse legal and tax effects on the Security Holder.

Risks related to debt financing the purchase of the Securities

If the purchase of the Securities will be financed by uptake of foreign funds, the proceeds from the Securities may possibly not be sufficient to make interest or principal payments arising from a financing purchase of the Securities and require additional capital. Therefore, in such a case, potential investors should make sure in advance that they can still pay the interest and principal payments on the loan also in the event of a decrease of value or a payment delay or default with regard to the Securities. The expected return should be set higher since the costs relating to the purchase of the Securities and those relating to the loan (interest, redemption, handling fee) have to be taken into account.

Risks related to Incidental Costs

In connection with the purchase, holding and disposal of the Securities, incidental costs (the "**Incidental Costs**") may be incurred beside the purchase or sale price of the Securities. These Incidental Costs may significantly reduce or even eliminate any profit from the Securities.

If the purchase or sale of the Securities is not agreed between the purchaser and the Issuer or the Distributor, as the case may be, at a fixed price (the "**Fixed Price**"), commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value, will be charged upon the purchase and sale of the Securities. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, for example domestic dealers or brokers in foreign markets, potential investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such Fixed Price and the costs directly related to the purchase of the Securities (direct costs), potential investors must also take into account any other costs in connection with the holding of the Securities. These include for example custody fees and additional costs if other foreign or domestic entities are involved in the custody.

Before investing in the Securities, potential investors should inform themselves about any Incidental Costs incurred in connection with the purchase, holding or sale of the Securities.

Inflation risk

Security Holders are exposed to the risk that the real yield from an investment in the Securities is reduced, equal to zero or even negative due to a future money depreciation (the "**Inflation**"). The higher the rate of Inflation, the lower the real yield on a Security. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

Risks related to taxation

The return on the Securities may be reduced through the tax impact on an investment in the Securities. Potential investors and sellers of Securities should be aware that they may be required to pay taxes or other charges or duties in accordance with the laws and practices of the country where they are individually assessed for tax, to which the Securities are transferred to, in which the Securities are held or in which the paying agent is situated, or of any other jurisdiction. In some jurisdictions, no official statements, rulings and/or guidelines of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not only to rely on the tax summary contained in this document but also to ask for their own tax advisors' advice on their individual taxation with respect to the acquisition, sale or redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.

Payments on the Securities may be subject to a US withholding tax, e.g., pursuant to the US Foreign Account Tax Compliance Act ("**FATCA**"). Should, for example as a consequence of a non-compliance with certain certification, information reporting requirements with respect to its US accounts or other specified requirements by the Issuer, a withholding of taxes on interest, capital or other payments under the Securities occur in connection with such withholding taxation, then neither the Issuer, nor the Paying Agent or any other person will be obliged to pay a compensation to the Security Holder. As a consequence, the Security Holder may receive a lower amount than without any such withholding or deduction.

Risk related to Securities with subscription period

In the case of Securities with a subscription period, the Issuer reserves the right to refrain from engaging in the issue prior to the issue date and to early terminate or extend the subscription period. In this case, all relevant dates may be postponed. In addition, the Issuer has the right, in its sole discretion, to reject subscription orders from potential investors in whole or in part.

Risks related to the Redemption Amount

The Securities will be redeemed at their maturity at the Redemption Amount (the "**Redemption Amount**") specified in the Final Terms. The Redemption Amount may be less than the Issue Price or the Purchase Price. This means, the Security Holder only achieves a return (subject to the influence of exchange rate and inflation risk) if the Redemption Amount, including ongoing payments, if specified in the relevant Final Terms (see also *Risks arising from missing ongoing payments*), exceeds the individual Purchase Price of the Security Holder. The Redemption Amount may also be lower than the principal amount of the Securities or even zero.

Risks arising from missing ongoing payments

Unless otherwise specified in the applicable Final Terms, the Securities, do not bear interest or grant any other unconditional rights for ongoing payments which could compensate possible losses of principal.

3. Risks related to Reference Asset-linked Securities

Amounts to be distributed under the Securities will be determined by reference to a Reference Asset using a payment formula and other conditions, as specified in the Final Terms (the "**Reference Asset-linked Securities**"). This brings in addition to the risks that arise in connection with the Securities themselves, further significant risks which are not associated with a similar investment in a conventional fixed or floating rate bond with a claim for repayment of the principal amount or a direct investment in the Reference Asset. Potential investors should only invest in the Securities if they have fully understood the applicable payment formulas.

Risks arising from the influence of the Reference Asset on the market value of the Securities

The market value of Reference Asset-linked Securities will in addition to the risks described in *Risks related to market value-influencing factors* be influenced by a number of additional factors.

The market value of the Securities as well as the amounts distributable under the Securities primarily depend on the Reference Asset and/or the payments made thereunder, as the case may be. It is not possible to predict how the Reference Asset and/or the payments made thereunder will develop in the future. The market value of the Securities may be subject to substantial fluctuations, since it will primarily be influenced by changes of the Reference Asset and/or the payments made thereunder. The Reference Asset and/or the payments made thereunder may also depend on a number of inter-related factors, including cyclical, economic, financial and political events and their general effect on capital markets and on the relevant stock exchanges.

Whilst the market value of the Securities is linked to the value of the Reference Asset and/or the expected payments made thereunder and may be adversely influenced by it, not any change may be equally influencing. There may also be disproportionate changes in the value of the Securities. The value of the Securities may fall while at the same time the value of the Reference Asset and/or the expected payments thereunder may increase.

In addition, the market value of the Securities *inter alia* is influenced by the variations in the intensity of the fluctuation of values (volatility) of the Reference Asset and changes in the expected and actual payments under the Reference Asset. Moreover, even the failure of an expected change in the value of the Reference Asset may adversely affect the market value of the Securities. These factors can reinforce or negate each other.

Risks arising from the fact that the observation of the Reference Asset occurs only at specified dates or times or periods

The amounts to be distributed under the Securities may be considerably lower than the value of the Reference Asset may have suggested. The observation of the Reference Asset and/or the payments made thereunder, as the case may be, relevant for the calculation of amounts to be distributed under the Securities only occurs on one or more dates or during a specified period, as specified in the relevant Final Terms. In addition, in the Final Terms may be specified that for an observation of the Reference Asset and/or the payments made thereunder only a certain point of time is relevant. In particular, at a high volatility of the Reference Asset, this risk can significantly increase.

Risks related to a Specified Redemption Amount

If the Final Terms provide for a Specified Redemption Amount on the Settlement Date of the Securities, such payment will not be made if the Securities are terminated, redeemed, called or sold before their Maturity Date. Then, the actual payment or selling price of the Securities may be significantly lower than Specified Redemption Amount or may even be zero and the Security Holder may lose all or a substantial portion of the amount invested.

Risks arising from the fact that the interest or redemption amounts payable under the Securities may be linked to amounts payable to a holder of the Reference Asset

Any Scheduled Reference Asset Interest Amount or Reference Asset Interest Amount and, where cash settlement applies, any Scheduled Reference Asset Redemption Amount or Reference Asset Redemption Amount (each as applicable and as specified in the Final Terms) payable is determined with direct reference to the amounts payable to the holder as interest or redemption (as applicable) under the Reference Asset adjusted by any adjustment factor. In all cases, the Issuer's payment obligations are limited to the amounts which a holder of the Reference Asset actually receives under the Reference Asset (which will be reduced by all costs incurred in relation to the Reference Asset) within a certain time period preceding the payment date under the Securities. The Security Holder accordingly assumes any credit risk associated with the Reference Entity.

In purchasing these Securities, Security Holders will accordingly have credit exposure to both the Issuer and the relevant Reference Entity because an investment in the Securities bears credit risk similar to providing credit to the relevant Reference Entity.

If for any reason, the amounts payable under the Reference Asset are lower than expected, the Security Holder's return under the Securities will also be reduced and might be below the Issue Price or Purchase Price in which case the **Security Holder would suffer a partial or total loss of his invested capital**.

Risk that payments under the Securities may be postponed

The payment of any Interest Amount due on an Interest Payment Date or the payment of the Redemption Amount due on the Maturity Date may be postponed following to the occurrence of a Potential Risk Event, as specified in the Final Terms. No interest will be paid on the deferred amounts during the period from the scheduled payment date and the actual payment date.

Risks related to an early redemption and Risk Events

If a Risk Event is specified in the Final Terms the Securities may be early redeemed by payment of an Acceleration Redemption Amount, as specified in the Final Terms, if a Risk Event (e.g., a Credit Event in respect of the Reference Entity) occurs. The Acceleration Redemption Amount may be below the Issue Price or Purchase Price in which case the **Security Holder would suffer a partial or total loss of his invested capital** even if the Securities provide for Specified Redemption Amount (as described in *Risks arising from valuation of the Reference Asset in case of an early redemption arising due to a Risk Event*). Interest ceases to be paid.

A "**Risk Event**" will be specified in the Final Terms and may include any of, or several of, the following:

- a partial or whole unscheduled redemption (including a substitution of the Reference Asset for cash, rights or other assets) (an "**Unscheduled Redemption**"),
- a failure of the Reference Entity to pay cash flows in respect of the Reference Asset corresponding to those scheduled (a "**Cashflow Discrepancy**"),
- the calculation agent determines that an event has occurred causing the result of the market value of the Reference Asset expressed as a percentage of its principal amount (as specified in the Final Terms) minus the scheduled cash flow value to be equal to or lower than a specified threshold (a "**Reference Asset Value Event**"),
- a bankruptcy event occurs concerning the custodian of any Reference Asset or such custodian fails to perform (a "**Custody Event**"),
- an event occurs (i) which makes it (for reasons beyond the control of the Issuer or its affiliates) impossible or unreasonable for the Issuer or its affiliates to (a) convert a reference currency into the specified currency or vice versa or (b) to settle a foreign exchange

transaction involving conversion of a reference currency into the specified currency or vice versa or (ii) the currency regime is changed or substituted (a "**FX Disruption Event**"),

- a change in law (including tax law) meaning that the Issuer is unable to perform its obligations under the Securities, the Reference Entity is unable to perform its obligations under the Reference Asset, it becomes illegal for the Issuer or a reference entity to deal in assets required to hedge risks associated with the Securities and/or Reference Asset, as applicable, or the Issuer will incur a materially increased cost in performing its obligations under the Securities (including tax law) (a "**Change in Law**"),
- the Issuer is or will be unable to (i) enter into or realise transactions hedging its obligations under the Securities or (ii) receive or pass payments, for tax reasons or otherwise, from such transactions (a "**Hedging Disruption**"),
- a bankruptcy, failure to pay, governmental intervention, obligation default, obligation acceleration, repudiation/moratorium or a restructuring event (as specified in the Final Terms) occurs in respect of the Reference Entity and a relevant Reference Asset (a "**Credit Event**").

If a Risk Event occurs, the Issuer shall redeem the Securities early. If the occurrence of a Credit Event or such other Risk Event results in the early termination of hedging transactions which were entered into by the Issuer in connection with the Securities, e.g. any currency risk hedging transactions or interest rate swaps, the Security Holders may suffer losses because the costs for unwinding the hedging transactions may be borne by the Security Holders as specified in the Final Terms.

As a consequence of the process in relation to an early redemption payment under the Securities may even be postponed compared to the scheduled payment dates. No interest will be paid on the deferred amounts during the period from the scheduled payment date and the actual payment date.

Risks arising from valuation of the Reference Asset in case of an early redemption arising due to a Risk Event

In the case of an early redemption following a Risk Event, and if the Final Terms set out cash settlement as applicable, the amounts payable under the Securities will be calculated by reference to the sale price of the Reference Asset on their respective sale dates as received by the calculation agent, minus all costs incurred in relation to the Reference Asset (and, where specified in the Final Terms, adjusted by an adjustment amount value) (the "**Acceleration Redemption Amount**") and will not consider the performance of the Reference Asset prior to such sale date. **Such early redemption amount may be substantially less than any expected redemption amount under the Securities at maturity and may be zero.**

Further, in the case of early redemption and cash settlement, the Security Holder will only receive an amount determined with reference to the sale proceeds actually received by the calculation agent concerning the Reference Asset. This means that the Security Holder is exposed to any credit risk associated with the purchaser, i.e. the winning dealer of the auction of the Reference Asset. If no firm bid quotation is provided concerning the sale of the Reference Asset, the sale proceeds will be zero and the return for the Security Holder will be zero.

In the case of early redemption and physical settlement, no allowance will be made for any preceding higher value of the Reference Asset and the Reference Asset will simply be delivered on the applicable settlement date along with any supplemental cash amount.

Risks relating to a Leverage Factor

The Final Terms may provide a leverage factor (the "**Leverage Factor**"). As a consequence, the effects of Risk Events on the Securities may be leveraged, meaning that the loss in value of the Reference Asset will be multiplied by the Leverage Factor when calculating the Acceleration

Redemption Amount or the Acceleration Delivery Amount, as the case may be. The loss to be borne by the Security Holder will be significantly increased by the effects of any such leverage.

Redemption of the Securities may be less advantageous than direct investment in Reference Assets

Cash settlement amounts on the Securities on redemption may be less than the recovery which would be ultimately realised by a holder of Reference Assets of the Reference Entity if redemption amounts are not received by a holder of the Reference Asset prior to the Maturity Date under the Securities.

Cash settlement on the Securities on early redemption will reflect auction settlement proceeds and such payments may be less than the recovery which would ultimately be realised by a holder of Reference Assets of the respective Reference Entity if the purchase price received by the Calculation Agent during the auction process is low or no firm bids for the Reference Asset are obtained.

Currency and Currency Exchange Rate risk with respect to the Reference Asset

If the Reference Asset is denominated in a currency other than the Specified Currency, there is a Currency Exchange Rate risk (as described in *Currency Exchange Rate risk*). Currencies may also be devalued or replaced by a different currency whose development cannot be predicted. In such case the investor may incur losses on interest or principal payments due to currency conversions necessary or currency fluctuations.

Further, if a FX Disruption Event is specified in the Final Terms as an applicable risk event, and if it is impossible or unreasonable for the Issuer to convert the acceleration redemption amount due to such an event affecting either the reference currency or the specified currency, the Issuer shall endeavour to redeem the Securities by payment of the redemption amount in the reference currency. If it is subsequently impossible or illegal for the Issuer to so deliver the Reference Asset, then all obligations of the Issuer shall cease and the Issuer is under no further payment or delivery obligations. The Security Holder will in this case suffer a total loss.

Risks arising from negative effects of hedging arrangements by the Issuer on the Securities

The Issuer may use a portion of or the total proceeds from the sale of the Securities on transactions to hedge against price risks of the Issuer resulting from the Securities. In such case, the Issuer or any of its affiliates may conclude transactions that correspond to the Reference Assets under the Securities or any other obligations of the Issuer. Generally, such transactions are concluded prior to or on the issue date, but it is also possible to conclude such transactions after the issue date. The entering or the liquidation of hedging transactions by the Issuer may, in individual cases, adversely affect the price of the Reference Asset and/or payments to be made thereunder.

On or prior to any early redemption, the Issuer or any of its affiliates may take the steps necessary to terminate any hedging arrangements. It cannot, however, be ruled out that the sale price of the Reference Asset in the case of an early redemption following a risk event will be influenced by such transactions in individual cases. Entering into or closing out these hedging arrangements may have a negative effect on the market price of the Securities and/or on the amounts payable under the Securities on early redemption.

Risks related to Physical Settlement

The Final Terms may specify that the Securities will be redeemed at the settlement date of the Securities either by payment of the Redemption Amount or by delivery of a quantity of the Reference Asset (the "**Physical Settlement**"). In this case, the relevant method of settlement depends on the conditions specified in the Final Terms. Potential investors should note that they will be required to accept delivery of the Reference Asset if Physical Settlement is specified as applicable in the Final Terms and should ensure that they have the legal capacity to receive such Reference Asset on purchasing the Securities.

Investors should also be aware that, in certain circumstances, where the Issuer is obliged to physically deliver a Reference Asset on redemption, the Issuer may elect instead to redeem such Security by way of payment of a cash amount should it be impossible or commercially impracticable to deliver the Reference Asset.

Security Holders are not entitled and the Issuer is not obliged to execute any rights from the Reference Asset to be delivered until they are transferred to the Security Holder.

The value of the Reference Asset may continue to develop negatively until the transfer and only the Security Holder bears the risk of such value movements.

All costs, incl. possible custody fees, exchange turnover taxes, stamp taxes, transaction fees, other taxes or levies, incurred as a result of the delivery of the Reference Asset, have to be borne by the respective Security Holder. Furthermore, upon sale of the Reference Asset delivered transaction costs may arise. These fees and costs may be material and may substantially reduce the proceeds from the Securities or increase a possible loss of the Security Holder's invested capital.

Furthermore, Security Holders should not assume that they will be able to sell the quantity of Reference Asset delivered for a specific price, in particular not for a price corresponding to, or being greater than, the value of capital invested for the acquisition of the Securities.

The Reference Asset delivered may be subject to selling and transfer restrictions or may not be liquid for other reasons.

The Reference Asset will be delivered at the Security Holder's own risk. This means that neither the Issuer nor the Paying Agent nor any other person or entity different to the Security Holders is liable if the Reference Asset gets lost or is destroyed during its delivery to the Security Holders.

Risks relating to fixed rate Securities

Potential investors in interest-bearing Securities at a fixed rate ("**Fixed-Rate Securities**") should be aware that the fair market value of the Fixed-Rate Securities may be very volatile, depending on the volatility of interest rates on the capital market (the "**Market Rate of Interest**"). The performance of the Market Rate of Interest may depend on a number of interrelated factors, including economic, financial and political events and their general effect on capital markets and on the respective stock exchanges. It is not possible to predict how the Market Rate of Interest will change over time. While the interest rate of Fixed-Rate Securities is specified in the Final Terms for the term of the Securities, the Market Rate of Interest is subject to daily changes. If the Market Rate of Interest rises, this normally causes the fair market value of the Fixed-Rate Securities to fall. If the Market Rate of Interest falls, the fair market value of the Fixed-Rate Securities normally rises.

Risks relating to Floater Securities

Potential investors in interest-bearing Securities at a floating rate ("**Floating-Rate Securities**") should be aware that they are exposed to the risk of fluctuating interest rates and uncertain interest income due to the dependency of the reference rate. Fluctuating interest rates make it impossible to determine in advance the return on Floating-Rate Securities.

Special risks related to reference rates

A Security Holder in Floating-Rate Securities is particularly exposed to the risk of fluctuating interest rates. Fluctuating interest rates make it impossible to determine in advance the return of Floating-Rate Securities. The performance of an underlying reference rate is affected by supply and demand on the international money and capital markets as well as by a number of factors, such as economic influences, measures taken by national banks and governments, as well as by politically motivated factors. The past performance of an underlying reference rate provides no guarantee for its future

performance, even if the previous performance or rate of the reference rate has already been recorded for a longer period.

During the term of the Securities it cannot be excluded that underlying reference rates will no longer be available, will no longer be available in the relevant form at the time of the issuance of the Securities or, that in connection with the determination or publication of these reference rates it may come to inaccuracies or even manipulations by the persons responsible for the determination and/or publication, or by any other market participants. All this may have a negative effect on the amounts payable under and the market value of the Securities. Furthermore, regulatory developments (in particular for the regulation of so-called benchmarks) may entail special approval and registration obligations and special rules of conduct for the persons responsible for the determination and/or publication of reference rates, and for the issuers of financial instruments related to these reference rates. This may mean that the reference rates underlying the Securities, might not be available for the entire term of the Securities or only with changed conditions. This may also have a negative effect on the amounts payable under and on the market value of the Securities.

Risks related to benchmarks

The London Interbank Offered Rate (LIBOR), the Euro Interbank Offered Rate (EURIBOR), the Moscow Prime Offered Rate (MosPrime) and comparable indices may be used as a reference interest rate, also known as benchmarks, with respect to a floating interest rate payable under the Securities. These benchmarks may qualify as a benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which most provisions will apply from 1 January 2018. According to the Benchmark Regulation, a Benchmark could not be used as such if its administrator does not obtain authorisation or does not register or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision or is not "endorsed" for such purpose. Consequently, it might not be possible to further utilise a Benchmark as reference interest rate of the Securities. In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Any changes to a Benchmark as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with the Benchmark Regulation. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks, adversely affect the performance of a Benchmark or lead to the disappearance of certain Benchmarks. Potential investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Securities.

Risks due to a limitation of the interest rate to a Maximum Interest Rate

Potential investors should be aware that interest rates of Floating-Rate Securities may be limited to a Maximum Interest Rate, as specified in the Final Terms. Therefore, the participation of the Security Holder in a favorable development of the Reference Rate, and thus, his potential return may be limited.

D. Risks related to the Reference Asset

The Reference Asset can either be linked to a bond or a loan (including German law governed *Schuldscheindarlehen*). The Reference Asset is subject to particular risks, which must be observed.

1. General risks

Past performance no indication for a future performance

The past performance and payments of the Reference Asset, of other obligations of the Reference Entity or the creditworthiness of the Reference Entity itself provides no indication of the future performance of the Reference Entity. The amounts to be distributed under the Securities may therefore be substantially lower than these indicators may have suggested.

No rights of ownership of the Reference Asset

The Reference Asset will not be held by the Issuer for the benefit of the Security Holders, and as such, Security Holders will not obtain any rights of ownership (such as voting rights or other rights) with respect to the Reference Asset. Neither the Issuer nor any of its affiliates is obliged to acquire or hold the Reference Asset. Neither the Issuer nor any of its affiliates is restricted from selling, pledging or otherwise conveying all rights, titles and interests in the Reference Asset or any derivative contracts linked to it by virtue solely of having issued the Securities.

No direct recourse against the Reference Entity under the Reference Asset

A Security will not represent a claim against any Reference Asset and/or Reference Entity in relation to the Reference Asset's principal amount and/or interest payable or, in case the Final Terms set out Physical Settlement as applicable, the amount of assets deliverable in respect of the Securities. In the event that the amount paid by the Issuer or value of the specified assets delivered on redemption of the Securities is less than the principal amount of the Securities, a Security Holder will not have recourse under a Security to the Reference Entity in relation to any Reference Asset. Investors will be exposed to the risks that are associated with the relevant Reference Asset and may even suffer a total loss.

Risks associated with foreign jurisdictions

If the Reference Asset is subject to the jurisdiction of a country and/or the Reference Entity is located in a country whose legal system is not comparable with the legal system of the Federal Republic of Germany or other Industrialized Countries, investing in such Securities involves further legal, political (e.g. political changes) and economical (e.g. economic downturns) risks. In foreign jurisdictions possibly expropriation, taxation equivalent to confiscation, political or social instability or diplomatic incidents may occur. The amount of publicly available information with respect to the Reference Asset and/or the Reference Entity may be smaller than that normally made available to Security Holders. Transparency requirements, accounting, auditing and financial reporting standards as well as regulatory standards may in many ways be less strict than in Industrialized Countries. Financial markets in these countries may have much lower trading volumes than developed markets in Industrialized Countries and the obligations of many companies are less liquid and their prices are subject to stronger fluctuations than those of similar companies in Industrialized Countries.

Risks related to the purchase of Securities for hedging purposes

The Securities may not be a perfect hedge against price risks arising from the Reference Asset. Any person intending to use the Securities to hedge against such price risks is subject to the risk that the value of the Reference Asset, other than expected, develops in the same direction as the value of the Securities. In addition, it may not be possible to liquidate the Securities at a certain date at a price which reflects the actual value of the respective Reference Asset. This particularly depends on the prevailing market conditions. In both cases, the Security Holder may suffer a loss from both, his

investment in the Securities and his investment in the Reference Asset, whose risk of loss he actually wanted to hedge.

2. Risks related to bonds

Similar risks to a direct investment in bonds

The performance of Securities linked to bonds as Reference Assets primarily depends on the value of the Reference Asset, the payments made thereunder, the creditworthiness of the Reference Entity and its ability and willingness to perform its obligations under the Reference Assets or any other obligations. The Security Holder is exposed to the economic and business risks of the Reference Entity which depends on various factors. Obligations under the Reference Asset may rank behind other obligations of the Reference Entity after and may only be paid after other claims have been settled; the claims under the Reference Asset are not protected by any compensation scheme or insurance coverage. Any payment outstanding under the Reference Asset may become subject to a debt restructuring and, therefore, may be reduced, waived, postponed, written down or converted (e.g. into equity) by mutual agreement between the Reference Entity and the respective holder of the Reference Asset or by majority voting of such holders and/or by an administrative order or a court ruling. The provisions of the Reference Asset may be contested in court and, as a consequence, may be held in whole or in part invalid or unenforceable. Accordingly, an investment in bond-linked Securities may bear similar risks to a direct investment in the respective bonds. Any of the aforementioned risks may result in the occurrence of a Risk Event and/or Credit Event in relation to the Reference Asset (bond) and/or the Reference Entity (issuer of the bond) and may result in an early termination of the Securities and adjustments to the payments made under the Securities (as described in *Risks related to an early redemption and Risk Events*).

Particular risks related to a bond as Reference Asset

Securities linked to a bond as Reference Asset are not in any way sponsored, endorsed, sold or promoted by the issuer of any Reference Asset (the "**Reference Entity**") and such Reference Entity makes no warranty or representation whatsoever, express or implied, as to the future performance of any Reference Asset. Furthermore, such Reference Entity does not assume any obligation to take the interest of the Issuer or those of the Security Holders into consideration for any reason. The Reference Entity is not responsible for and has not participated in the determination of the timing of prices for or quantities of the Securities.

Securities linked to a bond as Reference Asset may bear additional risks for Security Holders in cases where the Reference Asset are called by the Reference Entity early pursuant to its conditions or be postponed at maturity or otherwise. Such circumstances related to the Reference Asset can significantly negatively affect the value of the Securities and could constitute a risk event leading to an early redemption of the Securities.

3. Risks related to loans

Similar risks to a direct investment in loans

The performance of Securities linked to loans as Reference Assets primarily depends on the value of the Reference Asset, the payments made thereunder, the creditworthiness of the Reference Entity and its ability and willingness to perform its obligations under the Reference Assets or any other obligations. The Security Holder is exposed to the economic and business risks of the Reference Entity which depends on various factors. Obligations under the Reference Asset may rank behind other obligations of the Reference Entity after and may only be paid after other claims have been settled; the claims under the Reference Asset are not protected by any compensation scheme or insurance coverage. Any payment outstanding under the Reference Asset may become subject to a debt restructuring and, therefore, may be reduced, waived, postponed, written down or converted (e.g.

into equity) by mutual agreement between the Reference Entity and the respective lender or by majority voting of such lenders and/or by an administrative order or a court ruling. The provisions of the Reference Asset may be contested in court and, as a consequence, may be held in whole or in part invalid or unenforceable. Accordingly, an investment in loan-linked Securities may bear similar risks to a direct investment in the respective loan. Any of the aforementioned risks may result in the occurrence of a Risk Event and/or Credit Event in relation to the Reference Asset (loan) and/or the Reference Entity (borrower of the loan) and may result in an early termination of the Securities and adjustments to the payments made under the Securities (as described in *Risks related to an early redemption and Risk Events*).

Particular risks related to a loan (including German law governed Schuldscheindarlehen) as Reference Asset

Securities linked to a loan as Reference Asset are not in any way sponsored, endorsed, sold or promoted by the borrower under any Reference Asset and such borrower makes no warranty or representation whatsoever, express or implied, as to the future return under any Reference Asset. Furthermore, such borrower does not assume any obligation to take the interest of the Issuer or those of the Security Holders into consideration for any reason. The borrower of the Reference Asset is not responsible for and has not participated in the determination of the timing of prices for or quantities of the Securities.

Securities linked to a loan as Reference Asset may bear additional risks for Security Holders in cases where the Reference Asset is terminated early pursuant to its terms and conditions or under the applicable law, be assigned to a third party without notification to the Security Holder or be postponed at maturity or otherwise. Such circumstances related to the Reference Asset can significantly negatively affect the value of the Securities and could constitute a risk event leading to an early redemption of the Securities.

RESPONSIBILITY STATEMENT

UniCredit Bank AG having its registered office at Arabellastraße 12, 81925 Munich, Germany accepts responsibility for the information contained in this Base Prospectus. UniCredit Bank AG declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and that no material information has been omitted.

CONSENT TO THE USE OF THE BASE PROSPECTUS

If the Issuer consents to the use of the Base Prospectus, consent shall be given to the extent and the conditions as set out in the Final Terms during the term of its validity. The Issuer reserves the right not to give its consent. The Issuer accepts responsibility for the information given in the Base Prospectus, in any supplement thereto as well as in the Final Terms also with respect to the subsequent resale or final placement of the Securities by financial intermediaries, who obtained the consent to use the Base Prospectus, any supplement thereto as well as the Final Terms.

Such consent can be given to all (so-called general consent) or only one or several specified financial intermediaries (so-called individual consent) and will be determined in the Final Terms.

Such consent can be given in relation to the following member states in which the Base Prospectus is valid or into which it has been notified as specified in the Final Terms: Luxembourg and Austria.

The Issuer's consent to the use of the Base Prospectus may be given under the condition that each financial intermediary complies with the applicable selling restrictions and the terms and conditions of the offer. Furthermore, in connection with the consent to the use of the Base Prospectus the Issuer may impose the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Securities. This commitment is made by the publication of the financial intermediary on its website stating that the prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent. The consent to the use of the Base Prospectus will be given for the period as set out in the Final Terms.

The distribution of this Base Prospectus, any supplement thereto and the Final Terms as well as the offer, sale and the delivery of the Securities may be restricted by law in some jurisdictions. Each financial intermediary and/or each person, who is in the possession of this Base Prospectus, a supplement thereto and the Final Terms, must be informed of and comply with such restrictions. The Issuer reserves the right to withdraw its consent to the use of this Base Prospectus in relation to certain financial intermediaries.

Information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary. Any further financial intermediary using the Base Prospectus shall state on its website that it uses the Base Prospectus in accordance with this consent and the conditions attached to this consent.

New information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms, as the case may, will be published and will be found on the website of the Issuer (or any successor website which the Issuer will publish in accordance with § 6 of the General Conditions).

DESCRIPTION OF THE ISSUER

The description of the Issuer included in the Registration Document of UniCredit Bank AG dated 22 April 2016, the audited consolidated financial statements of HVB Group as of 31 December 2014 contained in the Annual Report HVB Group 2014, the audited consolidated financial statements of HVB Group as of 31 December 2015 contained in the Annual Report HVB Group 2015, the audited unconsolidated financial statements as of 31 December 2015 contained in the Annual Report UniCredit Bank AG (HVB) 2015 and the Unaudited Consolidated Half-Yearly Financial Report of HVB Group as at 30 June 2016 are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on pages 124 et seq.

GENERAL INFORMATION ON THE SECURITIES

General

The Securities will be issued as notes or certificates with Principal Amount, as specified in the Final Terms.

Form of the Securities

The Securities are bearer debt instruments (*Inhaberschuldverschreibungen*) pursuant to § 793 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*).

The Securities will either be represented by a permanent global note without interest coupons or initially by a temporary global note without interest coupons which will be exchangeable for a permanent global note without interest coupons, as specified in the Final Terms.

The Security Holders are not entitled to receive definitive Securities.

Underlying

The underlying of the Securities is a Reference Asset. A Reference Asset may be a bond or a loan (including German law governed *Schuldscheindarlehen*).

The Reference Asset will be specified in the Final Terms.

The Reference Asset is the main influencing factor on the value of the Securities. In general, the Security Holders participate in any positive as well as in any negative performance of the Reference Asset during the term of the Securities.

The deduction of any fees or other price-influencing factors may also influence the actual performance of the Securities.

Term

The Securities have a fixed term, which may be reduced in certain circumstances.

Governing law of the Securities

The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.

Status of the Securities

The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, *pari passu* with all other unsecured unsubordinated present and future obligations of the Issuer.

Publications

The Base Prospectus, potential supplements and the respective Final Terms are available on the website(s) as specified in the respective Final Terms or on any successor website(s) as well as on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Issuer does not intend to provide information following an issuance of Securities, unless either required by any applicable laws and regulations or the Terms and Conditions provide for an obligation to publish notices in certain cases. In such cases, a publication will be made on the website(s) as specified in the Final Terms in accordance with § 6 of the General Conditions. The Issuer may replace these website(s) by any successor website(s) which again will be published by notice in accordance with § 6 of the General Conditions.

Issue Price

If the Issue Price per Security is specified prior to the start of the public offering, it will be set out in the Final Terms.

If the Issue Price per Securities is determined after the start of the public offering, the Final Terms will specify the criteria or conditions, on the basis of which the Issue Price may be determined. In this case the Issue Price will be published after its specification on the website(s) as specified in the relevant Final Terms (or any successor page).

Pricing

The Issue Price as well as the bid and offer prices quoted by the Issuer during the term of the Securities are based on internal pricing models of the Issuer. They may contain, beside upfront and distribution fees, an expected margin for the Issuer. Generally, the margin may contain costs, which *inter alia* cover the Issuer's costs for structuring the Securities, risk hedging of the Issuer and the distribution.

Selling concession or other concessions

Selling Concession or other concessions may be charged as set out in the Final Terms.

Placing and distribution

The Securities may be distributed by way of a public offer or a private placement and either by the Issuer or through financial intermediaries as agreed between the Issuer and the relevant financial intermediary and as stated in the applicable Final Terms.

Admission to trading and listing of the Securities

The Issuer may make an application to admit the Securities to trading on a regulated or other equivalent market. In such a case the relevant Final Terms set out the regulated or other equivalent markets and the earliest date (if known) on which the Securities are or will likely be admitted to trading.

In addition, the relevant Final Terms will specify all the regulated or other equivalent markets, on which, to the knowledge of the Issuer, securities of the same class of securities are already admitted to trading.

The Issuer may also make an application to listing of the Securities on another stock exchange, another market and/or trading system. In this case the Final Terms may indicate the respective other stock exchange, other market and/or other trading system and the earliest date (if known) on which the Securities are or will likely be listed.

The Securities may also be issued without being admitted to trading, listed or traded on any regulated or other equivalent market, any other stock exchange, any other market and/or trading system.

Even if the issuer makes such application there is no guarantee that this application will be granted or that an active trading will occur or develop.

Potential investors

The Securities may be offered to retail investors, qualified investors and/or institutional investors as stated in the Final Terms. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, such information will be given in the Final Terms.

Terms and conditions of the offer

If applicable, the following details regarding the terms and conditions of the offer will be indicated in the Final Terms: (i) the country(ies) where the offer(s) to the public takes place, (ii) the conditions for the offer of the Securities; (iii) day of the first public offer; (iv) possibility to reduce or increase the

number of securities offered for sale by the Issuer, (v) smallest transferable and/or tradable unit, (vi) possibility of an early termination of the public offer, (vii) a subscription period.

Offer during a subscription period

The Securities may be offered during a subscription period. For the purpose of acquisition, a potential investor has to make a subscription order to be forwarded to the Issuer during the Subscription Period. If specified in the Final Terms, the Securities may be continuously offered thereafter. The Issuer reserves the right to extend or shorten the subscription period or to withdraw the issue before the Issue Date during the subscription period for any reason. The Issuer has the right to accept or reject the subscription orders of potential investors in whole or in part, irrespective of whether or not the intended volume of the Securities to be placed is reached. The Issuer has the right to make allocations at its own discretion; whether and to what extent the Issuer exercises such right is subject to its own discretion. Potential investors who made purchase offers in the form of subscription orders may presumably be informed by the Issuer from the first Banking Day onwards following the end of the subscription period on the number of Securities allocated to them, if not otherwise specified in the Final Terms. Trading in the Securities may start prior to the notification of the allocation.

Method and time limits for delivery of the Securities

The Securities are delivered in terms of co-ownership of the Global Note which will be kept in custody. Delivery is provided for against payment or free of payment or any other delivery method as specified in the Final Terms.

DESCRIPTION OF THE SECURITIES

The definitions of the defined terms used herein are specified in the Conditions (as defined in the section "Conditions of the Securities") below. The Conditions of the Securities comprise Part A – General Conditions of the Securities, Part B - Product and Reference Asset Data and Part C – Special Conditions of the Securities. The information set out below provides an overview of the Securities which may be issued under this Programme.

The Securities

The Securities will be issued as notes or certificates constituting debt instruments in bearer form (*Inhaberschuldverschreibungen*) pursuant to § 793 BGB. The principal amount per Security will be specified in the relevant Final Terms. The Principal Amount shall be not less than 1,000 Euro.

General description of the Securities

The Securities have a fixed term from the Issue Date to the Maturity Date and are either interest bearing or will be issued as zero coupon Securities. The Securities are linked to a single Reference Asset, which can be either a bond or loan (including German law governed *Schuldscheindarlehen*) i.e. the Securities are linked to payments received from and the market value of the Reference Asset. The payment of interest and the redemption may be negatively affected by the occurrence of certain events in relation to the Reference Asset, the Reference Entity, one or more of its obligations (either directly or as provider of a guarantee) of the Reference Entity, or the Custodian (together "**Risk Events**"). In principle, the Issuer will pay interest if any and redeem the Securities on the Settlement Date at the amount scheduled to be paid or delivered only if no Risk Event has occurred.

The probability of a Risk Event varies because of the financial position and other key parameters of the relevant Reference Entity, the general economic situation, the position on certain financial markets and political events, developments or tendencies in specific sectors, changes in the applicable interest rates and other factors.

Interest

The Securities can be issued either as (i) zero coupon Securities, (ii) Securities with a fixed interest amount, (iii) Securities with a fixed interest rate or (iv) Securities with a floating interest rate.

Zero coupon Securities

Zero coupon Securities will not bear interest. They may be issued either (i) at a discount to the nominal amount where the redemption amount is equal to the nominal amount or (ii) at the nominal amount where the redemption amount is greater than the nominal amount.

Securities with a fixed interest amount

Securities with a fixed interest amount pay on the respective Interest Payment Date an Interest Amount specified in the relevant Final Terms.

In case of Securities with a *Specified Interest Amount* the respective Interest Amount is calculated by multiplying the Specified Interest Amount (less an Interest Adjustment Amount, as the case may be) in the Specified Currency and the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

In case of Securities with a *Scheduled Reference Asset Interest Amount* the respective Interest Amount is calculated by multiplying the Scheduled Reference Asset Interest Amount in relation to each Scheduled Reference Asset Interest Payment Date (less an Interest Adjustment Amount, as the case may be) in the Specified Currency and the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

In case of Securities with a *Reference Asset Interest Amount* the respective Interest Amount is calculated by multiplying the Reference Asset Interest Amount in relation to each Scheduled Reference Asset Interest Payment Date (less an Interest Adjustment Amount, as the case may be) in the Specified Currency and the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

Securities with a fixed interest rate

Fixed rate Securities will bear interest from the Interest Commencement Date to the Interest End Date at a fixed interest rate per annum as specified in the relevant Final Terms.

The Interest Amount per Security to be paid on each Interest Payment Date is equal to the product of the Principal Amount, the Interest Rate and the Day Count Fraction. The Interest Rate and the Day Count Fraction are specified in the relevant Final Terms. The Interest Rate may differ from the interest rate applicable under the Reference Asset.

Securities with a floating interest rate

Floating rate Securities will bear interest from the Interest Commencement Date to the Interest End Date at an interest rate on the basis of a Reference Rate as specified in the relevant Final Terms. The Reference Rate may be EURIBOR, LIBOR, MosPrime or any other reference rate as set out in the relevant Final Terms.

EURIBOR (Euro Interbank Offered Rate) means the interbank interest rate (i.e. the rate at which banks lend to each other), daily calculated as the average of the quotations for one to twelve month observed on a sample of commercial banks, selected periodically by the European Banking Federation.

LIBOR (London Interbank Offered Rate) means the rate at which an individual contributor panel bank could borrow funds, were it to do so by asking for and then accepting interbank offers in reasonable market size.

MosPrime Rate (Moscow Prime Offered Rate) means the daily calculated National Foreign Exchange Association ("NFEA") fixing of the reference rate on the basis of offer rates of rouble loans (deposits) as quoted by leading participants in the Russian money market selected by the NFEA board.

The Interest Amount per Security to be paid on each Interest Payment Date is equal to the product of the Principal Amount, the Reference Rate and the Day Count Fraction. The Interest Rate and the Day Count Fraction are specified in the relevant Final Terms. The Reference Rate may differ from the interest rate applicable under the Reference Asset.

If the Reference Currency is not equal to the Specified Currency, then any amount required for the determination of the Interest Amount shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.

Redemption

(i) Cash Settlement

Subject to Early Redemption the Securities with cash settlement are redeemed on the Settlement Date by payment of the Redemption Amount in the Specified Currency

In the case of Securities with a *Specified Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Specified Redemption Amount (less a Redemption Adjustment Amount, as the case may be) with the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

In the case of Securities with a *Scheduled Reference Asset Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Scheduled Reference Asset Redemption Amount

in the Specified Currency (less a Redemption Adjustment Amount, as the case may be) with the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

In the case of Securities with a *Reference Asset Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Reference Asset Redemption Amount (less a Redemption Adjustment Amount, as the case may be) with the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

If the Reference Currency is not equal to the Specified Currency, then any amount required for the determination of the redemption amount received shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.

(ii) Physical Settlement

Subject to Early Redemption the Securities with physical settlement are redeemed on the Settlement Date by delivery of the Redemption Delivery Amount.

The Redemption Delivery Amount is calculated by multiplying the Aggregate Reference Asset Nominal Amount (less any Redemption Adjustment Amount, as the case may be) with the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

Early Redemption

If a Risk Event occurs and a Risk Event Notice is published at any time during the Risk Event Notice Period, then (i) the accrual of interest, if any, ceases from and including the Interest Payment Date immediately preceding the day on which such Risk Event has occurred and (ii) the Securities are not redeemed at the amount scheduled to be paid or delivered, but at the Acceleration Redemption Amount or the Acceleration Delivery Amount.

A Risk Event, as specified in the Final Terms, can be an Unscheduled Redemption, Cashflow Discrepancy, Reference Asset Value Event, Custody Event, FX Disruption Event, Change in Law, Hedging Disruption or a Credit Event in respect of a Reference Entity, the Reference Asset or any of the Reference Entity's borrowed money obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Governmental Intervention, Obligation Default, Obligation Acceleration, Repudiation/Moratorium or Restructuring.

If the Securities provide for a Leverage Factor, losses as a result of the occurrence of a Risk Event and such costs may be significantly greater compared to unleveraged Securities and may further reduce the Acceleration Redemption Amount or the Acceleration Delivery Amount.

Following an Unscheduled Redemption, a Restructuring of the Reference Asset or a Governmental Intervention Security Holders may receive the Reference Asset or any Asset Package received in lieu of the Reference Asset or the Acceleration Redemption Amount.

(i) Cash Settlement

The Securities with cash settlement are early redeemed on the Acceleration Redemption Date by payment of the Acceleration Redemption Amount upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition.

The Acceleration Redemption Amount is subject to a minimum of zero, and is calculated for each Security by multiplying the Reference Asset Auction Proceeds (less a Leverage Loss Adjustment Amount, Hedge Unwind Costs, Related Costs and/or an Adjustment Amount Value, each as the case may be) with the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

Thus, the Acceleration Redemption Amount may be significantly reduced by the Adjustment Amount Value and any costs including the transaction costs and any prepayment indemnity incurred by

unwinding any swaps and hedging transactions which may have been entered into in connection with the Securities, including (but not limited to) any currency hedging transactions, interest rate swap transactions, or asset swap transactions.

If the Securities are denominated in a currency other than the Reference Currency the Acceleration Redemption Amount may be further reduced by a change in the then prevailing FX Exchange Rate.

(ii) Physical Settlement

The Securities with physical settlement are early redeemed on the Acceleration Redemption Date by delivery of the Acceleration Delivery Amount and the Supplemental Cash Amount (where relevant) upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition.

The Acceleration Delivery Amount is calculated by multiplying (a) the Aggregate Reference Asset Nominal Amount minus the Physical Settlement Adjustment Amount and (b) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

Thus, the Acceleration Delivery Amount may be significantly reduced by the Physical Settlement Adjustment Amount accounting for any costs including the transaction costs and any prepayment indemnity incurred by unwinding any swaps and hedging transactions which may have been entered into in connection with the Securities, including (but not limited to) any currency hedging transactions, interest rate swap transactions, or asset swap transactions.

Failure to redeem

If the Securities are physically settled and the Issuer is unable to redeem the Securities, then the Issuer shall use all reasonable endeavours to redeem each Security by payment of the Acceleration Redemption Amount.

CONDITIONS OF THE SECURITIES

General Information

Part A – General Conditions of the Securities (the "**General Conditions**") must be read together with Part B – Product and Reference Asset Data (the "**Product and Reference Asset Data**") as well as Part C – Special Conditions of the Securities (the "**Special Conditions**") (together, the "**Conditions**"). A completed version of the Conditions describes the Terms and Conditions of the respective Tranche of Securities which are part of the relevant Global Note.

For each Tranche of Securities the Final Terms will be published as a separate document and will contain:

- (a) information on the relevant options contained in the General Conditions,
- (b) a consolidated version of the Product and Reference Asset Data,
- (c) a consolidated version of the Special Conditions,

reflecting the Terms and Conditions of the Securities.

A consolidated version of the General Conditions may be delivered together with the relevant Final Terms. Such consolidated General Conditions will not be part of the relevant Final Terms, neither as an annex nor as an integral part of the Final Terms and such consolidated General Conditions will not be filed with or sent to any competent authority.

Structure of the Conditions

Part A – General Conditions of the Securities

- § 1 Form, Clearing System, Global Note, Custody
- § 2 Principal Paying Agent, Paying Agent, Calculation Agent
- § 3 Taxes
- § 4 Status
- § 5 Substitution of the Issuer
- § 6 Notices
- § 7 Issuance of additional Securities, Repurchase
- § 8 Presentation Period
- § 9 Partial Invalidity, Corrections
- § 10 Applicable Law, Place of Performance, Place of Jurisdiction

Part B – Product and Reference Asset Data

- § 1 Product Data
- § 2 Reference Asset Data

Part C – Special Conditions of the Securities

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Early Redemption
- § 5 Payments, Deliveries

Part A – General Conditions of the Securities

PART A - GENERAL CONDITIONS OF THE SECURITIES

(the "General Conditions")

§ 1

Form, Clearing System, Global Note, Custody

- (1) *Form:* This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as [notes][certificates] in bearer form pursuant to these Terms and Conditions with a principal amount in the Specified Currency and in a denomination corresponding to the principal amount.⁴

[In the case of Securities with a Permanent Global Note from the Issue Date, the following applies:

- (2) *Permanent Global Note:* The Securities are represented by a permanent global note (the "**Global Note**") without interest coupons, which bears the manual or facsimile signatures of two authorised signatories of the Issuer *[In the case of an Issuing Agent, the following applies:* as well as the manual signature of a control officer of the Issuing Agent]. The Security Holders are not entitled to receive definitive Securities. The Securities as co-ownership interests in the Global Note may be transferred pursuant to the relevant regulations of the Clearing System. *[In the case of interest-bearing Securities, the following applies:* The right to receive interest is represented by the Global Note.]]

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:¹

- (2) *Temporary Global Note, exchange:* The Securities are initially represented by a temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchangeable for a permanent global note without interest coupons (the "**Permanent Global Note**", and, together with the Temporary Global Note, the "**Global Notes**") on or after the 40th day after the Issue Date (the "**Exchange Date**") only upon delivery of certifications, to the effect that the beneficial owner or owners of the Securities represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Securities through such financial institutions) (the "**Non-U.S. Beneficial Ownership Certificates**"). The Global Notes bear the

⁴ The Principal Amount shall be not less than 1,000 Euro.

¹ The text found in § 1(2) is known as the "TEFRA D legend". This footnote provides a very brief synopsis of the TEFRA rules under the tax code of the United States of America ("U.S."). Generally, debt instruments in bearer form which have a maturity of longer than 365 days may be subject to U.S. tax penalties if the issuance of such instruments does not comply with either the TEFRA C or TEFRA D rules. TEFRA C is highly restrictive and may be used only if, among other things, the instruments will not be offered or issued to persons in the U.S. and its possessions, as defined under the U.S. Internal Revenue Code, and the issuer does not "significantly engage in interstate commerce with respect to the issuance." In this case a TEFRA legend is not required. The TEFRA D rules, which are more mechanical than the TEFRA C rules, impose, during a "restricted period", certain restrictions on (i) the offer and sale of the instruments to "U.S. persons" or to persons within the U.S. and its possessions and (ii) the delivery of the instruments in the U.S. The TEFRA D rules also generally require that the owner of an instrument certify as to non-U.S. beneficial ownership and that the instrument contain a "TEFRA D legend" with specific language on its face. Compliance with TEFRA D provides for a safe harbour if instruments are inadvertently issued to U.S. persons. To the extent that Securities have debt characteristics, such as "principal protection", TEFRA C and TEFRA D rules may apply. IF THERE IS ANY DOUBT WHETHER A SECURITY MAY BE CONSIDERED DEBT, U.S. LEGAL AND TAX COUNSEL MUST BE CONSULTED.

manual or facsimile signatures of two authorised representatives of the Issuer [*In the case of an Issuing Agent, the following applies:* as well as the manual signature of a control officer of the Issuing Agent]. [*If CBL and Euroclear Bank are specified as Clearing System, the following applies:* The details of such exchange shall be entered into the records of the ICSDs.] The Security Holders are not entitled to receive definitive Securities. The Securities as co-ownership interests in the Global Notes may be transferred pursuant to the relevant regulations of the Clearing System. [*In the case of interest-bearing Securities, the following applies:* The right to receive interest is represented by the Permanent Global Note.]

"**U.S. persons**" means (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes and (v) where the context requires, means such persons as defined in Regulation S of the United States Securities Act of 1933, as amended.]

- (3) *Custody:* The Global Note will be [kept in custody by the Clearing System][issued in classical global note form and will be kept in custody by a common depository on behalf of both ICSDs][●].

"**Clearing System**" means [Clearstream Banking AG, Frankfurt am Main ("**CBF**")][Clearstream Banking société anonyme, Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**")][*insert other relevant clearing system*].

§ 2

Principal Paying Agent, Paying Agent, Calculation Agent

- (1) *Paying Agents:* The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich] [Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom] [*Insert name and address of other paying agent*]. The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 6 of the General Conditions.
- (2) *Calculation Agent:* The "**Calculation Agent**" is UniCredit Bank AG, Arabellastraße 12, 81925 Munich.
- (3) *Transfer of functions:* Should any event occur which results in the Principal Paying Agent or Calculation Agent being unable to continue in its function as Principal Paying Agent or Calculation Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent or another person or institution with the relevant expertise as Calculation Agent. Any such transfer of the functions of the Principal Paying Agent or Calculation Agent shall be notified promptly by the Issuer pursuant to § 6 of the General Conditions.
- (4) *Agents of the Issuer:* In connection with the Securities, the Principal Paying Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Security Holders.

The Principal Paying Agent and the Paying Agents shall be exempt from the restrictions of § 181 German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**").

§ 3

Taxes

No gross up: Payments in respect of the Securities shall only be made after deduction and withholding of current or future taxes, levies or governmental charges, which are imposed, levied or collected (the "**Taxes**") under any applicable system or law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes to the extent that such deduction or withholding is required by law. The Issuer shall report on the deducted or withheld Taxes to the competent government agencies.

§ 4

Status

The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, *pari passu* with all other unsecured unsubordinated present and future obligations of the Issuer.

§ 5

Substitution of the Issuer

- (1) The Issuer may without the consent of the Security Holders, if no payment of principal or interest on any of the Securities is in default, at any time substitute the Issuer for any Affiliate of the Issuer as principal debtor in respect of all obligations of the Issuer under the Securities (the "**New Issuer**"), provided that
 - (a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,
 - (b) the Issuer and the New Issuer have obtained all necessary authorizations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,
 - (c) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution and
 - (d) the Issuer guarantees proper payment of the amounts due under these Terms and Conditions.

For purposes of this § 5 (1) "**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

- (2) *Notice*: Any such substitution shall be notified in accordance with § 6 of the General Conditions.

- (3) *References:* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

§ 6

Notices

- (1) To the extent these Terms and Conditions provide for a notice pursuant to this § 6, these will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or any successor website and on the Website for Notices (or another website communicated by the Issuer with at least six weeks advance notice in accordance with these provisions) and become effective vis-à-vis the Security Holders through such publication unless the notice provides for a later effective date. If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.
- (2) Other publications with regard to the Securities are published on the Website of the Issuer (or any successor website, which is notified by the Issuer in accordance with the above paragraph).

§ 7

Issuance of additional Securities, Repurchase

- (1) *Issuance of additional Securities:* The Issuer reserves the right from time to time without the consent of the Security Holders to issue additional Securities with identical terms and conditions (except for the issue date and the issue price), so that the same shall be consolidated and form a single series (the "**Series**") with this Tranche. The term "*Securities*" shall, in the event of such increase, also comprise all additionally issued Securities.
- (2) *Repurchase:* The Issuer shall be entitled at any time to purchase Securities in the market or otherwise and at any price. Securities repurchased by the Issuer may, at the Issuer's discretion, be held, resold or forwarded to the Principal Paying Agent for cancellation.

§ 8

Presentation Period

The presentation period provided in § 801 paragraph 1 sentence 1 BGB is reduced to ten years for the Securities.

§ 9

Partial Invalidity, Corrections

- (1) *Invalidity:* Should any provision of these Terms and Conditions be or become invalid or unenforceable in whole or in part, the remaining provisions are not affected thereby. Any gap arising as a result of invalidity or unenforceability of these Terms and Conditions is to be filled with a provision that corresponds to the meaning and intent of these Terms and Conditions and is in the interest of the parties.
- (2) *Typing and calculation errors:* Obvious typing and calculation errors or similar obvious errors in these Terms and Conditions entitle the Issuer to rescission vis-à-vis the Security Holders. The rescission must be declared promptly upon obtaining knowledge of such cause for rescission in accordance with § 6 of the General Conditions. Following such rescission by the Issuer, the Security Holder can order his custodian to submit a duly completed redemption declaration to the Principal Paying Agent on a form available there and by giving all information and declarations required by the form (the "**Redemption Declaration**") and demand the refunding of the Acquisition Price against transfer of the Securities to the account of the Principal Paying Agent with the Clearing System. The Issuer will until at the latest 30 calendar days after receipt of the Redemption Declaration or the Securities by the Principal Paying Agent (whatever is the later date) make the Acquisition Price available to the Principal Paying Agent, which will transfer it to the account listed in the Redemption Declaration. With the payment of the Acquisition Price all rights deriving from the submitted Securities cease to exist.
- (3) *Offer to continue:* The Issuer may combine the declaration of rescission pursuant to paragraph (2) above with an offer to continue the Securities under amended terms and conditions. The Security Holders will be informed of such an offer as well as the amended provisions together with the declaration of rescission in accordance with § 6 of the General Conditions. Upon such offer to continue and within four weeks after the offer becomes effective pursuant to § 6 of the General Conditions, the Security Holder is entitled to demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his custodian to the Principal Paying Agent and the transfer of the Securities to the account of Principal Paying Agent with the Clearing System in accordance with paragraph (2) above. The Issuer will refer to this effect in the notice.
- (4) *Acquisition Price:* As used in paragraphs (2) and (3) above, the "**Acquisition Price**" is the actual acquisition price paid by each Security Holder (as stated and confirmed in the Redemption Declaration) or the weighted arithmetic mean of the trading prices of the Securities, as determined by the Issuer in its reasonable discretion (§ 315 BGB), on the Banking Day preceding the declaration of rescission pursuant to paragraph (2) above, respectively, depending on which of these amounts is the higher one. If a market disruption pursuant to § 1 of the Special Conditions exists on the Banking Day preceding the declaration of rescission pursuant to paragraph (2) above, the last Banking Day preceding the rescission pursuant to paragraph (2) above on which no market disruption existed shall be decisive for the determination of the Acquisition Price in accordance with the preceding sentence.
- (5) *Incomplete or inconsistent provisions:* The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Terms and Conditions in its reasonable discretion (§ 315 BGB). Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 6 of the General Conditions.

- (6) *Adherence to corrected Terms and Conditions:* If the Security Holder was aware of typing or calculation errors or similar errors in these Terms and Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Terms and Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

§ 10

Applicable Law, Place of Performance, Place of Jurisdiction

- (1) *Applicable law:* The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.
- (2) *Place of performance:* Place of performance is Munich, Germany.
- (3) *Place of jurisdiction:* To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Terms and Conditions shall be brought before the court in Munich, Germany.

Part B – Product and Reference Asset Data

PART B – PRODUCT AND REFERENCE ASSET DATA

(the "Product and Reference Asset Data")

§ 1

Product Data

Aggregate Principal Amount of the Securities [in Specified Currency]:	[Insert]
[Banking Day Financial Centre:	[Insert]]
[Common Code:	[Insert]]
[Discount:	[Insert]]
[First Trade Date:	[Insert]]
<i>[In the case of FX spot rate conversions, the following applies:</i>	
Fixing Sponsor:	[Insert]]
[FX Screen Page:	[Insert]]
[FX Exchange Rate:	[Insert]]
[Interest Adjustment Amount:	[Insert aggregate amount in respect of all Securities][in respect of each Interest Calculation Date][include schedule relating to each Interest Calculation Date][in the [Specified Currency][Reference Currency]]
[Interest Calculation Date:	[Each] [Insert]]
[Interest Commencement Date:	[Issue Date] [Insert]]
[Interest End Date:	[Scheduled Reference Asset Maturity Date][Insert]]
[Interest Payment Date:	[Insert] [[●] Banking Days following the respective Interest Calculation Date]]
[Interest Rate:	[Insert]]
[Interpolation:	[Linear Interpolation][not applicable]]
ISIN:	[Insert]
Issue Date:	[Insert]
Issue Price:	[Insert] ⁵
Issue Volume of Series in Units [in Specified Currency]:	[Insert]

⁵ If the Issue Price has not been specified at the time of creation of the Final Terms the method of determining the price and the process for its disclosure will be specified in Section A – General Information of the Final Terms and the column will be deleted.

Issue Volume of Tranche in Units [in Specified Currency]:	<i>[Insert]</i>
Issuing Agent:	<i>[Insert name and address of the Issuing Agent]</i>
[Leverage Factor:	<i>[Insert leverage factor in per cent.]</i>
[Maximum Interest Rate:	<i>[Insert]</i>
[Minimum Interest Rate:	<i>[Insert]</i>
Principal Amount:	<i>[Insert]</i>
[Premium:	<i>[Insert]</i>
[Redemption Adjustment Amount:	<i>[Insert aggregate amount in respect of all Securities in the [Specified Currency][Reference Currency]</i>
[Reference Rate:	<i>[[●]-[Months]- [EURIBOR][LIBOR][MOSPRIME][Insert rate as a percentage per annum with corresponding maturity in case of Securities with floating interest]</i>
[Reference Rate Financial Centre:	<i>[Insert]</i>
[Reuters:	<i>[Insert]</i>
Scheduled Maturity Date:	<i>[Insert]</i>
[Screen Page:	<i><MOSPRIME1>, <MOSPRIME=>[[Insert]]</i>
Series Number:	<i>[Insert]</i>
Settlement Method:	<i>[Cash Settlement][Physical Settlement]</i>
[Specified Currency:	<i>[Reference Currency][Insert]</i>
[Specified Interest Amount:	<i>[Insert amount in respect of all Securities]] [in respect of each Interest Payment Date][include schedule relating to each Interest Payment Date]</i>
[Specified Redemption Amount:	<i>[Insert aggregate amount in respect of all Securities]]</i>
Tranche Number:	<i>[Insert]</i>
Website for Notices:	<i>[Insert]</i>
Website of the Issuer:	<i>[Insert]</i>
[WKN:	<i>[Insert]</i>

§ 2

Reference Asset Data

Reference Asset:	[Bond] [Loan] [Assignable loan (<i>Schuldscheindarlehen</i>)]
[Reference Asset [Interest][Reference] Rate:	[[●]-[Months]- [EURIBOR][LIBOR][MOSPRIME] [<i>Insert relevant interest and maturity where applicable</i>]]
Reference Entity:	[<i>Insert</i>]
[Reference Currency:	[EUR] [<i>Insert currency in which the Reference Asset is denominated</i>]]
[Aggregate Reference Asset Nominal Amount:	[<i>Insert aggregate nominal amount of the Reference Asset</i>]]
Scheduled Reference Asset Maturity Date:	[<i>Insert expected redemption date</i>]
[Scheduled Reference Asset Interest Payment Date[s]:	[<i>Insert expected interest payment date(s)</i>]]
[Reference Asset Value Threshold:	[<i>Insert threshold expressed as an absolute amount in the [Specified Currency][Reference Currency]</i>]]
[ISIN:	[<i>Insert</i>]]
[WKN	[<i>Insert</i>]]
[Bloomberg/Reuters:	[<i>Insert</i>]]
Website:	[<i>Insert Website where information on the performance and volatility of the Reference Asset can be found</i>]
[Risk Event(s):	[Unscheduled Redemption] [Cashflow Discrepancy] [Material Amount: [●]] [Grace Period: [●]] [Reference Asset Value Event] [Custody Event] [FX Disruption Event] [Change in Law] [Hedging Disruption] [Credit Event in respect of the Reference Entity and the Reference Asset [<i>Insert where Credit Events apply to Obligations: or one or more of the Obligations</i>]]]
[Credit Event(s):	[Bankruptcy] [Failure to Pay] [Grace Period: [●]]

[Payment Requirement: [●]]
 [Governmental Intervention]
 [Obligation Default]
 [Obligation Acceleration]
 [Repudiation/Moratorium]
 [Restructuring]
 [Default Requirement: [●]]

[Scheduled Reference Asset Interest Amounts and Scheduled Reference Asset Interest Payment Date(s)]

[Scheduled Reference Asset Interest Payment Date]	[Scheduled Reference Asset Interest Amount] [in the Reference Currency]	[in the Specified Currency]	[Interest Adjustment Amount(s) in the [Reference Currency][Specified Currency]
<i>[Insert expected interest payment date]</i>	<i>[Insert interest amounts in Reference Currency or formula]</i>	<i>[Insert interest amounts in Specified Currency or formula]</i>	<i>[Insert interest adjustment amount(s)]</i>

]

[Scheduled Reference Asset Redemption Amount

[in the Reference Currency]	[in the Specified Currency]	[Redemption Adjustment Amount in the [Specified Currency][Reference Currency]
<i>[Insert expected redemption amounts in Reference Currency]</i>	<i>[Insert expected redemption amounts in Specified Currency]</i>	<i>[Insert redemption adjustment amount]</i>

]

[Scheduled Reference Asset Maturity Date:

[Insert expected maturity date]

PART C - SPECIAL CONDITIONS OF THE SECURITIES

(the "Special Conditions")

§ 1

Definitions

"**Acceleration Condition**" means the publication of a Risk Event Notice by the Issuer to the Security Holders that is effective during the Risk Event Notice Period.

"**Acceleration Redemption Amount**" means the acceleration redemption amount as specified in § 4 [(1)][(4)] of the Special Conditions.

"**Acceleration Redemption Date**" means the date specified in the Risk Event Notice which is not later than [30][●] Banking Days following the date of the fulfilment of the Acceleration Condition.

[Insert where Cash Settlement is specified as applicable:

"**Account Notice**" means a written and irrevocable notice required following a Redemption Failure Notice pursuant to § 4 where each Security Holder:

- (i) identifies himself to the Issuer in accordance with the instructions of the Issuer or the Principal Paying Agent;
- (ii) provides the Issuer with evidence and confirmations, as requested by the Issuer or the Principal Paying Agent, demonstrating the Security Holder's entitlement to the relevant Securities (after which the sale of such Securities by such Security Holder shall be prohibited); and
- (iii) provides the Issuer with
 - (a) details of any account capable of taking payment or Delivery of
[(A)] the Acceleration Delivery Amount and any Supplemental Cash Amount (if and as required) [or]

[Insert if Reference Currency is not equal to the Specified Currency:

- (B) the Acceleration Redemption Amount in the Reference Currency] and
- (b) all other consents and authorizations requested by the Issuer to facilitate the payment or Delivery of
[(A)] the Acceleration Delivery Amount and any Supplemental Cash Amount (if and as required) [or]

[Insert if Reference Currency is not equal to the Specified Currency:

- (B) the Acceleration Redemption Amount in the Reference Currency.]

[Insert where Physical Settlement is specified as applicable:

"**Account Notice**" means a written and irrevocable notice where each Security Holder:

- (i) identifies himself to the Issuer in accordance with the instructions of the Issuer or the Principal Paying Agent;
- (ii) provides the Issuer with evidence and confirmations, as requested by the Issuer or the Principal Paying Agent, demonstrating the Security Holder's entitlement to the relevant Securities (after which the sale of such Securities by such Security Holder shall be prohibited); and

- (iii) provides the Issuer with
 - (a) details of any account capable of taking payment or Delivery of
 - (A) Redemption Delivery Amount,
 - (B) the Acceleration Delivery Amount and any Supplemental Cash Amount (if and as required) or
 - (C) the Acceleration Redemption Amount (as required) and
 - (b) all other consents and authorizations requested by the Issuer to facilitate the payment or Delivery of
 - (A) Redemption Delivery Amount,
 - (B) the Acceleration Delivery Amount and any Supplemental Cash Amount (if and as required) or
 - (C) the Acceleration Redemption Amount (as required).]

[Insert for Securities with Interest Adjustment Amount(s) and/or a Redemption Adjustment Amount:

"Adjustment Amount Value" means the amount determined by the Calculation Agent on any day at any time during the term of the Securities equal to the net present value of [all Interest Adjustment Amount(s)] [and] [the Redemption Adjustment Amount] for the period from and including such determination day to the Scheduled Maturity Date based on prevailing swap rates as determined by the Calculation Agent in its reasonable discretion (§ 317 BGB) without double counting for any [Scheduled Cashflow Value] [or] [*Insert for Securities with a built-in cross currency swap and where Reference Currency is equal to Specified Currency:* Hedge Unwind Costs][*Insert in case of Securities with FX spot rate conversions:* Related Costs] [expressed [in the Specified Currency] using the FX Exchange Rate at the applicable time as adjusted to account for any transactions related to the conversion of cashflows [from the Reference Currency into the Specified Currency] (in connection with the issuance of the Securities)]. For the purposes of determining the net present value above, the Adjustment Amount Value [in the Reference Currency] shall be discounted as if it was due on the relevant [*Insert if Interest Adjustment Amount(s) is applicable:* Scheduled Reference Asset Interest Payment Date] [or] [*Insert if Redemption Adjustment Amount is applicable:* Scheduled Reference Asset Maturity Date [as applicable]].]

"Affiliate" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

"Aggregate Principal Amount" of the Securities is the amount specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

"Aggregate Reference Asset Nominal Amount" means the aggregate principal amount of the Reference Asset as specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

[Insert if Leverage Factor is applicable:

"Aggregate Leveraged Reference Asset Nominal Amount" means the Aggregate Reference Asset Nominal Amount multiplied by the Leverage Factor.]

[Insert if Risk Event "Unscheduled Redemption" or Credit Events "Restructuring" or "Governmental Intervention" is applicable:

"Assets" means cash, securities, rights and/or other assets (whether tangible or otherwise) (in each case, whether of the relevant Reference Entity or of a third party) that a Reference Holder received, retained or becomes entitled to receive.]

[Insert if Risk Event "Unscheduled Redemption" or Credit Events "Restructuring" or "Governmental Intervention" is applicable:

"**Asset Package**" means any Assets (which may include the Reference Asset) that a Reference Holder received, retained or becomes entitled to receive.]

"**Auction**" means the following procedure:

- [(1)] At a Banking Day selected by the Calculation Agent using reasonable discretion falling no later than ten (10) Banking Days following the day on which the Acceleration Condition has been fulfilled (the "**Valuation Date**"), the Calculation Agent shall attempt to obtain firm bid quotations from at least three Dealers in accordance with prevailing market practice at the applicable time for the Reference Asset or the Asset Package as the case may be (the "**Valuation Asset**") in an amount equal to the [Outstanding Aggregate Reference Asset Nominal Amount][Aggregate Reference Asset Nominal Amount] [Aggregate Leveraged Reference Asset Nominal Amount] (the "**Valuation Nominal Amount**"); provided that if the Calculation Agent has obtained at least two bid quotations, the Calculation Agent shall select the Dealer who has submitted the highest firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount, provided that if two or more Dealers have submitted an identical firm bid quotation, the Calculation Agent shall select one of those Dealers using reasonable discretion. If only one firm bid quotation is obtained, the Calculation Agent shall select the Dealer who has submitted such firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount.
- [(2)] If no quotation has been submitted for the Valuation Nominal Amount, the Calculation Agent shall attempt to obtain partial bid quotations in accordance to paragraph (1) above for quotation amounts less than the Valuation Nominal Amount ("**Partial Quotation Amounts**"). If different bid quotations have been submitted for Partial Quotation Amounts, the Calculation Agent shall calculate the average value of such quotations. As for Partial Quotation Amounts for which no quote has been submitted during the Auction Period, the quotation shall be calculated as equal to zero.]

"**Auction Failure**" means that either no quotation bid has been obtained or that the Reference Asset Auction Proceeds are equal to zero. The occurrence of an Auction Failure shall be notified to the Security Holders pursuant to § 6 of the General Conditions (such notice being a "**Redemption Failure Notice**").

[Insert if Specified Currency is Euro:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) (the "**TARGET2**") are open for business *[In the case of additional Banking Day Financial Centres, the following applies:* and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].]

[Insert if Specified Currency is not Euro or other Banking Day Financial Centres are applicable:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

["**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

[Insert if Credit Event "Bankruptcy" or Custody Event is applicable:

"**Bankruptcy**" means in relation to the *[Insert if Credit Event "Bankruptcy" is applicable: Reference Entity]* [or] *[Insert if Custody Event is applicable: the Custodian]* [(as the case may be)] that such entity (1) is dissolved (other than pursuant to a

consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.]

"Calculation Agent" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

[Insert if Risk Event "Cashflow Discrepancy" and "Grace Period" is applicable:

"Cashflow Discrepancy" means a discrepancy as determined by the Calculation Agent at any time during the term of the Securities caused by the fact that the Reference Asset fails for any reason to pay cashflows at an amount [exactly corresponding] *[Insert if Material Amount is specified as applicable: not less than the Material Amount in relation]* to the Scheduled Reference Asset Interest Amounts or the Scheduled Reference Asset Redemption Amount [(each as specified in § 1 (*Product Data*) of Part B (*Product and Reference Data*))] scheduled to be paid to a Reference Holder [in the Reference Currency], on any Scheduled Reference Asset Interest Payment Date or the Scheduled Reference Asset Maturity Date, provided that the determination of the occurrence of such Cashflow Discrepancy shall be made [after the expiration of the Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period)][without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Asset].]

[Insert if Risk Event "Change in Law" is applicable:

"Change in Law" means that, due to

- (i) an enactment, promulgation, execution or ratification of, or any change in or amendment to, any law, rule or regulation (including tax law) or the application or official interpretation of any law, rule or regulation (including tax law) or

- (ii) any action taken by an authority or brought to a court of competent jurisdiction that takes effect on or after the Issue Date, the Issuer determines in its reasonable discretion (§ 315 BGB) that:
- (a) it is or will be unable to perform its obligations under the Securities, in whole or in part; or
 - (b) it has, or it will, become illegal or otherwise impossible for the Issuer and/or any of its Affiliates and/or a Reference Holder and/or a Reference Entity to hold, acquire, or dispose of or otherwise deal with assets (including but not limited to the Reference Asset) that are needed in order to hedge price risks or other risks with regard to obligations under the Securities; or
 - (c) it has, or it will, become illegal or otherwise impossible for the Issuer and/or any of its Affiliates and/or a Reference Holder and/or a Reference Entity to enter into any swap or hedging transactions in connection with the Securities, including (but not limited to) any currency hedging transaction, interest rate swap or asset swap transaction; or
 - (d) the Issuer or any of its Affiliates has incurred or will incur a materially increased cost in performing their obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or a requirement to pay any Tax or withhold for or on account of any Tax or other adverse effect on their tax position); or
 - (e) any event which has an analogous effect to any of the events specified in (a) to (d).

"**Credit Event**" means any of the events specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

["**Currency Disruption**" means that due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX), the reliable determination of FX is impossible or impracticable.]

[Insert if Risk Event "Custody Event" is applicable:]

"**Custodian**" means a custodian of a Reference Asset.

"**Custody Event**" means the occurrence of

- (i) Bankruptcy with respect to the Custodian or
- (ii) one or more of the following acts with respect to the Custodian:
 - (a) a failure to establish or to dissolve an account for the Specified Currency or the Reference Currency or the Reference Asset;
 - (b) it disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, an obligation to hold, acquire, transfer or otherwise care for the Reference Asset or any amount received under the Reference Asset ("**Reference Asset Amounts**") under any custody or similar arrangements entered into by the Reference Holder and any custodian;
 - (c) a failure to deliver or credit the Reference Asset Amount to the account or failure to deliver Reference Asset Amounts or the Reference Asset to a third party when instructed by the Reference Holder to do so, including but not limited to, failure to transfer beneficial ownership with respect to the Reference Asset Amount or the Reference Asset; and

- (d) a breach of obligations or a failure to perform all or part of its obligations to the Reference Holder under any custodian or similar arrangements entered into by the Reference Holder in the manner customary, including but not limited to perform in a full and timely manner.]

"**Dealers**" means each dealer (which may include [any Security Holder [or its Affiliates]] [or] [Affiliates of the Issuer]) in obligations of the type similar to those of the Reference Asset (including any Asset Package (if applicable)) as of the Valuation Date as selected by the Calculation Agent in good faith and in a commercially reasonable manner.

[Insert if any Credit Event other than "Bankruptcy" or "Failure to Pay" and "Default Requirement" is specified as applicable:]

"**Default Requirement**" means [the amount specified as such in § 2 (*Product Data*) of Part B (*Product and Reference Asset Data*)][Insert Reference Currency or Specified Currency] [10.000.000] [or its equivalent in the [Specified Currency][Reference Currency].]

"**Delivery**" means to deliver, novate, transfer, assign or sell, as appropriate in accordance with its terms, applicable law and the relevant clearing system (if applicable) the applicable Asset Package (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to the Asset Package where only equitable title is customarily conveyed, all equitable title) and interest in the Asset Package to the Security Holders.

"**Discount**" means the Discount as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

[Insert in case of Securities with a EURIBOR as Reference Rate:]

"**Eurozone**" means the states and territories listed in the Annex to Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.]

[Insert if Risk Event "FX Disruption Event" is applicable:]

"**Event Currency Jurisdiction**" means the country for which the Specified Currency or the Reference Currency (as the case may be) is the lawful currency.

[Insert if Credit Event "Failure to Pay" is applicable:]

"**Failure to Pay**" means [without regard to any grace period or any conditions precedent to the commencement of any grace period][after the expiration of the Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period)] applicable to the Reference Asset, [Insert if Credit Events apply to Obligations: and/or any Obligation,] the failure by the Reference Entity to make, when and where due, any payments under the Reference Asset [Insert if Credit Events apply to Obligations: or under one or more of its Obligations] [Insert if "Payment Requirement" is specified as applicable: in an aggregate amount not less than the Payment Requirement (individually or collectively)] in accordance with the terms of such Reference Asset [Insert if Credit Events apply to Obligations: or such Obligation] at the time of such failure.]

"**FX**" means the official fixing of the FX Exchange Rate as published by the Fixing Sponsor on the FX Screen Page (or any successor page).

"**FX Disruption Event**" means

- (i) any event that occurs on or after the Issue Date that makes it (for reasons beyond the control of the Issuer or any of its Affiliates) impossible or unreasonable to
- (a) convert the Reference Currency into the Specified Currency or vice versa on a day on which a currency conversion is required or

- (b) deliver or take delivery of (a) the Specified Currency or the Reference Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (b) the Specified Currency or the Reference Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction on a day on which a currency delivery is required, including but not limited to:
 - (A) the inability to obtain the FX Exchange Rate on the FX Valuation Date on the relevant FX Screen Page;
 - (B) the occurrence of an event or circumstance that makes it impossible or unreasonable for the Calculation Agent to obtain a firm quote to determine the FX Exchange Rate for an amount that equals the Reference Asset Interest Amount or the Reference Asset Redemption Amount;
 - (C) the enforcement of any applicable law or the adoption of, or any change in, any applicable law after the Issue Date which has the effect of imposing any exchange controls, limitations or restrictions on the convertibility of the Reference Currency into the Specified Currency or vice versa,

which occurs and subsists for [5][●] or more subsequent Banking Days; or

- (ii) the occurrence of a Currency Disruption; and
- (iii) any event which has an analogous effect to any of the events specified in (i) and (ii).

The occurrence of a Disruption Even shall be notified to the Security Holders pursuant to § 6 of the General Conditions.]

"FX Exchange Rate" means the exchange rate for the conversion [of [the Specified Currency into the Reference Currency] [the Reference Currency into the Specified Currency]] [as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)].

"FX Screen Page" means the screen page specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

"Fixing Sponsor" means the fixing sponsor specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

"FX Valuation Date" means

[Insert in case of Securities with FX spot rate conversions:

- (i) the [third][●] Banking Day following the [Scheduled] Reference Asset Interest Payment Date or the [Scheduled] Reference Asset Maturity Date (as the case may be);]

[(i)][(ii)] the Risk Event Calculation Date; or

[(ii)][(iii)] any other date on which a conversion of any currency is required under these Terms and Conditions, provided that if a FX Disruption Event occurs, then subject to the Acceleration Condition being met, the FX Valuation Date shall be

- (a) the [first][●] Banking Day following the day on which such FX Disruption Event ceased to exist; or
- (b) the Risk Event Calculation Date.]

[Insert if Credit Event "Restructuring", "Governmental Intervention" or "Repudiation/Moratorium" is applicable:

"Governmental Authority" means:

- (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its obligations; or
- (iv) any other authority which is analogous to any of the entities specified in sections (i) to (iii).]

[Insert if Credit Event "Governmental Intervention" is applicable:

"Governmental Intervention" means that, with respect to the Reference Asset [*Insert where Credit Events apply to Obligations: and/or any Obligation*] [*Insert if "Default Requirement" is specified as applicable: in relation to an aggregate amount of not less than the Default Requirement*], any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Reference Asset:

- (i) any event which would affect creditors' rights so as to cause:
 - (e) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (f) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (g) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium; or
 - (h) a change in the ranking in priority of payment of the Reference Asset [*Insert where Credit Events apply to Obligations: and/or any Obligation*], causing the subordination of such Reference Asset [*Insert where Credit Events apply to Obligations: and/or any Obligation*] to any other Reference Asset [*Insert where Credit Events apply to Obligations: and/or any Obligation*];
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Asset [*Insert where Credit Events apply to Obligations: or Obligation*];
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in (i) to (iii).]

[Insert if "Grace Period" in respect of "Cash Flow Discrepancy" or "Failure to Pay" is specified as applicable:

"Grace Period" means [the lesser of (i)] [the period specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)] [and (ii)] [any grace period or any

conditions precedent to the commencement of any grace period applicable to the Reference Asset [*Insert if Credit Events apply to Obligations: or the relevant Obligation,*] in its terms and conditions as in effect on the Issue Date in respect of any payments on the Reference Asset [*Insert if Credit Events apply to Obligations: or such Obligation.*]

[Insert for Securities with a built-in cross currency swap or if Reference Currency is equal to Specified Currency:

"Hedge Unwind Costs" means an amount equal to [(i) any costs including the transaction costs and any prepayment indemnity incurred by unwinding any swaps and hedging transactions (including but not limited to [the Scheduled Cashflow Value] [and] [*Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable: the Adjustment Amount Value*]) entered into in connection with the Securities, including (but not limited to) any currency hedging transactions interest rate swaps, or asset swap transactions and (ii) all Related Costs (without duplication of amounts calculated in (i))]. This amount will be determined by the Calculation Agent in its reasonable discretion (§317 BGB), and as the case may be converted into the Specified Currency at the FX Exchange Rate on the relevant day and notified pursuant to § 6 of the General Conditions.]

[Insert if Risk Event "Hedging Disruption" is applicable:

"Hedging Disruption" means that the Issuer determines in its reasonable discretion (§ 315 BGB), that:

- (i) it is unable to enter into, continue or settle transactions or acquire, exchange, hold or sell assets (including, but not limited to the Reference Asset) in order to hedge price risks or other risks with regard to obligations under the Securities under financial conditions equivalent to those applying on the Issue Date; or
- (ii) it has received payments from transactions or assets that it enters into or holds in order to hedge price risks or other risks with regard to obligations under the Securities from which an amount is required to be deducted or withheld for or on account of a Tax; or
- (iii) to realise, reclaim or pass on proceeds from such transactions or assets.]

[Insert if Interest Adjustment Amount(s) are applicable:

"Interest Adjustment Amount" means the amount in respect of all Securities in the [Reference Currency][Specified Currency] specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*) in respect of each Interest Calculation Date.]

"Interest Amount" means the Interest Amount as determined pursuant to § 2 (1) of the Special Conditions.]

"Interest Calculation Dates" means the dates specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

"Interest Commencement Date" means the Interest Commencement Date as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

"Interest Determination Date" means the [first][second][last] [*insert other number*] [TARGET] [London] [*insert other financial centre*] Banking Day [prior to] [the commencement] [the end] of the respective Interest Period. [[TARGET] [London] [*insert other financial centre*] Banking Day means a day on which [TARGET2 is ready for operation] [commercial banks in [London] [*insert city*] are open for business (including foreign exchange business)].

"Interest End Date" means the Interest End Date as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

"Interest Payment Dates" means the dates specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

"Interest Period" means [the] [each] period from the Interest Commencement Date [(including)][(excluding)] to the first [Scheduled Reference Asset Interest Payment Date] [Interest Calculation Date] [(including)][(excluding)] and from each [Scheduled Reference Asset Interest Payment Date] [Interest Calculation Date] [(including)][(excluding)] to the respective following [Scheduled Reference Asset Interest Payment Date] [Interest Calculation Date] [(including)][(excluding)]. The last Interest Period ends on the Interest End Date [(including)][(excluding)].]

"Issue Date" means the date specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

[Insert if Leverage Factor is applicable:

"Leverage Loss Adjustment Amount" means an amount determined as the product of:

- (i) (a) the Aggregate Leveraged Reference Asset Nominal Amount less (b) the Aggregate Reference Asset Nominal Amount; and
- (ii) 100% less the Reference Asset Auction Value.

"Leverage Factor" means the factor specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

[Insert if Risk Event "Cashflow Discrepancy" and "Material Amount" is applicable:

"Material Amount" means [the amount specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)]*[Insert Reference Currency or Specified Currency]* [1,000,000] [or its equivalent in the [Specified Currency]][Reference Currency], as of the occurrence of the relevant Credit Event.]]

"Maturity Date" means the Scheduled Maturity Date, unless a Risk Event occurs, then the Acceleration Redemption Date or the Alternative Acceleration Redemption Date (as the case may be) shall be the Maturity Date.

[Insert if Maximum Interest Rate is applicable:

"Maximum Interest Rate" means the Maximum Interest Rate as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

[Insert if Minimum Interest Rate is applicable:

"Minimum Interest Rate" means the Minimum Interest Rate as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

[Insert if Credit Events also apply to Obligations:

"Obligation" means with respect to the Reference Entity any obligation, either directly or as provider of a guarantee (which term shall include, but is not limited to any arrangement structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement), for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit), provided that the Reference Asset will always be an Obligation.]

[Insert if Credit Event "Obligation Acceleration" is applicable:

"Obligation Acceleration" means the Reference Asset *[Insert if Credit Events apply to Obligations: and/or any Obligation]* *[Insert if "Default Requirement" for Obligation Acceleration is specified as applicable: in an aggregate amount not less than the Default Requirement]* has become due and payable before it would otherwise have been

due and payable as a result of, or on the basis of, the occurrence of default, event of default or another similar condition or event (however described) [*Insert if Credit Event "Failure to Pay" is applicable:* , other than a failure to make any required payment, in respect of the Reference Asset [*Insert if Credit Events apply to Obligations:* or the Obligation]].]

[*Insert if Credit Event "Obligation Default" is applicable:*

"Obligation Default" means that the Reference Asset [*Insert if Credit Events apply to Obligations:* and/or any Obligation] [*Insert if "Default Requirement" is specified as applicable:* in an aggregate amount not less than the Default Requirement] has become capable of being declared due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described) [*Insert if Credit Event "Failure to Pay" is applicable:* , other than a failure to make any required payment, in respect of the Reference Asset [*Insert if Credit Events apply to Obligations:* or the Obligation], provided that the determination of the occurrence of an Obligation Default shall be made without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Asset [*Insert if Credit Events apply to Obligations:* or the Obligation] [any event or circumstance which may with giving notice by the holders of the Reference Asset [*Insert where Credit Events apply to Obligations:* or the Obligation] (or the relevant quorum of holders of the Reference Asset [*Insert if Credit Events apply to Obligations:* or the Obligation]) or the lapse of time or both, result in the Reference Asset [*Insert where Credit Events apply to Obligations:* or the Obligation] becoming due and payable before it would have been due and payable, as the case may be, and as a result of, or on the basis of, the occurrence of a default, event of default or similar condition or event (howsoever described) in accordance with the terms of the Reference Asset [*Insert if Credit Events apply to Obligations:* or the Obligation] or otherwise.]

["Outstanding Aggregate Reference Asset Nominal Amount" means an amount corresponding to the issued volume of the Securities outstanding on the occurrence of a Risk Event and fulfilment of the Acceleration Condition.]

[*Insert if Credit Event "Failure to Pay" and "Payment Requirement" is applicable:*

"Payment Requirement" means [the amount specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)] [*Insert Reference Currency*] [*Insert Reference Currency or Specified Currency*] [1,000,000] [or its equivalent in the [Specified Currency][Reference Currency], as of the occurrence of the relevant Credit Event.]]

[*Insert for Securities with Physical Settlement and if built-in cross currency swap is applicable:*

"Physical Settlement Adjustment Amount" means an amount determined as (i) the Hedge Unwind Costs [*Insert if Leverage Factor is specified as applicable:* plus the Leverage Loss Adjustment Amount] [*Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable:* plus the Adjustment Amount Value] (ii) divided by the Reference Asset Auction Value.]

[*Insert for Securities with Physical Settlement and if Specified Currency is not equal to Reference Currency:*

"Physical Settlement Adjustment Amount" means an amount determined as (i) the Related Costs [*Insert if Leverage Factor is specified as applicable :* plus the Leverage Loss Adjustment Amount] [*Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable:* plus the Adjustment Amount Value] (ii) divided by the Reference Asset Auction Value.]

[*Insert if "Grace Period" in respect of "Cash Flow Discrepancy" is specified as applicable:*

"Potential Cash Flow Discrepancy" means a discrepancy as determined by the Calculation Agent at any time during the term of the Securities caused by the fact that the Reference Asset fails for any reason to pay cashflows at an amount [exactly corresponding] [*Insert if Material Amount is specified as applicable: not less than the Material Amount in relation*] to the Scheduled Reference Asset Interest Amounts or the Scheduled Reference Asset Redemption Amount [(each as specified in § 1 (*Product Data*) of Part B (*Product and Reference Data*))] scheduled to be paid to a Reference Holder [in the Reference Currency], on any Scheduled Reference Asset Interest Payment Date or the Scheduled Reference Asset Maturity Date, provided that the determination of the occurrence of such Cashflow Discrepancy shall be made without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Asset.]

[Insert if "Grace Period" in respect of "Failure to Pay" is specified as applicable:]

"Potential Failure to Pay" means the failure by the Reference Entity to make, when and where due, any payments [*Insert if "Payment Requirement" is specified as applicable: in an aggregate amount of not less than the Payment Requirement*] under the Reference Asset [*Insert where Credit Events apply to Obligations: or one or more Obligations*], in accordance with the terms of such Reference Asset [*Insert if Credit Events apply to Obligations: or such Obligation*] at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Reference Asset [*Insert if Credit Events apply to Obligations: or such Obligation*].]

"Potential Risk Event" means [any event [, determined by the Calculation Agent in its reasonable discretion (§ 317 BGB) and], which with the giving of notice or the lapse of time or both, would constitute a Risk Event] [that [*Insert where Cash Flow Discrepancy is specified applicable: a Potential Cash Flow Discrepancy*][or][*Insert where Failure to Pay is specified applicable: a Potential Failure to Pay*] has occurred on or prior to an Interest Payment Date or the Maturity Date and the applicable Grace Period has not expired].]

["Premium" means the Premium as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

"Principal Amount" means the Principal Amount per Security as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

[Insert if Redemption Adjustment Amount is applicable:]

"Redemption Adjustment Amount" means the amount in respect of all Securities in the [Specified Currency][Reference Currency] specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).]

[Insert for Securities with Cash Settlement:]

"Redemption Amount" means the Redemption Amount as calculated according to § 3 of the Special Conditions.]

[Insert for Securities with Physical Settlement:]

"Redemption Delivery Amount" means the Redemption Delivery Amount as calculated according to § 3 of the Special Conditions.]

"Reference Asset" means the obligation specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

["Reference Asset Auction Proceeds" means the amount in the Reference Currency determined through the procedure of an Auction for the Reference Asset or, as the case may be, the Asset Package, such amount determined by the Calculation Agent in its

reasonable discretion (§ 317 BGB) in accordance with prevailing market practice [during the Auction Period]_, divided by the Leverage Factor]. The Reference Asset Auction Proceeds may be equal to zero.

[The Reference Asset Auction Proceeds shall be converted by the Calculation Agent into the Specified Currency using the FX Exchange Rate as per the FX Valuation Date and][The amount so determined] shall be rounded [*If amount is denominated in Euro, the following applies: up or down to the nearest 0.01 Euro, with 0.005 Euro being rounded [upwards][always downwards]] [If the Specified Currency is not Euro, the following applies: up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded [upwards][always downwards]] [Insert other rounding provision].]*

"Reference Asset Interest Amount" means an amount equal to the sum of all amounts of interest or other distributions on the Reference Asset that are actually received by a Reference Holder [in the Reference Currency] on a Reference Asset Interest Payment Date or any other date referred to in the Terms and Conditions in respect of the [Aggregate Reference Asset Nominal Amount][Aggregate Leveraged Reference Asset Nominal Amount] during the interest period ending on or immediately preceding the relevant Reference Asset Interest Payment Date net of any duties, withholding taxes, or reasonable fees or commissions.

"Reference Asset Interest Payment Date" means the date on which a Reference Holder has actually received the Reference Asset Interest Amount for the period ending on or immediately prior to such Reference Asset Interest Payment Date.]

"Reference Asset [Interest][Reference] Rate" means the relevant interest rate and maturity as specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).]

"Reference Asset Redemption Amount" means the sum of all amounts of payment or repayment of principal that are actually received by a Reference Holder [in the Reference Currency] on the Reference Asset Maturity Date in respect of a principal amount of the Reference Asset equal to the [Aggregate Reference Asset Nominal Amount][Aggregate Leveraged Reference Asset Nominal Amount] net of any duties, including withholding taxes, or reasonable fees or commissions.

"Reference Asset Maturity Date" means the date on which a Reference Holder has actually received the Reference Asset Redemption Amount [or [*insert date*] if this is a later date].

[Insert if Risk Event "Reference Asset Value Event" is applicable:

"Reference Asset Value" means the value expressed as a percentage equal to the bidside market value of the Reference Asset (including accrued but unpaid interest). For the purpose of determining the bidside market value of the Reference Asset, the Calculation Agent shall attempt to obtain firm bid quotations from at least [3][●] Dealers in accordance with prevailing market practice at the applicable time for a nominal amount equal to the Aggregate [*Insert if Leverage Factor is applicable: Leveraged*] Reference Asset Principal Amount. The Reference Asset Value shall be equivalent to

- (i) if more than three firm bid quotations are obtained, the arithmetic mean of such firm bid quotations, disregarding the firm bid quotations having the highest and lowest values (and, if two or more of such firm bid quotations have the same highest value or lowest value, then one of such highest or lowest firm bid quotations shall be disregarded);
- (ii) if exactly three firm bid quotations are obtained, the firm bid quotation remaining after disregarding the highest and lowest firm bid quotations (and, if any of such firm bid quotations have the same highest value or lowest value, then one of such

highest or lowest firm bid quotations shall be disregarded);

- (iii) if exactly two firm bid quotations are obtained, the arithmetic mean of such firm bid quotations;
- (iv) if only one firm bid quotation is obtained, such firm bid quotation.

If it is impossible for the Calculation Agent to obtain at least one firm bid for [5][●] subsequent days, then the Reference Asset Value shall be zero.

"Reference Asset Value Event" means an event that occurs when the Calculation Agent at any time during the term of the Securities calculates that the result of

- (i) the Reference Asset Value multiplied by the Aggregate [*Insert if Leverage Factor is applicable*: Leveraged] Reference Asset Principal Amount, minus
- (ii) the Scheduled Cashflow Value [*Insert if Reference Asset Value Threshold is specified in the Reference Currency*: each amount converted into the Specified Currency] is a number equal or lower to the Reference Asset Value Threshold.

"Reference Asset Value Threshold" means the amount specified [in the Reference Currency][in the Specified Currency] as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).]

"Reference Currency" means the currency [in which the Reference Asset is denominated on the Issue Date] as specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

"Reference Entity" means the Reference Entity as specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*) and at any time the then current primary obligor of the Reference Asset (which term includes any successor to the original Reference Entity and each entity which is directly or indirectly guaranteeing the payment or repayment of the Reference Asset as of the Issue Date).

[*In the case of all Securities with a Reference Rate, the following applies*:

"Reference Rate" means the Reference Rate as specified in § 2 of the Special Conditions.]

[**"Reference Rate Financial Centre"** means the Reference Rate Financial Centre as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

[*Insert in case of all Securities with a Reference Rate*:

[**"Reference Rate Maturity"** means the Reference Rate Maturity as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

"Related Costs" means all costs or expenses incurred (including, but without limitation to, any loss suffered, or costs or expenses arising out of the imposition of any tax or stamp duty to the Issuer, which will or actually does affect the economic value of the Securities) by the Issuer and its Affiliates in connection with this issuance and the early redemption of the Securities [*Insert for Securities with a built-in cross currency swap*: (other than costs included in limb of Hedge Unwind Costs)]. [This amount will be determined by the Calculation Agent in its reasonable discretion (§ 317 BGB) [*Insert if the Reference Currency is not equal to the Specified Currency*: , converted into the Specified Currency at the FX Exchange Rate as of the relevant day and notified pursuant to § 6 of the General Conditions].]

"Reference Holder" means a holder of the Reference Asset which is domiciled in [the jurisdiction of the Issuer of the Securities][●].

[*Insert if Reference Entity is a sovereign*:

"Repudiation/Moratorium" means that an authorized officer of the Reference Entity or a Governmental Authority

- (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, the Reference Asset [*Insert if Credit Events apply to Obligations: and/or any Obligation*] [*Insert if "Default Requirement" is applicable: with an aggregate amount not less than the Default Requirement*] or
- (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*].]

[Insert if Credit Event "Restructuring" is applicable:

"Restructuring" means that, with respect to the Reference Asset [*Insert if Credit Events apply to Obligations: and/or any Obligation*] [*Insert if "Default Requirement" is applicable: with an aggregate amount not less than the Default Requirement,*] any one or more of the following events occurs in a form that binds all holders of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*], is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] to bind all holders of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] (including, in each case, in respect of bonds only, by way of an exchange), [and such event is not expressly provided for under the terms of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] in effect as of the later of the Issue Date and the date as of which the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] is issued or incurred]:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at maturity (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either (a) the payment or accrual of interest or (b) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*], causing a subordination of such Reference Asset [*Insert if Credit Events apply to Obligations: and/or any Obligation*] to any other obligation of the Reference Entity]; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency.]

"Risk Event" means any of the events specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

[Insert for Securities with Cash Settlement:

"Risk Event Calculation Date" means the date on which the Calculation Agent calculates the Acceleration Redemption Amount or the Acceleration Delivery Amount. The calculation has to be done as soon as reasonably practicable after the later of

- (i) the Reference Holder having received the proceeds of the sale of the Reference Asset or any Asset Package and
- (ii) [●] Banking Days following the publication of a Redemption Failure Notice.]

[Insert for Securities with Physical Settlement:

"Risk Event Calculation Date" means the date on which the Calculation Agent calculates the Acceleration Delivery Amount or the Acceleration Redemption Amount. The calculation has to be done as soon as reasonably practicable after the later of

- (i) the Acceleration Condition is met and
- (ii) the Reference Holder having received the proceeds of the sale of the Reference Asset or any Asset Package following a Redemption Failure Notice (if applicable).]

"Risk Event Notice" means an irrevocable notice by the Issuer pursuant to § 6 of the General Conditions that describes a Risk Event which has occurred during the [Risk Event Notice Period][period from and including 12:01 a.m., London time, on the Issue Date to 11:59 p.m., London time, on the Maturity Date] and specifies the Acceleration Redemption Date. A Risk Event Notice shall contain a description in reasonable detail of the facts relevant to the determination that a Risk Event has occurred. The Risk Event that is the subject of the Risk Event Notice needs not to be continuing on the date the Risk Event Notice becomes effective.

"Risk Event Notice Period" means the period from and including 12:01 a.m., London time, on the Issue Date to 11:59 p.m., London time, on the Maturity Date.

["Scheduled Cashflows" means in respect of a Reference Asset on any day and at any time during the term of the Securities all Scheduled Reference Asset Interest Amounts and the Scheduled Reference Asset Redemption Amount falling due on or after such day.

"Scheduled Cashflow Value" means a value calculated by the Calculation Agent on any day at any time during the term of the Securities equal to the result of

- (i) the net present value of the Scheduled Cashflows in the Reference Currency minus
- (ii) the net present value of the Scheduled Cashflows in the Specified Currency in each case for the period from and including such day to the Scheduled Maturity Date based on prevailing swap rates as determined by the Calculation Agent in its reasonable discretion (§ 317 BGB) without double counting for any [*Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable: Adjustment Amount Value*] [or] [Hedge Unwind Costs] and expressed in the Reference Currency using the FX Exchange Rate at the applicable time as adjusted to account for any cross-currency basis swap charges from the Reference Currency into the Specified Currency]

[Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable:

- [(iii) minus the Adjustment Amount Value].

For the purposes of determining the net present values above, each Scheduled Cashflow in the Reference Currency and Scheduled Cashflow in the Specified Currency shall be discounted as if it was due on the relevant Scheduled Reference Asset Interest Payment Date or Scheduled Reference Asset Maturity Date (as applicable).]

"Scheduled Maturity Date" means [the date specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)] [a day no later than the [second][●] Banking Day following the relevant FX Valuation Date where FX Valuation Date refers to the Reference Asset Maturity Date] [the [●] Banking Day following the Scheduled Reference Asset Maturity Date].

[Insert if Scheduled Reference Asset Interest Amount is applicable:

"Scheduled Reference Asset Interest Amount" means [the amount specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*)] [an amount equal to the sum of all amounts of interest or other distributions thereon and that are scheduled to be received by a Reference Holder in the Reference Currency on a Scheduled Reference Asset Interest Payment Date in respect of the Aggregate Reference Asset Principal Amount during the interest period ending on or immediately preceding the relevant Scheduled Reference Asset Interest Payment Date net of any duties,

withholding taxes, or reasonable fees or commissions].]

"Scheduled Reference Asset Interest Payment Date" means any date specified as the Scheduled Reference Asset Interest Payment Date in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).]

"Scheduled Reference Asset Maturity Date" means the date specified as the Scheduled Reference Asset Maturity Date in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

"Settlement Deferral Condition" means in respect of the deferral of an Interest Payment Date or Maturity Date that a Potential Risk Event occurred.]

"Screen Page" means the Screen Page and, if applicable, the relevant heading as indicated in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*). If that page is replaced or if the relevant service is no longer available, the Calculation Agent in its reasonable discretion (§ 317 BGB) shall specify another Screen Page on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 6 of the General Conditions.]

"Security Holder" means the holder of a Security.

"Settlement Date" means the date as specified in § 5 of the Special Conditions.

"Specified Currency" means the currency in which the Securities are denominated on the Issue Date as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

[Insert if Specified Interest Amount is applicable:

"Specified Interest Amount" means the interest amount specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*) in relation to each Interest Payment Date.]

[Insert if Specified Currency is Euro:

"TARGET2" means the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2).]

"Terms and Conditions" means the terms and conditions of these Securities as set out in the General Conditions (Part A), the Product and Reference Asset Data (Part B) and the Special Conditions (Part C).

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of this issuance including stamp, registration, documentation or similar tax.

[Insert in case Unscheduled Redemption is specified as applicable:

"Unscheduled Redemption" means the occurrence of any of the following events at any time during the term of the Securities:

- (i) the Reference Asset is redeemed, retired, cancelled (in whole or in part) whether in accordance with the terms of the Reference Asset or not or
- (ii) the Reference Asset is exchanged to one or more Asset Package in whole or in part on or prior to the Scheduled Reference Asset Maturity Date, or
- (iii) any other event which has substantially the same effects as any of the foregoing events (or any combination thereof), other than a redemption in full of the Reference Asset on the Scheduled Reference Asset Maturity Date.]

"Website for Notices" means the website for notices as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

"**Website of the Issuer**" means the website of the Issuer as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

§ 2

Interest

[Insert if the Securities are zero coupon Securities:

There will be no periodic payments of interest on the Securities.]

[Insert if the Securities pay interest:

(1) Subject to circumstances set forth in § 4 of these Special Conditions, each Security shall bear interest [from the Interest Commencement Date [(including)][(excluding)] to the Interest End Date [(including)][(excluding)] [at the [respective] Interest Rate].]

[(2) *[Insert if the Securities are fixed rate Securities and the interest payments under the Securities are not pass-through Reference Asset Linked Securities: "Interest Rate" means the [respective] Interest Rate [for the respective Interest Period] as specified in § 1 (Product Data) of Part B (Product and Reference Asset Data).*]

[Insert if the Securities are floating rate Securities: "Interest Rate" means the [respective] Reference Rate [for the respective Interest Period] as specified in this § 2 (3) of the Special Conditions[, plus the Premium][, minus the Discount].

[Maximum Interest Rate: If the Interest Rate determined for [an][the] Interest Period in accordance with the provisions above is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

[Minimum Interest Rate: If the Interest Rate determined for [an][the] Interest Period in accordance with the provisions above is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]

(3) *Reference Rate: "Reference Rate" means the Reference Rate as specified in § 1 (Product Data) of Part B (Product and Reference Asset Data) for deposits in the Specified Currency displayed on the Screen Page at [11:00 a.m.] [insert other time] [insert Reference Rate Financial Centre] time on the relevant Interest Determination Date.*

[Insert in case of interest rate interpolation: The Reference Rate for the [first][last] Interest Period, which ends on the [first][last] Interest Payment Date, will be specified by way of linear interpolation of the [insert relevant reference rate] and the [insert relevant reference rate] (each expressed as a per cent rate per annum) as displayed on the Screen Page at [11:00 a.m.] [insert other time] [insert Reference Rate Financial Centre] time on the relevant Interest Determination Date.)]

If either the Screen Page is not available or no offered rate is displayed at the time specified, the Calculation Agent will ask each of four major banks in the [Eurozone interbank market][London interbank market][insert other market] determined by the Calculation Agent in its reasonable discretion (§ 317 BGB) (each a "**Reference Bank**") to quote the rate at which they are offering deposits in the Specified Currency for the corresponding Reference Rate Maturity in a representative amount to leading banks in the [London interbank market][Eurozone interbank market][insert other market] at

approximately [11:00 a.m.] *[insert other time]* *[insert Reference Rate Financial Centre]* time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Calculation Agent with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no or only one Reference Bank provides the Calculation Agent with such a quotation, the relevant Reference Rate shall be the arithmetic mean (rounded as described above) of the rates at which major banks in the Reference Rate Financial Centre selected by the Calculation Agent in its reasonable discretion (§ 315 BGB) are offering loans in the Specified Currency for the corresponding Reference Rate in a representative amount to leading European banks at approximately [11:00 a.m.] *[insert in case of MosPrime as Reference Rate: 12:30 p.m.]* *[insert other time]* *[insert Reference Rate Financial Centre]* time at the Reference Rate Financial Centre on that Interest Determination Date.]]

[(2)][(3)] The interest amount (the "**Interest Amount**") per Security shall be equal to the product of

[Insert in case of pass-through Reference Asset Linked Securities:

- (i) the *[In case of specified amount applicable: Specified Interest Amount][In case of expected amount applicable: Scheduled Reference Asset Interest Amount][In case of received amount applicable: Reference Asset Interest Amount]* *[in the Specified Currency]* *[less the Interest Adjustment Amount]*, each such amount in relation to the *[Scheduled Reference Asset Interest Payment Date][Reference Asset Interest Payment Date]* and
- (ii) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities]

[Insert in case of all Securities other than pass-through Reference Asset Linked Securities:

the Interest Rate, the Principal Amount and the Day Count Fraction.

"**Day Count Fraction**" for the purpose of calculating the Interest Amount for an Interest Period means:

[Insert in case of all Securities to which "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000 is applicable:

the number of days in the Interest Period divided by 360, with the number of days being calculated on the basis of a year with 360 days and with 12 months at 30 days each (unless (A) the last day of the Interest Period is the 31st day of a month and the first day of the Interest Period is neither the 30th nor the 31st day of a month, in which case the month containing this day shall not be treated as a month shortened to 30 days, or (B) the last day of the Interest Period is the last day of the month of February, in which case the month of February is not to be treated as a month extended to 30 days).]

[Insert in case of all Securities to which "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006 is applicable:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y₁" is the year, expressed as a number, into which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day of the Interest Period, expressed as a number, unless that number is 31, in which case D₁ is equal to 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day of the Interest Period, unless that number is 31 and D₁ is greater than 29, in which case D₂ is equal to 30.]

[Insert in case of all Securities to which "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method) is applicable:

the number of days in the Interest Period divided by 360, with the number of days being calculated on the basis of a year with 360 days and with 12 months of 30 days each, and disregarding the first or last day of the Interest Period (unless the last day of the Interest Period ending on the Scheduled Maturity Date is the last day in the month of February, in which case the month of February is deemed not to be extended to a month of 30 days).]

[Insert in case of all Securities to which "30E/360" or "Eurobond Basis" in accordance with ISDA 2006 is applicable:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y₁" is the year, expressed as a number, into which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day of the Interest Period, expressed as a number, unless that number is 31, in which case D₁ is equal to 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day of the Interest Period, unless that number is 31, in which case D₂ is equal to 30.]

[Insert in case of all Securities to which "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method) is applicable:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y₁" is the year, expressed as a number, into which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day of the Interest Period, expressed as a number, unless (i) that day is the last day of February, or (ii) that number is 31, in which case D₁ is equal to 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day of the Interest Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) that number is 31, in which case D₂ is equal to 30.]

[Insert in case of all Securities to which "Act/360" is applicable:

the actual number of days in the Interest Period divided by 360.]

[Insert in case of all Securities to which "Act/365" (Fixed) is applicable:

the actual number of days in the Interest Period divided by 365.]

[Insert in case of all Securities to which "Act/Act (ISDA)" is applicable:

the actual number of days in the Interest Period divided by 365 (or, if a portion of that Interest Period falls into a leap year, the total of (A) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (B) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]]

[(3)][(4)] The Interest Amount shall be [calculated within [●] Banking Days following the relevant [Scheduled Reference Asset Interest Payment Date][Reference Asset Interest Payment Date][FX Valuation Date] (an "**Interest Calculation Date**").]

The [respective] Interest Amount shall be paid pursuant to the provisions set forth in § 5 of these Special Conditions [[●] Banking Days following [the Scheduled Reference Asset Interest Payment Date][the Reference Asset Interest Payment Date][*Insert if Reference Currency is not equal to the Specified Currency: the FX Valuation Date*] (each an "**Interest Payment Date**") [on the [respective] Interest Payment Date]. [The last Interest Payment Date shall be the [[●] Banking Day following [the Scheduled Reference Asset Maturity Date][the last Reference Asset Interest Payment Date] [Maturity Date].]

Insert if "Grace Period" is applicable:

[(4)][(5)] **Deferral of Interest Payments.** The Issuer may postpone an Interest Payment Date by publishing a notice in accordance with § 6 of the General Conditions, provided that a Settlement Deferral Condition is fulfilled. Such notice shall be published by the Issuer no later than [3][●] calendar days prior to an Interest Payment Date and must contain a description of the relevant Settlement Deferral Condition. Subject to the Acceleration Conditions being fulfilled, the Interest Payment Date shall be the [●] Banking Day following the day on which the Settlement Deferral Condition ceases to be fulfilled. Interest shall not accrue on the deferred Interest Amount during the period from the scheduled Interest Payment Date to the actual Interest Payment Date.

The Security Holder does not have the right to accelerate the Securities pursuant to § 6 of the General Conditions for the reason of such deferral of payment of the Interest Amount.]

Insert if the Reference Currency is not equal to the Specified Currency:

[(5)][(●)] In case any amount required for the determination of the Interest Amount is denominated in a currency other than the Specified Currency then such amount shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.]

§ 3

Redemption

Insert for Securities with Cash Settlement:

If Specified Redemption Amount is specified:

- (1) Subject to circumstances set forth in § 4 of these Special Conditions, each Security shall be redeemed on the Settlement Date at an amount per Security equal to the product of
 - (i) the Specified Redemption Amount specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*) in the Specified Currency [less the relevant Redemption Adjustment Amount]; and
 - (ii) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities(the "**Redemption Amount**").]

[If Scheduled Reference Asset Redemption Amount (scheduled amount) is specified:

- (1) Subject to circumstances set forth in § 4 of these Special Conditions, each Security shall be redeemed on the Settlement Date at an amount per Security equal to the product of
 - (i) the [Scheduled Reference Asset Redemption Amount specified in § 2 (Reference Asset Data) of Part B (Product and Reference Asset Data)][an amount equal to the sum of all amounts of payment or repayment of principal that are scheduled to be received by a Reference Holder in the Reference Currency on the Scheduled Reference Asset Maturity Date in respect of the principal amount of the Reference Asset equal to the [Aggregate Reference Asset Nominal Amount][Aggregate Leveraged Reference Asset Nominal Amount] net of any duties, including withholding taxes, or reasonable fees or commissions (the "**Scheduled Reference Asset Redemption Amount**") in the [in the Reference Currency][in the Specified Currency] [less the relevant Redemption Adjustment Amount]; and
 - (ii) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities(the "**Redemption Amount**").]

[If Reference Asset Redemption Amount (amount actually received) is specified:

- (1) Subject to circumstances set forth in § 4 of these Special Conditions, each Security shall be redeemed on the Settlement Date at an amount per Security equal to the product of
 - (i) the Reference Asset Redemption Amount in the Reference Currency [less the relevant Redemption Adjustment Amount]; and
 - (ii) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities(the "**Redemption Amount**").]
- (2) The Redemption Amount shall be payable on the Settlement Date to the Clearing System for credit to the accounts of the relevant depository banks of the Security Holders pursuant to the provisions set forth in § 5 of these Special Conditions.
- (3) Following payment of the Redemption Amount to the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment obligations.]

[Insert if "Grace Period" is applicable:

- (4) **Deferral of the Redemption Amount.** The Issuer may postpone the Settlement Date by publishing a notice in accordance with § 6 of the General Conditions, provided that a Settlement Deferral Condition is fulfilled. Such notice shall be published by the Issuer no later than [3][●] calendar days prior to the Settlement Date and must contain a description of the relevant Settlement Deferral Condition. Subject to the Acceleration Conditions being fulfilled, the Settlement Date shall be the [●] Banking Day following the day on which the Settlement Deferral Condition cease to be fulfilled. Interest shall not accrue on the Redemption Amount during the period from the scheduled Settlement Date to the actual Settlement Date.

The Security Holder does not have the right to accelerate the Securities pursuant to § 6 of the General Conditions for the reason of such deferral of payment of the Redemption Amount.]

[Insert if the Reference Currency is not equal to the Specified Currency:

- [(4)][(5)] In case any amount required for the determination of the redemption amount received is denominated in a currency other than the Specified Currency then such

amount shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.]

[Insert for Securities with Physical Settlement:

- (1) Subject to circumstances set forth in § 4 of these Special Conditions, each Security shall be redeemed on the Settlement Date by delivery of a relevant portion of the Reference Asset equal to an amount of the product of
 - (i) the Aggregate Reference Asset Nominal Amount [less the relevant Redemption Adjustment Amount][;] [and]
 - (ii) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities(the "**Redemption Delivery Amount**").]
- (2) The Delivery of the Redemption Delivery Amount is subject to provisions set forth in § 5 of the Special Conditions.
- (3) Upon submission of an Account Notice by the Security Holders to the Principal Paying Agent no later than the [third][●] Banking Day prior to the Scheduled Maturity Date, the Issuer shall Deliver the Redemption Delivery Amount and pay the cash amount equal to the value of the non-deliverable fractions of the Reference Asset or any Asset Package (if applicable) *[Insert if Reference Currency is not equal to Specified Currency: , converted from the Reference Currency into the Specified Currency at the FX Exchange Rate]* (the "**Supplemental Cash Amount**") as per the [second][●] Banking Day prior to the Settlement Date if the calculation of the Redemption Delivery Amount or the Acceleration Delivery Amount leads to a non-deliverable fraction of the Reference Asset (where relevant) to the account(s) specified in such Account Notice on the Settlement Date.
- (4) Following delivery of the Redemption Delivery Amount and payment of the Supplemental Cash Amount (where relevant) to the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment or Delivery obligations.]

§ 4

Early Redemption

[Insert for Securities with Cash Settlement:

- (1) Upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition

[Insert if the Securities pay interest:

- (i) Interest Amounts shall cease to accrue and shall not be payable in respect of the Securities from and including the Interest Payment Date immediately preceding the day on which a Risk Event has occurred; and
- (ii) the Issuer shall redeem the Securities on the Acceleration Redemption Date by payment of an amount, subject to a minimum of zero, for each Security (the "**Acceleration Redemption Amount**") to the Clearing System for credit to the accounts of the relevant depository banks of the Security Holders equal to the sum of (i) the Reference Asset Redemption Amount, if any, and (ii) the product of
 - (a) the Reference Asset Auction Proceeds minus *[Insert if Leverage Factor is applicable: the Leverage Loss Adjustment Amount minus]* *[Insert for Securities with a built-in cross currency swap and if the Reference Currency is equal to the Specified Currency: the Hedge Unwind*

Costs][*Insert if the Reference Currency is not equal to the Specified Currency: [the Hedge Unwind Costs][the Related Costs]] [Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable: less the Adjustment Amount Value]; and*

- (b) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities.

[Insert if the Reference Currency is not equal to the Specified Currency:

- (2) In case such Acceleration Redemption Amount or any other amount used for its calculation is denominated in a currency other than the Specified Currency then such amount shall be converted by the Calculation Agent at the FX Exchange Rate as per the Risk Event Calculation Date.]

[(2)][3] Following payment of the Acceleration Redemption Amount to the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment or Delivery obligations.

[(3)][4] If an Auction Failure has occurred, upon submission of an Account Notice by the Security Holders to the Principal Paying Agent no later than [20][●] Banking Days following the publication of the Redemption Failure Notice (such date being the "**Alternative Acceleration Redemption Date**"), the Issuer shall use all reasonable endeavours to redeem each Security

- (a) by Delivery of a relevant portion of the Reference Asset or Asset Package, as the case may be, equivalent to the product of

- (A) the Aggregate Reference Asset Nominal Amount minus the Physical Settlement Adjustment Amount; and

- (B) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities (the "**Acceleration Delivery Amount**"); and

- (b) payment of the Supplemental Cash Amount (where relevant) to the account(s) specified in such Account Notice

[(4)][5] If a FX Disruption Event has occurred, the Issuer shall redeem each Security by payment of the Acceleration Redemption Amount in the Reference Currency.]

[(5)][6] Following Delivery of the Acceleration Delivery Amount and payment of the Supplemental Cash Amount (where relevant) in case of an Auction Failure [or] [*Insert if the Reference Currency is not equal to the Specified Currency: payment of the Acceleration Redemption Amount in the Reference Currency in case of a FX Disruption Event*], all obligations of the Issuer with respect to the Security Holder shall cease and the Issuer is under no further Delivery or payment obligations.

[(6)][7] The Delivery of the Acceleration Delivery Amount and payment of the Supplemental Cash Amount (where relevant) in case of an Auction Failure [and] [*Insert if the Reference Currency is not equal to the Specified Currency: payment of the Acceleration Redemption Amount in the Reference Currency in case of a FX Disruption Event*] is subject to the provisions in § 5 of the Special Conditions.

[(7)][8] If it is impossible or illegal for the Issuer to deliver the Acceleration Delivery Amount [*Insert if the Reference Currency is not equal to the Specified Currency: or to pay the Acceleration Redemption Amount in the Reference Currency*], then all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no obligation to deliver the Acceleration Delivery Amount [*Insert if the Reference Currency is not equal to the Specified Currency: or to pay the Acceleration Redemption Amount in the Reference Currency*].]

[Insert if Risk Event "Custody Event" is applicable:

([8][9]) In case of a Custody Event all obligations of the Issuer to pay the Acceleration Redemption Amount [in the Reference Currency] or to deliver the Acceleration Delivery Amount (as the case may be) shall cease and the Issuer shall endeavour to transfer a pro rata share of the Issuer's rights and entitlements vis-à-vis the custodian to each Security Holder upon such Security Holders demand[, to the extent such rights and entitlements are not required to indemnify the Issuer for the *[Insert for Securities with a built-in cross currency swap and if Reference Currency is equal to Specified Currency: Hedge Unwind Costs][Insert if Reference Currency is equal to Specified Currency: Related Costs]*.]

[Insert for Securities with Physical Settlement:

(1) Upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition

[Insert if the Securities pay interest:

- (i) Interest Amounts shall cease to accrue and shall not be payable in respect of the Securities from and including the Interest Payment Date immediately preceding the day on which a Risk Event has occurred; and
- (ii) the Issuer shall redeem each Security on the Acceleration Redemption Date by
 - (a) Delivery of a relevant portion of the Reference Asset or the Asset Package, as the case may be, to the Security Holders equivalent to the product of
 - (A) the Aggregate Reference Asset Nominal Amount minus the Physical Settlement Adjustment Amount; and
 - (B) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities(the "**Acceleration Delivery Amount**"); and
 - (b) payment of the Supplemental Cash Amount (where relevant),

provided that if the Reference Asset or the Asset Package is zero or ceased to exist, then the Acceleration Delivery Amount shall be deemed to be zero and the Security Holders shall have no further right or claim whatsoever against the Issuer in respect of the Securities.

- (2) Following Delivery of the Acceleration Delivery Amount and payment of the Supplemental Cash Amount (where relevant) to the Clearing System for credit to the accounts of the relevant depository banks of the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment or Delivery obligations.
- (3) If it is – due to the occurrence of a Risk Event or otherwise – impossible or illegal for the Issuer to deliver the Acceleration Delivery Amount on the Acceleration Redemption Date (a "**Failure to Redeem**"), then the Issuer shall notify the Security Holders pursuant to § 6 of the General Conditions (such notice being a "**Redemption Failure Notice**").
- (4) Upon submission of an Account Notice by the Security Holders to the Principal Paying Agent no later than [20][●] Banking Days following the publication of such Redemption Failure Notice (such date being the "**Alternative Acceleration Redemption Date**"), the Issuer shall redeem each Security by payment of an amount for each Security (the "**Acceleration Redemption Amount**") equal to the product of
 - (i) the Reference Asset Auction Proceeds minus *[Insert if Leverage Factor is applicable: the Leverage Loss Adjustment Amount minus][Insert for Securities with a built-in cross currency swap and if Reference Currency is equal to Specified Currency: the Hedge Unwind Costs][Insert if Reference Currency is not equal to Specified Currency: the Related Costs]* *[Insert if Interest*

Adjustment and/or Redemption Adjustment Amount is applicable: less the Adjustment Amount Value]; and

- (ii) the Principal Amount per Security divided by the Aggregate Principal Amount of the Securities

to the account(s) specified in such Account Notice.

- (5) Following payment of the Acceleration Delivery Amount on the Alternative Acceleration Redemption Date to the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment or Delivery obligation.
- (6) The payment of the Acceleration Delivery Amount is subject to the provisions in § 5 of the Special Conditions.
- (7) If it is impossible or illegal for the Issuer to pay the Acceleration Redemption Amount on the Alternative Acceleration Redemption Date, then all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no obligation to pay the Acceleration Redemption Amount.]

[Insert if Risk Event "Custody Event" is applicable:

- (8) In case of a Custody Event all obligations of the Issuer to deliver the Acceleration Delivery Amount shall cease and the Issuer shall endeavour to transfer a pro rata share of the Issuer's rights and entitlements vis-à-vis the custodian to each Security Holder upon such Security Holders demand, to the extent such rights and entitlements are not required to indemnify the Issuer for the *[Insert for Securities with a built-in cross currency swap and where Reference Currency is equal to Specified Currency: Hedge Unwind Costs][Insert if currency conversion is applicable: Related Costs].]*

[Insert if Reference Currency is not equal to the Specified Currency:

- ([9][10]) Following the occurrence of a FX Disruption Event, the Issuer shall select in its reasonable discretion (§ 315 BGB) an exchange rate that most closely preserves the economic equivalent of the delivery or payment obligations (the "**Replacement Exchange Rate**"). All references to "FX Exchange Rate" shall be read and construed as being a reference to such Replacement Exchange Rate.]]

§ 5

Payments, Deliveries

- (1) The Issuer undertakes to perform the following on the [fifth][●] Banking Day following the [Maturity Date][Scheduled Reference Asset Maturity Date][,][and][or] [●] ([each] such date being the "**Settlement Date**"):
 - [(a) to pay the Redemption Amount; and]
 - [(a) to deliver the Redemption Delivery Amount; and]
 - (b) to pay the Acceleration Redemption Amount; and
 - (c) to deliver the Acceleration Delivery Amount.

The amounts mentioned in this paragraph (1) and all further amounts payable under these Terms and Conditions shall be rounded *[Insert if the Specified Currency is Euro: up or down to the nearest 0.01 Euro, with 0.005 Euro being rounded [upwards][always downwards]] [Insert if the Specified Currency is not Euro: up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded [upwards][always downwards] [Insert other rounding provision].* [The conversion of the amounts payable in [Euro][●] is effected [●].] [At least [EUR][●] [0.001][●] per Principal Amount will be paid.]

- (2) If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then *[Insert if Following Business Day Convention is applicable: the Security Holders shall not be entitled to payment until the next following Banking Day.] [Insert if Modified Following Business Day Convention is applicable: the Security Holders shall not be entitled to payment until the next following Banking Day unless it would thereby fall into the next calendar month in which event the payment shall be made on the immediately preceding Banking Day.]*

[if the payment of the Interest Amount is adjusted, insert:]

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are adjusted accordingly.]

[if the payment of the Interest Amount is unadjusted, insert:]

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Security Holders are not entitled to further interest or other payments in respect of such delay.]

- (3) All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System for credit to the respective accounts of the depository banks for transfer to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) All costs, incl. possible custody fees, exchange turnover taxes, stamp taxes, transaction fees, other taxes incurred as a result of the *[Insert where Cash Settlement is specified as applicable: payment of the Redemption Amount, Acceleration Redemption Amount or Delivery of the Acceleration Delivery Amount (as the case may be)] [Insert where Physical Settlement is specified as applicable: Delivery of the Redemption Delivery Amount, the Acceleration Delivery Amount or Asset Package or payment of the Supplemental Cash Amount or the Acceleration Redemption Amount (as the case may be)]* shall be borne by the respective Security Holder.
- (5) If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of [the default interest rate established by law⁶][●]. Such accrual of interest starts on the due date of that payment ([including][excluding]) and ends at the end of the day preceding the effective date of payment ([including][excluding]).]
- [(6) Payments of interest on the Securities represented by a Temporary Global Security shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1) by the relevant participants to the Clearing System.]

[Insert for Securities with Physical Settlement:]

- [(6)[7]) Subject to the provisions of these Terms and Conditions, the Redemption Delivery Amount shall be delivered at the Security Holder's own risk. If the due date of any delivery or payment is not a Banking Day, such Delivery or payment shall be made on the next following Banking Day. Such delay will not constitute any entitlement to interest or other payments. The Issuer shall not be obliged to forward to the Security Holders any notifications or documents of [the relevant Reference Entity of the Reference Asset][●] that were provided to the Issuer prior to such delivery of a Reference Asset, even if such notifications or other documents refer to events that occurred after Delivery of such Reference Asset. The Issuer shall not be obliged to exercise any voting rights under the Reference Asset or to act in the interests of the

⁶ The default rate of interest pursuant to §§ 288 para 1, 247 para 1 of the German Civil Code (BGB) is four percentage points (if no consumer is involved) or eight percentage points (if at least one consumer is involved) above the basic rate of interest published by the German Central Bank (Deutsche Bundesbank) from time to time.

Security Holders in respect of any voting to the extent the Issuer holds the Reference Asset.]

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FORM OF FINAL TERMS

Final Terms

dated [●]

UniCredit Bank AG

Issue of [*Insert title of the Securities*]

(the "**Securities**")

under the

Euro 50,000,000,000

**Debt Issuance Programme of
UniCredit Bank AG**

*These final terms (the "**Final Terms**") have been prepared for the purposes of Article 5 para. 4 of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). In order to get the full information the Final Terms are to be read together with the information contained in the base prospectus of UniCredit Bank AG (the "**Issuer**") dated 16 December 2016 for the issuance of reference asset linked securities (the "**Base Prospectus**") and in any supplements to the Base Prospectus (the "**Supplements**").*

*The Base Prospectus, any Supplements and these Final Terms are available on [*Insert website(s)*][www.bourse.lu]. The Issuer may replace these website(s) by any successor website(s) which will be published by notice in accordance with § 6 of the General Conditions.*

[An issue specific summary is annexed to these Final Terms.]

SECTION A – GENERAL INFORMATION:

Issue date:

[*Insert issue date*]

[The issue date for each Security is specified in § 1 of the Product and Reference Asset Data.]

Issue price:

[*Insert issue price*]

[The issue price per Security will be determined by the issuer on [*Insert*] on the basis of the product parameters and the current market situation (in particular the price of the Basket Components, the implied volatility, interest rates, proceed expectations and lending fees). The issue price and the on-going offer price of the Securities will be published [on the websites of the stock exchanges where the Securities will be traded] [on [*Insert website*][www.bourse.lu]] after its specification. The Issuer may replace these website(s) by any successor website(s) which will be published by notice in accordance with § 6 of the General Conditions.]

Selling concession:

[Not applicable] [An upfront fee in the amount of [*Insert*] is included in the Issue Price.] [*Insert details*]

Other commissions:

[Not applicable][*Insert details*]

Issue Volume

The issue volume of [the][each] Series [offered][issued] under and described in these Final Terms is specified in § 1 of the Product and Reference Asset Data.

The issue volume of [the][each] Tranche [offered][issued] under and described in these Final Terms is specified in § 1 of the Product and Reference Asset Data.

Product Type:

[Reference Asset Linked Securities with Cash Settlement [and Cross Currency Swap]]

[Reference Asset Linked Securities with Cash Settlement [and FX spot rate conversions]]

[Reference Asset Linked Securities with Physical Settlement [and Cross Currency Swap]]

[Reference Asset Linked Securities with Physical Settlement [and FX spot rate conversions]]

Admission to trading and listing:

[If an application of admission to trading of the Securities has been or will be made, the following applies:

Application [has been][will be] made [to the] [Luxembourg Stock Exchange] [Insert relevant regulated or other equivalent market(s)] for the Securities to be listed on the [official list of the Luxembourg Stock Exchange (the "**Official List**")] [Insert relevant regulated or other equivalent market(s)] [within [Insert period of time] from the Issue Date] [with effect from [Insert expected date]].

Application [has been][will be] made [to the] [Luxembourg Stock Exchange] [Insert relevant regulated or other equivalent market(s)] for the Securities to be admitted to trading on the [Luxembourg Stock Exchange's regulated market] [Insert relevant regulated or other equivalent market(s)] [within [Insert period of time] from the Issue Date] [with effect from [Insert expected date]].]

[If the Securities are already admitted to trading, the following applies:

The Securities are already admitted to trading on the following regulated or other equivalent markets: [Insert relevant regulated or other equivalent market(s)]

[In the case of Securities that are listed with [Insert relevant regulated or other equivalent market(s)]: The [Insert name of the Market Maker] (also the "**Market Maker**") undertakes to provide liquidity through bid and offer quotes in accordance with the market making rules of [Insert relevant regulated or other equivalent market(s)], where the Securities are expected to be listed. The obligations of the Market Maker are regulated by the rules of the markets organized and managed by [Insert relevant regulated or other equivalent market(s)], and the relevant instructions to such rules. [Moreover, the Market Maker undertakes to apply, in normal market conditions, a spread between bid and offer quotes not higher than [●] %.]

[If securities of the same class of the Securities admitted to trading are already admitted to trading on a regulated or equivalent market, the following applies:

To the knowledge of the Issuer, securities of the same class of the Securities to be offered or admitted to trading are already admitted to trading on the following markets: [Insert relevant regulated or other equivalent market(s)].]

[Not applicable. No application for the Securities to be admitted to trading on a regulated or equivalent market has been made and no such application is intended.]

[Application to listing [will be] [has been] made as of [Insert expected date] on the following

markets: *[Insert relevant market(s)].*

[The Securities are already traded on the following markets: *[Insert relevant market(s)].*]

Payment and delivery:

[If the Securities will be delivered against payment, the following applies: Delivery against payment.]

[If the Securities will be delivered free of payment, the following applies: Delivery free of payment.]

[Insert other method of payment and delivery]

Terms and conditions of the offer:

[Day of the first public offer: *[Insert the day of the first public offer].*]

[The Securities are [initially] offered during a Subscription Period[, and continuously offered thereafter]. Subscription Period: *[Insert start date of the subscription period]* to *[Insert end date of the subscription period].*]

[A public offer will be made in [Luxembourg] [and] [Austria].]

[The smallest transferable unit is *[Insert].*]

[The smallest tradable unit is *[Insert].*]

The Securities will be offered to [qualified investors][,] [and/or] [institutional investors] [by way of [a private placement][a public offering]] [by financial intermediaries].

[The offer will be made simultaneously in the markets of *[Insert number]* countries and *[Insert tranche]* [has been][is being] reserved for *[Insert relevant market(s)].*]

[As of the day of the first public offer the Securities described in the Final Terms will be offered on a continuous basis up to its maximum issue size. [The number of offered Securities may be reduced or increased by the Issuer at any time and does not allow any conclusion on the size of actually issued Securities and therefore on the liquidity of a potential secondary market.]]

[The continuous offer will be made on current ask prices provided by the Issuer.]

[The public offer may be terminated by the Issuer at any time without giving any reason.]

[No public offer occurs. [The Securities shall be admitted to trading on a regulated or other equivalent market].]

[Manner and date in which results of the offer are to be made public: [Not applicable][*[Insert details].*]

Consent to the use of the Base Prospectus:

[In the case of a general consent, the following applies:

The Issuer consents to the use of the Base Prospectus by all financial intermediaries (so-called general consent).

Such consent to use the Base Prospectus is given [for the following offer period of the Securities: *[Insert offer period for which the consent is given]*] [during the period of the validity of the Base Prospectus]. General consent for the subsequent resale or final placement of Securities by the financial intermediaries is given in relation to [Austria] [and] [Luxembourg].]

[In the case of an individual consent the following applies:

The Issuer consents to the use of the Base Prospectus by the following financial intermediaries (so-called individual consent):

[Insert name(s) and address(es)].

Such consent to use the Base Prospectus is given for the following period: [Insert period].

Individual consent for the subsequent resale or final placement of the Securities by the financial intermediar[y][ies] is given in relation to [Austria] [and] [Luxembourg] to [Insert name[s] and address[es]] [Insert details].]

[The Issuer's consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions and the terms and conditions of the offer.]

[Moreover, the Issuer's consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Securities. This commitment is made by the publication of the financial intermediary on its website stating that the prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent.]

[Not applicable. No consent is given.]

U.S. Selling Restrictions:

[TEFRA C]

[TEFRA D]

[Neither TEFRA C nor TEFRA D]⁷

Additional Information:

[Insert additional provisions]

[Not applicable.]

SECTION B – CONDITIONS

Part A – General Conditions of the Securities

Global Note, Agents, Custody

Types of the Securities	[notes] [certificates]
Global Note	[Permanent Global Note] [Temporary Global Note]
Principal Paying Agent	[UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Federal Republic of Germany] [Citibank, N.A., London]

⁷ Only applicable in the case of Securities, which are qualified as registered obligation in terms of Section 5f.103-1 of the United States Treasury Regulations and Notice 2012-20, and in case of Securities in bearer form (bearer securities) in terms of Notice 2012-20 of the United States Internal Revenue Service (IRS) with a maturity of one year or less (including unilateral rollovers or extensions).

Branch, Citigroup Centre, Canada Square, Canary Wharf,
London E14 5LB, United Kingdom] *[Insert name and
address of other paying agent]*

Calculation Agent [UniCredit Bank AG, Arabellastraße 12, 81925 Munich,
Federal Republic of Germany] *[Insert name and address of
other Calculation Agent]*

Custody [Clearstream Banking AG, Frankfurt am Main (CBF)]
[Clearstream Banking société anonyme, Luxembourg (CBL)
and Euroclear Bank SA/NV (Euroclear Bank)]
[Insert name and address of other Clearing System]

Part B - Product and Reference Asset Data

*[Insert "Product and Reference Asset Data" (including relevant options contained therein) and
complete relevant placeholders"]*

Part C - Special Conditions of the Securities

*[Insert the "Special Terms and Conditions of the Securities" (including relevant options
contained therein) and complete relevant placeholders]*

UniCredit Bank AG

ANNEX I

[Attach loan, respectively assignable loan agreement hereto.]

[ANNEX II

ISSUE SPECIFIC SUMMARY

[Insert issue specific summary]

TAXES

The following section discusses certain tax issues associated with the purchase, ownership and disposal of the Securities. The discussion is limited to certain tax issues in Germany, Austria and Luxembourg.

In addition, it is not intended as a comprehensive discussion of all possible tax consequences under those legal systems. It is quite possible that there are other tax considerations that may be relevant when making a decision to invest in the Securities. As each Security may be subject to different tax treatment due to the special conditions of the issue in question as indicated in the final conditions, the following section also contains only very general information on the possible tax treatment. In particular, the discussion does not take into account special aspects or circumstances that may be relevant to the individual investor. It is based on the tax laws in effect in Germany, Austria and Luxembourg on the date of this basic prospectus. These laws are subject to change. Such changes can also be made retroactively.

The taxation of income from the securities also depends on the concrete terms and conditions of the securities and the individual tax situation of each investor. The issuer assumes no responsibility for deducting taxes or withholding taxes at the source.

The issuer assumes no responsibility for deducting any withholding taxes.

Investors and interested parties are urgently advised to consult their tax advisor with regard to taxation in their particular case.

OECD Common Reporting Standard, EU Administrative Cooperation Directive

Under the "**OECD Common Reporting Standard**," the states required to apply that standard (participating states) are required from 2016 onward to exchange information on financial accounts held by individuals outside their country of residence. The same applies as of 1 January 2016 for the member states of the European Union. On the basis of a supplement to the Directive 2011/16/EU on administrative cooperation in the field of taxation (the "**EU Administrative Cooperation Directive**"), the member states are also required from that date onward to exchange financial information on reportable accounts held by persons who reside in another EU member state. Investors should obtain information and/or seek advice on further developments.

European Financial transaction tax

On 14 February 2013 the European Commission issued a draft directive (the "**Commission proposal**") for a common financial transaction tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Portugal, Slovenia and Slovakia (the "**participating member states**"). However, Estonia has since announced that it no longer wishes to participate.

The scope of the Commission proposal is very broad and, if adopted, it could be applicable under certain circumstances to specific transactions related to the securities (in particular secondary market transactions).

Under the Commission proposal the financial transaction tax could be applicable under certain circumstances to certain persons both within and outside the participating member states. In general it would apply to certain securities transactions in which at least one party is a financial institution and at least one party is established in a participating member state. A financial institution can be 'established' – or deemed to be 'established' – in a participating member state under various conditions, in particular (a) through transactions with a person resident in a participating member state or (b) in cases in which the financial instrument underlying the transaction is issued in a participating member state.

The proposal for the financial transaction tax is still under negotiation by the participating member states. Consequently, it may be changed prior to implementation, the timing of which remains uncertain. Other member states could decide to participate.

In addition to a possible European financial transaction tax, France and Italy have already introduced their own financial transaction tax.

Investors are advised to obtain professional advice with regard to financial transaction taxes.

Germany

Taxation of the securities in Germany

Income tax

The following section begins with a description of the tax aspects for persons resident in Germany, followed by a description of the tax aspects for persons not resident in Germany.

Persons resident in Germany

Residents of Germany are required to pay income tax in Germany on their world-wide income (unlimited tax liability). This applies regardless of the source of the income and includes interest from financial claims of any kind (e.g. the Securities) and, as a rule, gains on disposal.

Natural persons are subject to income tax and corporate entities to corporate tax. In addition, the solidarity surcharge must be paid and, if applicable, church tax and/or business tax. In case of partnerships, the tax treatment depends on the partners (including any indirect shareholders). This section does not discuss the special aspects of the taxation of partnerships.

A person is deemed a resident of Germany if his/her place of residence or habitual abode is located there or, in case of corporate entities, its domicile or senior management.

(1) Taxation of Securities held as part of personal assets

The following applies to persons resident in Germany who hold the Securities as part of their personal assets:

(a) Income

The Securities should qualify as other financial claims within the meaning of Section 20 (1) No. 7 of the Income Tax Act ("**ESTG**").

Similarly, interest payments on the Securities should qualify as investment income.

Gains or losses on disposal of the Securities should also qualify as positive or negative investment income. A gain/loss on disposal is equal to the difference between the purchase cost and the sale proceeds. In addition, only expenses directly and materially related to the sale transaction can be deducted.

For transactions not executed in euros, the purchase costs and the sale proceeds must be converted into euros based on the exchange rate at the times of the respective transactions.

If the Securities are not sold, but rather redeemed, repaid, assigned or deposited in a corporation as hidden contributions, then these events are treated as a disposal.

Losses on disposal can only be set off against other investment income. If there is no other investment income, the losses can be carried forward to future taxation periods.

According to the current opinion of the tax authorities, no disposal is deemed to occur if the sale price does not exceed the actual transaction costs. Consequently, losses from such a transaction are not deductible. The same applies in case of an agreement under which the transaction costs are limited by charging them in the form of a deduction from the sale price. This view of the tax authorities has been challenged by a final ruling of a German lower fiscal court. In the same way, a default will not be treated as a disposal (e.g. in case the issuer becomes insolvent). The same applies to a debt writedown unless there are hidden contributions in a corporation. As a result, losses from a default or debt writedown are not deductible in the opinion of the tax

authorities. With respect to a default the view of the German tax authorities has been confirmed by a non-final ruling of a German lower fiscal court. In the view of the issuer, however, losses from other causes (e.g. due to a decrease in value of an underlying) should be deductible, subject to the above-mentioned restrictions on the setting off of losses and to the contents of the following paragraph. However, investors should note that this opinion of the issuer cannot be taken as a guarantee that the tax authorities and/or courts will agree.

Moreover, the tax authorities are currently of the opinion that, if no or only a *de minimis* payment is due for a certificate at final maturity because the price of the underlying is outside a range specified in the issue conditions, or if the certificate is terminated prematurely with no or only a *de minimis* further capital payments because the underlying is no longer within the range (e.g. for knock-out warrants), a disposal in the meaning of Section 20 (2) of the Income Tax Act (EStG) is not deemed to exist. Here, too, therefore, any remaining purchase costs would not be tax deductible. Although the opinion published by the authorities applies only to such products as knock-out certificates with several payout dates, the application of the above principles to the Securities cannot be ruled out.

If the final conditions of the Securities stipulate physical delivery of debentures, equities, fund shares or other securities at final maturity instead of cash settlement, the securities could qualify as convertible bonds, exchangeable bonds or similar instruments. That depends on the detailed terms of the final conditions of the Securities, e.g. whether the issuer or the investor can opt for physical settlement. In that case, the physical settlement could be seen as the disposal of the Securities followed by the purchase of the securities received. Depending on the wording of the final conditions, however, the original purchase costs of the Securities could be treated either as notional disposal proceeds for the Securities or notional purchase costs for the securities received (Section 20 (4a) (3) EStG), so that ultimately no taxable disposal gains should arise at the time of settlement. However, disposal gains arising from the onward sale of the received securities are always taxable.

(b) Capital gains tax / withholding tax

Investment income (e.g. interest and disposal gains) is generally subject to capital gains tax in the form of a tax deduction when it is paid out.

If a German branch of a German or foreign financial institution or financial services provider or a German securities trading company or German investment bank (referred to as a "**disbursing institution**") keeps the securities in custody, pays out the investment income, or credits it to the investor's account, the paying institution deducts the capital gains tax (for exceptions see below).

The capital gains tax is always calculated on the basis of the gross investment income (as described above, i.e. before deduction of capital gains tax). However, if the disbursing institution does not know the amount of the purchase costs in case of disposal transactions, for example because the Securities were transferred from a foreign securities account, and if the purchase costs are not allowed to be documented or actually not documented by the taxpayer in the form required by law, the tax deduction is calculated as 30% of the proceeds from the sale or redemption of the Securities. When determining the basis for calculation, the disbursing institution must deduct any negative investment income not previously taken into account (e.g. disposal losses) and accrued interest from the same calendar year or previous years up to the amount of the positive investment income.

The capital gains tax rate is 26.375 % (including the solidarity surcharge, plus church tax if applicable).

If the investor is subject to church tax, it is collected in addition to the capital gains tax unless the investor has submitted an objection to the Federal Central Tax Office on the retrieval of data on religious affiliation (restriction entry). In case of a restriction entry, the investor is obliged to report all investment income in his/her tax return for church tax purposes.

Capital gains tax is not deducted if the investor has submitted an exemption declaration to the disbursing institution. However, the institution will refrain from deducting the withholding tax

only as long as the investor's total investment income does not exceed the amount indicated in the exemption declaration. At present the maximum exemption is EUR 801.00 (EUR 1,602 in case of jointly assessed spouses and registered domestic partners). Similarly, no capital gains tax is deducted if the investor provides the disbursing institution with a tax exemption certificate from the tax office with jurisdiction over his/her place of residence.

The issuer is not obliged to deduct and transfer capital gains tax for payments in connection with the Securities, unless the issuer is acting as a disbursing institution.

(c) Assessment procedure

In general, the tax treatment of investment income takes the form of capital gains tax deductions (see above). If capital gains tax is deducted, the deducted amount will generally cover the payable taxes (flat tax on investment income).

If no capital gains tax is deducted, and this is not the result of an exemption declaration or certain other cases, then the investor is obliged to file a tax return. The investment income is then taxed on the basis of an assessment procedure. Even if capital gains tax has been deducted, investors subject to church tax who have requested a blocking entry with the Federal Central Tax Office must report their investment income in their tax returns for church tax purposes. The investor may opt for inclusion of investment income in its tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits).

The special tax rate for investment income (26.375 %, including the solidarity surcharge, and plus church tax if applicable) generally applies in the assessment procedure as well. In certain cases the investor can submit an application requesting the application of its personal income tax rate to investment if that treatment is more favourable. However, this application can be submitted only to request such treatment of all investment income within a given assessment period. In case of jointly assessed spouses or registered partners, only a joint application is permitted.

When determining the investment income, the fixed savings income deduction of EUR 801 (EUR 1,602 for jointly assessed spouses/partners) can be recognised as an expense. Actual expenses, if any, cannot be deducted. This also applies if the investment income is subject to an individual income tax rate.

(2) Tax treatment of securities held as business assets

Interest income and disposal gains are also subject to taxation in Germany in case of Securities held as business assets. If the investor is a corporate entity, the investment income is subject to corporate tax at a rate of 15 %. If the investor is a natural person, the investment income is subject to individual income tax at a rate of up to 45 %. The solidarity surcharge also applies. This is equal to 5.5 % of the corporate or income tax. In addition, business tax may be payable at the rate set by the community in which the business enterprise is located. In case of natural persons, church tax may also be payable, but only within the scope of the assessment procedure.

If the final conditions of the Securities stipulate physical delivery of debentures, equities, fund shares or other securities at final maturity instead of cash settlement, such physical delivery would be regarded as the taxable disposal of Securities. Any disposal gains would be taxable; any disposal losses should be deductible in principle.

The regulations for capital gains tax as outlined above for privately held Securities are generally applicable. However, investors who hold Securities as business assets cannot submit an exemption declaration. Moreover, unlike in the case of privately held securities, no capital gains tax is deducted in case of disposal gains, for example if (a) the investor is a corporation, an association of individuals or an estate or (b) the capital gains represent business income of a domestic business operation and the investor submits a declaration to this effect to the disbursing institution using the required official form.

In case of Securities held as business assets, the deducted capital gains tax is treated as an advance payment of income or corporate tax and is credited or refunded in the assessment procedure.

Persons not resident in Germany

Persons who are not tax residents of Germany are generally not liable for tax payments in Germany on income from the Securities.

This does not apply, however, if (i) the Securities are part of business assets for which a business operation is maintained in Germany or for which a permanent representative is appointed or if (ii) for other reasons, the income from the Securities belongs to domestic income within the meaning of Section 49 of the German Income Tax Act (EStG). In both of these cases, the investor is subject to limited tax liability in Germany for the income from the Securities. In general, the information given for persons resident in Germany then applies (see above).

Other taxes

Inheritance and gift tax

In general, inheritance tax applies in Germany in connection with the Securities if either the testator or the heir is a tax resident of Germany or if the Securities are part of business assets for which a business operation is maintained or a permanent representative is appointed in Germany. Similarly, gift tax applies in Germany if either the benefactor or the presentee is a tax resident of Germany or if the Securities are part of business assets for which a business operation is maintained or a permanent representative is appointed in Germany. The exemptions applicable to inheritance and gift tax in such cases were declared unconstitutional in the version then in effect by the Federal Constitutional Court in a ruling of 17 December 2014. With amended law dated 4 November 2016 new statutory provisions came into force to adopt the requirements of the ruling of the Federal Constitutional Court. The new provisions are applicable as of 1 July 2016. Taxpayers whose Securities are part of business assets should consult their tax advisor for the individual implications of the new statutory provisions as needed.

Due to the few double taxation treaties in effect with regard to inheritance and gift tax, tax regulations may differ. Moreover, special regulations apply to German citizens living abroad who formerly resided in Germany.

Other taxes

No stamp duty, issuance tax, registration tax or similar taxes apply in Germany with regard to the issue, delivery or printing of Securities. No wealth tax is collected in Germany at present.

Luxembourg

This section provides a general description of withholding tax procedures in Luxembourg in connection with the securities. This description is not to be regarded as a comprehensive analysis of all tax considerations in connection with the securities in Luxembourg or elsewhere. Prospective buyers of the securities should consult their own tax advisors with regard to the countries whose tax laws may be relevant to buying, holding and selling the securities and receiving interest, capital and/or other amounts in connection with them and on the impact of these actions under Luxembourg tax law. This summary is based on the laws in effect at the date of this prospectus. The information in this section is limited to issues pertaining to withholding tax; prospective investors should not apply the information provided below to other areas, for example questions of the legality of transactions in securities.

Withholding tax and self-assessed tax

Under current Luxembourg laws, all interest and capital payments made by the Issuer in connection with holding, selling, the redemption or repurchase of the Securities can be made without deducting or withholding any amounts for or on account of taxes of any kind imposed, charged, retained or assessed by Luxembourg or a Luxembourg municipality, or a tax authority of Luxembourg or the municipality, with the possible exception of payments to (or, under

certain circumstances, in the interests of) Security Holders that are individual beneficial owners resident in Luxembourg.

Under the Luxembourg law of 23 December 2005 as amended from time to time (the "**Law of 23 December 2005**"), a Luxembourg withholding tax of 10 % is collected on interest and similar income paid out by Luxembourg paying agents to natural persons resident in Luxembourg who are the beneficial owners of the payments. The same applies to interest and similar income collected by them in the direct interest of such persons. The party owing the withholding tax is the Luxembourg paying agent.

Moreover, under the Law of 23 December 2005, natural persons resident in Luxembourg may opt to self-assess and pay a 10 % levy if they are the beneficial owners of interest payments paid by a paying agent located in another member state of the European Economic Area. The decision to pay the 10 % levy must apply to all interest payments made by paying agents to the economic beneficiary resident in Luxembourg during the entire calendar year.

The above-mentioned 10 % withholding tax and the 10 % levy applies as fully paid if the natural persons resident in Luxembourg are engaged in the management of their personal assets.

Security Holders should note that, based on the draft bill of law n°7020 introduced into Luxembourg parliament on 26 July 2016, it is foreseen to increase the rate of such withholding tax or levy from 10% to 20%.

Austria

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Securities in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. These comments are not intended to be, nor should they be construed to be, legal or tax advice. Furthermore, they only refer to Security Holders that are subject to unlimited (corporate) income tax liability in Austria. It is based on the currently valid tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. Potential Purchasers should be aware that the tax authorities generally have a critical attitude towards structured financial products that may result in a beneficial tax treatment. It is recommended that potential investors in the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of those Securities. Tax risks resulting from the Securities (in particular from a potential classification as a foreign investment fund within the meaning of sec 188 of the Austrian Investment Funds Act 2011 - Investmentfondsgesetz 2011) shall in any case be borne by the Security Holder.

General remarks

Individuals having a domicile (*Wohnsitz*) or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of effective management (*Ort der Geschäftsleitung*) or their legal seat (*Sitz*) in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of effective management nor

their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realized increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the sale, redemption and other realisation of assets that lead to income from the letting of capital, including income from zero coupon bonds and broken-period (accrued) interest; and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale, the settlement or other realization event of forward contracts like options, futures and swaps and other derivatives such as index certificates. According to the interpretation of the Austrian Ministry of Finance, sec 27(4) comprises all kind of certificates, including for example index certificates, alpha certificates, leverage certificates, or so-called sport certificates (Income Tax Act Guidelines 2000 - *Einkommensteuerrichtlinien 2000, "EStR 2000"* - para 6173). The underlying may be shares, indices, commodities, currencies, bonds, metals etc. In case of certificates, income from derivatives results from the difference between the acquisition costs and the sales prices or redemption value or settlement amount (all of the latter depending on the development in value of the underlying). Indexed bonds (*indexierte Anleihen*) or bonds with index-linked yield (*Anleihen mit indexorientierter Verzinsung*) are not deemed to be derivatives for purposes of sec. 27(4) of the Austrian Income Tax Act. Interest resulting from these bonds are treated as income from the letting of capital pursuant to sec. 27(2) of the Austrian Income Tax Act; the sale or redemption of these bonds are deemed to be income from realised gains and other increases in value pursuant to sec. 27(3) of the Austrian Income Tax Act (*EStR 2000*, para 6195 et seq.).

In case the Issuer may choose whether to redeem the bond either by handing out cash or by way of transferring (own or third party) shares (so-called cash or share bonds), interest paid on these bonds is deemed to be income from the letting of capital pursuant to sec. 27(2) of the Austrian Income Tax Act. The exercise of the option by the Issuer is not deemed to be an exchange of bonds for stock and does therefore not result in a sale of the bond with a subsequent acquisition of the shares (*EStR 2000*, para 6183 et seq.). In case of an exchange of bonds the acquisition cost of the bond is used as the acquisition cost of the stock. Income from the sale or redemption of cash or share bonds constitutes income from realised increases in value.

Income from securitized or non-securitized options is treated as income from derivatives. This includes income from cash settlements, option premiums, the sale of the derivative or any other event resulting in as settlement or the offsetting of positions. The mere exercise of options or the delivery of the underlying does not trigger a taxable event under sec 27(4) of the Austrian Income Tax Act, but may result in increased acquisition costs, reduced capital gains or reduced interest. In case of an actual delivery of the underlying, option premiums increase the acquisition costs of the underlying received. Any underlying received is deemed to be acquired upon the option's exercise (for a consideration). Not until a subsequent sale of the underlying, a realization event that may – depending on the respective underlying –lead to the taxation of hidden reserves may take place.

Capital gains are not only subject to withholding tax upon an actual disposition or redemption of the Securities, but also upon a deemed realization.

- A deemed realization takes place due to a loss of the Austrian taxing right in the Securities (e.g. move abroad, donation to a non-resident, etc). In case of relocation of the Securitiesholder to another EU member state the possibility of a tax deferral exists, to be elected for in the tax return of the Securitiesholder in the year of his relocation. In case that the Securities are held on an Austrian securities account the Austrian withholding agent (custodian or paying agent) has to impose the withholding tax and such withholding tax needs to be deducted only upon actual disposition of the Securities or withdrawal from the account. If the holder of the Securities has timely notified the Austrian custodian or paying agent of his or her relocation to the other EU member state, not more than the value increase in the Securities until relocation is subject to Austrian withholding tax. An exemption of withholding tax applies in case of moving to another EU member state if the Securitiesholder presents to the Austrian custodian or paying agent a tax assessment notice of the year of migration in which the option for a deferral of tax has been exercised.
- A deemed realization also takes place upon withdrawals (*Entnahmen*) from an Austrian securities account and other transfers of Securities from one Austrian securities account to another one. Exemptions apply in this case for a transfer of the Securities to another deposit account, if certain information procedures are fulfilled and no loss of the Austrian taxing right is given (e.g. no donation to a non-resident).

Individuals holding the Securities as non-business assets

Individuals subject to unlimited income tax liability in Austria holding the Securities as a non-business asset are subject to income tax on investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. The mere exercise of options or the delivery of the underlying in case of derivatives in the sense of sec. 27(4) of the Austrian Income Tax Act does not (yet) trigger taxation pursuant to sec. 27(4) of the Austrian Income Tax Act, but may result in increased acquisition costs, reduced capital gains or reduced interest. Income from investment in Securities that qualify as bonds (*Forderungswertpapiere*) for Austrian tax purposes thereby securitizing the investor's debt claim and that are legally and factually offered to an indefinite number of persons ("public placement"), are subject to a special tax rate which is generally 27.5% pursuant to sec. 27a(1) of the Austrian Income Tax Act. However, for income from monetary deposits (*Geldeinlagen*) and from other non-securitised claims against credit institutions (*nicht verbrieft sonstige Forderungen bei Kreditinstituten*) with the exception of compensation payments and lending fees pursuant to sec. 27(5)(4) of the Austrian Income Tax Act, a tax rate of 25% will be applied. In case the Securities are not legally and factually offered to an indefinite number of persons ("private placement"), the special tax rate of 27.5% does not apply. Pursuant to the interpretation of the Austrian Ministry of Finance, the special tax rate of 27.5% only applies to income from derivatives pursuant to sec. 27(4) of the Austrian Income Tax Act, if the derivatives are securitized and are offered in a public placement or if the Austrian custodian or paying agent voluntarily withholds the tax pursuant to sec. 27a(2)(7) of the Austrian Income Tax Act (EStR 2000, para 6225a).

In case of income from the letting of capital pursuant to sec. 27(2) of the Austrian Income Tax Act, the special tax rate of 27.5% is levied by way of a withholding tax (*Kapitalertragsteuer*) if such income is paid or credited by an Austrian paying agent (*auszahlende Stelle*). In case of income from realized increases in value pursuant to sec. 27(3) of the Austrian Income Tax Act or income from derivatives pursuant to sec. 27(4) of the Austrian Income Tax Act, the 27.5% withholding tax applies if such income is paid or credited by an Austrian custodian (*depotführende Stelle*) or – if no Austrian custodian exists – by an Austrian paying agent that executes in collaboration with the custodian the sales or derivative transaction and is involved in that transaction, i.e. credits the proceeds from realized increases in value, cash settlements, gains from the sale of derivatives or option premiums and the custodian is either a permanent establishment or a group member of the paying agent. The Austrian paying agent or custodian is the Austrian credit institution including Austrian branches of non-Austrian credit institutions or investment service provider domiciled in the EU. If in both scenarios 27.5% tax is withheld either by the Austrian paying agent or the Austrian custodian, such withholding tax has the

effect of final taxation meaning that – with the exception of the option for regular taxation or the option for setting-off of losses – such income has generally not to be included in the annual income tax return of the investor.

Investment income without an Austrian nexus – i.e. due to the lack of an Austrian paying agent or an Austrian custodian – must be included in the annual income tax return of the investor and is subject to the special income tax rate of 27.5% under general conditions. An exception applies *inter alia* if the custody account is held with a Swiss paying agent, including a Swiss bank, and the investor opts for withholding by the Swiss paying agent under the Tax Treaty between Austria and Switzerland; this applies *mutatis mutandis* with respect to the application of a withholding tax by a Liechtenstein paying agent under the Tax Treaty between Austria and Liechtenstein. Please note that the Tax Treaty between Switzerland and Austria will only be applicable until December 31, 2016). In both cases, the option exists to tax all income subject to a special tax rate pursuant to sec. 27a (1) Austrian Income Tax Act at lower progressive income tax rates upon application (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Whether the use of the option is beneficial from a tax perspective, should be determined by consulting a tax advisor.

Subject to certain restrictions a set-off (but no carry forward) of losses is available among income from investment (but not with any other types of the investor's income). For such loss offset generally the investor must opt for assessment to income tax (option for setting-off of losses, sec. 97(2) in conjunction with sec. 27(8) of the Austrian Income Tax Act). Negative income subject to a special tax rate of 27.5% may not be offset with income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation). Furthermore, an offset of losses from realized increases in value and from derivatives with (i) interest from monetary deposits (*Geldeinlagen*) or other non-securitised claims against credit institutions and (ii) income from Austrian or foreign private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) is not permissible. In case of an Austrian custodian, the setting-off of losses has to be effected by the custodian for all deposits of the investor held with that Austrian custodian (sec. 93(6) of the Austrian Income Tax Act; see below). Mandatory loss-offsetting rules to be handled by Austrian custodians apply. In order to achieve a setoff of losses for deposits held with different credit institutions, the investor has to exercise the option for the offsetting of losses in the course of filing the annual income tax return.

Individuals holding the Securities as business assets

For Notes held as business assets by individuals, generally the same rules as described in the previous heading apply. The most important differences are the following:

- Realized capital gains, contrary to interest income, have to be included in the tax return, since despite a 27,5% withholding taxation that is also imposed in the context of Notes held as business assets if an Austrian custodian agent is involved, no final income taxation applies. As already mentioned, the discount of Zero Coupon Notes is considered such realized capital gains, not interest payments.
- Write-downs and realized losses regarding the Notes held as business assets are off-set with positive income from realized capital gains that are investment income in the first place; 55% of the remaining losses may be offset or carried forward against any other income.
- The acquisition costs of Notes held as business assets may also include ancillary costs incurred upon the acquisition.
- Loss-offsetting cannot be made by the Austrian custodian agent, but only by the investor himself in the assessment of the annual tax return.

It is noted that expenses and costs (*Aufwendungen und Ausgaben*) directly economically connected with investment income are also not tax-deductible in case the Notes are held as business assets.

Resident Corporations

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on investment income from the Securities at a rate of 25%. In case of investment income held through a securities account with an Austrian bank (Austrian custodian agent), the bank as withholding agent will deduct a withholding tax of 27.5%, which can then be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act, no withholding tax is levied upfront for corporate investors deriving business income, if they file a declaration of exemption. The restrictions for the offsetting of losses are not applicable to corporations as investors, if they hold the notes as business assets. Losses from the sale of the Securities held as business assets can be offset against other income (and carried forward under general conditions) in the assessment procedure.

Private Foundations

Private foundations pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Securities as a non-business asset are subject to interim taxation at a rate of 25% on interest income, income from realized increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities; or in case of non-securitized derivatives if the Austrian custodian agent or paying agent voluntarily withholds tax at source which is equivalent to withholding tax pursuant to sec 27a(2) (7) of the Austrian Income Tax Act). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in that tax period. In case of investment income with an Austrian nexus (as described above), income is in general subject to the withholding tax of 27.5%, which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act no withholding tax is levied.

Offsetting of losses by an Austrian custodian agent

Losses from Notes held as non-business assets are taken into account by the Austrian custodian agent according to mandatory loss-offsetting rules, to be handled by custodian agents. Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income according to the mandatory loss-offsetting rules described earlier above, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then the withholding tax on the positive income is to be credited, with such tax credit being limited to 27.5% of negative income. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation regarding the offsetting of losses for each bank deposit.

Non-Austrian resident investors

Individuals that neither have a domicile nor their habitual abode in Austria as well as corporations that neither have their legal seat nor their effective place of management in Austria (investors subject to limited (corporate) income tax liability in Austria) are subject to Austrian limited (corporate) income tax on investment income from the Securities if they have a permanent establishment (*Betriebsstätte*) in Austria and the Securities as well as the investment income resulting therefrom are attributable to such permanent establishment (*cf.* sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). An Austrian paying agent or an Austrian custodian may abstain from levying withholding tax under the conditions set forth in sec. 94(13) of the Austrian Income Tax Act.

Individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of the Austrian EU Withholding Tax Act until December 31, 2016 (*EU-Quellensteuergesetz*, see below) from the Notes if withholding tax is levied on such interest. Since the Issuer does not qualify as Austrian corporate body and has no Austrian seat or place

of management while being debtor under the Notes, the mentioned tax provision and deduction requirement should not apply to the present Securities.

Please note that according to a recent law amendment as of January 1, 2017 the taxation of interest income from the Notes to investors who are individuals, as described in this paragraph, will be extended to any non-resident individuals (i.e. it will no longer be limited to individuals resident outside the EU). However, as described above, no such taxation of interest income applies if the Notes are not issued by an Austrian issuer or if the debtor of the interest payments has neither its seat nor its place of management in Austria and is no branch of a foreign bank. Further, no taxation of interest income applies vis-à-vis individuals who are residents in a country with which Austria agreed on an automatic exchange of information.

Risk of qualification as units in a non-Austrian investment fund

Pursuant to sec. 188 of the Austrian Investment Funds Act (after its amendment by the Austrian Alternative Investment Funds Manager Act – *Alternative Investmentfonds Manager-Gesetz*, BGBl I 135/2013), the term non-Austrian investment fund now comprises (i) any Undertakings for Collective Investments in Transferable Securities (UCITS), the home member state of which is not Austria, (ii) any Alternative Investment Fund in the sense of the Austrian Alternative Investment Funds Managers Act – other than Alternative Investment Funds (AIF) in real estate – the home member state of which is not Austria, and (iii) unless such vehicle is either a UCITS fund or an AIF as described above, any organism subject to a foreign jurisdiction, irrespective of its legal form, the assets of which are invested according to the principles of fund risk diversification on the basis of a statute, of the entity's articles or of customary exercise provided that one of the following criteria is given: (a) the vehicle is in its residence state effectively – neither directly nor indirectly – subject to tax which is comparable to Austrian corporate income tax; (b) although the foreign vehicle is in its residence state subject to tax which is comparable to Austrian corporate income tax such foreign tax is lower than Austrian corporate income tax (25%) by more than 10 basis points; or (c) the vehicle is subject to a comprehensive individual or factual tax exemption in its residence state. Pursuant to sec 2(1)(1) of the Austrian Alternative Investment Funds Manager Act, an alternative investment fund is defined as any collective investment undertaking, including investment compartments thereof which (i) raises capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors without the capital raised serving active operating activities and (ii) does not require an authorization pursuant to Art. 5 of Directive 2009/65/EC. The current Austrian Investment Fund Regulations (*Investmentfondsrichtlinien*) state that no foreign investment fund may be considered to exist if the issuer (or a trustee of the issuer) of the respective investment instrument does not actually and predominantly purchase the underlying assets or does not actively manage an asset portfolio. Directly held index instruments shall, therefore, not be considered as foreign investment funds for the mere fact that the performance of the instruments depends on an index. The amended definition of the term non-Austrian investment fund became legally effective for business years of investment funds starting after 21 July 2013. Due to the lack of any updated guidelines by the Austrian Ministry of Finance so far, it is currently unclear whether or under which circumstances structured securities will be regarded as units in a non-Austrian investment fund; should this be the case, the tax treatment would substantially differ from the tax consequences described herein (e.g., flat rate taxation). The risk of the qualification of the Securities as units in a non-Austrian investment fund must be assessed on a case-by-case basis. Further, it may be derived from a recent ruling of the European Court of Justice regarding the flat-rate taxation of foreign investment funds in Germany that such flat-rate taxation violates EU law.

EU withholding tax and EU Exchange of Information

Sec. 1 of the Austrian EU Withholding Tax Act – which transforms into national law the provisions of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – currently provides that interest payments paid or credited by an Austrian paying agent to a beneficial owner who is an individual resident in another EU member state (or in certain dependent or associated territories) are subject to a withholding tax of 35% if no exception from such withholding applies. Sec. 10 of the Austrian EU Withholding

Tax Act provides for an exemption from withholding tax where the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years.

As to the issue of whether index certificates are subject to EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee; a capital guarantee being the promise of the repayment of a minimum amount of the capital invested or the promise of the payment of interest. The exact treatment of index certificates furthermore depends on their underlying.

Pursuant to the guidelines published by the Austrian Ministry of Finance, income from warrants should not qualify as interest within the meaning of the EU Withholding Tax Act.

Based on Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“**Directive 2014/107/EU**”) information must automatically be reported in relation to interest, dividends and similar income and to account balances and proceeds from the disposal of financial assets for tax periods since that date. Although Austria is only required to apply the provisions of such directive as of 1 January 2017 in relation to tax periods since that date, Austria has announced not to make full use of this transitional provision and, instead, report and exchange information of new accounts which will be opened in the period between 1 October 2016 and 31 December 2016. The Common Reporting Standard Act (*Gemeinsamer Meldestandard-Gesetz*) implements Directive 2014/107/EU and provides for respective reporting and care duties of the reporting financial institutions in relation to such information which have to be transmitted by the reporting financial institutions to the competent Austrian tax offices. Furthermore, the Common Reporting Standard Act also provides for an automated information exchange in relation to financial accounts with respect to tax affairs as part of the global standard which is executed between Austria and other non EU member states on the basis of the governmental agreement of 29 October 2014. The reporting duty laid down in the Common Reporting Standard Act refers for new accounts for the first time to the 4th quarter of 2016, otherwise generally to tax periods from 1 January 2017 on.

As mentioned above, as of January 1, 2017 taxation will be imposed on interest income paid on publicly offered debt securities if paid to non-resident individuals through an Austrian paying agent. However, as also described above, no such taxation of interest income applies if the Securities are not issued by an Austrian issuer or if the debtor of the interest payments has neither its seat nor its place of management in Austria and is no branch of a foreign bank. Further, no taxation of interest income applies vis-à-vis individuals who are residents in a country with which Austria agreed on an automatic exchange of information.

Tax Treaty between Austria and Switzerland

On 1 January 2013 the Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets entered into force. The Treaty provides that a Swiss paying agent has to withhold a tax corresponding to the Austrian income tax on, inter alia, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss paying agent, if the relevant holder of such assets is a concerned person which is tax resident in Austria.

A concerned person is defined as an individual resident in Austria that (i) holds the account or deposit directly (as contractual partner of the Swiss paying agent) and is the beneficial owner (*Nutzungsberechtigter*) of the underlying assets or (ii) is – according to the conclusions made by the Swiss paying agent based on the relevant Swiss duties to exercise diligent care and any known circumstances – to be seen as the beneficial owner of assets held eg via a domiciliary company (*Sitzgesellschaft*) or via another individual via an account or deposit with a Swiss paying agent.

For Austrian income tax purposes the withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The Treaty, however, does not apply to interest covered by the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss paying agent to disclose to the competent Austrian authority income on the account or deposit; this income subsequently has to be included in the investor's income tax return.

Please note that the Tax Treaty between Austria and Switzerland is applicable until December 31, 2016.

Tax Treaty between Austria and Liechtenstein

On 1 January 2014 the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Areas of Taxation entered into force. The Treaty provides that a Liechtenstein paying agent has to withhold a tax corresponding to the Austrian income tax, on, inter alia, interest income, dividends and capital gains from assets of a concerned person which (i) are booked with an account or deposit with a Liechtenstein paying agent in the sense of Art. 2(1)(e)(i) of the Treaty (comprising banks in the meaning of the Liechtenstein Banking Act and securities dealers, so-called bank paying agents) or (ii) are held in Liechtenstein or abroad and are managed and administered by a Liechtenstein paying agent in the sense of Art. 2(1)(e)(ii) of the Treaty (comprising individuals resident in Liechtenstein and corporate entities governed by Liechtenstein law which in the course of their ordinary business regularly accept, hold, invest and transfer assets of third parties or which merely pay and secure income in the sense of Art. 18(1) of the Treaty, including individuals and corporate entities authorized under the Liechtenstein Trustee Act and authorized persons pursuant to Art. 180a of the Liechtenstein Persons and Companies Law (*Personen- und Gesellschaftsrecht*), if they are a member of an administrative body of a foundation or trust, so-called trustee paying agent).

A concerned person in case of a bank paying agent in the sense of Art. 2(1)(e)(i) of the Treaty is defined as an individual resident in Austria that (i) holds the account or deposit directly (as contractual partner of the Liechtenstein paying agent) and is the beneficial owner (*Nutzungsberechtigter*) of the underlying assets or (ii) is – according to the conclusions made by the Liechtenstein paying agent based on the relevant Liechtenstein duties to exercise diligent care and any known circumstances – to be seen as the beneficial owner of assets held via a domiciliary company (*Sitzgesellschaft*), including inter alia corporate entities, companies, Anstalten, foundations, trusts, trustees or similar connections which do not pursue an active business trade, or via another individual via an account or deposit with a Liechtenstein paying agent. In case of a trustee paying agent in the sense of Art. 2(1)(e)(ii) of the Treaty a concerned person is defined as an individual resident in Austria that (i) is the beneficial owner of assets of a transparent foundation or trust as defined in Art. 2(2) of the Treaty or (ii) makes contributions to or receives contributions from an intransparent foundation or trust as defined in Art. 2(1)(n) of the Treaty. The terms foundation and trust comprises all foundations, Anstalten which are comparable to foundations and other particular entities or pooled assets (*Vermögenswidmungen*) either with or without legal personality.

For Austrian income tax purposes the withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The Treaty, however, does not apply to interest covered by the Agreement between the European Community and the Principality of Liechtenstein providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Liechtenstein paying agent to disclose to the competent Austrian authority income of an account or deposit; such income subsequently has to be included in the investor's income tax return. As at the date hereof, it is – with regard to the current developments regarding the automated information exchange in tax matters – not

foreseeable whether the Tax Treaty between Austria and Liechtenstein can further be upheld in its current form.

Inheritance and Gift Tax

Austria does not levy inheritance or gift tax.

However, it should be noted that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to a foundation tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in case of a transfer *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in Austrian and non-Austrian corporations) if income from such financial assets is subject to the special tax rate pursuant to § 27a(1) Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts which are economically related to the assets transferred, calculated at the time of transfer. The tax rate is in general 2.5%, with a higher rate of 25% applying in special cases. The Tax Treaty between Austria and Liechtenstein provides for special rules with respect to the transfer of assets to an intransparent Liechtenstein foundation or trust.

In addition, a special notification obligation exists for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles. The notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of Euro 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of Euro 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may lead to the levying of fines of up to 10% of the fair market value of the assets transferred.

Further, it should be noted that gratuitous transfers of the Securities may trigger income tax on the level of the transferor pursuant to sec. 27(6)(2) of the Austrian Income Tax Act (see above).

U.S. Withholding Tax

Payments under index-linked Securities and equity-linked Securities may be subject to U.S. withholding tax

Under Section 871(m) of the United States Internal Revenue Code of 1986, as amended, (the "IRC") a "dividend equivalent" payment is treated as a dividend from sources within the United States and is subject to withholding at the rate of 30% unless reduced by an applicable tax treaty with the United States (withholding tax on "dividend equivalent" payments). A "dividend equivalent" payment includes (i) any substitute dividend made pursuant to a securities lending or sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" ("**Specified NPC**") that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the U.S. Internal Revenue Service ("**IRS**") to be substantially similar to a payment described in clause (i) or (ii). For these purposes, Section 871(m) specifies four types of notional principal contracts that are considered Specified NPCs.

The Final Regulations published in September 2015 expand the withholding taxation according to Section 871 m. These new provisions are applicable for agreements entered into on or after January 1st, 2017, relative to payments made on or after January 1st, 2017. The IRS decision also

includes so-called temporary and proposed regulations, with newly govern the integration of complex derivatives into the application of Section 871 m and payments of certain traders.

The Final Regulations expand Section 871(m) to apply to payments made pursuant to a specified equity-linked instrument ("**Specified ELI**"), which generally will include any financial instruments (such as futures, forward contracts, and options), other than a securities lending or sale-repurchase transaction or a Specified NPC, that references the value of one or more underlying securities. In addition, under the new provisions, an equity-linked instrument or notional principal contract generally will be a Specified ELI or Specified NPC, if at the time it is entered into, it has a "delta" of 0.80 or greater with respect to the underlying stock. Moreover, payments based on amounts that reference actual or estimated dividend payments, whether the reference is explicit or implicit, would be subject to withholding, even if an estimated payment is not adjusted based on the actual dividend payment, as well as complex derivatives, issued in 2017 and later, which include dividend equivalent payments paid to Non-US-recipients. For certain "qualified indices" an exception from treatment as an underlying security is provided thus exempting a Specified ELI or Specified NPC that references a qualified index from the application of Section 871(m). To constitute a "qualified index", an index must meet seven cumulative requirements, including requirements that it references 25 or more component underlying (also foreign) securities, contains no component underlying security representing more than 15 percent of the index's weighting, and does not provide a dividend yield greater than 1.5 times the yield of the Standard&Poors 500 index for the month preceding the date the long party acquires the potential Section 871(m) transaction.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on index-linked Securities or equity-linked Securities, none of the Issuer, any paying agent or any other person would pursuant to the conditions of the Securities be required to pay additional amounts as result of the deduction or withholding of such tax.

The rules relating to the treatment of dividends, interest and other fixed or determinable income as income from sources within the United States are complex, and no assurance can be given that income on securities will not be treated as U.S. source income subject to U.S. withholding tax under other rules. In addition, changes in applicable U.S. federal, state and local tax laws and interpretations thereof may result in the application of U.S. withholding and other taxes with respect to the Securities. You should consult with your US tax advisor for further information.

Payments under the Securities may be subject to withholding tax pursuant to the Foreign Account Tax Compliance Act (FATCA)

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("FATCA") impose a withholding tax of 30% on (i) certain U.S. source payments, (ii) payments of gross proceeds from the disposition of assets that produce U.S. source interest or dividends made to persons that fail to meet certain certification or reporting requirements and (iii) certain other payments by entities that qualify as financial institutions pursuant to FATCA. The United States of America have entered into intergovernmental agreements in relation to FATCA (the "Intergovernmental Agreements") with various states, including Germany.

Pursuant to FATCA financial institutions that are not U.S. financial institutions and that make payments on securities may be required to withhold an U.S. tax of 30 per cent in relation to all payments or partial payments that are made after 31 December 2018 in relation to (i) securities issued or substantially modified on or after the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed, issued or substantially modified in the U.S. Federal Register; and/or (ii) securities that qualify as equity capital for the purposes of U.S. tax law, irrespective of their issue date.

Whilst the Securities are in global (or dematerialised) form and held within ICSD or the Clearing System respectively, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Securities by the Issuer, any paying agent, ICSD or the Clearing System, given that each of the entities in the payment chain from the Issuer to ICSD or the Clearing System is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an Intergovernmental Agreement will be unlikely to affect the Securities. Additionally, it is generally not expected that foreign financial institutions in a jurisdiction that entered into an Intergovernmental Agreement will be required to withhold any amounts on any of their payments pursuant to FATCA or Intergovernmental Agreement (or a law implementing such Intergovernmental Agreement).

It is yet unclear how the United States of America and the Federal Republic of Germany will implement a withholding on "foreign passthru payments" (as described in FATCA) or if such withholding will be required at all.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE SECURITIES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE. The Luxembourg and US governments have signed an Intergovernmental Agreement ("**IGA**") on 28 March 2014, which purports to implement the provisions of FATCA in Luxembourg. This IGA is made on the Model I Reciprocal Agreement, thus the reporting shall be done to the Luxembourg tax authorities, which will then report to the U.S. Internal Revenue Service.

You should consult with your US tax advisor for further information.

GENERAL INFORMATION

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required other than the approval of the Base Prospectus by the Commission de Surveillance du Secteur Financier (CSSF) and a notification to the countries set forth in the Final Terms under "Terms and conditions of the offer". No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer other than the approval and notification(s) mentioned above.

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area, which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Securities may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), not be offered to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of Securities to the public may be made in that Relevant Member State:

- (a) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that relevant Member State (a "**Non-Exempt Offer**"), following the date of publication of a base prospectus in relation to such Securities, which has been approved by the competent authority in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such base prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such base prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of the Non-Exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant person or entity placing or offering the Securities nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that (i) no such offer of Securities referred to in (b) to (d) above shall require the Issuer to publish a base prospectus pursuant to Article 3 of the Prospectus Directive or supplement a base prospectus pursuant to Article 16 of the Prospectus Directive at least on banking day prior to the respective offer and (ii), in case of an offer in Austria, a notification to the *Oesterreichische Kontrollbank*, as foreseen in the Austrian Capital Market Act of 1991 (as amended), has been filed at least one Austrian banking day prior to the respective offer.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in

that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Selling Restrictions Addressing Additional Austrian Securities Laws

In addition to the cases described in the Public Offer Selling Restrictions under the Prospectus Directive in which the Securities may be offered to the public in a Relevant Member State (including Austria), the Securities may be offered to the public in Austria only:

- (a) if the following conditions have been satisfied:
 - (i) the Base Prospectus, including any supplements but excluding any Final Terms, which has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**") or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive, has been published at least on Austrian bank working day prior to the commencement of the relevant offer of the Securities to the public;
 - (ii) the applicable Final Terms for the Securities have been published and filed with the FMA on or prior to the date of commencement of the relevant offer of the Securities to the public; and
 - (iii) a notification with the *Oesterreichische Kontrollbank Aktiengesellschaft*, all as prescribed by the Austrian Capital Market Act (*Kapitalmarktgesetz*, Federal Law Gazette No. 625/1991, as amended, the "**CMA**"), has been filed at least one Austrian bank working day prior to the commencement of the relevant offer of the Securities to the public; or
- (b) otherwise in compliance with the CMA.

For the purposes of this Austrian selling restriction, the expression "an offer of the Securities to the public" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

United States of America

- (a) The Securities have not been and will not be registered under the Securities Act of 1933, as amended ("**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to another exemption from, or in a transaction otherwise not subject to, the registration requirements of the Securities Act.
- (b) Any person when purchasing the Securities agrees with the Issuer and, if different, the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any Securities for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales or deliveries of any Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Terms used above have the meanings given to them by *Regulation S*.

- (c) Securities, other than (i) Securities with a maturity of one year or less (including unilateral rollovers or extensions) and (ii) Securities that are issued in registered form in accordance with the provisions of U.S. Treasury Regulation Section 5f.103-1 and the U.S. Internal Revenue Service ("**IRS**") Notice 2012-20, will be issued in accordance with the so-called "excise tax exemption" pursuant to the provisions of U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") Section 4701(b)(1)(B) and U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) ("**TEFRA D Rules**") or U.S. Treasury

Regulation Section 1.163-5(c)(2)(i)(C) ("**TEFRA C Rules**"), as specified in the applicable Final Terms.

Excise Tax

Code Section 4701 imposes an excise tax on an issuer who issues "registration-required obligations" which are not in registered form. The excise tax is equal to 1% of the principal amount of the obligation multiplied by the number of calendar years until the obligation reaches maturity. In accordance with IRS Notice 2012-20, certain securities are deemed to be in registered form (as discussed in more detail below). Furthermore, the IRS announced in Notice 2012-20 that it intends to provide guidance, which the IRS stated will be "identical" to the TEFRA C and TEFRA D rules, to clarify how certain securities that are not in registered form can qualify for the excise tax exemption.

Notice 2012-20 Requirements

In Notice 2012-20, the IRS stated that it intends to issue future guidance providing that an obligation that is nominally issued in "bearer" form will be considered to be in registered form for U.S. federal income tax purposes if it is issued through a "dematerialized" book entry system or a clearing system in which the obligation is "effectively immobilized". An obligation is effectively immobilized if the only holder of physical global form (i.e., bearer) certificates is a clearing organisation, the physical certificates can only be transferred to a successor clearing organisation subject to the same terms, and the beneficial interests in the underlying obligation are only transferrable on a book entry system maintained by the clearing organisation. The obligation may be considered to be in registered form even if a physical certificate is available in bearer form in certain circumstances. Those circumstances are limited to termination of the clearing organisation's business, default by the issuer, or issuance of definitive securities at the issuer's request upon a change in tax law that would be adverse to the issuer unless securities are issued in physical bearer form.

In connection with Securities issued in accordance with the requirements of Notice 2012-20, the Issuer represents and agrees that it will comply with the requirements of Notice 2012-20, and it will require all those persons participating in the distribution of the Securities to represent and agree to comply with such requirements.

TEFRA D Rules

In addition, in respect of Securities issued in accordance with the TEFRA D Rules, the Issuer represents and agrees that it will require all those persons participating in the distribution of the Securities to represent and agree that:

- (i) except to the extent permitted under the TEFRA D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Securities in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) it has not delivered and will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;
- (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities in bearer form are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (iii) if such person is a United States person, it has represented that it is acquiring the Securities for purposes of resale in connection with their original issuance and if such Distributor retains Securities in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6);

- (iv) with respect to each affiliate that acquires from such person Securities in bearer form for the purposes of offering or selling such Securities during the restricted period, such person either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii); and
- (v) such person will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii), (iii), and (iv) from any person other than its affiliate with whom it enters into a written contract, as defined in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4), for the offer and sale of Securities during the restricted period.

Terms used in the above paragraph have the meanings given to them by the Code, U.S. treasury regulations promulgated thereunder and IRS *Notice 2012-20*.

TEFRA C Rules

In addition, in respect of Securities issued in accordance with the TEFRA C Rules, Securities must be issued and delivered outside the United States and its possessions in connection with their original issuance. The Issuer will not, and it will require all those persons participating in the distribution of the Securities to not, offer, sell or deliver, directly or indirectly, Securities in bearer form within the United States or its possessions in connection with their original issuance. Further, the Issuer will not, and it will require all those persons participating in the distribution of the Securities to not, communicate, directly or indirectly, with a prospective purchaser if, such person or purchaser is within the United States or its possessions and will not otherwise involve its United States office in the offer or sale of Securities. Terms used in this paragraph have the meanings given to them by the Code and U.S. treasury regulations promulgated thereunder.

Securities which are not issued in registered form (e.g., bearer securities) pursuant to the TEFRA D Rules (other than temporary global securities and securities with a maturity, taking into account any unilateral rights to roll over or extend, of one year or less) and any receipts or coupons appertaining thereto will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

Authorisation

The establishment of the Programme and the issue of Securities under the Programme were duly authorised by the Group Asset/Liability Committee (ALCO), a subcommittee of the Management Board of HVB, on 17 April 2001. The full EUR 50,000,000,000 authorisation amount of this Programme may also be applied by other base prospectuses of HVB, however, the aggregate utilised amount of this Programme together with any other base prospectuses of HVB under this Programme will not exceed EUR 50,000,000,000.

Availability of Documents

Copies of the articles of association of the Issuer, the consolidated annual reports in respect of the fiscal years ended 31 December 2014 and 2015 of the Issuer, the unconsolidated annual financial statements of the Issuer in respect of the fiscal year ended 31 December 2015 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), the unaudited Consolidated Results of HVB Group as of 30 June 2016, the forms of the Global Notes, the Final Terms and the Agency Agreement, as amended and restated, will be available during usual business hours on any weekday (except Saturdays and public holidays) at the offices of the Issuer and of BNP Paribas Securities Services, Luxembourg Branch in its capacity as listing

agent for the Securities. For the validity of this Base Prospectus, all documents whose information has been incorporated by reference in this Base Prospectus will be available for collection in the English language, free of charge, at the offices of UniCredit Bank AG (Arabellastraße 12, 81925 Munich).

Clearing System

Securities may be cleared through Euroclear Bank SA/NV as operator of the Euroclear system (1 Boulevard du Roi Albert IIB, 1210 Brussels, Belgium) ("**Euroclear Bank**"), Clearstream Banking société anonyme, Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg) ("**Clearstream Banking SA**" or "**CBL**") or Clearstream Banking AG, Frankfurt am Main (Mergenthalerallee 61, 65760 Eschborn, Germany) ("**Clearstream Banking AG**" or "**CBF**") and/or any alternative clearing system as specified in the Final Terms. The appropriate security identification codes for each Series of Securities will be contained in the Final Terms. The Issuer may decide to deposit, or otherwise arrange for the clearance of, Securities issued under the Programme with or through an alternative clearing system. The relevant details of such alternative clearing system will be specified in the Final Terms.

Agents

Principal Paying Agents under the Programme are UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany and (for Securities deposited with Clearstream Banking SA and Euroclear Bank) Citibank, N.A., London Office, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

Calculation Agent under the Programme is UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany.

Luxembourg Listing Agent under the Programme is BNP Paribas Securities Services, Luxembourg Branch, 60, Avenue J.-F. Kennedy, L-2085 Luxembourg, Luxembourg.

The Issuer may decide to appoint another Principal Paying Agent and/or Calculation Agent for the Securities issued under the Base Prospectus. The relevant details of such alternative Principal Paying Agent and/or Calculation Agent will be specified in the Final Terms.

Significant Changes in HVB's Financial Position and Trend Information

The performance of HVB Group will depend on the future development on the financial markets and the real economy in 2016 as well as other remaining imponderables. In this environment, HVB Group will continuously adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis.

There has been (i) no significant change in the financial position of the HVB Group which has occurred since 30 June 2016, and (ii) no material adverse change in the prospects of the HVB Group since 31 December 2015, the date of its last published audited financial statements.

Interest of Natural and Legal Persons involved in the Issue/Offer

Any of the Distributors and their affiliates may be customers of, and borrowers from the Issuer and its affiliates. In addition, any of such Distributors and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

Third Party Information

Where information has been sourced from a third party, the Issuer confirms that to the best of its knowledge this information has been accurately reproduced and that so far as the Issuer is aware

and able to ascertain from information published by such third party no facts have been omitted which would render the reproduced information inaccurate or misleading.

Use of Proceeds and Reasons for the Offer

The net proceeds from each issue of Securities by the Issuer will be used for its general corporate purposes, i.e. making profit and/or hedging certain risks.

Information incorporated by reference in this Base Prospectus

The following information shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus. Parts of such documents, including documents incorporated by reference into these documents, whose information is not incorporated by express reference in the cross-reference lists below are not relevant for potential investors.

	Pages of the document:	Incorporation of information in this Base Prospectus on the following pages:
<p>Registration Document of UniCredit Bank AG, dated 22 April 2016, approved by the German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>)</p> <p>Risk Factors</p> <ul style="list-style-type: none"> - Risks relating to the business activity of HVB Group <p>Statutory Auditors</p> <p>UniCredit Bank AG</p> <ul style="list-style-type: none"> - Information about HVB, the parent company of HVB Group <p>Business Overview</p> <ul style="list-style-type: none"> - Principal Activities - Business segments of HVB Group - Principal Markets <p>Management and Supervisory Bodies</p> <p>Major Shareholders</p> <p>Auditors</p> <p>Legal and Arbitration Proceedings</p>	<p>p. 3 to 12</p> <p>p. 13</p> <p>p. 14</p> <p>p. 14</p> <p>p. 14 to 16</p> <p>p. 16</p> <p>p. 16 to 18</p> <p>p. 18</p> <p>p. 18</p> <p>p. 19 to 22</p>	<p>p. 27</p> <p>p. 46</p> <p>p. 46</p> <p>p. 46</p> <p>p. 46</p> <p>p. 46</p> <p>p. 46</p> <p>p. 46</p> <p>p. 46</p>
<p>Audited financial statements of HVB Group for the fiscal year ended 31 December 2015 (Annual Report HVB Group 2015)</p> <ul style="list-style-type: none"> - Consolidated Income Statement - Consolidated Balance Sheet 	<p>p. 114 to 115</p> <p>p. 116 to 117</p>	<p>p. 46</p> <p>p. 46</p>

	Pages of the document:	Incorporation of information in this Base Prospectus on the following pages:
- Statement of Changes in Consolidated Shareholders' Equity	p. 118 to 119	p. 46
- Consolidated Cash Flow Statement	p. 120 to 121	p. 46
- Notes	p. 122 to 252	p. 46
- Independent Auditors' Report	p. 253	p. 46
Audited financial statements of HVB Group for the fiscal year ended 31 December 2014 (Annual Report HVB Group 2014)		
- Consolidated Income Statement	p. 112 to 113	p. 46
- Consolidated Balance Sheet	p. 114 to 115	p. 46
- Statement of Changes in Consolidated Shareholders' Equity	p. 116 to 117	p. 46
- Consolidated Cash Flow Statement	p. 118 to 119	p. 46
- Notes to the Consolidated Financial Statements	p. 120 to 252	p. 46
- Auditors' Certificate	p. 253	p. 46
Audited unconsolidated financial statements (Jahresabschluss) of UniCredit Bank AG for the fiscal year ended 31 December 2015 (Annual Report UniCredit Bank AG (HVB) 2015)		
- Income Statement of UniCredit Bank AG	p. 84 to 85	p. 46
- Balance Sheet of UniCredit Bank AG	p. 86 to 91	p. 46
- Notes	p. 92 to 142	p. 46
- Auditors' Report	p. 143	p. 46

	Pages of the document:	Incorporation of information in this Base Prospectus on the following pages:
Audited unconsolidated financial statements (Jahresabschluss) of UniCredit Bank AG for the fiscal year ended 31 December 2014 (Annual Report of UniCredit Bank AG (HVB) 2014)		
- Income Statement	p. 80 to 81	p. 46
- Balance Sheet	p. 82 to 87	p. 46
- Notes	p. 88 to 138	p. 46
- Auditor's Report	p. 139	p. 46
Unaudited Consolidated Half-Yearly Financial Report of HVB Group as at 30 June 2016		
- Consolidated Income Statement	p. 54 to 57	p. 46
- Consolidated Balance Sheet	p. 58 to 59	p. 46
- Statement of Changes in Shareholders' Equity	p. 60 to 61	p. 46
- Notes	p. 63 to 101	p. 46

The Registration Document of UniCredit Bank AG dated 22 April 2016 has been published on the website of HVB (<http://www.onemarkets.de/de/produkte/rechtlichehinweise/basisprospekte.registrierungsdokumente.html>).

The Annual Report of HVB Group as at 31 December 2015, the Annual Report of UniCredit Bank AG as at 31 December 2014, the Annual Report of UniCredit Bank AG as at 31 December 2015 and the Consolidated Half-Yearly Report of HVB Group as at 30 June 2016 have been published on the website of HVB (<https://investors.hypovereinsbank.de/cms/english/investorrelations/reportsfinancedata/index.html>).

For the avoidance of doubt the contents of the following websites do not form part of this Prospectus:

- www.bourse.lu;
- <http://www.onemarkets.de/de/produkte/rechtlichehinweise/basisprospekte.registrierungsdokumente.html>; and
- <https://investors.hypovereinsbank.de/cms/english/investorrelations/reportsfinancedata/index.html>.

The documents listed in the table above can be found on the following websites:

Registration Document of UniCredit Bank AG dated 22 April 2016:

http://www.onemarkets.de/content/dam/onemarkets/german/registration-documents/2016/DIP_2016_Registration_Document_en.pdf

Annual Report of HVB Group as at 31 December 2015:

<https://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/2016-03-18-gb-2016-konzern-en.pdf>

Annual Report of HVB Group as at 31 December 2014:

https://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/2015-03-12_gb_2014_konzern_en.pdf

Annual Report of UniCredit Bank AG as at 31 December 2015:

<https://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/2016-03-18-gb-ag-2016-konzern-en.pdf>

Annual Report of UniCredit Bank AG as at 31 December 2014:

https://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/2015-03-12_gb_2014_hvb_en.pdf

Half-Yearly Financial Report of HVB Group as at 30 June 2016:

https://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/20160804_intirimreport_en.pdf

NAMES AND ADDRESSES

ISSUER

UniCredit Bank AG
Arabellastraße 12
81925 Munich
Germany

CALCULATION AGENT

UniCredit Bank AG
Arabellastraße 12
81925 Munich
Germany

PRINCIPAL PAYING AGENT

UniCredit Bank AG
Arabellastraße 12
81925 Munich
Germany

or

Citibank, N.A.
London branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

LUXEMBOURG LISTING AGENT

BNP Paribas Securities Services
Luxembourg Branch
60, Avenue J.-F. Kennedy
L-2085 Luxembourg
Luxembourg

ISSUER'S AUDITOR

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft
Rosenheimer Platz 4
81669 München
Germany