



**UniCredit Bank AG**  
Munich, Federal Republic of Germany

## **Base Prospectus**

**for the issuance of**

## **Interest Securities**

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

**24 August 2017**

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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. The investor should base any decision to invest in the relevant Securities on consideration of the Base Prospectus as a whole.</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	Consent to the use of the base prospectus	<p>[Subject to the following paragraphs, the Issuer gives its [general] [individual] 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>
	Indication of the offer period	<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>
	Other conditions attached to the consent	<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 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>

		[Not applicable. No consent is given.]
	Provision of terms and conditions of the offer by financial intermediary	<p><b>[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.]</b></p> <p>[Not applicable. No consent is given.]</p>

## B. ISSUER

B.1	Legal and commercial name	UniCredit Bank AG (together with its consolidated subsidiaries, the " <b>HVB Group</b> ") is the legal name. HypoVereinsbank is the commercial name.
B.2	Domicile / Legal form / Legislation / Country of incorporation	UniCredit Bank has its registered office at Arabellastraße 12, 81925 Munich, was incorporated in Germany and is registered with the Commercial Register at the Local Court ( <i>Amtsgericht</i> ) in Munich under number HRB 42148, incorporated as a stock corporation under the laws of 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 also in 2017 depend on the future development on the financial and capital markets, and the real economy as well as on the imponderables related. In this environment, HVB Group reviews its business strategy on a regular as well as on an ad hoc basis and adopts it where necessary.
B.5	Description of the group and the issuer's position within the group	UniCredit Bank is the parent company of HVB Group. HVB Group holds directly and indirectly equity participations in various companies. UniCredit Bank has been an affiliated company of UniCredit S.p.A., Rome (" <b>UniCredit S.p.A.</b> ", and together with its consolidated subsidiaries, " <b>UniCredit</b> ") 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.
B.9	Profit forecast or estimate	Not applicable; profit forecasts or estimates are not prepared by the Issuer.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable; Deloitte 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 2015 and for the financial year ended 31 December 2016 and the unconsolidated financial statement ( <i>Einzelabschluss</i> ) of UniCredit Bank for the financial year ended 31 December 2016 and has in each case issued an unqualified audit opinion thereon.

B.12	Selected historical key financial information	<p><b>Consolidated Financial Highlights as of 31 December 2016</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding-bottom: 5px;"><b>Key performance indicators</b></th><th style="text-align: center; padding-bottom: 5px;"><b>1/1/2016 – 31/12/2016*</b></th><th style="text-align: center; padding-bottom: 5px;"><b>1/1/2015 – 31/12/2015†</b></th></tr> </thead> <tbody> <tr> <td>Net operating profit<sup>1)</sup></td><td style="text-align: center;">€1,096m</td><td style="text-align: center;">€983m</td></tr> <tr> <td>Profit before tax</td><td style="text-align: center;">€297m</td><td style="text-align: center;">€776m</td></tr> <tr> <td>Consolidated profit</td><td style="text-align: center;">€157m</td><td style="text-align: center;">€750m</td></tr> <tr> <td>Earnings per share</td><td style="text-align: center;">€0.19</td><td style="text-align: center;">€0.93</td></tr> <tr> <td> </td><td> </td><td> </td></tr> <tr> <td><b>Balance sheet figures</b></td><td style="text-align: center;"><b>31/12/2016</b></td><td style="text-align: center;"><b>31/12/2015</b></td></tr> <tr> <td>Total assets</td><td style="text-align: center;">€302,090m</td><td style="text-align: center;">€298,745m</td></tr> <tr> <td>Shareholders' equity</td><td style="text-align: center;">€20,420m</td><td style="text-align: center;">€20,766m</td></tr> <tr> <td> </td><td> </td><td> </td></tr> <tr> <td><b>Key capital ratios</b></td><td style="text-align: center;"><b>31/12/2016</b></td><td style="text-align: center;"><b>31/12/2015</b></td></tr> <tr> <td>Common Equity Tier 1 capital</td><td style="text-align: center;">€16,611m<sup>2)</sup></td><td style="text-align: center;">€19,564m<sup>3)</sup></td></tr> <tr> <td>Core capital (Tier 1 capital)</td><td style="text-align: center;">€16,611m<sup>2)</sup></td><td style="text-align: center;">€19,564m<sup>3)</sup></td></tr> <tr> <td>Risk-weighted assets (including equivalents for market risk and operational risk)</td><td style="text-align: center;">€81,575m</td><td style="text-align: center;">€78,057m</td></tr> <tr> <td>Common Equity Tier 1 capital ratio<sup>4)</sup></td><td style="text-align: center;">20.4%<sup>2)</sup></td><td style="text-align: center;">25.1%<sup>3)</sup></td></tr> <tr> <td>Core capital ratio (Tier 1 ratio)<sup>4)</sup></td><td style="text-align: center;">20.4%<sup>2)</sup></td><td style="text-align: center;">25.1%<sup>3)</sup></td></tr> </tbody> </table>	<b>Key performance indicators</b>	<b>1/1/2016 – 31/12/2016*</b>	<b>1/1/2015 – 31/12/2015†</b>	Net operating profit <sup>1)</sup>	€1,096m	€983m	Profit before tax	€297m	€776m	Consolidated profit	€157m	€750m	Earnings per share	€0.19	€0.93				<b>Balance sheet figures</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	Total assets	€302,090m	€298,745m	Shareholders' equity	€20,420m	€20,766m				<b>Key capital ratios</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	Common Equity Tier 1 capital	€16,611m <sup>2)</sup>	€19,564m <sup>3)</sup>	Core capital (Tier 1 capital)	€16,611m <sup>2)</sup>	€19,564m <sup>3)</sup>	Risk-weighted assets (including equivalents for market risk and operational risk)	€81,575m	€78,057m	Common Equity Tier 1 capital ratio <sup>4)</sup>	20.4% <sup>2)</sup>	25.1% <sup>3)</sup>	Core capital ratio (Tier 1 ratio) <sup>4)</sup>	20.4% <sup>2)</sup>	25.1% <sup>3)</sup>
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\* Figures shown in this column are audited and taken from the consolidated financial statements of HVB Group for the financial year ended 31 December 2016.

† Figures shown in this column are audited and taken from the consolidated financial statements of HVB Group for the financial year ended 31 December 2015.

<sup>1)</sup> Net operating profit results from the P/L line items net interest, dividends and other income from equity investments, net fees and commissions, net trading income, net other expenses/income, operating costs and net write-downs of loans and provisions for guarantees and commitments.

<sup>2)</sup> in accordance with the consolidated financial statements of HVB Group for the financial year ended 31 December 2016 approved by the Supervisory Board of UniCredit Bank AG.

<sup>3)</sup> in accordance with the consolidated financial statements of HVB Group for the financial year ended 31 December 2015 approved by the Supervisory Board of UniCredit Bank AG.

<sup>4)</sup> calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.

<b>Consolidated Financial Highlights as of 30 June 2017*</b>		
<b>Key performance indicators</b>	<b>1/1/2017 – 30/6/2017</b>	<b>1/1/2016 – 30/6/2016</b>
Net operating profit	€942m	€542m
Profit before tax	€933m	€568m
Consolidated profit	€717m	€371m
Earnings per share (full HVB Group)	€0.89	€0.46
<b>Balance sheet figures</b>	<b>30/6/2017</b>	<b>31/12/2016</b>
Total assets	€294,598m	€302,090m
Shareholders' equity	€18,278m	€20,420m
<b>Key capital ratios</b>	<b>30/6/2017</b>	<b>31/12/2016</b>
Common Equity Tier 1 capital	€16,761m	€16,611m
Core capital (Tier 1 capital)	€16,761m	€16,611m
Risk-weighted assets (including equivalents for market risk and operational risk)	€79,019m	€81,575m
Common Equity Tier 1 capital ratio <sup>1)</sup>	21.2%	20.4%

\* Figures shown in this table are unaudited and taken from the Issuer's Half-yearly Financial report as of 30 June 2017.

<sup>1)</sup> Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.

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

There has been no material adverse change in the prospects of HVB Group since 31 December 2016, the date of its last published audited financial statements.

	change Description of significant change in the financial position subsequent to the period covered by the historical financial information	There has been no significant change in the financial position of HVB Group which has occurred since 30 June 2017.
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	B.5 plus statement of dependency upon other entities within the group	See B.5 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 of 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.
[B.17 <sup>1</sup>	Ratings	Investors should keep in mind that a rating does not constitute a recommendation to purchase, sell or hold the debt securities issued by the Issuer.

<sup>1</sup> Information about this section B.17 is only applicable in the case of Securities where the Issuer is obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

Moreover, the ratings awarded by the rating agencies may at any time be suspended, downgraded or withdrawn.

Notes currently issued by HVB have been rated as follows by Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and Standard & Poor's Global Ratings ("S&P") (Status: August 2017):

	<b>Long-term Preferred Senior Notes<sup>1</sup></b>	<b>Long-term Non-Preferred Senior Unsecured Notes<sup>1</sup></b>	<b>Subordinated Notes</b>	<b>Short-term Notes</b>	<b>Outlook</b>
<b>Moody's</b>	A2 <sup>2</sup>	Baa2 <sup>3</sup>	Baa3	P-1	Stable
<b>S&amp;P</b>	BBB <sup>4</sup>	BBB- <sup>5</sup>	BB+	A-2	Developing <sup>7</sup>
<b>Fitch</b>	BBB+ <sup>6</sup>	BBB+ <sup>6</sup>	BBB	F2	Negative

<sup>1</sup> Due to an amendment to section 46f of the German Banking Act ("KWG"), which revises the ranking of bank debt in the event of insolvency, the rating agencies have developed a sub-division into 2 rating categories for long-term senior debt previously grouped into a single category.

<sup>2</sup> Designation by Moody's: "Senior senior unsecured bank debt".

<sup>3</sup> Designation by Moody's: "Senior unsecured".

<sup>4</sup> Designation by S&P: "Long-term Senior Unsecured".

<sup>5</sup> Designation by S&P: "Long-term Senior Subordinated".

<sup>6</sup> Designation by Fitch: "Long-term Issuer Default-Rating".

<sup>7</sup> Not applicable to Long-Term Non-Preferred Senior Unsecured Notes.

Fitch's long-term credit ratings are set up along a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C, RD down to D. Fitch uses the intermediate modifiers "+" and "-" to denote relative status within the categories from AA to B. Fitch has also the possibility for guidance (termed "on watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (evolving). Outlooks are used to indicate the direction of a rating as the indication could be positive, negative, stable or evolving. Fitch's short-term ratings reflect a bank's vulnerability to default in the short term at the levels F1+, F1, F2, F3, B, C, RD and D.

Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's also has the option of adding further guidance (referred to as "under review") as to whether a rating is likely to be upgraded (possible upgrade), downgraded (possible downgrade) or uncertain (direction uncertain). Outlooks are assigned indicating the direction of any pressure. Characteristics are positive, negative, stable and developing. Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations and range from P-1, P-2, P-3 down to NP (Not Prime).

S&P assign long-term credit ratings on a scale from AAA, AA, A, BBB,

		BB, B, CCC, CC, C, SD to D. The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&P may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (developing). Outlooks are an indicator for the rating direction. S&P uses positive, negative, stable and developing outlooks. S&P assigns short-term credit ratings for specific issues on a scale from A-1+, A-1, A-2, A-3, B, C, SD down to D.]
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## C. SECURITIES

C.1	Type and class of the securities	<p>[Fixed Rate [Dual Currency] Securities]</p> <p>[[TARN Express] [Knock-In] [Interest Rate Difference] [Reverse] [Switchable] [Fixed] Floating Rate [Dual Currency] Securities]</p> <p>[[TARN Express] [Knock-In] [Dual] Range Accrual [Dual Currency] Securities]</p> <p>[[TARN Express] Digital [Range] [Floating Rate] [Dual Currency] Securities]</p> <p>[[TARN Express] [Knock-In] Inflation [Interest Rate Difference] [Reverse] [Fixed] [Digital] [Floor] [Cap] [Floating Rate] [Dual Currency] Securities]</p> <p>[[TARN Express] [Knock-In] Inflation Range Accrual [Dual Currency] Securities]</p> <p>[Zero Coupon [Dual Currency] Securities]</p> <p>The Securities will be issued as Notes with Nominal Amount.</p> <p>"<b>Notes</b>" are debt instruments in bearer form (<i>Inhaberschuldverschreibungen</i>) pursuant to § 793 of the German Civil Code (<i>Bürgerliches Gesetzbuch, BGB</i>).</p> <p>"<b>Nominal Amount</b>" means [<i>Insert</i>].</p> <p>[The Securities are represented by a permanent global note without interest coupons.]</p> <p>[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.]</p> <p>The holders of the Securities (the "<b>Security Holders</b>") are not entitled to receive definitive Securities.</p> <p>The [ISIN] [WKN] is specified in the table in the Annex to this summary.</p>
C.2	Currency of the securities issue	The Securities are issued in [ <i>Insert Specified Currency</i> ] (the " <b>Specified Currency</b> ").
C.5	Restrictions of any free transferability of the securities	Not applicable. The Securities are freely transferable.
C.8	Rights attached to the securities, includ-	<p><b>Governing law of the Securities</b></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>

ing ranking and limitations to those rights	<p><b>Rights attached to the Securities</b></p> <p><b>Interest</b></p> <p>[The Securities bear [no interest] [interest at a fixed interest rate (as specified in C.9)][floating rate interest (as specified in C.[9][15])] [interest at the respective Interest Rate (as specified in C.9)] [at different Interest Rates specified for the respective Interest Period (as specified in C.9)] during the term of the Securities.]</p> <p><i>[In the case of Zero Coupon Securities the following applies:</i></p> <p>There will be no periodic payments of interest on the Securities; from an economic point of view, the interest payment is included in the difference between the Issue Price and a higher Redemption Amount.]</p> <p><i>[In the case of Fixed Rate Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions, the following applies:</i></p> <p><b>Interest Rate</b></p> <p>The "Interest Rate" for [each] [the respective] Interest Period is specified in the table in the Annex to this summary.]</p> <p>[The respective Interest Amount to be paid is converted by application of [a] [one or more] current exchange rate[s]. The Security Holder therefore carries an exchange rate risk.]</p> <p><i>[In the case of [TARN Express] [Knock-In] Switchable Fixed Floating Rate Dual Currency] Securities, the following applies:</i></p> <p><b>Issuer's Switch Option</b></p> <p>The Issuer has the right to determine that with effect from any Interest Payment Date (as defined in C.[9][16]) [which follows at least [•] [months] [years] after the Issue Date (as defined in the Final Terms) (in which case such Interest Payment Date shall be the "<b>Interest Switch Date</b>") the Interest Rate with respect to each Interest Period following the Interest Switch Date shall be the relevant Floating Interest Rate (as defined in C.[9][15]) on the relevant Interest Determination Date ("<b>Issuer's Switch Option</b>"). The Issuer's Switch Option can only be exercised once and with effect to all Securities. The Issuer's Switch Option is exercised by the Issuer by giving notice pursuant to § 6 of the General Conditions no later than [five] [•] Business Days prior to the relevant Interest Payment Date.]</p> <p><b>Early Redemption</b></p> <p><i>[In the case of Securities where the Issuer is obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions, the following applies:</i></p> <p>The Security Holders are entitled to the payment of the respective Early Redemption Amount [converted by application of [a] [one or more] current exchange rate[s]] (as specified in C.9) on the respective Early Maturity Date (as specified in C.9), if an Early Redemption Event (as specified in C.9) has occurred.]</p> <p><i>[In the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions, the following applies:</i></p> <p>The Security Holders are entitled to the payment of an Early Redemption Amount [converted by application of [a] [one or more] current exchange rate[s]] (as specified in C.15) on the respective Early Maturity Date (as</p>
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	<p>specified in C.16), if an Early Redemption Event (as defined in C.15) has occurred.]</p> <p><b>Redemption Right of the Security Holders</b></p> <p>[Following the exercise of the redemption right, the Security Holders are entitled to receive payment of the Redemption Amount [converted by application of [a] [one or more] current exchange rate[s]] [(as defined in C.9)] on the respective Redemption Date (as defined in C.[9][16]).]</p> <p><i>[In the case of Zero Coupon Securities, the following applies:</i> Following the exercise of the redemption right, the Security Holders are entitled to receive payment of the Termination Amount [(as defined in C.9)] on the respective Redemption Date (as defined in C.[9][16]).</p> <p>[The "Termination Amount" is specified in the table in the Annex to this summary.]</p> <p>]</p> <p>[Not applicable. The Security Holders are not entitled to optional redemption of the Securities.]</p> <p><b>Redemption</b></p> <p><i>[In the case of Securities where the Issuer is obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions, the following applies:</i></p> <p>The Security Holders are entitled to the payment of the Redemption Amount [converted by application of [a] [one or more] current exchange rate[s]] [(as defined in C.9)] on the Maturity Date (as specified in C.9).]</p> <p><i>[In the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions, the following applies:</i></p> <p>The Securities will be redeemed at the Maturity Date (as specified in C.16) by payment of the [Redemption Amount in the Specified Currency] [Redemption Amount which is converted by application of [a] [one or more] current exchange rate[s]].]</p> <p>[The "Redemption Amount" is specified in the table in the Annex to this summary.]</p> <p><b>Limitation of the rights</b></p> <p><b>Issuer's Regular Call Right</b></p> <p>[Upon exercise of its regular call right , the Issuer may at each Call Date (as specified in C.[9][16]) redeem the Securities in whole – but not in part – by payment of the Redemption Amount [which is converted by application of [a] [one or more] current exchange rate[s]].]</p> <p><i>[In the case of Zero Coupon Securities, the following applies:</i> Upon exercise of its Regular Call Right (as specified in the Final Terms), the Issuer may at each Call Date (as specified in C.[9][16]) redeem the Securities in whole – but not in part – by payment of the Termination Amount [(as defined in C.9)].]</p> <p>[The "Termination Amount" is specified in the table in the Annex to this summary.]</p> <p>[Not applicable. The Issuer is not entitled to regularly call the Securities.]</p> <p><i>[In the case of Inflation Index-linked Securities, the following applies:</i></p> <p><b>Adjustments</b></p>
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		<p>Upon the occurrence of one or more Adjustment Events (e.g. changes in the relevant index concept or the Inflation Index [(as defined in [C.9][C.20]) is discontinued), the Calculation Agent will in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities and/or all prices of the Inflation Index determined by the Calculation Agent on the basis of the Terms and Conditions of the Securities, pursuant to the Final Terms, in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible.]</p> <p><b><i>Issuer's Extraordinary Call Right</i></b></p> <p><i>[In the case of Inflation Index-linked Securities and Dual Currency Securities, the following applies:</i></p> <p>Upon the occurrence of one or more [Index Call Events (e.g. no suitable substitute for index sponsor or replacement of inflation index or change in law)] [and/or] [FX Call Events (e.g. no suitable new fixing sponsor, force majeur or change in law)] (the "<b>Call Events</b>"), the Issuer may call the Securities extraordinarily pursuant to the Final Terms and redeem the Securities at their Cancellation Amount. The "<b>Cancellation Amount</b>" is [the fair market value of the Securities] [the market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities)], as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) [and which is converted by application of [a] [one or more] current exchange rate[s]]. [However, the Cancellation Amount shall not be less than the Nominal Amount.]]</p> <p>[Not applicable. The Issuer is not entitled to extraordinarily call the Securities.]</p> <p><i>[In the case of Dual Currency Securities with a conversion right of the Issuer, the following applies:</i></p> <p><b><i>Issuer's Conversion Right</i></b></p> <p>Upon the occurrence of a conversion event (e.g. no suitable new fixing sponsor, force majeur or change in law) (the "<b>Conversion Event</b>") the Securities shall be redeemed at the Cancellation Amount on the Maturity Date. The "<b>Cancellation Amount</b>" is equal to the fair market value of the Securities plus interest accrued up to the Redemption Date at the market rate of interest being traded at that time for liabilities of the Issuer with the same remaining term as the Securities as of the tenth Banking Day following the occurrence of the Conversion Event, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) [and which is converted by application of [a] [one or more] current exchange rate[s]]. However, the Security Holder receives at least the Minimum Amount.]</p> <p><b>Status of the Securities</b></p> <p>The obligations under the Securities constitute direct, unconditional and 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>
[C.9 <sup>2</sup>	C.8 and	See C.8

<sup>2</sup> Information about this section C.9 is only applicable in the case of Securities where the Issuer is obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

<p>Nominal interest rate; the date from which interest becomes payable and the due dates for interest; where the rate is not fixed, description of the underlying on which it is based; maturity date and arrangements for the amortisation of the loan, including the repayment procedures; an indication of yield; representation of debt security holders</p>	<p><b>Interest Rate</b></p> <p><b>[Product type 1: In the case of Fixed Rate Securities, the following applies:</b></p> <p>The "Interest Rate" for [each] [the respective] Interest Period is specified in the table in the Annex to this summary.]</p> <p><b>[Product type 2: In the case of Floating Rate Securities, the following applies:</b></p> <p>The "Interest Rate" for the respective Interest Period is [either] equal to the [Floating Interest Rate on the respective Interest Determination Date] [difference between the Fixed Interest Rate and the Reference Rate on the respective Interest Determination Date] [Fixed Interest Rate or [following the exercise of the Issuer's Switch Option,] the Floating Interest Rate on the respective Interest Determination Date] [the difference between the Fixed Interest Rate and the Reference Rate on the respective Interest Determination Date or the Fixed Interest Rate].</p> <p>[The respective Fixed Interest Rate is specified in the Final Terms.]</p> <p>["<b>Floating Interest Rate</b>" means the [Reference Rate] [difference between the Reference Rate<sub>1</sub> [multiplied by the Factor<sub>1</sub>] ([each] as specified in the Final Terms) and the Reference Rate<sub>2</sub> [multiplied by the Factor<sub>2</sub>] ([each] as specified in the Final Terms), as displayed on the [relevant] Screen Page on the relevant Interest Determination Date, [multiplied by the Factor] [[and] [plus] [minus] the [Premium] [Discount].]]</p> <p>"<b>Reference Rate<sub>1</sub></b>" means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] [LIBOR (<i>London Interbank Overnight Rate</i>)]] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]).]</p> <p>"<b>Reference Rate<sub>2</sub></b>" means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] [LIBOR (<i>London Interbank Overnight Rate</i>)]] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]).]</p> <p><b>[Product type 3: In the case of Range Accrual Securities, the following applies:</b></p> <p>The "Interest Rate" with respect to an Interest Period is equal to [the sum of] the number of observation days within the respective Interest Period, for which the Range Accrual Reference Rate<sub>[1]</sub> is [within] a specific range (the "Interest Rate Range<sub>[1]</sub>")] [[above] [below] a specific percentage (the "Interest Rate Threshold<sub>[1]</sub>")]] [and for which the Range Accrual Reference Rate<sub>2</sub> is [within] a specific range (the "Interest Rate Range<sub>2</sub>")]] [[above] [below] a specific percentage (the "Interest Rate Threshold<sub>2</sub>")]] ("Number of Days In Range"), divided by the total number of Observation Days of the respective Interest Period and multiplied by the Interest Rate In, [and the number of Observation Days within the respective Interest Period, for which the Range Accrual Reference Rate<sub>[1]</sub> is [outside] the Interest Rate Range<sub>[1]</sub> (<i>Range</i>)] [[above] [below] the Interest Rate Threshold<sub>[1]</sub>]] [and for which the Range Accrual Reference Rate<sub>2</sub> is [outside] the Interest Rate Range<sub>2</sub>] [[above] [below] the Interest Rate Threshold<sub>2</sub>]] ("Number of Days out of Range"), divided by the total number of Observation Days of the respective Interest Period and multiplied by the Interest Rate Out] and is calculated according to the following formula:</p> <p>[Premium +] [(Number of Observation Dates in Range / total number of Observation Dates of the respective Interest Period x Interest Rate In)] [+ [(Number of Observation Dates out of Range / total number of Observa-</p>
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tion Dates of the respective Interest Period x Interest Rate Out[]]).

[The [respective] Premium is specified in the Final Terms.]

[[The] "**Interest Rate In**" [is the Fixed Interest Rate In which is specified in the table in the Annex to this summary] [means the Reference Rate].]

[[The] "**Interest Rate Out**" [is the Fixed Interest Rate Out which is specified in the table in the Annex to this summary] [means the Reference Rate].]

"**Reference Rate**" means [●] [month][year]-[EURIBOR (*Euro Interbank Overnight Rate*)] [[Insert Currency] LIBOR (*London Interbank Overnight Rate*)] [CMS-EUR (*Constant Maturity Swap rate in euro*)] (Screen Page: [Insert]).]

"**Range Accrual Reference Rate<sub>1</sub>**" means [●] [month][ year]-[EURIBOR (*Euro Interbank Overnight Rate*)] [[Insert Currency] LIBOR (*London Interbank Overnight Rate*)] [CMS-EUR (*Constant Maturity Swap rate in euro*)] (Screen Page: [Insert]).]

"**Range Accrual Reference Rate<sub>2</sub>**" means [[●] [month][ year]-[EURIBOR (*Euro Interbank Overnight Rate*)] [[Insert Currency] LIBOR (*London Interbank Overnight Rate*)] [CMS-EUR (*Constant Maturity Swap rate in euro*)] (Screen Page: [Insert])] [the difference between the Range Accrual Reference Rate<sub>3</sub> and the Range Accrual Reference Rate<sub>4</sub>.]

"**Range Accrual Reference Rate<sub>3</sub>**" means [●] [month][ year]-[EURIBOR (*Euro Interbank Overnight Rate*)] [[Insert Currency] LIBOR (*London Interbank Overnight Rate*)] [CMS-EUR (*Constant Maturity Swap rate in euro*)] (Screen Page: [Insert]).]

"**Range Accrual Reference Rate<sub>4</sub>**" means [●] [month][ year]-[EURIBOR (*Euro Interbank Overnight Rate*)] [[Insert Currency] LIBOR (*London Interbank Overnight Rate*)] [CMS-EUR (*Constant Maturity Swap rate in euro*)] (Screen Page: [Insert]).]

**Product type 4: In the case of Digital Securities, the following applies:**

The "**Interest Rate**" for the relevant Interest Period is either equal to the [Fixed Interest Rate<sub>1</sub> (as specified in the table in the Annex to this summary) or the Fixed Interest Rate<sub>2</sub> (as specified in the table in the Annex to this summary), depending on the Reference Rate being [either within or outside of a certain range] [at or above a specific percentage (the "**Interest Rate Threshold**")] on the relevant Interest Determination Date] [either Fixed Interest Rate or the Reference Rate on the relevant Interest Determination Date[, multiplied by the Factor] [[and] plus the Premium, depending on the Reference Rate being above or below a specific percentage (the "**Interest Rate Threshold**") on the relevant Interest Determination Date].

"**Reference Rate**" means [●] [month][year]-[EURIBOR (*Euro Interbank Overnight Rate*)] [[Insert Currency] [LIBOR (*London Interbank Overnight Rate*)] [CMS-EUR (*Constant Maturity Swap rate in euro*)] (Screen Page: [Insert]).]

[The [respective] "**Fixed Interest Rate<sub>1</sub>**" is specified in the table in the Annex to this summary.]

[The "**Fixed Interest Rate<sub>2</sub>**" is specified in the table in the Annex to this summary.]]

**Product type 5: In the case of Inflation Floating Rate Securities, the fol-**

lowing applies:

The "Interest Rate" for the respective Interest Period is equal to [the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent] [the difference between the Inflation Rate of the Inflation Index<sub>1</sub> [, multiplied by the Factor<sub>1</sub> (as specified in the Final Terms)] and the Inflation Rate of the Inflation Index<sub>2</sub> [, multiplied by the Factor<sub>2</sub> (as specified in the Final Terms)], each as calculated or specified on the relevant Interest Determination Date by the Calculation Agent.] [the difference between the Fixed Interest Rate and the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent.] [either the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent, or the Fixed Interest Rate.] [either the difference between (i) the Fixed Interest Rate and (ii) the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent, or the Fixed Interest Rate.] [either the Fixed Interest Rate or the Inflation Rate [, multiplied by the Factor], as calculated or specified on the relevant Interest Determination Date by the Calculation Agent [[and] plus the Premium, depending on the Inflation Rate being above or below the Interest Rate Threshold [[and] [plus] [minus] the [Premium] [Discount]].]

[The [respective] "Fixed Interest Rate" is specified in the table in the Annex to this summary.]

"Inflation Rate" means the Inflation Rate (expressed as a percentage per annum) as calculated by the Calculation Agent on each Interest Determination Date as follows:

[Inflation Rate =  $R(k) / R(k - 1) - 1$ ]

[Inflation Rate =  $R(k) (R(\text{initial}) - 1)$ ] "R (k)" means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month immediately preceding the respective Interest Payment Date] [Linearly Interpolated Price of the Inflation Index for the respective Interest Determination Date].

["R (k-1)" means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month] [Linearly Interpolated Price of the Inflation Index for the calendar day] that is one year prior to the respective Interest Payment Date.]

["R (initial)" means the [Reference Price for the Relevant Month immediately prior to the] [Linearly Interpolated Price of the Inflation Index for the] Issue Date.]

[The "Linearly Interpolated Price of the Inflation Index" for any day is calculated by deducting the Reference Price for Relevant Month<sub>1</sub> from the Reference Price for Relevant Month<sub>2</sub> and dividing it by the number of calendar days of the month in which the respective day falls. The value determined in this way is multiplied by the number of calendar days from the first day of the month (including) in which the respective day falls up to the respective day (excluding) and added to the Reference Price for Relevant Month<sub>1</sub>.]

["Reference Price" means the price of the Inflation Index as published by the Index Sponsor.]

[The [Relevant Month] [,][and] [Relevant Month<sub>1</sub>] [,][and] [Relevant Month<sub>2</sub>] [,][and] [Index Sponsor] [and] [Issue Date] [is][are] specified in the Final Terms.]

[**"Inflation Index"** refers to both Inflation Index<sub>1</sub> and Inflation Index<sub>2</sub>.]  
**"Inflation Index<sub>[1]</sub>"** means [*Insert description of Inflation Rate<sub>[1]</sub>*] ([Reuters: [Insert RIC]] [Bloomberg: [Insert ticker]]]).

[**"Inflation Index<sub>2</sub>"** means [*Insert description of Inflation Rate<sub>2</sub>*] (Reuters: [Insert RIC]] [Bloomberg: [Insert ticker]]).])

**[Product type 6: In the case of Inflation Range Accrual Securities, the following applies:**

The "**Interest Rate**" for the respective Interest Period depends on the number of days within the respective Interest Period, on which the Inflation Rate is [within a specific range (the "**Interest Rate Range**")]] [at or below a specific percentage (the "**Interest Rate Threshold**")].

**"Inflation Rate"** means the Inflation Rate (expressed as a percentage per annum) as calculated by the Calculation Agent on each Interest Determination Date as follows:

[Inflation Rate =  $R(k) / R(k - 1) - 1$ ]

[Inflation Rate =  $R(k) / R(\text{initial}) - 1$ ]

**"R (k)"** means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month immediately preceding the respective Interest Payment Date] [Linearly Interpolated Price of the Inflation Index for the respective Interest Determination Date].

**"R (k-1)"** means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month that is one year prior to the respective Interest Payment Date] [Linearly Interpolated Price of the Inflation Index for the calendar day that is one year prior to the respective Interest Determination Date].]

**"R (initial)"** means the [Reference Price for the Relevant Month immediately prior to the] [Linearly Interpolated Price of the Inflation Index for the] Issue Date.]

[The "**Linearly Interpolated Price of the Inflation Index**" for any day is calculated by deducting the Reference Price for Relevant Month<sub>1</sub> from the Reference Price for Relevant Month<sub>2</sub> and dividing it by the number of calendar days of the month in which the respective day falls. The value determined in this way is multiplied by the number of calendar days from the first day of the month (including) in which the respective day falls up to the respective day (excluding) and added to the Reference Price for Relevant Month<sub>1</sub>.]

**"Reference Price"** means the price of the Inflation Index as published by the Index Sponsor.]

[The [Relevant Month] [,][and] [Relevant Month<sub>1</sub>] [,][and] [Relevant Month<sub>2</sub>] [,][and] [Index Sponsor] [and] [Issue Date] [is][are] specified in the Final Terms.]

**"Inflation Index<sub>[1]</sub>"** means [*Insert description of Inflation Rate<sub>[1]</sub>*] ([Reuters: [Insert RIC]] [Bloomberg: [Insert ticker]]).])

**[Product type 7: In the case of Zero Coupon Securities, the following applies:**

There will be no periodic payments of interest on the Securities; from an economic point of view, the interest payment is included in the difference between the Issue Price and a higher Redemption Amount.]

[*The following might apply with respect to the Product types 1 – 6:*

[The [Reference Rate] [Inflation Rate] will be multiplied by a Factor (as specified in the Final Terms) when calculating the Interest Rate.]

[A Premium (as specified in the Final Terms) will be added to the [Reference Rate] [Inflation Rate] [multiplied by a Factor] when calculating the Interest Rate.]

[A Discount (as specified in the Final Terms) will be deducted from the [Reference Rate] [Inflation Rate] [multiplied by a Factor] when calculating the Interest Rate.]

[If the Interest Rate determined for an Interest Period is higher than a specific rate (the "**Maximum Interest Rate**"), then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

[If the Interest Rate determined for an Interest Period is lower than a specific rate (the "**Minimum Interest Rate**"), then the Interest Rate for that Interest Period is the Minimum Interest Rate.]

[If the Interest Rate determined for an Interest Period is higher than a specific rate (the "**Knock-In Interest Rate**"), the Securities bear interest at the Knock-In Interest Rate for the entire term of the Securities.]

[If on an Interest Determination Date the sum of all Interest Rates determined up to that Interest Determination Date (including) is equal to or greater than a specific rate (the "**Aggregate Maximum Interest Rate**"), the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the sum of all Interest Rates determined up to that Interest Determination Date (excluding) and therefore the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).]

[If on the last Interest Determination Date the sum of all Interest Rates determined up to that Interest Determination Date (including) is smaller than a specific rate (the "**Aggregate Minimum Interest Rate**"), the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the sum of all Interest Rates determined up to that Interest Determination Date (excluding).]

[The respective Interest Amount to be paid is converted by application of [a][one or more] current exchange rate[s] . The Security Holder therefore carries an exchange rate risk.]

#### **[Interest Determination Date]**

The "**Interest Determination Date[s]**" [is] [are] specified in the table in the Annex to this summary.]

#### **[Interest Commencement Date]**

The "**Interest Commencement Date**" is specified in the table in the Annex to this summary.]

#### **[Interest Payment Dates]**

[The "**Interest Payment Date[s]**" [is] [are] specified in the table in the Annex to this summary.]

[**"Interest Payment Date"** is [, subject to the exercise of the Issuer's Switch Option,] *[Insert day and month(s)]* in each year. [Following the exercise of the Issuer's Switch Option, Interest Payment Date means *[Insert day and month(s)]* in each year.]]

[**"Interest Payment Date"** means [, subject to the exercise of the Issuer's Switch Option,] the First Interest Payment Date (as specified in the Final Terms) and each date that follows *[Insert number of months]*, and each

integer multiple thereof, month[s] thereafter. [Following the exercise of the Issuer's Switch Option, Interest Payment Date means each date that follows *[Insert number of months]*, and each integer multiple thereof, months after the Interest Switch Date.] The last Interest Payment Date means the Interest End Date (as specified in the Final Terms).]

[Interest Payment Dates may be subject to postponements.]

#### **[Early Redemption]**

An "**Early Redemption Event**" occurs, if the sum of all Interest Rates specified up to an Interest Determination Date (including) reaches or exceeds a specific rate (the "**Knock-Out Interest Rate**") on an Interest Determination Date.

"**Early Maturity Date**" means the Interest Payment Date immediately following the day on which an Early Redemption Event has occurred.

The "**Early Redemption Amount**" is equal to the Nominal Amount.]

#### **Redemption Right of the Security Holders**

[The "**Redemption Date[s]**" [is] [are] specified in the table in the Annex to this summary.]

*[In the case of all Securities other than Zero Coupon and Dual Currency Securities, the following applies:]* The "**Redemption Amount**" is specified in the table in the Annex to this summary.]

*[In the case of Zero Coupon Securities, the following applies:]* The "**Termination Amount**" is specified in the table in the Annex to this summary.]

*[In the case of Dual Currency Securities, the following applies:]* The "**Redemption Amount**" is the Nominal Amount converted by applying [a][one or more] current exchange rate[s]]. The Redemption Amount is at least the Minimum Amount (as specified in the Final Terms).]

[Not applicable. The Security Holders are not entitled to optional redemption of the Securities.]

#### **Issuer's Regular Call Right**

[The "**Call Date[s]**" [[is] [are] specified in the table in the Annex to this summary] [[each Banking Day] [the last Banking Day] of the month *[insert relevant month(s)]* starting from the First Call Date (as specified in the Final Terms) to the [Maturity Date] *[insert oter date]*].]

*[In the case of all Securities other than Zero Coupon Securities, the following applies:]* The "**Redemption Amount**" is specified in table in the Annex to this summary.]

*[In the case of Zero Coupon Securities, the following applies:]* The "**Termination Amount**" is specified in the table in the Annex to this summary.][Not applicable. The Issuer is not entitled to call the Securities.]

#### **Redemption**

The Securities will be redeemed at the Maturity Date (as specified in C.16) by payment of the [Redemption Amount in the Specified Currency] [Redemption Amount which is converted by application of [a][one or more] current exchange rate[s] prior to its payment].

The "**Maturity Date**" [and the "**Redemption Amount**"] [is] [are] specified in the table in the Annex to this summary.

#### **Payments**

All payments shall be made to *[Insert name and address]* (the "**Principal Paying Agent**"). The Principal Paying Agent shall pay the amounts due to

	<p>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><b>"Clearing System"</b> means [Insert name and address].]</p> <p><b>Method for calculating the yield</b></p> <p>[Not applicable. The yield cannot be calculated at the time of the issue of the Securities.]</p> <p><u>[In the case of Zero Coupon Securities, the following applies:</u></p> <p>Not applicable.]</p> <p>[[Insert yield], calculated on the basis of the [Moosmueller-Method] [ICMA/ISMA-Method] at the Issue Date on the basis of the Issue Price. This indication provides no information on a future yield and doesn't allow any conclusion on such yield.]</p> <p><b>Representation of the Security Holders</b></p> <p>Not applicable. No representative of the Security Holders exists.]</p>
[C.10 <sup>3</sup> ]	<p><b>C.9 and Description of the derivative component in the interest payment and how the investment is influenced by the value of the base instrument</b></p> <p><b>See C.9</b></p> <p>[Not applicable. The Securities do not have a derivative component.]</p> <p>[The influence of the [Range Accrual Reference Rate [or, as the case may be, the]] Reference Rate on the Interest Rate is shown under "<b>Interest Rate</b>" in item C.9. The value of the Securities may decrease during the term by [[a decrease] [an increase] in the value of the [[relevant] Range Accrual Reference Rate] [or, as the case may be, the] [Reference Rate]] [a decrease in the value of the Reference Rate<sub>1</sub> and/or an increase in the value of the Reference Rate<sub>2</sub>] or increase during the term by [[an increase] [a decrease] in the value of the [[relevant] Range Accrual Reference Rate] [or, as the case may be, the] [Reference Rate]] [an increase in the value of the Reference Rate<sub>1</sub> and/or a decrease in the value of the Reference Rate<sub>2</sub>] (disregarding other value-influencing factors).]</p> <p>[The influence of the Inflation Index on the Interest Rate is shown under "<b>Interest Rate</b>" in item C.9. The value of the Securities may decrease during the term by [[a decrease] [an increase] in the value of the Inflation Index] [a decrease in the value of the Inflation Index<sub>1</sub> and/or an increase in the value of the Inflation Index<sub>2</sub>] (disregarding other value-influencing factors) or increase during the term by [[an increase] [a decrease] in the value of the Inflation Index] [an increase in the value of the Inflation Index<sub>1</sub> and/or a decrease in the value of the Inflation Index<sub>2</sub>] (disregarding other value-influencing factors).]]</p>
[C.11 <sup>4</sup> ]	<p><b>Admission to trading</b></p> <p>[Application [has been] [will be] made for the Securities to be admitted to trading [with effect from [Insert expected date]] on the following regulated or other equivalent markets: [ <i>Insert relevant regulated or other equivalent market(s)</i>].] [The first listing date will be specified in the admission notice published by [Insert relevant regulated or other equivalent market(s)].]</p>

<sup>3</sup> Information about this section C.10 is only applicable in the case of Securities where the Issuer is obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

<sup>4</sup> Information about this section C.11 is only applicable in the case of Securities with a denomination per unit of up to 100,000 Euro.

		<p>[The Securities are already admitted to trading on the following regulated or other equivalent markets: <i>[Insert relevant regulated or other equivalent market(s)]</i>]</p> <p>[Not applicable. No application of the Securities to be admitted to trading on a regulated or another equivalent market has been or is intended to be made.] [The <i>[Insert name of the Market Maker]</i> (also the "<b>Market Maker</b>") undertakes to provide liquidity through bid and offer quotes in accordance with the market making rules of [<i>Insert relevant regulated or other equivalent market(s)</i>], 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 <i>[Insert relevant regulated or other equivalent market(s)]</i>, 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 <i>[Insert percentage]%</i>.]]]</p>
[C.15 <sup>5</sup> ]	Effect of the underlying on the value of the securities	<p>[The value of the Securities may decrease during the term by [[a decrease] [an increase] in the value of the [[relevant] Range Accrual Reference Rate [or, as the case may be, the] Reference Rate] [a decrease in the value of the Reference Rate<sub>1</sub> and/or an increase in the value of the Reference Rate<sub>2</sub>] or increase during the term by [[an increase] [a decrease] in the value of the [[relevant] Range Accrual Reference Rate [or, as the case may be, the] Reference Rate] [an increase in the value of the Reference Rate<sub>1</sub> and/or a decrease in the value of the Reference Rate<sub>2</sub>] (disregarding other value-influencing factors).]</p> <p>[The value of the Securities may decrease during the term by [[a decrease] [an increase] in the value of the Inflation Index] [a decrease in the value of the Inflation Index<sub>1</sub> and/or an increase in the value of the Inflation Index<sub>2</sub>] (disregarding other value-influencing factors) or increase during the term by [[an increase] [a decrease] in the value of the Inflation Index] [an increase in the value of the Inflation Index<sub>1</sub> and/or a decrease in the value of the Inflation Index<sub>2</sub>] (disregarding other value-influencing factors).]]</p> <p>The [possibility of an Early Redemption, the] Interest payments and therefore the value of the Securities depend on the performance of the Underlying (as defined in C.20).</p> <p><b>Interest Rate</b></p> <p><b><u>Product type 2: In the case of Floating Rate Securities, the following applies:</u></b></p> <p>The "<b>Interest Rate</b>" for the respective Interest Period is [either] equal to the [Floating Interest Rate on the respective Interest Determination Date (as defined in C.16)] [difference between the Fixed Interest Rate and the Reference Rate (as defined in C.20) on the respective Interest Determination Date (as defined in C.16)] [Fixed Interest Rate or [following the exercise of the Issuer's Switch Option,] the Floating Interest Rate on the respective Interest Determination Date (as defined in C.16)] [difference between the Fixed Interest Rate and the Reference Rate (as defined in C.20) on the respective Interest Determination Date (as defined in C.16) or the Fixed Interest Rate].</p> <p>[The respective Fixed Interest Rate is specified in the Final Terms.]</p>

<sup>5</sup> Information about this section C.15 is only applicable in the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

	<p>[<b>"Floating Interest Rate"</b> means the [Reference Rate (as defined in C.20)] [difference between the Reference Rate<sub>1</sub> (as defined in C.20) [multiplied by the Factor<sub>1</sub>] (as specified in the Final Terms) and the Reference Rate<sub>2</sub> (as defined in C.20) [multiplied by the Factor<sub>2</sub>] (as specified in the Final Terms), as displayed on the [relevant] Screen Page on the relevant Interest Determination Date, [multiplied by the Factor] [[and] [plus] [minus] the [Premium] [Discount].]</p> <p><b><u>[Product type 3: In the case of Range Accrual Securities, the following applies:</u></b></p> <p>The "<b>Interest Rate</b>" with respect to an Interest Period is equal to [the sum of] the number of observation days within the respective Interest Period, for which <u>the</u> Range Accrual Reference Rate<sub>[1]</sub> (as defined in C.20) is [<u>within</u> a specific range (the "<b>Interest Rate Range<sub>[1]</sub></b>")] [[<u>above</u>] [<u>below</u>] a specific percentage (the "<b>Interest Rate Threshold<sub>[1]</sub></b>")] [and for which the Range Accrual Reference Rate<sub>2</sub> is [<u>within</u> a specific range (the "<b>Interest Rate Range<sub>2</sub></b>")]] [[<u>above</u>] [<u>below</u>] a specific percentage (the "<b>Interest Rate Threshold<sub>2</sub></b>")]] ("Number of Days In Range"), divided by the total number of Observation Days of the respective Interest Period and multiplied by the Interest Rate In, [and the number of Observation Days within the respective Interest Period, for which the Range Accrual Reference Rate<sub>[1]</sub> is [<u>outside</u> the Interest Rate Range<sub>[1]</sub> (<i>Range</i>)] [[<u>above</u>] [<u>below</u>] the Interest Rate Threshold<sub>[1]</sub>] [and for which the Range Accrual Reference Rate<sub>2</sub> is [<u>outside</u> the Interest Rate Range<sub>2</sub>]] [[<u>above</u>] [<u>below</u>] the Interest Rate Threshold<sub>2</sub>]]] ("Number of Days out of Range"), divided by the total number of Observation Days of the respective Interest Period and multiplied by the Interest Rate Out] and is calculated according to the following formula:</p> <p>[Premium +] [()<u>Number of Observation Dates in Range / total number of Observation Dates of the respective Interest Period x Interest Rate In</u>)] [+ [()<u>Number of Observation Dates out of Range / total number of Observation Dates of the respective Interest Period x Interest Rate Out</u>]].</p> <p>[The [respective] Premium is specified in the Final Terms.]</p> <p>[[The] "<b>Interest Rate In</b>" [is the Fixed Interest Rate In which is specified in the table in the Annex to this summary] [means the Reference Rate].]</p> <p>[[The] "<b>Interest Rate Out</b>" [is the Fixed Interest Rate Out which is specified in the table in the Annex to this summary] [means the Reference Rate].]</p> <p><b><u>[Product type 4: In the case of Digital Securities, the following applies:</u></b></p> <p>The "<b>Interest Rate</b>" for the relevant Interest Period is either equal to the [Fixed Interest Rate<sub>1</sub> (as specified in the table in the Annex to this summary) or the Fixed Interest Rate<sub>2</sub> (as specified in the table to the Annex to this summary), depending on the Reference Rate (as defined in C.20) being [either within or outside of a certain range] [at or above a specific percentage (the "<b>Interest Rate Threshold</b>")] on the relevant Interest Determination Date (as defined in C.16)] [either Fixed Interest Rate or the Reference Rate (as defined in C.20) on the relevant Interest Determination Date (as defined in C.16) [, multiplied by the Factor] [[and] plus the Premium, depending on the Reference Rate being above or below a specific percentage (the "<b>Interest Rate Threshold</b>") on the relevant Interest Determination Date].</p> <p>[The [respective] "<b>Fixed Interest Rate<sub>[1]</sub></b>" is specified in the table in the</p>
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	<p>Annex to this summary.]</p> <p>[The "<b>Fixed Interest Rate</b><sub>2</sub>" is specified in the table in the Annex to this summary.]]</p> <p><b><u>[Product type 5: In the case of Inflation Floating Rate Securities, the following applies:</u></b></p> <p>The "<b>Interest Rate</b>" for the respective Interest Period is equal to [the Inflation Rate, as calculated or specified on the relevant Interest Determination (as defined in C.16) Date by the Calculation Agent] [the difference between the Inflation Rate of the Inflation Index<sub>1</sub> (as defined in C.20)[, multiplied by the Factor<sub>1</sub> (as specified in the Final Terms)] and the Inflation Rate of the Inflation Index<sub>2</sub> (as defined in C.20)[, multiplied by the Factor<sub>2</sub> (as specified in the Final Terms)], each as calculated or specified on the relevant Interest Determination Date (as defined in C.16) by the Calculation Agent] [the difference between the Fixed Interest Rate and the Inflation Rate, as calculated or specified on the relevant Interest Determination Date (as defined in C.16) by the Calculation Agent] [either the Inflation Rate, as calculated or specified on the relevant Interest Determination Date (as defined in C.16) by the Calculation Agent, or the Fixed Interest Rate] [either the difference between (i) the Fixed Interest Rate and (ii) the Inflation Rate, as calculated or specified on the relevant Interest Determination Date (as defined in C.16) by the Calculation Agent, or the Fixed Interest Rate] [either the Fixed Interest Rate or the Inflation Rate [, multiplied by the Factor], as calculated or specified on the relevant Interest Determination Date by the Calculation Agent [[and] plus the Premium, depending on the Inflation Rate being above or below the Interest Rate Threshold [[and] [plus] [minus] the [Premium] [Discount]].]</p> <p>[The [respective] "<b>Fixed Interest Rate</b>" is specified in the table in the Annex to this summary.]</p> <p>"<b>Inflation Rate</b>" means the Inflation Rate (expressed as a percentage per annum) as calculated by the Calculation Agent on each Interest Determination Date as follows:</p> <p>[Inflation Rate R (k) / R (k-1) – 1]</p> <p>[Inflation Rate R (k) / R (initial) – 1]</p> <p>"<b>R (k)</b>" means the [price of the Inflation Index (as defined in C.20) published by the Index Sponsor for the Relevant Month immediately preceding the respective Interest Payment Date (as defined in C.16)] [Linearly Interpolated Price of the Inflation Index for the respective Interest Determination Date].</p> <p>"<b>R (k-1)</b>" means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month] [Linearly Interpolated Price of the Inflation Index for the calendar day] that is one year prior to the respective Interest Payment Date [(as defined in C.16)].]</p> <p>"<b>R (initial)</b>" means the [Reference Price for the Relevant Month immediately prior to the] [Linearly Interpolated Price of the Inflation Index for the] Issue Date.]</p> <p>[The "<b>Linearly Interpolated Price of the Inflation Index</b>" for any day is calculated by deducting the Reference Price for Relevant Month<sub>1</sub> from the Reference Price for Relevant Month<sub>2</sub> and dividing it by the number of calendar days of the month in which the respective day falls. The value determined in this way is multiplied by the number of calendar days from the first day of the month (including) in which the respective day falls up to the respective day (excluding) and added to the Reference Price for</p>
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	<p>Relevant Month<sub>1</sub>.]</p> <p>[<b>"Reference Price"</b> means the price of the Inflation Index as published by the Index Sponsor.]</p> <p>[The [Relevant Month] [,][and] [Relevant Month<sub>1</sub>] [,][and] [Relevant Month<sub>2</sub>] [,][and] [Index Sponsor] [and] [Issue Date] [is][are] specified in the Final Terms.]]</p> <p><b><u>[Product type 6: In the case of Inflation Range Accrual Securities, the following applies:</u></b></p> <p>The "<b>Interest Rate</b>" for the respective Interest Period depends on the number of days within the respective Interest Period, on which the Inflation Rate is [within a specific range (the "<b>Interest Rate Range</b>")][at or below a specific percentage (the "<b>Interest Rate Threshold</b>").]</p> <p>"<b>Inflation Rate</b>" means the Inflation Rate (expressed as a percentage per annum) as calculated by the Calculation Agent on each Interest Determination Date (as defined in C.16) as follows:</p> <p>[Inflation Rate R (k) / R (k-1) – 1]</p> <p>[Inflation Rate R (k) / R (initial) – 1]"<b>R (k)</b>" means the [price of the Inflation Index (as defined in C.20) published by the Index Sponsor for the Relevant Month immediately preceding the respective Interest Payment Date (as defined in C.16)] [Linearly Interpolated Price of the Inflation Index for the respective Interest Determination Date].</p> <p>["<b>R (k-1)</b>" means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month that is one year prior to the respective Interest Payment Date [(as defined in C.16)] [Linearly Interpolated Price of the Inflation Index for the calendar day that is one year prior to the respective Interest Determination Date].]</p> <p>["<b>R (initial)</b>" means the [Reference Price for the Relevant Month immediately prior to the] [Linearly Interpolated Price of the Inflation Index for the] Issue Date.]</p> <p>[The "<b>Linearly Interpolated Price of the Inflation Index</b>" for any day is calculated by deducting the Reference Price for Relevant Month<sub>1</sub> from the Reference Price for Relevant Month<sub>2</sub> and dividing it by the number of calendar days of the month in which the respective day falls. The value determined in this way is multiplied by the number of calendar days from the first day of the month (including) in which the respective day falls up to the respective day (excluding) and added to the Reference Price for Relevant Month<sub>1</sub>.]</p> <p>[<b>"Reference Price"</b> means the price of the Inflation Index as published by the Index Sponsor.]</p> <p>[The [Relevant Month] [,][and] [Relevant Month<sub>1</sub>] [,][and] [Relevant Month<sub>2</sub>] [,][and] [Index Sponsor] [and] [Issue Date] [is][are] specified in the Final Terms.]]</p> <p>[A Premium (as specified in the Final Terms) will be added to the [Reference Rate] [Inflation Rate] when calculating the Interest Rate.]</p> <p>[A Discount (as specified in the Final Terms) will be deducted from the [Reference Rate] [Inflation Rate] when calculating the Interest Rate.]</p> <p>[The [Reference Rate] [Inflation Rate] will be multiplied by a Factor (as specified in the Final Terms) when calculating the Interest Rate.]</p> <p>[If the Interest Rate determined for an Interest Period is higher than a spe-</p>
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	<p>cific rate (the "<b>Maximum Interest Rate</b>"), then the Interest Rate for that Interest Period is the Maximum Interest Rate.]</p> <p>[If the Interest Rate determined for an Interest Period is lower than a specific rate (the "<b>Minimum Interest Rate</b>"), then the Interest Rate for that Interest Period is the Minimum Interest Rate.]</p> <p>[If the Interest Rate determined for an Interest Period is higher than a specific rate (the "<b>Knock-In Interest Rate</b>"), the Securities bear interest at the Knock-In Interest Rate for the entire term of the Securities.]</p> <p>[If on an Interest Determination Date the total of all Interest Rates determined up to that Interest Determination Date (including) is equal to or greater than a specific rate (the "<b>Aggregate Maximum Interest Rate</b>"), the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the total of all Interest Rates determined up to that Interest Determination Date (excluding) and therefore the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).]</p> <p>[If on the last Interest Determination Date the total of all Interest Rates determined up to that Interest Determination Date (including) is smaller than a specific rate (the "<b>Aggregate Minimum Interest Rate</b>"), the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined up to that Interest Determination Date (excluding).]</p> <p><b><u>[Product Type 7: In the case of Zero Coupon Securities, the following applies:</u></b></p> <p>There will be no periodic payments of interest on the Securities; from an economic point of view, the interest payment is included in the difference between the Issue Price and a higher Redemption Amount.]</p> <p><b><u>[Early Redemption</u></b></p> <p>An "<b>Early Redemption Event</b>" occurs, if the sum of all Interest Rates specified up to an Interest Determination Date (including) reaches or exceeds a specific rate (the "<b>Knock-Out Interest Rate</b>") on an Interest Determination Date.</p> <p>The "<b>Early Redemption Amount</b>" is equal to the Nominal Amount.]]</p>
[C.16 <sup>6</sup>	<p>The expiration or maturity date of the derivative securities – the exercise date or final reference date</p> <p>[The "<b>Interest Determination Date[s]</b>" [is] [are] specified in the table in the Annex to this summary.]</p> <p>[The "<b>Interest Payment Date[s]</b>" [is] [are] specified in the table in the Annex to this summary.]</p> <p>["<b>Interest Payment Date</b>" is [, subject to the exercise of the Issuer's Switch Option,] <i>[Insert day and month(s)]</i> in each year. [Following the exercise of the Issuer's Switch Option, Interest Payment Date means <i>[Insert day and month(s)]</i> in each year.]]</p> <p>["<b>Interest Payment Date</b>" means [, subject to the exercise of the Issuer's Switch Option,] the First Interest Payment Date (as specified in the Final Terms) and each date that follows <i>[Insert number of months]</i>, and each integer multiple thereof, month[s] thereafter. [Following the exercise of</p>

<sup>6</sup> Information about this section C.16 is only applicable in the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

		<p>the Issuer's Switch Option, Interest Payment Date means each date that follows [Insert number of months], and each integer multiple thereof, months after the Interest Switch Date.] The last Interest Payment Date means the Interest End Date (as specified in the Final Terms).]</p> <p>[Interest Payment Dates may be subject to postponements.]</p> <p>["<b>Early Maturity Date</b>" means the Interest Payment Date immediately following the day on which an Early Redemption Event (as specified in C.15) has occurred.]</p> <p>The "<b>Maturity Date</b>" is specified in the table in the Annex to this summary.</p> <p>[The "<b>Redemption Date[s]</b>" [is] [are] specified in the table in the Annex to this summary.]</p> <p>[The "<b>Call Date[s]</b>" [[is] [are] specified in the table in the Annex to this summary] [[each Banking Day] [the last Banking Day] of the month [<i>insert relevant month(s)</i>] starting from the First Call Date (as specified in the Final Terms) to the [Maturity Date] [<i>insert other date</i>]].]]</p>
[C.17 <sup>7</sup> ]	Settlement procedure of the securities	<p>All payments shall be made to [Insert name and address] (the "<b>Principal Paying Agent</b>"). 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>"<b>Clearing System</b>" means [Insert name and address].]</p>
[C.18 <sup>8</sup> ]	Description of how any return on derivative securities takes place	<p>Payment of the Interest Amount on each Interest Payment Date.</p> <p>Payment of the Redemption Amount on the Maturity Date[, subject to [a Regular] [an extraordinary] Issuer call].</p> <p>[In the case of an optional early redemption of the Securities by a Security Holder the Redemption Amount will be paid at the Redemption Date.]</p> <p>[In the case of a call of the Securities by the Issuer the Redemption Amount will be paid at the Call Date.]]</p>
[C.19 <sup>9</sup> ]	Exercise price or final reference price of the underlying	<p>[Not applicable. The Securities do not have a derivative component.]</p> <p>[Interest payments relate to the development of the [Range Accrual Reference Rate and the] Reference Rate for the relevant Interest Period.]</p> <p>[Interest payments relate to the development of the Inflation Rate for the relevant Interest Period.]]</p>

<sup>7</sup> Information about this section C.17 is only applicable in the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

<sup>8</sup> Information about this section C.18 is only applicable in the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

<sup>9</sup> Information about this section C.19 is only applicable in the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

[C.20] <sup>10</sup>	Type of the underlying and description where information on the underlying can be found	<p>[Not applicable. Neither the payment of interest nor the redemption of the Securities depend on the development of an underlying.]</p> <p>[<b>"Underlying"</b> means the [Range Accrual Reference Rate and the] [Reference Rate] [Inflation Index<sub>1</sub>] [and the Inflation Index<sub>2</sub>.]</p> <p>[<b>"Reference Rate"</b> means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] LIBOR (<i>London Interbank Overnight Rate</i>)] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]).]</p> <p>[<b>"Reference Rate<sub>1</sub>"</b> means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] LIBOR (<i>London Interbank Overnight Rate</i>)] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]).]</p> <p>[<b>"Reference Rate<sub>2</sub>"</b> means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] LIBOR (<i>London Interbank Overnight Rate</i>)] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]).]</p> <p>[<b>"Range Accrual Reference Rate<sub>1</sub>"</b> means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] LIBOR (<i>London Interbank Overnight Rate</i>)] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]).]</p> <p>[<b>"Range Accrual Reference Rate<sub>2</sub>"</b> means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] LIBOR (<i>London Interbank Overnight Rate</i>)] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]) [the difference between the Range Accrual Reference Rate<sub>3</sub> and the Range Accrual Reference Rate<sub>4</sub>.]]</p> <p>[<b>"Range Accrual Reference Rate<sub>3</sub>"</b> means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] LIBOR (<i>London Interbank Overnight Rate</i>)] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]).]</p> <p>[<b>"Range Accrual Reference Rate<sub>4</sub>"</b> means [●] [month][year]-[EURIBOR (<i>Euro Interbank Overnight Rate</i>)] [[Insert Currency] LIBOR (<i>London Interbank Overnight Rate</i>)] [CMS-EUR (<i>Constant Maturity Swap rate in euro</i>)] (Screen Page: [Insert]).]</p> <p>[<b>"Inflation Index"</b> refers to both Inflation Index<sub>1</sub> and Inflation Index<sub>2</sub>.]</p> <p>[<b>"Inflation Index<sub>1</sub>"</b> means [Insert description of Inflation Rate<sub>1</sub>] ([Reuters: [Insert RIC]] [Bloomberg: [Insert ticker]]).] [and the]</p> <p>[<b>"Inflation Index<sub>2</sub>"</b> means [Insert description of Inflation Rate<sub>2</sub>] ([Reuters: [Insert RIC]] [Bloomberg: [Insert ticker]]).]</p> <p>[<b>"Website"</b> means [Insert Website].]</p> <p>[<b>"FX Screen Page"</b> means [Insert Website].] For further information about the past and the future performance of the [respective] Underlying and its volatility, please refer to the [Website] [FX Screen Page].]</p>
[C.21]	Admission	[Application [has been] [will be] made for the Securities to be admitted to trading with effect from [Insert expected date] on the following regulated

<sup>10</sup> Information about this section C.20 is only applicable in the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

<sup>11</sup>	to trading	<p>or other equivalent markets: [ <i>Insert relevant regulated or other equivalent market(s)</i>].]</p> <p>[The Securities are already admitted to trading on the following regulated or other equivalent markets: [ <i>Insert relevant regulated or other equivalent market(s)</i>]]</p> <p>[Not applicable. No application of the Securities to be admitted to trading on a regulated or another equivalent market has been or is intended to be made.] [The [ <i>Insert name of the Market Maker</i> ] (also the "<b>Market Maker</b>") undertakes to provide liquidity through bid and offer quotes in accordance with the market making rules of [ <i>Insert relevant regulated or other equivalent market(s)</i> ], 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 [ <i>Insert relevant regulated or other equivalent market(s)</i> ], 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 [ <i>Insert percentage</i>]%.]]]</p>
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## D. RISKS

D.2	<p>Key information on the key risks that are specific to the Issuer</p> <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 <b>total loss</b> of their investment.</i></p> <ul style="list-style-type: none"> <li>• Macroeconomic Risk</li> </ul> <p>Risks from a deterioration in the macroeconomic development and/or the financial markets and from geopolitical uncertainties.</p> <ul style="list-style-type: none"> <li>• Systemic Risk</li> </ul> <p>Risks from disruptions or the functional collapse of the financial system or parts of it.</p> <ul style="list-style-type: none"> <li>• Credit Risk</li> </ul> <p>(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 credit exposures; (vi) Risks from exposures to sovereigns / public sector.</p> <ul style="list-style-type: none"> <li>• Market Risk</li> </ul> <p>(i) Risk of potential losses that can arise in response to adverse changes in market prices, other price-influencing parameters or trading-related events; (ii) Risk for trading and banking books from a deterioration in market conditions; (iii) Interest rate and foreign currency risk.</p> <ul style="list-style-type: none"> <li>• Liquidity Risk</li> </ul> <p>(i) Risk that the HVB Group will not be able to meet its payment obligations on time or in full; (ii) Risks from the procurement of liquidity; (iii) Risks from intra-group liquidity transfers; (iv) Market liquidity risk.</p> <ul style="list-style-type: none"> <li>• Operational Risk</li> </ul> <p>(i) Risk of losses resulting from inadequate or failed internal processes,</p>
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<sup>11</sup> Information about this section C.21 is only applicable in the case of Securities with a denomination per unit of at least 100,000 Euro.

	<p>people and systems, as well as from external events; (ii) IT risks; (iii) Compliance Risk; (iv) Legal and tax risks.</p> <ul style="list-style-type: none"> <li>• Business Risk</li> </ul> <p>Risks of losses arising from unexpected negative changes in the business volume and/or margins.</p> <ul style="list-style-type: none"> <li>• Real estate Risk</li> </ul> <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"> <li>• Financial investment risk</li> </ul> <p>Risk of decreases in the value of the investment portfolio of the HVB Group.</p> <ul style="list-style-type: none"> <li>• Reputational Risk</li> </ul> <p>Risk of a negative effect on the income statement caused by adverse reactions by stakeholders due to a changed perception of HVB Group.</p> <ul style="list-style-type: none"> <li>• Strategic Risk</li> </ul> <p>(i) Risk that results from management either not recognising or not correctly assessing significant developments or trends in the HVB Group's environment; (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"> <li>• Regulatory Risks</li> </ul> <p>(i) Risks arising from changes to the regulatory and statutory environment of HVB Group; (ii) Risks in connection with potential resolution measures or a reorganisation proceeding.</p> <ul style="list-style-type: none"> <li>• Pension risk</li> </ul> <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"> <li>• Risks arising from outsourcing activities</li> </ul> <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"> <li>• Risks from concentrations of risk and earnings</li> </ul> <p>Risks from concentrations of risk and earnings indicate increased potential losses and represent a business-strategy risk for HVB Group.</p> <ul style="list-style-type: none"> <li>• Risks from the stress testing measures imposed on HVB Group</li> </ul> <p>The business performance of HVB and HVB Group could be negatively affected in case of a poor stress test performance by HVB, HVB Group, UniCredit S.p.A. or one of the financial institutions with which they do business.</p> <ul style="list-style-type: none"> <li>• Risks from inadequate risk measurement models</li> </ul> <p>It is possible that the internal models of HVB and 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"> <li>• Unidentified/unexpected risks</li> </ul> <p>HVB and HVB Group could incur greater losses than those calculated with the current risk management methods or losses previously left out of its</p>
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		calculations entirely.
[D.3 <sup>12</sup> ]	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 Underlyings 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"> <li>• <b>Potential conflicts of interest</b></li> </ul> <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"> <li>• <b>Key risks related to the Securities</b></li> </ul> <p><b><i>Key risks related to the market</i></b></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. Even in the case of an existing secondary market it cannot be ruled out that the Security Holder may not be in a position to dispose of the Securities in the case of an unfavourable development of the Underlying or of a currency exchange rate, e.g. if such development occurs outside of the trading hours of the Securities.</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 Underlying-related factors) and may be substantially lower than the Nominal 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><b><i>Key risks related to the Securities in general</i></b></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, goals and situation.</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). 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 Redemption Amount may be less than the Issue Price or the Purchase Price and possibly no interest payments or other ongoing payments may be</p>

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<sup>12</sup> Information about this section D.3 is only applicable in the case of Securities where the Issuer is obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

	<p>paid.</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><b>[Key risks related to the Securities in particular]</b></p> <p><b><u>[In case of Inflation Floater Securities and Inflation Range Accrual Securities, the following applies:</u></b></p> <p><i>Risks related to Market Disruption Events [and FX Market Disruption Events]</i></p> <p>The Calculation Agent may defer valuations and payments and make determinations in its reasonable discretion. Security Holders are not entitled to demand interest due to such delayed payment.]</p> <p><b><u>[In case of Inflation Floater Securities and Inflation Range Accrual Securities, the following applies:</u></b></p> <p><i>Risks related to Call Events [and FX Call Events]</i></p> <p>Upon the occurrence of a Call Event [and/or FX Call Event] the Issuer has the right to extraordinarily call the Securities at their market value. If the market value of the Securities at the time of the extraordinary call is lower than the Issue Price or the Purchase Price, the respective Security Holder will suffer a partial or total loss of its invested capital even if the Securities provide for a conditional minimum payment. The Security Holder also bears the reinvestment risk.]</p> <p><b><u>[In case of Securities with an Issuer's Regular Call Right, the following applies:</u></b></p> <p><i>Risks arising from an Issuer's Regular Call Right</i></p> <p>With the call right becoming effective the Security Holder loses the right to receive further interest payments. The call date chosen by the Issuer might be unfavourable from the Security Holders' perspective. The Security Holders are also exposed to a reinvestment risk.]</p> <p><b><u>[In case of Securities with a Redemption Right of the Security Holders, the following applies:</u></b></p> <p><i>Risks arising from the Redemption Right of the Security Holders</i></p> <p>With the redemption right becoming effective the Security Holder loses the right to receive further interest payments. The Security Holders are also exposed to a reinvestment risk.]</p> <p><b><u>[In case of Dual Currency Securities, the following applies:</u></b></p> <p><i>Particular risks related to Dual Currency Securities</i></p> <p>Even if the interest payment amounts and/or the Redemption Amount is specified in the Final Terms (e.g., Nominal Amount paid in the Specified Currency), Security Holders may suffer a partial or total loss of their investment due to the conversion of such amount into the Payment Currency in case of an unfavourable development of the Currency Exchange Rate.]</p> <p><b><u>[In case of Fixed Rate Securities and Zero Coupon Securities, the following applies:</u></b></p> <p><i>Risks related to [Fixed Rate Securities] /Zero Coupon Securities]</i></p> <p>The Security Holder of a [Fixed Rate Security] [Zero Coupon Security] is exposed to the risk that the price of such Security falls as a result of changes in the market interest rate. [Prices of Zero Coupon Securities are even more volatile than prices of Fixed Rate Securities and are likely to respond to a greater degree to market interest rate changes than interest</p>
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	<p>bearing Securities with a similar maturity.]]</p> <p><b>[In case of Underlying-linked Securities and Dual Currency Securities, the following applies:</b></p> <p><i>General risk of return</i></p> <p>The return on the Securities can only be determined at the end of their term, because only at that time the amount of all payments on the Securities will be known.]</p> <p><b>[In case of Switchable Fixed Floating Rate Securities, the following applies:</b></p> <p><i>Risks related to Switchable Fixed Floating Rate Securities</i></p> <p>In case of Switchable Fixed Floating-Rate Securities the Issuer may exercise an Issuer's Switch Option at certain dates. As a consequence the Security Holder may not be certain to receive a fixed interest during the term of the Securities. After the exercise of the Issuer's Switch Option the Security Holder receives a floating rate interest which may be highly fluctuating and significantly lower than the fixed interest. The exercise of the Issuer's Switch Option lies within the Issuer's sole discretion, the exercise date chosen by the Issuer might be unfavourable from the Security Holder's perspective.]</p> <p><b>[Key risks related to Underlying-linked Securities</b></p> <p><i>Risks arising from the influence of the Underlying on the market value of the Securities</i></p> <p>The market value of the Securities and the amounts payable under the Securities significantly depend on the price of the Underlying. It is not possible to predict the price development of the Underlying in the future. Additionally, the market value of the Securities will be affected by a number of Underlying-related factors.</p> <p><i>Risks arising from the fact that the observation of the Underlying occurs only at specified dates or times or periods</i></p> <p>Due to the fact that the observation of the Underlying may occur only at specified dates, times or periods, amounts payable under the Securities may be considerably lower than the price of the Underlying may have suggested.</p> <p><b>[In case of Inflation Floater Securities and Inflation Range Accrual Securities, the following applies: Risks related to inflation-linked Securities as well as in relation to inflation indices</b></p> <p>An investment in a Security, where the interest rate is linked to an inflation index, may not be capable of protecting the investor against inflation. A negative development of the inflation index can cause the Security Holder to receive no return on its Securities. Adjustments may have a substantial negative impact on the value and the future performance of the Securities as well as on the amounts to be distributed under the Securities. Adjustment events may also lead to an extraordinary early termination of the Securities. In addition a risk of market disruptions exists.]</p> <p><b>[In case of Floating Rate Securities, Reverse Floating Rate Securities, Fixed Floating Rate Securities, Reverse Fixed Floating Rate Securities, Interest Rate Difference [Fixed] Floating Rate Securities, Range Accrual Securities, Digital Securities, the following applies:</b></p> <p><i>Special risks related to reference rates (including a Range Accrual Reference Rate)</i></p>
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	<p>Security Holders are exposed to the risk of fluctuating interest rates.]</p> <p><u>[In case of Securities with a limitation of the interest rate to a maximum interest rate, a global cap, a knock-in interest rate or in the case of TARN Express Securities, the following applies:</u></p> <p><i>Risks related to [a limitation of the interest rate to a [maximum interest rate] [,] [a global cap] [,] [a knock-in interest rate] [or] [in the case of TARN Express Securities]</i></p> <p>The participation in a favourable development of the Underlying for the Security Holder and thus his potential return may be limited due to a maximum interest rate, a global cap, a knock-in interest rate and/or in the case of TARN Express Securities.]]</p> <p><b>Investors may lose a significant part of their investment or, in case of a default of the issuer, even lose their entire investment.]</b></p>
[D.6 <sup>13</sup> ]	<p>Key information on the key risks that are specific to the securities</p> <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 Underlyings 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"> <li>• <b>Potential conflicts of interest</b></li> </ul> <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"> <li>• <b>Key risks related to the Securities</b></li> </ul> <p><b>Key risks related to the market</b></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. Even in the case of an existing secondary market it cannot be ruled out that the Security Holder may not be in a position to dispose of the Securities in the case of an unfavourable development of the Underlying or of a currency exchange rate, e.g. if such development occurs outside of the trading hours of the Securities.</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 Underlying-related factors) and may be substantially lower than the Nominal 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><b>Key risks related to the Securities in general</b></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</p>

<sup>13</sup> Information about this section D.6 is only applicable in the case of Securities where the Issuer is not obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions.

	<p>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, goals and situation.</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). 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 Redemption Amount may be less than the Issue Price or the Purchase Price and possibly no interest payments or other ongoing payments may be paid.</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><b>[Key risks related to the Securities in particular]</b></p> <p><b><u>[In case of Inflation Floater Securities and Inflation Range Accrual Securities, the following applies:</u></b></p> <p><i>Risks related to Market Disruption Events [and FX Market Disruption Events]</i></p> <p>The Calculation Agent may defer valuations and payments and make determinations in its reasonable discretion. Security Holders are not entitled to demand interest due to such delayed payment.]</p> <p><b><u>[In case of Inflation Floater Securities and Inflation Range Accrual Securities, the following applies:</u></b></p> <p><i>Risks related to Call Events [and FX Call Events]</i></p> <p>Upon the occurrence of a Call Event [and/or FX Call Event] the Issuer has the right to extraordinarily call the Securities at their market value. If the market value of the Securities at the time of the extraordinary call is lower than the Issue Price or the Purchase Price, the respective Security Holder will suffer a partial or total loss of its invested capital even if the Securities provide for a conditional minimum payment. The Security Holder also bears the reinvestment risk.]</p> <p><b><u>[In case of Securities with an Issuer's Regular Call Right, the following applies:</u></b></p> <p><i>Risks arising from an Issuer's Regular Call Right</i></p> <p>With the call right becoming effective the Security Holder loses the right to receive further interest payments. The call date chosen by the Issuer might be unfavourable from the Security Holders' perspective. The Security Holders are also exposed to a reinvestment risk.]</p> <p><b><u>[In case of Securities with a Redemption Right of the Security Holders, the following applies:</u></b></p> <p><i>Risks arising from the Redemption Right of the Security Holders</i></p> <p>With the redemption right becoming effective the Security Holder loses the right to receive further interest payments. The Security Holders are also exposed to a reinvestment risk.]</p> <p><b><u>[In case of Dual Currency Securities, the following applies:</u></b></p> <p><i>Particular risks related to Dual Currency Securities</i></p> <p>Even if the interest payment amounts and/or the Redemption Amount is</p>
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	<p>specified in the Final Terms (e.g., Nominal Amount paid in the Specified Currency), Security Holders may suffer a partial or total loss of their investment due to the conversion of such amount into the Payment Currency in case of an unfavourable development of the Currency Exchange Rate.]</p> <p><u>[In case of Fixed Rate Securities and Zero Coupon Securities, the following applies:</u></p> <p><i>Risks related to [Fixed Rate Securities] [Zero Coupon Securities]</i></p> <p>The Security Holder of a [Fixed Rate Security] [Zero Coupon Security] is exposed to the risk that the price of such Security falls as a result of changes in the market interest rate. [Prices of Zero Coupon Securities are even more volatile than prices of Fixed Rate Securities and are likely to respond to a greater degree to market interest rate changes than interest bearing Securities with a similar maturity.]</p> <p><u>[In case of Underlying-linked Securities and Dual Currency Securities, the following applies:</u></p> <p><i>General risk of return</i></p> <p>The return on the Securities can only be determined at the end of their term, because only at that time the amount of all payments on the Securities will be known.]</p> <p><u>[In case of Switchable Fixed Floating Rate Securities, the following applies:</u></p> <p><i>Risks related to Switchable Fixed Floating Rate Securities</i></p> <p>In case of Switchable Fixed Floating-Rate Securities the Issuer may exercise an Issuer's Switch Option at certain dates. As a consequence the Security Holder may not be certain to receive a fixed interest during the term of the Securities. After the exercise of the Issuer's Switch Option the Security Holder receives a floating rate interest which may be highly fluctuating and significantly lower than the fixed interest. The exercise of the Issuer's Switch Option lies within the Issuer's sole discretion, the exercise date chosen by the Issuer might be unfavourable from the Security Holder's perspective.]</p> <p><b>[Key risks related to Underlying-linked Securities</b></p> <p><i>Risks arising from the influence of the Underlying on the market value of the Securities</i></p> <p>The market value of the Securities and the amounts payable under the Securities significantly depend on the price of the Underlying. It is not possible to predict the price development of the Underlying in the future. Additionally, the market value of the Securities will be affected by a number of Underlying-related factors.</p> <p><i>Risks arising from the fact that the observation of the Underlying occurs only at specified dates or times or periods</i></p> <p>Due to the fact that the observation of the Underlying may occur only at specified dates, times or periods, amounts payable under the Securities may be considerably lower than the price of the Underlying may have suggested.</p> <p><u>[In case of Inflation Floater Securities and Inflation Range Accrual Securities, the following applies:</u></p> <p><i>Risks related to inflation-linked Securities as well as in relation to inflation indices</i></p> <p>An investment in a Security, where the interest rate is linked to an infla-</p>
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	<p>tion index, may not be capable of protecting the investor against inflation. A negative development of the inflation index can cause the Security Holder to receive no return on its Securities. Adjustments may have a substantial negative impact on the value and the future performance of the Securities as well as on the amounts to be distributed under the Securities. Adjustment events may also lead to an extraordinary early termination of the Securities. In addition a risk of market disruptions exists.]</p> <p><u>[In case of Floating Rate Securities, Reverse Floating Rate Securities, Fixed Floating Rate Securities, Reverse Fixed Floating Rate Securities, Interest Rate Difference [Fixed] Floating Rate Securities, Range Accrual Securities, Digital Securities, the following applies:</u></p> <p><i>Special risks related to reference rates (including a Range Accrual Reference Rate)</i></p> <p>Security Holders are exposed to the risk of fluctuating interest rates.]</p> <p><u>[In case of Securities with a limitation of the interest rate to a maximum interest rate, a global cap, a knock-in interest rate or in the case of TARN Express Securities, the following applies:</u></p> <p><i>Risks related to [a limitation of the interest rate to a [maximum interest rate] [,] [a global cap] [,] [a knock-in interest rate] [or] [in the case of TARN Express Securities]</i></p> <p>The participation in a favourable development of the Underlying for the Security Holder and thus his potential return may be limited due to a maximum interest rate, a global cap, a knock-in interest rate and/or in the case of TARN Express Securities.]]</p> <p><b>The Securities are not capital protected. Investors may lose the value of their entire investment or part of it.]</b></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 Issuer is not bound regarding the use of the issue and offer proceeds.
E.3	Description of the terms and conditions of the offer	<p>[Day of the first public offer: <i>[Insert]</i>]</p> <p>[Start of the new public offer: <i>[Insert date]</i> [(continuance of the public offer of previously issued securities) [(increase of previously issued securities)].]</p> <p>[The Securities are [initially] 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 Italy.]</p> <p>[The smallest transferable unit is <i>[Insert amount or number of units]</i>.]</p>

	<p>[The smallest tradable unit is <i>[Insert amount or number of unit]</i>.]</p> <p>[The Securities will be offered to [qualified investors][,] [and/or] [retail investors] [and/or] [institutional investors] [by way of [private placements] [public offerings]] [by financial intermediaries].]</p> <p>[As of the [day of the first public offer] [start of the new public offer] the Securities described in the Final Terms will be offered on a continuous basis.]</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 [will be] [has been] 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	<p>Any interest that is material to the issue/offer including conflicting interest</p> <p>Any distributors and/or its 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>[With regard to trading of the Securities the Issuer has a conflict of interest being also the Market Maker on the <i>[Insert relevant regulated or other equivalent market(s)]</i>;] [moreover] [[T]t]he <i>[Insert relevant regulated or other equivalent market(s)]</i> is organized and managed by <i>[Insert name]</i>, a company in which UniCredit S.p.A. – the Holding Company of UniCredit Bank AG as the Issuer – has a stake in.] [The Issuer is also [the arranger] [and] [the Calculation Agent] of the Securities.] [The Issuer or any of its affiliates [may] act as a calculation agent or paying agent.]</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"> <li>• The Issuer specifies the Issue Price.</li> <li>• The Issuer and one of its affiliates act as Market Maker of the Securities (however, no such obligation exists).</li> <li>• Distributors may receive inducements from the Issuer.</li> <li>• The Issuer, any Distributor and any of their affiliates act as Calculation Agent or Paying Agent in relation to the Securities.</li> <li>• From time to time, the Issuer, any 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 price of the Underlying.</li> <li>• The Issuer, any Distributor and its affiliates may issue securities in relation to the Underlying on which already other securities have been issued.</li> <li>• The Issuer, any Distributor and any of its affiliates may possess or obtain material information about the Underlying (including publicly not accessible information) in connection with its business activities or</li> </ul>

		<p>otherwise.</p> <ul style="list-style-type: none"> <li>• The Issuer, any Distributor and any of their affiliates may engage in business activities with the issuer of the Underlying, its affiliates, competitors or guarantors.</li> <li>• 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 a sponsor or issuer of the Underlying.</li> </ul>
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: <i>[Insert details]</i>]</p> <p>[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

[WK N] [ISIN] (C.1)	[Re-demp-tion Amou-nt (C.8)]	[Ter-mina-tion Amou-nt [(C.8) II(C.9 )]]	[Ma-turity Date (C.[9] [16])]	[In-terest Date (C.[8] [9])]	[In-terest Peri-od (C.[8] [9])]	[In-terest Rate (C.([8 ][9]))]	[In-terest Deter-ter-mina-tion Date[s] (C.[9] [16])]	[In-terest Pay-ment Dates (C.[9] [16])]	[Re-demp-tion Date[s] (C.[9] [16])]	[Call Date[s] (C.[9] [16])]	[In-terest Com-mencement Date (C.9)]
[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]
				[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	[In-sert]	

[WKN] [ISIN] (C.1)	[Interest Period (C.[8][9])]	[[Fixed] Interest Rate <sub>[1]</sub> [In] (C.([9][15]))]	[[Fixed] Interest Rate <sub>[2]</sub> [Out] (C.([9][15]))]
[Insert]	[Insert]	[Insert]	[Insert]
	[Insert]	[Insert]	[Insert]

## 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 Underlying) or **total loss** (e.g. in the case of a substantially unfavourable performance of a currency exchange rate or of an insolvency of the Issuer) of his investment. In addition, the following risks may result in **very low** or **even no** interest payments to be paid under 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 21 April 2017 (the "Registration Document"), the information of which is incorporated herein by reference in different part of the Prospectus, (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 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, legal and tax advisors) in order to form their own legal, tax 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.

"**Underlying**" means for the purposes of these Risk Factors a reference rate (including a range accrual reference rate) (a "**Reference Rate**") and/or an inflation index from which the specification of an interest amount depends.

"**Security Holder**" means the holder of a Security.

**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 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 21 April 2017 are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 218 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 Underlying-linked Securities**

The Securities may be linked to the performance of an Underlying. In this context, the following additional conflicts of interest may exist:

*Potential conflicts of interest related to the issuance of additional securities linked to the same Underlying*

The Issuer, any Distributor and any of its affiliates may issue securities with respect to the Underlying on which securities already have been issued. 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 Underlying-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 Underlying-related information (also not publicly available) over the term of the Securities. The issuance of Securities does, in particular, not create any obligation to disclose such information (whether or not confidential), which is related to the Underlying, to the Security Holders, or to consider such information in the course of the issuance 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 Underlying.

*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 another issuer. 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 Underlying.

## 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 Underlying 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 fixed Redemption Amount, the Nominal 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.

#### *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, if applicable, the remaining term of the Securities as well as additional Underlying-related market value-influencing factors (as described in "*4. Risks related to Underlying-linked Securities*"). These factors may be mutually reinforcing.

In addition, changes in the composition of the member states of the European Union (EU), e.g. an exit of Great Britain according to the referendum of 23 June 2016, may have a negative impact on the stability, the existence and the functioning of the EU and its institutions. Uncertainties and possible economic burdens resulting from such attempts may arise not only in the relevant member states, have significant impact on the economic development of single member states and the EU as a whole and result in distortions as well as in increased volatilities in the financial markets. These factors may be mutually reinforcing or neutralising.

#### *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 a fixed Redemption Amount (e.g. in the amount of the nominal amount) 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. If the Securities are not fixed rate Securities (the "**Fixed Rate Securities**") or zero coupon Securities (the "**Zero Coupon Securities**"), 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, the Resolution Directive as well as governmental or regulatory interventions*

Turmoil in the international financial markets may also in the future adversely affect inflation, interest rates, the Underlying and its Components, 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 began 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.

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 "KreditReorgG"). 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 terminate or 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 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 29 January 2014 and on 19 June 2015 the Council has also agreed its position with respect to the new regulation and has decided in principle to adhere to the project. 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.

#### *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, po-

tential 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. With regard to the risks related to inflation-linked Securities see "*4. Risks related to Underlying-linked Securities*", "*Risks related to inflation-linked Securities as well as in relation to inflation indices*" below.

#### *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 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.

#### *Risks regarding US withholding taxes*

For the Security Holder there is the risk that payments on the Securities may be subject to the US withholding tax pursuant to the so-called Qualified Intermediary Regime and/or the Foreign Account Tax Compliance Act ("**FATCA**").

Payments on the Securities may be subject to a US withholding tax pursuant to the Qualified Intermediary ("**QI**") and/or FATCA rules. Should, for example as a consequence of a noncompliance with certain certification, information reporting requirements with respect to its US accounts, other specified requirements by the Issuer or the documentation requirements by the Security Holder, 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, the issue and the relevant determination 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 all payments of interest made to the Security Holder, exceeds the individual Purchase Price of the Security Holder. The Redemption Amount may also be lower than the nominal amount of the Securities or even zero.

### **3. Particular risks related to the Securities**

The Securities are, except for Dual Currency Securities, debt securities with a Redemption Amount specified in the relevant Final Terms. In the case of Fixed Rate Securities, the interest rate is also specified in the relevant Final Terms, while in the case of Floating Rate Securities, Range Accrual Securities, Digital Securities, Inflation Floating Rate Securities and Inflation Range Accrual Securities, the interest rate is determined on the basis of a reference to an Underlying (specific risks related to these Underlying-linked Securities can be found in section "*4. Risks related to Underlying-linked Securities*" of these Risk Factors). With respect to the Securities the particular risks set out below exist.

#### *Risks related to Market Disruption Events and FX Market Disruption Events*

The calculation agent may, if, in the case of Inflation Floating Rate Securities and Inflation Range Accrual Securities, a Market Disruption Event occurs, and/or if, in the case of Dual Currency Securities, a FX Market Disruption Event occurs, (each as specified in the relevant Final Terms) defer valuations of the Underlying, as provided in the Final Terms, and, after a certain period of time, determine such valuations in its reasonable discretion. These valuations or specifications, as the case may be, may, to the detriment of the Security Holder, differ substantially from the actual price of the Underlying. In general Market Disruption Events and FX Market Disruption Events also lead to delayed payments on the Securities. In this case, Security Holders are not entitled to demand interest due to such delayed payment.

#### *Risks related to Call Events and FX Call Events*

If, in the case of Inflation Floating Rate Securities and Inflation Range Accrual Securities, a Call Event (Index Call Event) occurs, and/or if, in the case of Dual Currency Securities, a FX Call Event occurs, (each as specified in the relevant Final Terms) the Securities may be redeemed extraordinarily. In this case, the Securities will be redeemed early at the Call Amount (as defined in the relevant Final Terms) instead of a redemption on the Maturity Date at the Redemption Amount. If the Call Amount is lower than the Issue Price or the Purchase Price, as the case may be, the respective Security Holder **will suffer a partial or total loss of his invested capital**. Furthermore, the Security Holder bears an increased risk that he may receive no or, under consideration of Incidental Costs, a negative return. In this case, the Security Holders are also exposed to a reinvestment risk, i.e. they may only reinvest the principal received due to an early repayment of the Securities to less favourable conditions, compared to the initial investment in the Securities.

#### *Risks arising from an Issuer's Regular Call Right*

Securities that contain a regular call right of the Issuer (the "**Regular Call Right**") may be called by the Issuer on certain call dates (the "**Call Dates**") as specified in the Final Terms, and early redeemed at the Redemption Amount . As of the effective date of the regular call, the Security Holder loses the right to receive further interest payments under the Securities. In the case of Dual Currency Securities, the FX Exchange Rate may also have changed to the detriment of the Security Holder and thus reduce the repayment. In addition, the Security Holder bears the risk that his expectations on an increase in the market value of the Securities will not be met due to the regular call. The exercise of the Regular Call Right lies within the Issuer's sole discretion, the call date chosen by the Issuer might be unfavourable from the Security Holders' perspective. In this case, the Security Holders are also exposed to a reinvestment risk, i.e. they may only reinvest the principal received due to an early repayment of the Securities to less favourable conditions, compared to the initial investment in the Securities.

#### *Risks arising from the Redemption Right of the Security Holders*

Security Holders may, if specified in the Final Terms, demand redemption of the Securities (the "**Redemption Right**") on certain redemption dates (the "**Redemption Dates**") as specified in the Final Terms. As of the effective date of the optional redemption, the Security Holder loses the right to receive further interest payments under the Securities. In the case of Dual Currency Securities, the FX Exchange Rate may also have changed to the detriment of the Security Holder and thus reduce the repayment. In addition, the Security Holder bears the risk that his expectations on an increase in the market value of the Securities will not be met due to the optional redemption. In this case, the Security Holders are also exposed to a reinvestment risk, i.e. they may only reinvest the principal received due to an early repayment of the Securities to less favourable conditions, compared to the initial investment in the Securities.

#### *Risks related to Fixed Rate Securities and Zero Coupon Securities*

Potential investors in interest-bearing Securities at a fixed rate or in Zero Coupon Securities should be aware that the fair market value of the Fixed Rate Securities or Zero Coupon 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 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 or the amortization yield for Zero Coupon 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 and the Zero Coupon Securities to fall. If the Market Rate of Interest falls, the fair market value of the Fixed Rate Securities and Zero Coupon Securities normally rises until it is equal to the level of Securities which provide for an interest rate corresponding to the Market Rate of Interest. If the Securities provide for a call right of the Issuer or a Redemption Right of the Security Holders, or if the Security Holder intends to dispose his Securities prior to their maturity, he should consider the influence of the Market Rate of Interest on the market value of the Fixed Rate Securities or Zero Coupon Securities, as the case may be.

#### *Particular risks related to Dual Currency Securities*

In case of *Dual Currency Securities* the issue price as well as any interest and/or redemption payments under the Securities will be converted prior to their payment by application of a current exchange rate from the Specified Currency into the Payment Currency, therefore, the Security Holder will be subject to an currency risk and/or Currency Exchange Risk (see "*1. Risks related to the market*", "*Currency and Currency Exchange Rate risk with respect to the Securities*" and "*Currency Exchange Rate risk*"). The value of the Securities as well as payments to be made under the Securities are also significantly influenced by the development of the Currency Exchange Rate. **Even if the interest payment amounts and/or the Redemption Amount is specified in**

**the Final Terms (e.g., Nominal Amount paid in the Specified Currency), Security Holders may suffer a partial or total loss of their investment due to the conversion of such amount into the Payment Currency in case of an unfavourable development of the Currency Exchange Rate.**

In cases, where the conversion of the issue price and the amounts payable under the Securities is not made directly by application of one Currency Exchange Rate but indirectly by application of two different Currency Exchange Rates (so called *Cross Rate* option), an increased Currency Exchange Rate risk exists. In such cases, the currency of the Specified Currency will at first be converted into a third currency before it will then be converted into the Payment Currency. Thus, as the issue price and the amounts to be paid under the Securities depend on two different Currency Exchange Rates, investors might suffer higher losses of interest and/or principal, as it would otherwise be the case.

In addition, *Dual Currency Securities* are subject to an additional risk of an early extraordinary termination in the event of a FX Call Event (see "*Risks related to Call Events and FX Call Events*") and a postponement of the payment or the determination of the FX Exchange Rate by the Calculation Agent in the case of a FX Market Disruption (see "*Risks related to Market Disruption Events and FX Market Disruption Events*") as well as an Issuer's Conversion Right ("*4. Risks related to Underlying-linked Securities*", "*Risks arising from the Issuer's Conversion Right*").

#### *General risk of return*

For Underlying-linked Securities and Dual Currency Securities the return on the Securities can only be determined at the end of their term, because only at that time the amount of all payments on the Securities will be known. Even if the Security Holder keeps the Securities until their regular repayment or redemption by the Issuer, there is a risk that his return expectations are not fulfilled or that the return on a capital market investment with comparable maturity and customary interest rates will not be achieved.

#### *Risks related to Switchable Fixed Floating Rate Securities*

In case of Switchable Fixed Floating-Rate Securities the Issuer may exercise an Issuer's Switch Option at certain dates. As a consequence the Security Holder may not be certain to receive a fixed interest during the term of the Securities. After the exercise of the Issuer's Switch Option the Security Holder receives a floating rate interest which may be highly fluctuating (see *Risks related to Floating Rate Securities*) and significantly lower than the fixed interest. The exercise of the Issuer's Switch Option lies within the Issuer's sole discretion, the exercise date chosen by the Issuer might be unfavourable from the Security Holder's perspective.

#### ***4. Risks related to Underlying-linked Securities***

In the case of Floating Rate Securities, Range Accrual Securities, Digital Securities the interest rate is determined on the basis of a reference to a reference rate, in case of Inflation Floating Rate Securities and Inflation Range Accrual Securities, the interest rate is determined on the basis of a reference to an inflation index (the "**Underlying-linked Securities**"). This may bring significant further risks related to the Securities which are not associated with a similar investment in a conventional fixed rate bond. Potential investors should only invest in the Securities if they have fully understood the applicable payment formulas.

#### *Risks arising from the influence of the Underlying on the market value of the Securities*

The market value of Underlying-linked Securities will in addition to the risks described in "*1. Risks related to the market*", "*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 price of the Underlying, as the case may be. It is not possible to predict how the price of the Underlying 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 in the price of

the Underlying. The price of the Underlying 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 exchanges.

Whilst the market value of the Securities is linked to the price of the Underlying 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 price of the Underlying may increase in value.

In addition, the market value of Securities *inter alia* is influenced by the variations in the intensity of the fluctuation of values (volatility) of the Underlying. Moreover, even the failure of an expected change in the price of the Underlying 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 Underlying occurs only at specified dates or times or periods*

The amounts to be distributed under the Securities may be considerably lower than the price of the Underlying may have suggested. The observation of the price of the Underlying 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 price of the Underlying only a certain point of time is relevant. Any prices of the Underlying favourable for the relevant Security Holder that are outside of these dates, times or periods, will not be regarded. In particular, at a high volatility of the Underlying, this risk can significantly increase.

*Past performance no indication for a future performance*

The past performance of an Underlying provides no indication of its future performance. The amounts to be distributed under the Securities may therefore be substantially lower than the price of the Underlying may in advance have suggested.

*Risks related to the purchase of Securities for hedging purposes*

The Securities may not be a perfect hedge against price risks arising from the Underlying. Any person intending to use the Securities to hedge against such price risks is subject to the risk that the price of the Underlying, 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 price of the respective Underlying. 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 Underlying, whose risk of loss he actually wanted to hedge.

*Risks related to inflation-linked Securities as well as in relation to inflation indices*

In the case of Inflation Floating Rate Securities and Inflation Range Accrual Securities the payment of interest depends on the value of an inflation index. However, potential investors should note, that these Securities, depending on their individual configuration, often do not provide for an inflation protection or an inflation compensation to the benefit of the Security Holder.

Securities where interest amounts are linked to an inflation index, may be associated with risks, which do not exist in the case of a conventional index (e.g. a stock index). Inflation indices measure how average prices of consumer goods and services purchased by private households change over the time. Depending on the composition of an inflation index the development of the inflation rate may vary, and the basket of goods and services underlying the index does not necessarily correspond to the consumer behaviour of the investor. As a consequence, an investment in a Security, where the interest rate is linked to an inflation index, may not be capable of protecting the investor against inflation (if the interest rate profile of the Securities provide for such inflation protection at all).

*Inter alia*, changes in general economic, financial, political, or regulatory conditions and changes in the prices of various consumer goods, services and/or sales taxes (e.g. VAT) may affect the inflation index. These factors make it difficult to assess the development of the relevant inflation index and the value and market price of the relevant Securities. The value of an inflation index can fluctuate over time and thereby increase or decrease due to a variety of factors. A negative development of the inflation index can cause the Security Holder to receive no return on its Securities. The calculation, determination and publication of the inflation index (the "**Index Concept**") is made by an organization (the "**Index Sponsor**") and not by the Issuer or the calculation agent. Neither the Issuer nor the calculation agent have any influence on the Index Concept, the method of calculation, the determination, the modification, the termination and/or the publication of the inflation index. In general, an inflation index may at any time be modified, adjusted or replaced by a successor index. In the event of an occurrence of an adjustment event (the "**Adjustment Event**"), as specified in the Final Terms, the calculation agent is entitled to carry out adjustments according to the Final Terms in its reasonable discretion (§ 315 BGB) and/or to replace in the inflation index, as the case may be. Although these adjustments aim at retaining the economic situation of the Security Holders unchanged to the largest extent possible, it cannot be guaranteed that such an adjustment only leads to a minimal negative economic impact. Adjustment Events may have a substantial negative impact on the value and the future performance of the Securities as well as on the amounts to be distributed under the Securities and can change the structure and/or the risk profile of the Securities. If such adjustment in accordance with the Final Terms are impossible or not reasonable for the Issuer and/or the Security Holders, the Issuer may call the Securities and redeem them at their market value. As a result, the Security Holder is exposed to the risks as described in "*3. Particular risks related to the Securities*", "*Risks related Call Events and FX Call Events*". In addition, with respect to inflation indices, there may be risks related to Market Disruption Events as described in "*3. Particular risks related to the Securities*", "*Risks related Market Disruption Events and FX Market Disruption Events*".

In addition, there may be disruptions in the continuation or calculation of the inflation index, which may adversely affect the value of Securities or the amounts to be paid under the Securities.

The Securities linked to an inflation index are not in any way sponsored, endorsed, sold or promoted by the respective Index Sponsor. Such Index Sponsor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index or the prices at which the index stands at a particular time. Such index is composed, calculated (if so) and determined by its respective Index Sponsor independently from the Issuer of the Securities. Such Index Sponsor is not responsible or liable for the issuance, the administration, the marketing or the trading of the Securities.

Furthermore, an inflation index is, as a rule, calculated only on a monthly basis and published only several months after the month in question. As a result, the calculation of a payment (e.g. a coupon payment) under Securities whose interest rate is linked to an inflation index, as well as the payment itself is carried out only after a corresponding delay after the month relevant for the respective valuation of the payment, so for the determination of the interest rate no current value is used. Under certain circumstances the Index Sponsor may subsequently revise the published inflation rates. The Final Terms may provide that the Calculation Agent is not obliged to consider such revised inflation rates for its calculations. Consequently, the calculations of the payable amount under the Securities may be based on the inflation rates which are not the final (revised) inflation rates of the respective inflation index. This may have a substantial negative impact on the value of the Securities and the payable amounts under the Securities.

**These circumstances and the specific form of the interest profiles leads to the effect that inflation-linked Securities in principle do not provide any compensation of inflation for the Security Holders.**

*Special risks related to reference rates (including a Range Accrual Reference Rate)*

A Security Holder in Floating Rate Securities and Range Accrual Securities is particularly exposed to the risk of fluctuating interest rates. Fluctuating interest rates make it impossible to de-

termine in advance the return of Floating Rate Securities and Range Accrual 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 und governments, as well as by politically motivated factors.

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

The Issuer may use a portion or the total proceeds from the sale of the Securities on transactions to hedge against price risks of the Issuer resulting from the Securities. The entering or the liquidation of hedging transactions by the Issuer may, in individual cases, adversely affect the price of the Underlying.

#### *Risks related to Floating Rate Securities*

Potential investors in Floating Rate Securities and Inflation 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.

#### *Risks related to Reverse Floating Rate Securities*

The risks described in respect of Floating Rate Securities (see "*Risk related to Floating Rate Securities*" above) do also apply for Reverse Floating Rate Securities and Inflation Reverse Floating Rate Securities. However, the development of the interest rate of a Reverse Floating Rate Security and an Inflation Reverse Floating Rate Security is inversely proportional to the Underlying. If the Underlying increases, the interest rate and thus also the yield decreases. The interest increases, if the Underlying decreases. Potential investors should note that they are exposed to a risk of loss, if the long-term Market Rates of Interest increase. In the case of Reverse Floating Rate Securities and Inflation Reverse Floating Rate Securities the maximum interest rate and thus also the yield is limited to the Fixed Interest Rate as specified in the relevant Final Terms.

#### *Risks related to Fixed Floating Rate Securities and Reverse Fixed Floating Rate Securities*

Potential Investors in Fixed Floating Rate Securities, Reverse Fixed Floating Rate Securities, Inflation Fixed Floating Rate Securities und Inflation Reverse Fixed Floating Rate Securities should be aware that they are exposed to the risks related to Fixed Rate Securities (see "*3. Particular risks related to the Securities*", "*Risks related to Fixed Rate Securities*" above) as well as to Floating Rate Securities (see "*4. Risks related to Underlying-linked Securities*", "*Risks related to Floating Rate Securities*" above) and to Reverse Floating Rate Securities (see "*4. Risks related to Underlying-linked Securities*", "*Risks related to Reverse Floating Rate Securities*" above), if applicable.

#### *Risks related to Interest Rate Difference (Fixed) Floating Rate Securities*

In the case of Interest Rate Difference (Fixed) Floating Rate Securities and Inflation Interest Rate Difference Floating Rate Securities the payment of interest depend on the difference between two, possibly different, reference rates which may have different maturities or, as the case may be, inflation indices. As a result, the risks of an unfavourable development of the Underlying described

for Floating Rate Securities and Inflation Floating Rate Securities (see "*4. Risks related to Underlying-linked Securities*", "*Risks related to Floating Rate Securities*" above) may significantly increase themselves depending on the development of the reference rates or the inflation indices, as the case may be. If Interest Rate Difference (Fixed) Floating Rate Securities and Inflation Interest Rate Difference Floating Rate Securities observe different reference rates (e.g. EURIBOR and LIBOR) or any difference between them, the interest payment and the value of the Securities also depends on the development of the interest rate level of different markets. Security Holders may be exposed to an increased risk of fluctuating interest rates.

#### *Risks related to Range Accrual Securities*

Potential Investors in Range Accrual Securities and Inflation Range Accrual Securities should be aware of the fact that any payment of interest depends on the number of days in which the Underlying lies within/-out a specific interest rate range or, as the case may be, below or above a specific interest rate threshold, as specified in the relevant Final Terms. The payment of interest decreases, depending on the number of days, during which the Underlying lies in-/outside of the interest rate range or, as the case may be, below or above the interest rate threshold. If the Underlying is in-/outside of the interest rate range or, as the case may be, below or above the interest rate threshold, there is the risk that the Security Holder may, for the respective interest period, receive no interest payment at all. In the case of Range Accrual Securitas and Inflation Range Accrual Securities, already minor changes in the value of the relevant Underlying may lead to significant changes in the market value of the Range Accrual Securities and Inflation Range Accrual Securities. As a consequence, the Security Holder may suffer a significant loss in the event of an early disposal of the Securities. Range Accrual Securities or Dual Range Accrual Securities may also provide for an additional observation of a second, third or fourth Underlying each consisting of a different Range Accrual Reference Rate with a different range accrual reference rate maturity or term. Consequently, the interest payment under the Securities depends not only on the interest rate level of one market but on the interest rate level of two, three or even four markets as well as different maturities or terms. The Underlyings correlate by using a certain formula. The impact of the different Underlyings on the interest payments under the Securities may reinforce or negate each other. The influence of changes of the interest markets on the interest payments under the Securities and the value of the Securities is almost unpredictable.

#### *Risks related to Digital Securities*

In the case of Digital Securities and Inflation Digital Floating Rate Securities, the interest rate depends on the occurrence of an Underlying-related event, as specified in the relevant Final Terms. If the Underlying during an interest period, as specified in the relevant Final Terms, lies above or below a specific interest rate threshold, a lower interest rate might become applicable, which can also be zero. In the case of Digital Securities and Inflation Digital Securities, already minor changes in the value of the relevant Underlying may lead to significant changes in the market value of the Digital Securities or Inflation Digital Securities, as the case may be. As a consequence, the Security Holder may suffer a significant loss in the event of an early disposal of the Securities.

#### *Risks related to a limitation of the interest rate to a maximum interest rate or a global cap.*

Potential investors should note, that interest rates may be limited in all Underlying-linked Securities to a maximum interest rate, as specified in the relevant Final Terms. In addition, a global cap may be specified in the relevant Final Terms. As a result, the participation in a favourable development of the Underlying for the Security Holder and thus his potential return, may be limited.

#### *Risk related to a knock-in interest rate*

For Securities, where a knock-in interest rate is specified in the Final Terms, the Securities will bear interest at the knock-in interest rate for their entire remaining term, if an interest rate, determined in accordance with the relevant Final Terms, is higher than the knock-in interest rate. The knock-in interest rate therefore acts as a maximum interest rate with the effect that the participa-

tion in a favourable performance of the Underlying for the Security Holder and thus his potential return is limited.

*Risks related to TARN Express-structures*

Potential investors should note that the Securities may upon the occurrence of an early redemption event (which depends on the development of the value of the Underlying) be automatically early redeemed. In this case, the Security Holders are entitled to receive certain payments in accordance with the Final Terms, but, after the early redemption, he is not entitled to further interest payments under the Securities. Accordingly, the Security Holder bears the risk to participate in the performance of the Underlying not to the expected extent and during the expected term of the Security. In the case of an early redemption of the Securities the Security Holder also bears the reinvestment risk.

*Risks arising from the Issuer's Conversion Right*

Upon the occurrence of a Conversion Event the Securities are converted, i.e. on the Redemption Date the Cancellation Amount instead of the Redemption Amount will be paid. A Conversion Event exists if certain adjustments pursuant to the Special Conditions are not possible or not justifiable. The Cancellation Amount is equal to the market value of the Securities plus interest accrued up to the Redemption Date at the market rate of interest being traded at that time for liabilities of the Issuer with the same remaining term as the Securities. However, the Security Holder receives at least the Minimum Amount. If the market value of the Securities plus accrued interest at the time of the conversion or, where relevant, the Minimum Amount is less than the purchase price of the Securities, the respective Security Holder will suffer **a partial loss of its investment**. In addition, the Security Holder bears the risk that its expectations of an increase in the market value based on the Underlying of the Securities will no longer be met as a result of the conversion.

## GENERAL INFORMATION ON THE BASE PROSPECTUS

This document constitutes a base prospectus (the "**Base Prospectus**") according to Art. 5 (4) of Directive 2003/71/EC, in the version valid at the date of the Base Prospectus, (the "**Prospectus Directive**") in connection with § 6 of the German Securities Prospectus Act, in the version valid at the date of the Base Prospectus (*Wertpapierprospektgesetz*, the "**WpPG**") in connection with the Commission Regulation (EC) No 809/2004, in the version valid at the date of the Base Prospectus relating to interest 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**").

This Base Prospectus is to be read together with the information provided in (a) the registration document of UniCredit Bank AG dated 21 April 2017 (the "**Registration Document**"), whose information is incorporated herein by reference, (b) the supplements to this Base Prospectus in accordance with § 16 WpPG, if any (the "**Supplements**") (c) 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 constitutes a recommendation, 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 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 pursuant to § 16 WpPG. 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).

## **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 pursuant to § 9 WpPG. 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: Italy.

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 under "Rechtliches", "Zustimmung zur Prospektnutzung" (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 21 April 2017, the audited consolidated financial statements of HVB Group as of 31 December 2015, contained in the Annual Report HVB Group 2015, the audited consolidated financial statements of HVB Group as of 31 December 2016 contained in the Annual Report HVB Group 2016, the audited unconsolidated financial statements as of 31 December 2016, contained in the Annual Report UniCredit Bank AG (HVB) 2016 are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 218 et seq.

The unaudited consolidated results of HVB Group as of 30 June 2017 are included in the Half-yearly Financial Report as of 30 June 2017 of HVB Group and are shown on page F-1 to F-46 of this Base Prospectus.

## **GENERAL INFORMATION ON THE SECURITIES**

### **Features of the Securities**

#### ***General***

The Securities will be issued as notes with Nominal Amount, as specified in the Final Terms. Under this Base Prospectus Securities any of the product types mentioned under section "*Product types*" may be issued for the first time or the continuance of a public offer or an increase of Securities may be effected (see section "*Continuance of public offer or increase*").

#### ***Continuance of public offer or increase***

Securities which have been publicly offered or admitted to trading for the first time before the date of this Base Prospectus (the "**Previous Products**") may be continued or increased under this Base Prospectus.

In case of Previous Products, the Final Terms specify that they are to be read in conjunction with this Base Prospectus as well as along with another base prospectus which is specified in the Final Terms (a "**Previous Prospectus**"), of which the description of the Securities (if so specified in the Final Terms) and the conditions of the Securities are incorporated by reference into this Base Prospectus. In this respect, the description of the Securities (if so specified in the Final Terms) and the conditions of the Securities of the relevant product type are not printed in this Base Prospectus, but have to be read in the respective Previous Prospectus (see sections "*Description of the Securities incorporated by reference in the Base Prospectus*" and "*Conditions of the Securities incorporated by reference in the Base Prospectus*").

#### ***Product types***

The name of the relevant product type is specified in the Final Terms. The following product types may be issued under this Base Prospectus:

- Fixed Rate Securities (Product Type 1)
- Floating Rate Securities (Product Type 2)
- Range Accrual Securities (Product Type 3)
- Digital Securities (Product Type 4)
- Inflation Floating Rate Securities (Product Type 5)
- Inflation Range Accrual Securities (Product Type 6)
- Zero Coupon Securities (Product Type 7)

#### ***Form of the Securities***

The Securities are bearer debt instruments (*Inhaberschuldverschreibungen*) pursuant to § 793 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.

#### ***Underlyings***

Fixed Rate Securities and Zero Coupon Securities are not linked to an Underlying.

In the case of Floating Rate Securities, Range Accrual Securities and Digital Securities, the Underlying of the Securities is a reference rate (including Range Accrual Reference Rates) or a number of reference rates (including Range Accrual Reference Rates).

In the case of Inflation Floating Rate Securities and Inflation Range Accrual Securities, the Underlying is an inflation index. The development of the inflation index may either be observed over a one-year period (so called Year-on-Year ("YoY") inflation rate) or over a period which in each case begins shortly before the Issue Date (as specified in the Final Terms) and ends shortly before the respective Interest Payment Date (as specified in the Final Terms) (so called "ZC" inflation rate).

The Underlying is the main influencing factor on the interest payments and the value of the Securities. In case of all Securities with a TARN Express feature, the Underlying also affects the maturity of the Redemption amount.

In the case of Dual Currency Securities, in addition, the currency exchange rate is or, in case of Dual Currency Cross Rate Securities, both exchange rates are the main influencing factors on the interest payments, the Redemption Amount and the value of the Securities.

In general, the Security Holders participate in any positive as well as in any negative performance of the Underlying and the currency exchange rate 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.

### ***Limitation of the rights***

In the case of Inflation Floating Rate Securities and Inflation Range Accrual Securities the Calculation Agent will, upon the occurrence of one or more Adjustment Events, as specified in the relevant Final Terms, in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities and/or all prices of the inflation index determined by the Calculation Agent on the basis of the Terms and Conditions of the Securities, pursuant to the relevant Final Terms, in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible.

The Securities may provide for an Issuer's regular call right (the "**Regular Call Right**"), if so specified in the relevant Final Terms. In this case, the Issuer may at each Call Date, as specified in the Final Terms, call the Securities in whole - but not in part - and redeem them by payment of the Termination Amount (in case of Zero Coupon Securities) or the Redemption Amount (in case of other Securities than Zero Coupon Securities).

In addition, in the case of Inflation Floating Rate Securities and Inflation Range Accrual Securities, upon the occurrence of one or more Index Call Events and/or, in the case of all Dual Currency Securities, upon the occurrence of one or more FX Call Events, each as specified in the relevant Final Terms, the Issuer may call the Securities extraordinarily pursuant to the Final Terms and redeem the Securities at their Cancellation Amount. The "**Cancellation Amount**", as specified in the Final Terms, equals either a) the fair market value of the Securities as of the tenth Banking Day before the extraordinary call becomes effective or b) the market value of the Securities plus interest accrued for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities as of the tenth Banking Day before the extraordinary call becomes effective, and in each case determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) and, if specified in the Final Terms, converted into the Payment Currency at the respective exchange rate(s). It may be specified in the Final Terms, that the Cancellation Amount shall not be less than Nominal Amount.

In case of all Dual Currency Securities with a conversion right, the Securities shall be redeemed at the Cancellation Amount on the Maturity Date upon the occurrence of a Conversion Event, as specified in the Final Terms. The "**Cancellation Amount**" is equal to the fair market value of the Securities plus interest accrued for the period until the Maturity Date the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities

as of the tenth Banking Day following the occurrence of the Conversion Event and, if applicable and specified in the Final Terms, converted into the Payment Currency at the respective exchange rate(s), as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). However, the Cancellation Amount shall not be less than the Minimum Amount.

Obvious typing and calculation errors or similar obvious errors in the Terms and Conditions entitle the Issuer to rescission vis-à-vis the Security Holders. The Issuer may combine the declaration of rescission with an offer to continue the Securities under amended Terms and Conditions. Furthermore, the Issuer is entitled to correct or amend incomplete or inconsistent provisions in the Terms and Conditions in its reasonable discretion (§ 315 BGB). If in such case a public offer has not yet been closed or admittance of the Securities for trading on a regulated or other equivalent market is planned, the Issuer will publish a corrected version of the Final Terms of the respective Securities and, if the legal requirements are fulfilled (in particular, a material inaccuracy of the Base Prospectus), publish in advance a supplement to this Base Prospectus pursuant to § 16 WpPG.

### **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 any successor website(s) (see below) in accordance with § 14 WpPG.

The Issuer does not intend to provide information following an issuance of Securities, unless 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.

In case of Dual Currency Securities the Issue Price will be converted into the Payment Currency at the respective currency exchange rate(s), if specified in the Final Terms.

### **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, *i.e.*, cover the Issuer's costs for structuring the Securities, risk hedging of the Issuer and the distribution.

## **Selling concession or other concessions**

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

## **Placing and Distribution**

The Securities may be distributed by way of public or private placements 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 qualified investors and/or retail investors and/or institutional investors as stated 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) day of the first public offer;
- (ii) start of the new public offer;
- (iii) information about the continuance of a public offer of Securities which have already been issued;
- (iv) information about the increase of Securities which have already been issued;
- (v) a subscription period;
- (vi) the countr(y)(ies) where the offer(s) to the public takes place;
- (vii) smallest transferable and/or tradable unit;
- (viii) the conditions for the offer of the Securities;
- (ix) possibility of an early termination of the public offer.

## **Offering 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. 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.

### **Method for calculating the yield**

For Securities where the Issuer is obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions and where the Terms and Conditions allow a calculation of a yield as of the time of issue of the Securities, the Final Terms will indicate the respective yield. In all other cases no indication of a yield will be made in the Final Terms.

If the yield of the Securities can be indicated in the Final Terms, this yield will be calculated by applying one of the following methods:

- Moosmueller-method: First, all coupons are discounted to the date of the next coupon date at the period-compliant interest rate. Thereafter, the value thus obtained is discounted to the value date of a security transaction with equal dates. If the thus calculated cash value is equal to the dirty price of the Security (i.e. the price of the Security and accrued interest) the period-compliant yield has been found. This yield is then to be converted into an annual yield, if coupon payments are made which are shorter or longer than one year.
- ICMA/ISMA-method: Regardless of the actual interest payment date, on each day, the associated accrued interest will be added to the invested capital and interest will be calculated on this compounded basis.

### **Representation of the Security Holders**

No representative exists.

### **Ratings**

Notes currently issued by HVB have been rated as follows by Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and Standard & Poor's Global Ratings ("S&P") (Status: August 2017):

	<b>Long-term Preferred Senior Notes<sup>1</sup></b>	<b>Long-term Non- Preferred Senior Unsecured Notes<sup>1</sup></b>	<b>Subordinated Notes</b>	<b>Short- term Notes</b>	<b>Outlook</b>
<b>Moody's</b>	A2 <sup>2</sup>	Baa2 <sup>3</sup>	Baa3	P-1	Stable
<b>S&amp;P</b>	BBB <sup>4</sup>	BBB <sup>-5</sup>	BB+	A-2	Developing <sup>7</sup>

Fitch	BBB+ <sup>6</sup>	BBB+ <sup>6</sup>	BBB	F2	Negative
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<sup>1</sup> Due to an amendment to section 46f of the German Banking Act ("KWG"), which revises the ranking of bank debt in the event of insolvency, the rating agencies have developed a sub-division into 2 rating categories for long-term senior debt previously grouped into a single category.

<sup>2</sup> Designation by Moody's: "Senior senior unsecured bank debt".

<sup>3</sup> Designation by Moody's: "Senior unsecured".

<sup>4</sup> Designation by S&P: "Long-term Senior Unsecured".

<sup>5</sup> Designation by S&P: "Long-term Senior Subordinated".

<sup>6</sup> Designation by Fitch: "Long-term Issuer Default-Rating".

<sup>7</sup> Not applicable to Long-term Non-Preferred Senior Unsecured Notes.

### Ratings

The Notes to be offered may be rated or unrated. Where an issue of Notes is rated, its rating may not be the same as the rating as set out above and such rating may be disclosed in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Fitch's long-term credit ratings are set up along a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C, RD down to D. Fitch uses the intermediate modifiers "+" and "-" to denote relative status within the categories from AA to B. Fitch has also the possibility for guidance (termed "on watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (evolving). Outlooks are used to indicate the direction of a rating as the indication could be positive, negative, stable or evolving. Fitch's short-term ratings reflect a bank's vulnerability to default in the short term at the levels F1+, F1, F2, F3, B, C, RD and D.

Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's also has the option of adding further guidance (referred to as "under review") as to whether a rating is likely to be upgraded (possible upgrade), downgraded (possible downgrade) or uncertain (direction uncertain). Outlooks are assigned indicating the direction of any pressure. Characteristics are positive, negative, stable and developing. Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations and range from P-1, P-2, P-3 down to NP (Not Prime).

S&P assign long-term credit ratings on a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C, SD to D. The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&P may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (developing). Outlooks are an indicator for the rating direction. S&P uses positive, negative, stable and developing outlooks. S&P assigns short-term credit ratings for specific issues on a scale from A-1+, A-1, A-2, A-3, B, C, SD down to D.

HVB confirms that the information contained in this section "Ratings" has been accurately reproduced and that as far as HVB is aware and is able to ascertain from information published by Fitch, Moody's and S&P, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The ratings were prepared by subsidiaries of these rating agencies. These subsidiaries, Standard & Poor's Credit Market Services Europe Ltd. (German branch) with its registered office in Frankfurt am Main, Moody's Deutschland GmbH with its registered office in Frankfurt am Main and Fitch Deutschland GmbH with its registered office in Frankfurt am Main, are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on

credit rating agencies, as amended and are included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>

#### *Definitions of Ratings*

The following sections show the detailed rating definitions of the rating agencies.

#### **Moody's**

##### *Global Long-Term Rating Scale*

A	Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.
Baa	Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

##### *Global Short-Term Rating Scale*

P-1	Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.
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#### **Fitch**

##### *Long-Term Rating Scale*

BBB	'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.
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##### *Short-Term Rating Scale*

F2	Good intrinsic capacity for timely payment of financial commitments.
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#### **Standard & Poor's**

##### *Long-Term Issue Credit Ratings*

BBB	An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
BB	Obligations rated 'BB', 'B', 'CCC', 'CC' and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligation will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

##### *Short-Term Issue Credit Ratings*

A-2	A short-term obligation rated 'A-2' is somewhat more suscepti-
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	ble to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment is satisfactory.
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## **DESCRIPTION OF THE SECURITIES**

### **Product Type 1: Fixed Rate Securities**

#### ***General***

Fixed Rate Securities bear interest during the term of the Securities. Fixed Rate Securities are redeemed on the Maturity Date by payment of the Redemption Amount.

#### ***Interest***

Fixed Rate Securities bear interest during the term of the Securities:

- Fixed Rate Securities that provide for only one Interest Rate for the Interest Period bear interest at a fixed rate specified in the Final Terms.
- Fixed Rate Securities that provide for different Interest Rates for each Interest Period bear interest at the different Interest Rates specified in the Final Terms for the respective Interest Period.

For Fixed Rate Dual Currency Securities, the respective Interest Amount to be paid is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Fixed Rate Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

#### ***Redemption***

In the case of Fixed Rate Securities but other than Fixed Rate Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Redemption Amount in the Specified Currency which is specified by the Issuer at the time the Securities are issued.

In the case of Fixed Rate Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Fixed Rate Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Redemption Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

#### ***Call and Redemption Rights***

The Terms and Conditions of the Securities may grant the Issuer a Regular Call Right. The Issuer may exercise its Regular Call Right as at each Call Date of the Securities. In addition, the Terms and Conditions of the Securities may grant the Security Holder a Redemption Right. Each Security Holder may exercise its Redemption Right as at each Redemption Date of the Securities. Once these rights have been exercised, the term of the Securities is limited. Following the exercise of such rights, Security Holders are entitled to receive payment of the Redemption Amount, on the respective Call Date or Redemption Date, as the case may be.

In the case of Fixed Rate Dual Currency Securities, the Securities will be redeemed at the Call Date or Redemption Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Fixed Rate Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Redemption Amount whereby the Specified Curren-

cy shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

## **Product Type 2: Floating Rate Securities**

### ***General***

Floating Rate Securities bear floating rate interest during the term of the Securities. Floating Rate Securities are redeemed on the Maturity Date by payment of the Redemption Amount.

### ***Interest***

Floating Rate Securities bear floating rate interest during the term of the Securities.

The Interest Rate for each Interest Period is specified depending on the respective Reference Rate.

The Reference Rate may either be the EURIBOR®, the LIBOR or the CMS-EUR (*Constant Maturity Swap rate in euro*) interest rate for a specific Reference Rate-Maturity and a specific Reference Rate Currency, as displayed on a specific Screen Page.

The Reference Rate, the Reference Rate-Maturity, the Reference Rate Currency and the Screen Page will be specified in the relevant Final Terms.

- For Floating Rate Securities the Interest Rate for the relevant Interest Period is equal to the Reference Rate on the relevant Interest Determination Date. The Floating Interest Rate will be specified in the relevant Final Terms.
- For Reverse Floating Rate Securities, the Interest Rate for the relevant Interest Period is equal to the Difference between the Fixed Interest Rate and the Reference Rate on the relevant Interest Determination Date. The Fixed Interest Rate will be specified in the relevant Final Terms.
- For Interest Rate Difference Floating Rate Securities, the Interest Rate for the respective Interest Period is equal to the Floating Interest Rate on the relevant Interest Determination Date. The Floating Interest Rate is the Difference between the Reference Rate<sub>1</sub> and the Reference Rate<sub>2</sub> on the relevant Interest Determination Date.
- For Interest Rate Difference Fixed Floating Rate Securities, the Interest Rate for the respective Interest Period is either equal to the Floating Interest Rate on the relevant Interest Determination Date or the Fixed Interest Rate, as specified for each Interest Period in the relevant Final Terms. The Floating Interest Rate is the Difference between the Reference Rate<sub>1</sub> and the Reference Rate<sub>2</sub> on the relevant Interest Determination Date.
- For Fixed Floating Rate Securities, the Interest Rate for the respective Interest Period is either equal to the Floating Interest Rate on the relevant Interest Determination Date or the Fixed Interest Rate. The Floating Interest Rate and the Fixed Interest Rate for the respective Interest Period will be specified in the relevant Final Terms.
- For Reverse Fixed Floating Rate Securities, the Interest Rate for the respective Interest Period is either equal to the difference between the Fixed Interest Rate and the Reference Rate on the relevant Interest Determination Date or the Fixed Interest Rate. The Fixed Interest Rate for the respective Interest Period will be specified in the relevant Final Terms.
- For Switchable Fixed Floating Rate Securities the Interest Rate for the respective Interest Period is either equal to the Fixed Interest Rate prior to an exercise of the Issuer's Switch Option (as described below) or, following an exercise of the Issuer's Switch Option, the Floating Interest Rate. The Fixed Interest Rate for the respective Interest Period will be

specified in the relevant Final Terms. The Floating Interest Rate is the Reference Rate on the relevant Interest Determination Date.

It may be specified that for the calculation of the Interest Rate a Premium is added to or a Discount is deducted from the Reference Rate. In addition or alternatively, it may be specified that the Reference Rate is multiplied by a Factor. The Premium, the Discount and the Factor will be specified in the relevant Final Terms, if applicable.

A Maximum Interest Rate or a Minimum Interest Rate may be specified for Floating Rate Securities. The Maximum Interest Rate and the Minimum Interest Rate will be specified in the relevant Final Terms, if applicable, or equal the Interest Rate of the preceding Interest Period (plus a Minimum / Maximum Interest Rate Premium or less a Minimum / Maximum Interest Rate Deduction, if applicable).

A Knock-In Interest Rate may be specified for Floating Rate Securities. This means that, if the Interest Rate determined for an Interest Period is higher than the Knock-In Interest Rate, the Interest Rate is the Knock-In Interest Rate for the entire term of the Securities. The Knock-In Interest Rate will be specified in the relevant Final Terms, if applicable.

An Aggregate Maximum Interest Rate (Global Cap) may be specified for Floating Rate Securities. This means that, if on an Interest Determination Date the total of all Interest Rates determined up to this Interest Determination Date (including) is equal to or greater than the Aggregate Maximum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the total of all Interest Rates determined up to this Interest Determination Date (excluding), and the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).

An Aggregate Minimum Interest Rate (Global Floor) may be specified for Floating Rate Securities. This means that, if on the last Interest Determination Date the total of all Interest Rates determined up to this Interest Determination Date (including) is smaller than the Aggregate Minimum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined up to this Interest Determination Date (excluding).

For Floating Rate Dual Currency Securities, the respective Interest Amount to be paid is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Floating Rate Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

### ***Redemption***

In the case of Floating Rate Securities other than Floating Rate Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Redemption Amount in the Specified Currency which is specified by the Issuer at the time the Securities are issued.

In the case of Floating Rate Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Floating Rate Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

### ***Issuer's Switch Option***

The Issuer may have the right, if specified in the relevant Final Terms, to determine that with effect from any Interest Payment Date specified in the relevant Final Terms (in which case such Interest Payment Date shall be the "**Interest Switch Date**") the Interest Rate with respect to each Interest Period following the Interest Switch Date shall be the relevant Floating Interest Rate on the relevant Interest Determination Date ("**Issuer's Switch Option**"). The Issuer's Switch Option can only be exercised once and with effect to all Securities. The Issuer's Switch Option is exercised by the Issuer by giving notice pursuant to the relevant Final Terms.

### ***Call and Redemption Rights***

The Terms and Conditions of the Securities may grant the Issuer a Regular Call Right. The Issuer may exercise its Regular Call Right as at each Call Date of the Securities. In addition, the Terms and Conditions of the Securities may grant to the Security Holder a Redemption Right. Each Security Holder may exercise its Redemption Right as at each Redemption Date of the Securities. Once these rights have been exercised, the term of the Securities is limited. Following the exercise of such rights, Security Holders are entitled to receive payment of the Redemption Amount on the respective Call Date or Redemption Date, as the case may be.

In the case of Floating Rate Dual Currency Securities, the Securities will be redeemed at the Call Date or Redemption Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Floating Rate Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Redemption Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

### ***Early Redemption***

In the case of TARN Express Floating Rate Securities, the Securities are redeemed early by payment of the Early Redemption Amount, if an Early Redemption Event occurs.

An Early Redemption Event occurs, if the total of all Interest Rates specified up to an Interest Determination Date (including) touches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.

Floating Rate Securities which are not TARN Express Floating Rate Securities, do not provide for an early redemption, if an Early Redemption Event occurs.

## **Product Type 3: Range Accrual Securities**

### ***General***

Range Accrual Securities bear floating rate interest during the term of the Securities. Range Accrual Securities are redeemed on the Maturity Date by payment of the Redemption Amount.

### ***Interest***

- Range Accrual Securities

In case of *Range Accrual Securities*, the Interest Rate with respect to an interest period is equal to the number of observation days within the respective interest period, for which one specified Range Accrual Reference Rate is within the Interest Rate Range (*Range*) or, if so specified in the relevant Final Terms, is above or below the Interest Rate Threshold, in each case divided by the total number of observation days of the respective interest period and multiplied by the Interest Rate In, which is either specified in the relevant Final Terms to be a fixed interest rate, as specified in the relevant Final Terms, or a variable Reference Rate, as determined on any date specified in the relevant Final Terms.

In the case of *Range Accrual Securities*, the relevant Final Terms may also specify that, the Interest Rate with respect to an interest period is equal to the sum of:

- (i) the number of observation days within the respective interest period, for which the Range Accrual Reference Rate is within the Interest Rate Range (*Range*) or, if so specified in the relevant Final Terms, above or below the Interest Rate Threshold, in each case divided by the total number of observation days of the respective interest period and multiplied by the Interest Rate In, which is either specified in the relevant Final Terms to be a fixed interest rate, as specified in the relevant Final Terms, or a Reference Rate, as determined on any date specified in the relevant Final Terms, and
- (ii) the number of observation days within the respective interest period, on which the Range Accrual Reference Rate is outside the Interest Rate Range (*Range*) or, as specified in the relevant Final Terms, above or below the Interest Rate Threshold, in each case divided by the total number of observation days of the respective interest period and multiplied by the Interest Rate Out, which is either specified in the relevant Final Terms to be a fixed interest rate, as specified in the relevant Final Terms, or a Reference Rate, as determined on any date specified in the relevant Final Terms.

- Dual Range Accrual Securities

In the case of *Dual Range Accrual Securities*, the relevant Final Terms may specify that, the Interest Rate with respect to an interest period is equal to the number of observation days within the respective interest period, for which two different Range Accrual Reference Rates are within or outside the Interest Rate Range (*Range*) or, if so specified in the relevant Final Terms, are above or below the Interest Rate Threshold, in each case divided by the total number of observation days of the respective interest period and multiplied by the Interest Rate In or the Interest Rate out, respectively, which are either specified in the relevant Final Terms to be a fixed interest rate, as specified in the relevant Final Terms, or a Reference Rate, as determined on any date specified in the relevant Final Terms.

In the case of *Dual Range Accrual Securities*, the relevant Final Terms may also specify that, the Interest Rate with respect to an interest period is equal to the sum of:

- (i) the number of observation days within the respective interest period, for which two Range Accrual Reference Rates are within the Interest Rate Range (*Range*) or, if so specified in the relevant Final Terms, above or below the Interest Rate Threshold, in each case divided by the total number of observation days of the respective interest period and multiplied by the Interest Rate In, which is either specified in the relevant Final Terms to be a fixed interest rate, as specified in the relevant Final Terms, or a Reference Rate, as determined on any date specified in the relevant Final Terms, and
- (ii) the number of observation days within the respective interest period, on which both Range Accrual Reference Rates are outside the Interest Rate Range (*Range*) or, as specified in the relevant Final Terms, above or below the Interest Rate Threshold, in each case divided by the total number of observation days of the respective interest period and multiplied by the Interest Rate Out, which is either specified in the relevant Final Terms to be a fixed interest rate, as specified in the relevant Final Terms, or a Reference Rate, as determined on any date specified in the relevant Final Terms.

The respective Interest Rate Range or Interest Rate Threshold will be specified in the relevant Final Terms.

Range Accrual Reference Rate or, as the case may be, the Reference Rate may either be the EU-RIBOR®, the LIBOR or the CMS-EUR (*Constant Maturity Swap rate in euro*) interest rate for a specific Range Accrual Reference Rate-Maturity or, as the case may be, Reference Rate-Maturity, as in each case, displayed on a specific screen page. In the case of a LIBOR as Range Accrual Reference Rate or Reference Rate, the respective Range Accrual Reference Rate Currency or, as the case may be, Reference Rate Currency will be specified in the relevant Final Terms. The rele-

vant Range Accrual Reference Rate may also be the difference between two other Range Accrual Reference Rates with different Range Accrual Reference Rate-Maturities.

A Maximum Interest Rate and/or a Minimum Interest Rate may be specified for Range Accrual Securities. The Maximum Interest Rate and the Minimum Interest Rate will be specified in the relevant Final Terms, if applicable, or equal the Interest Rate of the preceding Interest Period (plus a Minimum / Maximum Interest Rate Premium or less a Minimum / Maximum Interest Rate Deduction, if applicable).

A Knock-In Interest Rate may be specified for Range Accrual Securities. This means that, if the Interest Rate determined for an Interest Period is higher than the Knock-In Interest Rate, the Interest Rate is the Knock-In Interest Rate for the entire term of the Securities. The Knock-In Interest Rate will be specified in the relevant Final Terms, if applicable.

An Aggregate Maximum Interest Rate (Global Cap) may be specified for Range Accrual Securities. This means that, if on an Interest Determination Date the total of all Interest Rates determined up to this Interest Determination Date (including) is equal to or greater than the Aggregate Maximum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the total of all Interest Rates determined up to this Interest Determination Date (excluding), and the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).

An Aggregate Minimum Interest Rate (Global Floor) may be specified for Range Accrual Securities. This means that, if on the last Interest Determination Date the total of all Interest Rates determined up to this Interest Determination Date (including) is smaller than the Aggregate Minimum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined up to this Interest Determination Date (excluding).

For Range Accrual Dual Currency Securities, the respective Interest Amount to be paid is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Range Accrual Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

### ***Redemption***

In the case of Range Accrual Securities other than Range Accrual Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Redemption Amount in the Specified Currency which is specified by the Issuer at the time the Securities are issued.

In the case of Range Accrual Rate Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Range Accrual Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

### ***Call and Redemption Rights***

The Terms and Conditions of the Securities may grant to the Issuer a Regular Call Right. The Issuer may exercise its Regular Call Right as at each Call Date of the Securities. In addition, the Terms and Conditions of the Securities may grant to the Security Holder a Redemption Right. Each Security Holder may exercise its Redemption Right as at each Redemption Date of the Securities. Once these rights have been exercised, the term of the Securities is limited. Following the

exercise of such rights, Security Holders are entitled to receive payment of the Redemption Amount on the respective Call Date or Redemption Date, as the case may be.

In the case of Range Accrual Dual Currency Securities, the Securities will be redeemed at the Call Date or Redemption Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Range Accrual Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Redemption Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

#### ***Early Redemption***

In the case of TARN Express Range Accrual Securities, the Securities are redeemed early by payment of the Early Redemption Amount, if an Early Redemption Event occurs.

An Early Redemption Event occurs, if the total of all Interest Rates specified up to an Interest Determination Date (including) touches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.

Range Accrual Securities which are not TARN Express Range Accrual Securities, do not provide for an early redemption, if an Early Redemption Event occurs.

### **Product Type 4: Digital Securities**

#### ***General***

Digital Securities bear interest during the term of the Securities at the relevant Interest Rate. Digital Securities are redeemed on the Maturity Date by payment of the Redemption Amount.

#### ***Interest***

Digital Securities bear interest during the term of the Securities.

The Interest Rate for each Interest Period is specified depending on the respective Reference Rate.

The Reference Rate may either be the EURIBOR®, the LIBOR or the CMS-EUR (*Constant Maturity Swap rate in euro*) interest rate for a specific Reference Rate-Maturity and a specific Reference Currency, as displayed on a specific Screen Page.

The Reference Rate, the Reference Rate-Maturity, the Reference Currency and the Screen Page will be specified in the relevant Final Terms.

- For Digital Securities the Interest Rate for the relevant Interest Period is equal to either the Fixed Interest Rate<sub>1</sub> or the Fixed Interest Rate<sub>2</sub>, depending on the Reference Rate being at or above the Interest Rate Threshold on the relevant Interest Determination Date. The Interest Rate Threshold and the Fixed Interest Rate<sub>1</sub> and the Fixed Interest Rate<sub>2</sub> will be specified in the relevant Final Terms.
- For Digital Range Securities the Interest Rate for the relevant Interest Period is equal to either the Fixed Interest Rate<sub>1</sub> or the Fixed Interest Rate<sub>2</sub>, depending on the Reference Rate being either within or outside of a certain range on the relevant Interest Determination Date.
- For Digital Floater Securities the Interest Rate for the relevant Interest Period is equal to either the Fixed Interest Rate or the Reference Rate on the relevant Interest Determination Date, depending on the Reference Rate being above or below the Interest Rate Threshold on the relevant Interest Determination Date.

It may be specified that for the calculation of the Interest Rate a Premium is added to the Reference Rate. In addition or alternatively, it may be specified that the Reference Rate is multiplied by a Factor. The Premium, and the Factor will be specified in the relevant Final Terms, if applicable.

A Maximum Interest Rate and/or a Minimum Interest Rate may be specified for Digital Securities. The Maximum Interest Rate and the Minimum Interest Rate will be specified in the relevant Final Terms, if applicable, or equal the Interest Rate of the preceding Interest Period (plus a Minimum / Maximum Interest Rate Premium or less a Minimum / Maximum Interest Rate Deduction, if applicable).

For Digital Dual Currency Securities, the respective Interest Amount to be paid is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Digital Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

### ***Redemption***

In the case of Digital Securities other than Digital Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Redemption Amount in the Specified Currency which is specified by the Issuer at the time the Securities are issued.

In the case of Digital Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Digital Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

### ***Call and Redemption Rights***

The Terms and Conditions of the Securities may grant to the Issuer a Regular Call Right. The Issuer may exercise its Regular Call Right as at each Call Date of the Securities. In addition, the Terms and Conditions of the Securities may grant to the Security Holder a Redemption Right. Each Security Holder may exercise its Redemption Right as at each Redemption Date of the Securities. Once these rights have been exercised, the term of the Securities is limited. Following the exercise of such rights, Security Holders are entitled to receive payment of the Redemption Amount on the respective Call Date or Redemption Date, as the case may be.

### ***Early Redemption***

In the case of TARN Express Digital Securities, the Securities are redeemed early by payment of the Early Redemption Amount, if an Early Redemption Event occurs.

An Early Redemption Event occurs, if the total of all Interest Rates specified up to an Interest Determination Date (including) touches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.

Digital Securities which are not TARN Express Digital Securities, do not provide for an early redemption, if an Early Redemption Event occurs.

## **Product Type 5: Inflation Floating Rate Securities**

### ***General***

Inflation Floating Rate Securities bear floating rate interest during the term of the Securities. Inflation Floating Rate Securities are redeemed on the Maturity Date by payment of the Redemption Amount.

### ***Interest***

Inflation Floating Rate Securities bear floating rate interest during the term of the Securities.

The Interest Rate for each Interest Period is specified depending on the respective Inflation Index.

The Inflation Index will be specified in the relevant Final Terms.

- For Inflation Floating Rate Securities the Interest Rate for the relevant Interest Period is equal to the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent.
- For Inflation Interest Rate Difference Floating Rate Securities, the Interest Rate for the respective Interest Period is equal to the Difference between the Inflation Rate<sub>1</sub> and the Inflation Rate<sub>2</sub>, each as calculated or specified on the relevant Interest Determination Date by the Calculation Agent.
- For Inflation Reverse Floating Rate Securities, the Interest Rate for the relevant Interest Period is equal to the Difference between the Fixed Interest Rate and the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent. The Fixed Interest Rate will be specified in the relevant Final Terms.
- For Inflation Fixed Floating Rate Securities, the Interest Rate for the respective Interest Period is equal to either the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent, or the Fixed Interest Rate. The Fixed Interest Rate for the respective Interest Period will be specified in the relevant Final Terms.
- For Inflation Reverse Fixed Floating Rate Securities, the Interest Rate for the respective Interest Period is equal to either the Difference between (i) the Fixed Interest Rate and (ii) the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent, or the Fixed Interest Rate. The Floating Interest Rate and the Fixed Interest Rate for the respective Interest Period will be specified in the relevant Final Terms.
- For Inflation Digital Floater Securities the Interest Rate for the relevant Interest Period is equal to either the Fixed Interest Rate or the Inflation Rate, as calculated or specified on the relevant Interest Determination Date by the Calculation Agent, depending on the Inflation Rate being above or below the Interest Rate Threshold.

It may be specified that for the calculation of the Interest Rate a Premium is added to or a Discount deducted from the Inflation Rate. In addition or alternatively, it may be specified that the Inflation Rate is multiplied by a Factor. The Premium, the Discount and the Factor will be specified in the relevant Final Terms, if applicable.

A Maximum Interest Rate and/or a Minimum Interest Rate may be specified for Inflation Floating Rate Securities. The Maximum Interest Rate and the Minimum Interest Rate will be specified in the relevant Final Terms, if applicable, or equal the Interest Rate of the preceding Interest Period (plus a Minimum / Maximum Interest Rate Premium or less a Minimum / Maximum Interest Rate Deduction, if applicable).

A Knock-In Interest Rate may be specified for Inflation Floating Rate Securities. This means that, if the Interest Rate determined for an Interest Period is higher than the Knock-In Interest Rate, the Interest Rate is the Knock-In Interest Rate for the entire term of the Securities. The Knock-In Interest Rate will be specified in the relevant Final Terms, if applicable.

An Aggregate Maximum Interest Rate (Global Cap) may be specified for Inflation Floating Rate Securities. This means that, if on an Interest Determination Date the total of all Interest Rates determined up to this Interest Determination Date (including) is equal to or greater than the Aggregate Maximum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the total of all Interest Rates determined up to this Interest Determination Date (excluding), and the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).

An Aggregate Minimum Interest Rate (Global Floor) may be specified for Inflation Floating Rate Securities. This means that, if on the last Interest Determination Date the total of all Interest Rates determined up to this Interest Determination Date (including) is smaller than the Aggregate Minimum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined up to this Interest Determination Date (excluding).

For Inflation Floating Rate Dual Currency Securities, the respective Interest Amount to be paid is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Inflation Floating Rate Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

### ***Redemption***

In the case of Inflation Floating Rate Securities other than Inflation Floating Rate Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Redemption Amount in the Specified Currency which is specified by the Issuer at the time the Securities are issued.

In the case of Inflation Floating Rate Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Inflation Floating Rate Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

### ***Call and Redemption Rights***

The Terms and Conditions of the Securities may grant to the Issuer a Regular Call Right. The Issuer may exercise its Regular Call Right as at each Call Date of the Securities. In addition, the Terms and Conditions of the Securities may grant to the Security Holder a Redemption Right. Each Security Holder may exercise its Redemption Right as at each Redemption Date of the Securities. Once these rights have been exercised, the term of the Securities is limited. Following the exercise of such rights, Security Holders are entitled to receive payment of the Redemption Amount on the respective Call Date or Redemption Date, as the case may be.

### ***Early Redemption***

In the case of TARN Express Inflation Floating Rate Securities, the Securities are redeemed early by payment of the Early Redemption Amount, if an Early Redemption Event occurs.

An Early Redemption Event occurs, if the total of all Interest Rates specified up to an Interest Determination Date (including) touches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.

Inflation Floating Rate Securities which are not TARN Express Inflation Floating Rate Securities, do not provide for an early redemption, if an Early Redemption Event occurs.

### **Product Type 6: Inflation Range Accrual Securities**

#### ***General***

Inflation Range Accrual Securities bear floating rate interest during the term of the Securities. Inflation Range Accrual Securities are redeemed on the Maturity Date by payment of the Redemption Amount.

#### ***Interest***

Inflation Range Accrual Securities bear floating rate interest during the term of the Securities.

The Interest Rate for the respective Interest Period depends on the number of days within the respective Interest Period, on which the Inflation Rate is within a specific Interest Rate Range or is at or below a specific Interest Rate Threshold. The respective Interest Rate Range or Interest Rate Threshold will be specified in the relevant Final Terms.

The Inflation Rate will be specified in the relevant Final Terms.

A Maximum Interest Rate and/or a Minimum Interest Rate may be specified for Inflation Range Accrual Securities. The Maximum Interest Rate and the Minimum Interest Rate will be specified in the relevant Final Terms, if applicable, or equal the Interest Rate of the preceding Interest Period (plus a Minimum / Maximum Interest Rate Premium or less a Minimum / Maximum Interest Rate Deduction, if applicable).

A Knock-In Interest Rate may be specified for Inflation Range Accrual Securities. This means that, if the Interest Rate determined for an Interest Period is higher than the Knock-In Interest Rate, the Interest Rate is the Knock-In Interest Rate for the entire term of the Securities. The Knock-In Interest Rate will be specified in the relevant Final Terms, if applicable.

An Aggregate Maximum Interest Rate (Global Cap) may be specified for Inflation Range Accrual Securities. This means that, if on an Interest Determination Date the total of all Interest Rates determined up to this Interest Determination Date (including) is equal to or greater than the Aggregate Maximum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the total of all Interest Rates determined up to this Interest Determination Date (excluding), and the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).

An Aggregate Minimum Interest Rate (Global Floor) may be specified for Inflation Range Accrual Securities. This means that, if on the last Interest Determination Date the total of all Interest Rates determined up to this Interest Determination Date (including) is smaller than the Aggregate Minimum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined up to this Interest Determination Date (excluding).

For Inflation Range Accrual Dual Currency Securities, the respective Interest Amount to be paid is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Inflation Range Accrual Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

### ***Redemption***

In the case of Inflation Range Accrual Securities other than Inflation Range Accrual Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Redemption Amount in the Specified Currency which is specified by the Issuer at the time the Securities are issued.

In the case of Inflation Range Accrual Rate Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Inflation Range Accrual Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Interest Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

### ***Call and Redemption Rights***

The Terms and Conditions of the Securities may grant to the Issuer a Regular Call Right. The Issuer may exercise its Regular Call Right as at each Call Date of the Securities. In addition, the Terms and Conditions of the Securities may grant to the Security Holder a Redemption Right. Each Security Holder may exercise its Redemption Right as at each Redemption Date of the Securities. Once these rights have been exercised, the term of the Securities is limited. Following the exercise of such rights, Security Holders are entitled to receive payment of the Redemption Amount on the respective Call Date or Redemption Date, as the case may be.

### ***Early Redemption***

In the case of TARN Express Inflation Range Accrual Securities, the Securities are redeemed early by payment of the Early Redemption Amount, if an Early Redemption Event occurs.

An Early Redemption Event occurs, if the total of all Interest Rates specified up to an Interest Determination Date (including) touches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.

Inflation Range Accrual Securities which are not TARN Express Inflation Range Accrual Securities, do not provide for an early redemption, if an Early Redemption Event occurs.

## **Product Type 7: Zero Coupon Securities**

### ***General***

There will be no periodic payments of interest on the Securities; from an economic point of view, the interest payment is included in the difference between the Issue Price and a higher Redemption Amount. Zero Coupon Securities are redeemed on the Maturity Date by payment of the Redemption Amount.

### ***Redemption***

In the case of Zero Coupon Securities, the Securities will be redeemed at the Maturity Date by payment of the Redemption Amount in the Specified Currency which is specified by the Issuer at the time the Securities are issued.

In the case of Zero Coupon Dual Currency Securities, the Securities will be redeemed at the Maturity Date by payment of the Nominal Amount which is converted by application of a current exchange rate from the Specified Currency into the Payment Currency prior to its payment. In case of Zero Coupon Dual Currency Securities with Cross Rate two exchange rates are taken into consideration when specifying the Redemption Amount whereby the Specified Currency shall be converted to the Third Currency and the Third Currency in turn shall be converted to the Payment Currency. The Security Holder therefore carries an exchange rate risk.

### ***Call and Redemption Rights***

The Terms and Conditions of the Securities may grant the Issuer a Regular Call Right. The Issuer may exercise its Regular Call Right as at each Call Date of the Securities. In addition, the Terms and Conditions of the Securities may grant the Security Holder a Redemption Right. Each Security Holder may exercise its Redemption Right as at each Redemption Date of the Securities. Once these rights have been exercised, the term of the Securities is limited. Following the exercise of such rights, Security Holders are entitled to receive payment of the Redemption Amount on the respective Call Date or Redemption Date, as the case may be.

### **Description of the Securities incorporated by reference in the Base Prospectus**

In connection with Securities which are publicly offered or admitted to trading for the first time before the date of this Base Prospectus and in connection with an increase of Securities the descriptions of the Securities as included in:

- the Base Prospectus of UniCredit Bank AG dated 28 August 2015 for the issuance of Notes and
- the Base Prospectus of UniCredit Bank AG dated 24 August 2016 for the issuance of Interest Securities

are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 218 et seq.

## 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 Underlying Data (the "**Product and Underlying Data**") as well as Part C – Special Conditions of the Securities (the "**Special Conditions**") (together, the "**Conditions**").

The Special Conditions are divided into the Special Conditions which apply for particular product types and Special Conditions which apply for all product types.

A completed version of the Conditions describes the terms and conditions of the respective Tranche of Securities (the "**Terms and Conditions**") 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 Underlying Data,
- (c) a consolidated version of the Special Conditions,

reflecting the Terms and Conditions of the Securities.

Upon request, 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 Underlying Data**

### **Part C – Special Conditions of the Securities**

#### **Fixed Rate Securities:**

##### *Product Type 1: Fixed Rate Securities*

- [§ 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Payments
- § 6 [Issuer's Regular Call Right][,] [Redemption Right of the Security Holders][,] [Issuer's Extraordinary Call Right] [Issuer's Conversion Right]
- § 7 Market Disruptions
- § 8 New Fixing Sponsor, Replacement Exchange Rate]]

#### **Reference Rate-linked Securities:**

##### **[Special Conditions that apply for particular product types:]**

##### *Product Type 2: Floating Rate Securities*

- [§ 1 Definitions
- § 2 Interest
- § 3 Redemption[, Automatic Early Redemption]
- § 4 Redemption Amount[, Early Redemption Amount]]

##### *Product Type 3: Range Accrual Securities*

- [§ 1 Definitions
- § 2 Interest
- § 3 Redemption[, Automatic Early Redemption]
- § 4 Redemption Amount[, Early Redemption Amount]]

*Product Type 4: Digital Securities*

- [§ 1 Definitions]
- § 2 Interest
- § 3 Redemption[, Automatic Early Redemption]
- § 4 Redemption Amount[, Early Redemption Amount]]

**[Special Conditions that apply for all Reference Rate-linked Securities:**

- § 5 Payments
- § 6 [(intentionally left out)] [Issuer's Regular Call Right][,] [Redemption Right of the Security Holders][,] [Issuer's Extraordinary Call Right] [Issuer's Conversion Right]
- § 7 Market Disruptions
- § 8 New Fixing Sponsor, Replacement Exchange Rate]]

**Inflation Index-linked Securities:**

**[Special Conditions that apply for particular product types:**

*Product Type 5: Inflation Floating Rate Securities*

- [§ 1 Definitions]
- § 2 Interest
- § 3 Redemption[, Automatic Early Redemption]
- § 4 Redemption Amount[, Early Redemption Amount]]

*Product Type 6: Inflation Range Accrual Securities*

- [§ 1 Definitions]
- § 2 Interest
- § 3 Redemption[, Automatic Early Redemption]
- § 4 Redemption Amount[, Early Redemption Amount]]

**[Special Conditions that apply for all Inflation Index-linked Securities:**

- § 5 Payments
- § 6 [(intentionally left out)] [Issuer's Regular Call Right][,] [Redemption Right of the Security Holders][,] [Issuer's Extraordinary Call Right] [Issuer's Conversion Right]
- § 7 Market Disruptions
- § 8 Index Concept, Adjustments, Replacement Inflation Index, New Index Sponsor, Replacement Specification
- § 9 New Fixing Sponsor, Replacement Exchange Rate]

*[Product Type 7: Zero Coupon Securities*

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Payments

§ 6 [(intentionally left out)] [Issuer's Regular Call Right][,] [Redemption Right of the Security Holders][,] [Issuer's Extraordinary Call Right] [Issuer's Conversion Right]

§ 7 Market Disruptions

§ 8 New Fixing Sponsor, Replacement Exchange Rate]

**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 in bearer form pursuant to these Terms and Conditions in the Specified Currency.

[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:]<sup>14</sup>

- (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 manual or facsimile signatures of two authorised representa-

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<sup>14</sup> The text found in § 1(2) is known as the "TEFRA D legend". This footnote provides a very brief synopsis of the so-called Excise Tax Exemption (formerly known as TEFRA) rules under the tax code of the United States of America ("U.S."). Generally, debt instruments in non-registered form (bearer securities) 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.

tives 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 Global Note.]]

"**U.S. persons**" means such persons as defined in *Regulation S* of the *United States Securities Act of 1933* and particularly includes residents of the United States as well as American stock corporations and private companies.]

[In the case of Securities, where CBF is specified in the Final Terms as Clearing System, the following applies:

- (3) *Custody*: The Global Note will be kept in custody by Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities, where CBL and Euroclear Bank is specified in the Final Terms as Clearing System, the following applies:

- (3) *Custody*: The Global Notes will be issued in classical global note form and will be kept in custody by a common depositary on behalf of both ICSDs.]

[In the case of Securities, where "Monte Titoli" is specified in the Final Terms as Clearing System, the following applies:

- (3) *Custody*: The Global Note will be kept in custody by or on behalf of the Clearing System.]

[In the case of Securities, where Euroclear Bank or another Clearing System is specified in the Final Terms, the following applies:

- (3) *Custody*: The Global Note will be kept in custody by or on behalf of the 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, Germany] [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] [*Insert name and address of other calculation agent*].
- (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 by the Issuer without undue delay 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 Se-

curity 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, regardless of their nature, which are imposed, levied or collected (the "**Taxes**") under any applicable system of 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 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 be

deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

## § 6

### Notices

To the extent these Terms and Conditions provide for a notice pursuant to this § 6, these will be published 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.

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 without undue delay 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 instruct his depository bank 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. Such an offer is deemed to be accepted by the Security Holder (with the effect that the consequences of the rescission do not become effective) if the Security Holder does not within four weeks after the offer becoming effective pursuant to § 6 of the General Conditions demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depository bank 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 § 7 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.
- (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.

**Part B – Product and Underlying Data**

**PART B – PRODUCT AND UNDERLYING DATA**

(the "Product and Underlying Data")

**§ 1**

**Product Data**

[Insert following Product Data in alphabetical or other order and/or in the form of a table<sup>15</sup> (in particular by Multi-Series Issuances):]

**[Aggregate Maximum Interest Rate: [Insert]]**

**[Aggregate Minimum Interest Rate: [Insert]]**

**Aggregate Nominal Amount of the Series: [Insert]**

**Aggregate Nominal Amount of the Tranche: [Insert]**

**[Banking Day Financial Centre: [Insert]]**

**[Call Date[s]: [Insert]]**

**[Day Count Fraction: [30/360] [30E/360 [(ISDA)]] [360/360] [Bond Basis] [Eurobond Basis] [in accordance with ISDA [2000] [2006]] [Act/360] [Act/365 (Fixed)] [Act/Act (ISDA)] [Act/Act (ICMA)], as further described in § 2 ([4][5]) of the Special Conditions.]**

**[Discount: [Insert]]**

**[Distribution Fee: [Insert]]**

**[Expiry Date (Data di Scadenza): [Insert]]**

**[Factor<sub>[1]</sub>: [Insert]]**

**[Factor<sub>2</sub>: [Insert]]**

**[Floating Interest Rate: [●]-[month][year] [EURIBOR] [[●] LIBOR] [CMS-EUR (Constant Maturity Swap rate in euro)]]**

**[First Call Date: [Insert]]**

**[First Interest Payment Date: [Insert]]**

**[First Trade Date: [Insert]]**

**[Fixed Interest Rate<sub>[1]</sub>: [Insert Fixed Interest Rate<sub>[1]</sub> (for each Interest Period)]]**

**[Fixed Interest Rate<sub>2</sub>: [Insert Fixed Interest Rate<sub>2</sub> (for each Interest Period)]]**

**[Fixed Interest Rate In: [Insert Fixed Interest Rate In (for each Interest Period)]]**

**[Fixed Interest Rate Out: [Insert Fixed Interest Rate Out (for each Interest Period)]]**

**[Fixing Sponsor: [Insert]]**

**[Fixing Sponsor<sub>1</sub>: [Insert]]**

**[Fixing Sponsor<sub>2</sub>: [Insert]]**

**[FX Exchange Rate: [Insert]]**

**[FX Exchange Rate<sub>1</sub>: [Insert]]**

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<sup>15</sup> Several tables may be provided in the Final Terms depending on the product type.

**[FX Exchange Rate<sub>2</sub>:** [Insert]]

**[FX Screen Page:** [Insert]]

**[FX Screen Page<sub>1</sub>:** [Insert]]

**[FX Screen Page<sub>2</sub>:** [Insert]]

**[Inflation Index<sub>[1]</sub>:** [Insert]]

**[Inflation Index<sub>2</sub>:** [Insert]]

**Interest Commencement Date:** [Insert]

**Interest End Date:** [Insert]

**[Interest Payment Date[s]:** [Insert]]

**[Interest Rate:** [Insert Interest Rate (for each Interest Period)]]

**[Interest Rate In:** [Insert Interest Rate In (for each Interest Period)]]

**[Interest Rate Out:** [Insert Interest Rate Out (for each Interest Period)]]

**[Interest Rate Threshold<sub>[1]</sub>:** [Insert Interest Rate Threshold<sub>[1]</sub> (for each Interest Period)]]

**[Interest Rate Threshold<sub>2</sub>:** [Insert Interest Rate Threshold<sub>2</sub> (for each Interest Period)]]

**ISIN:** [Insert]

**[Issue Date:** [Insert]]

**[Issue Price:** [Insert]]<sup>16</sup>

**[Issue Price in the Payment Currency:** [Insert]]

**[Issuing Agent:** [Insert name and address of the Issuing Agent]]

**[Knock-In Interest Rate:** [Insert]]

**[Knock-Out Interest Rate:** [Insert]]

**[Lower Interest Rate Threshold<sub>[1]</sub>:** [Insert Lower Interest Rate Threshold<sub>[1]</sub> (for each Interest Period)]]

**[Lower Interest Rate Threshold<sub>2</sub>:** [Insert Lower Interest Rate Threshold<sub>2</sub> (for each Interest Period)]]

**Maturity Date:** [Insert]

**[Maximum Interest Rate:** [Insert]]

**[Maximum Interest Rate Deduction:** [Insert]]

**[Maximum Interest Rate Premium:** [Insert]]

**[Minimum Amount:** [Insert]]

**[Minimum Interest Rate:** [Insert]]

**[Minimum Interest Rate Deduction:** [Insert]]

**[Minimum Interest Rate Premium:** [Insert]]

**Nominal Amount:** [Insert]

**[Payment Currency:** [Insert]]

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<sup>16</sup> If the Issue Price was not specified at the time of the creation of the Final Terms, the criteria for the price specification and the procedure for its publication shall be defined in *Part A – General Information* of the Final Terms.

[Premium: [Insert]]

[Range Accrual Reference Rate<sub>[1]</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR] [CMS-EUR (*Constant Maturity Swap rate in euro*)]

[Range Accrual Reference Rate<sub>[2]</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR] [CMS-EUR (*Constant Maturity Swap rate in euro*)]

[Range Accrual Reference Rate<sub>[3]</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR] [CMS-EUR (*Constant Maturity Swap rate in euro*)]

[Range Accrual Reference Rate<sub>[4]</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR] [CMS-EUR (*Constant Maturity Swap rate in euro*)]

[Range Accrual Reference Rate Currency<sub>[1]</sub>: [Insert]]

[Range Accrual Reference Rate Currency<sub>2</sub>: [Insert]]

[Range Accrual Reference Rate Currency<sub>3</sub>: [Insert]]

[Range Accrual Reference Rate Currency<sub>4</sub>: [Insert]]

[Range Accrual Reference Rate Financial Centre<sub>[1]</sub>: [Insert]]

[Range Accrual Reference Rate Financial Centre<sub>2</sub>: [Insert]]

[Range Accrual Reference Rate Financial Centre<sub>3</sub>: [Insert]]

[Range Accrual Reference Rate Financial Centre<sub>4</sub>: [Insert]]

[Range Accrual Reference Rate-Maturity<sub>[1]</sub>: [Insert]]

[Range Accrual Reference Rate-Maturity<sub>2</sub>: [Insert]]

[Range Accrual Reference Rate-Maturity<sub>3</sub>: [Insert]]

[Range Accrual Reference Rate-Maturity<sub>4</sub>: [Insert]]

[Range Accrual Reference Rate Time<sub>[1]</sub>: [Insert]]

[Range Accrual Reference Rate Time<sub>2</sub>: [Insert]]

[Range Accrual Reference Rate Time<sub>3</sub>: [Insert]]

[Range Accrual Reference Rate Time<sub>4</sub>: [Insert]]

[Redemption Amount: [Insert]]

[Redemption Date[s]: [Insert]]

[Reference Rate<sub>[1]</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR] [CMS-EUR (*Constant Maturity Swap rate in euro*)]]

[Reference Rate<sub>2</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR] [CMS-EUR (*Constant Maturity Swap rate in euro*)]]

[Reference Rate Currency: [Insert]]

[Reference Rate Financial Centre: [Insert]]

[Reference Rate-Maturity<sub>[1]</sub>: [Insert]]

[Reference Rate-Maturity<sub>2</sub>: [Insert]]

[Reference Rate Time: [Insert]]

[Relevant Month<sub>[1]</sub>: [Insert]]

[Relevant Month<sub>2</sub>: [Insert]]

[Reuters: [Insert]]

**[Screen Page: [Insert]]**

**Series Number: [Insert]**

**Specified Currency: [Insert]**

**[Third Currency: [Insert]**

**Tranche Number: [Insert]**

**[Upfront Fee: [Insert]]**

**[Upper Interest Rate Threshold<sub>1</sub>: [Insert Upper Interest Rate Threshold<sub>1</sub>] (for each Interest Period)]]**

**[Upper Interest Rate Threshold<sub>2</sub>: [Insert Upper Interest Rate Threshold<sub>2</sub>] (for each Interest Period)]]**

**Website[s] of the Issuer: [Insert]**

**Website[s] for Notices: [Insert]**

**WKN: [Insert]**

[§ 2  
Underlying Data

Inflation Index	[Reuters <sub>i</sub> ]	[Bloomberg <sub>i</sub> ]	Index Sponsor	Website
[Insert name of Inflation Index <sub>1</sub> ]	[Insert RIC]	[Insert Bloomberg ticker]	[Insert Index Sponsor]	[Insert Website]
Insert name of Inflation Index <sub>2</sub>	[Insert RIC]	[Insert Bloomberg ticker]	[Insert Index Sponsor]	[Insert Website]

For further information about the past and future performance of the Basket Components and their volatility, please refer to the Website as specified in the table.]

**Part C – Special Conditions of the Securities**

**PART C – SPECIAL CONDITIONS OF THE SECURITIES**

(the "Special Conditions")

**Fixed Rate Securities:**

**Product Type 1: Fixed Rate Securities**

[Option 1: In the case of Fixed Rate [Dual Currency] Securities, the following applies:

**§ 1**

**Definitions**

[In the case of Act/Act (ICMA), the following applies:

"**Accrual Period**" means each period for which an Interest Amount is to be calculated.]

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the series as specified in § 1 of the Product and Underlying Data.

"**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 (the "**TARGET2**")]] 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 of the Product and Underlying Data.]

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

["**Call Date**" means [each Call Date as specified in § 1 of the Product and Underlying Data] [[each Banking Day] [the last Banking Day] of the month [*insert relevant month(s)*] starting from the First Call Date to the [Maturity Date] [*insert other date*]].]

["**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the First Trade Date,

- [(a)] the holding, acquisition or sale of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.

]

"**Clearing System**" means [Clearstream Banking AG, Frankfurt am Main ("**CBF**")]  
[Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euro-clear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International

Central Securities Depository) and, collectively, the "ICSDs")] [Monte Titoli S.p.A.] [*Insert other Clearing System(s)*].

[*In the case of all Dual Currency Securities with a conversion right of the Issuer, the following applies:*

"**Conversion Event**" means each of the following events:

- (a) no suitable New Fixing Sponsor (as specified in § 8 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 8 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s];
- (c) 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 the respective Security) the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable.]

"**Day Count Fraction**" means the Day Count Fraction as specified in § 2 (4) of the Special Conditions.

[**First Call Date**" means the First Call Date as specified in § 1 of the Product and Underlying Data.]

[**First Interest Payment Date**" means the First Interest Payment Date as specified in § 1 of the Product and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[**Fixing Sponsor**" means the Fixing Sponsor as specified in § 1 of the Product and Underlying Data.]

[**Fixing Sponsor<sub>1</sub>**" means the Fixing Sponsor<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

**Fixing Sponsor<sub>2</sub>**" means the Fixing Sponsor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**FX**" means the [official] fixing of the FX Exchange Rate as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor on the FX Screen Page.]

[*In the case of all Dual Currency Cross Rate Securities, the following applies:*

"**FX<sub>1</sub>**" means the [official] fixing of the FX Exchange Rate<sub>1</sub> as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor<sub>1</sub> on the FX<sub>1</sub> Screen Page (or any replacement page).

"**FX<sub>2</sub>**" means the [official] fixing of the FX Exchange Rate<sub>2</sub> as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor<sub>2</sub> on the FX<sub>2</sub> Screen Page (or any replacement page).]

"**FX Calculation Date**" means each day on which [FX is][FX<sub>1</sub> and FX<sub>2</sub> are] published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and Fixing Sponsor<sub>2</sub>, respectively].

"**FX Call Event**" means each of the following events:

- [(•) no suitable New Fixing Sponsor (as specified in § 8 (1) of the Special Conditions) or Replacement Exchange Rate<sub>i</sub> (as specified in § 8 (2) of the Special Conditions)

is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB); or]

- (•) 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][FX<sub>1</sub> and/or FX<sub>2</sub>]), the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable;
- [(•) a Change in Law [and/or a Hedging Disruption][ and/or Increased Costs of Hedging] occur[s].]

**[“FX Exchange Rate”** means [the exchange rate for the conversion of the [Specified Currency] [Payment Currency] into the [Payment Currency] [Specified Currency]][the FX Exchange Rate as specified in § 1 of Product and Underlying Data].]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**“FX Exchange Rate<sub>1</sub>”** means [the exchange rate for the conversion of [the Specified Currency into the Third Currency] [the Third Currency into the Specified Currency]][the FX Exchange Rate<sub>1</sub> as specified in § 1 of Product and Underlying Data].

**“FX Exchange Rate<sub>2</sub>”** means [the exchange rate for the conversion of [the Payment Currency into the Third Currency] [the Third Currency into the Payment Currency]][ the FX Exchange Rate<sub>2</sub> as specified in § 1 of Product and Underlying Data].]

**["FX (final)"** means the FX on the FX Valuation Date (final).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (final)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (final).

**"FX<sub>2</sub> (final)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (final).]

**["FX (initial)"** means the FX on the FX Valuation Date (initial).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (initial)"** means the FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (initial).

**"FX<sub>2</sub> (initial)"** means the FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (initial).]

**["FX (k)"** means the FX on the FX Valuation Date (k).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (k)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (k).

**"FX<sub>2</sub> (k)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (k).]

**["FX Market Disruption Event"** means each of the following events:

- (a) the failure to publish the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively];
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects that are similar to the events listed above

to the extent that the aforementioned events in the reasonable discretion of the Calculation Agent (§ 315 BGB) are material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)]

[**FX Screen Page**" means the FX Screen Page as specified § 1 of the Product and Underlying Data.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

"**FX Screen Page<sub>1</sub>**" means the FX Screen Page<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

"**FX Screen Page<sub>2</sub>**" means the FX Screen Page<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**FX Valuation Date (final)**" means the [Insert number] Banking Day prior to the Maturity Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

"**FX<sub>1</sub> Valuation Date (final)**" means the [Insert number] Banking Day prior to the Maturity Date.

"**FX<sub>2</sub> Valuation Date (final)**" means the [Insert number] Banking Day prior to the Maturity Date.]

[**FX Valuation Date (initial)**" means the [Insert number] Banking Day prior to the Issue Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

"**FX<sub>1</sub> Valuation Date (initial)**" means the [Insert number] Banking Day prior to the Issue Date.

"**FX<sub>2</sub> Valuation Date (initial)**" means the [Insert number] Banking Day prior to the Issue Date.]

[**FX Valuation Date (k)**" means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

"**FX<sub>1</sub> Valuation Date (k)**" means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.

"**FX<sub>2</sub> Valuation Date (k)**" means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

[**Hedging Disruption**" means that the Issuer is not able to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date.]

[**Increased Costs of Hedging**" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with re-

gard to its obligations under the Securities; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB) or

- (b) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

**"Interest Amount"** means the Interest Amount specified in § 2 (3) of the Special Conditions.

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 of the Product and Underlying Data.

**"Interest End Date"** means the Interest End Date as specified in § 1 of the Product and Underlying Data.

[In the case of Act/Act (ICMA), the following applies:

**"Interest Payment Date"** is [Insert day and month] in each year.]

**"Interest Payment Date"** means [the] [each] [Interest Payment Date as specified in § 1 of the Product Data and Underlying Data.] [First Interest Payment Date and each date that follows *[Insert number of months]* month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. The last Interest Payment Date means the Interest End Date.] [Interest Payment Dates are subject to postponements in accordance with these Terms and Conditions.]]

[In the case of Act/Act (ICMA), the following applies:

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**"Interest Period"** means the [relevant] period from the Interest Commencement Date (including) to [the First Interest Payment Date (excluding) and from each Interest Payment Date (including) to the respective following Interest Payment Date (excluding). The last Interest Period ends on] the Interest End Date (excluding).]

**"Interest Rate"** means the Interest Rate as specified in § 2 (2) of the Special Conditions.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

**"Issue Price"** means the Issue Price as specified in § 1 of the Product and Underlying Data.]

[In the case of Dual Currency Securities the following applies:

**"Issue Price in the Payment Currency"** means [the Issue Price in the Payment Currency as specified in § 1 of the Product and Underlying Data.] [the Nominal Amount] [/FX (initial)] [/FX<sub>1</sub> (initial)] [/FX<sub>2</sub> (initial)] [x FX (initial)] [x FX<sub>1</sub> (initial)] [x FX<sub>2</sub> (initial)].]

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

**"Maturity Date"** means the Maturity Date, as specified in § 1 of the Product and Underlying Data.

**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.]

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Redemption Amount"** means the Redemption Amount as specified in § 4 of the Special Conditions.

**[ "Redemption Date"** means each Redemption Date as specified in § 1 of the Product and Underlying Data.]

**[ "Payment Currency"** means the Payment Currency as specified in § 1 of the Product and Underlying Data.]

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

**"Security Holder"** means the holder of a Security.

**"Specified Currency"** means the Specified Currency as specified in § 1 of the Product and Underlying Data.

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

**[ "Third Currency"** means the Third Currency as specified in § 1 of the Product and Underlying Data.]

**"Website[s] for Notices"** means the Website[s] for Notices as specified in § 1 of the Product and Underlying Data.

**"Website[s] of the Issuer"** means the Website[s] of the Issuer as specified in § 1 of the Product and Underlying Data.

## § 2

### Interest

[In the case of Act/Act (ICMA), the following applies:

- (1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] from the Interest Commencement Date to the Interest End Date at the Interest Rate.]
- [(1) *Interest:* The Securities bear interest in arrears on their [Aggregate Nominal Amount] [Nominal Amount] for [the] [each] Interest Period at the Interest Rate.]
- (2) *Interest Rate:* "**Interest Rate**" means the Interest Rate as specified in § 1 of the Product and Underlying Data [for each Interest Period].

[In the case of all Securities other than Dual Currency Securities, the following applies:

- (3) *Interest Amount:* The respective "**Interest Amount**" is the product of the Interest Rate, the [Aggregate Nominal Amount] [Nominal Amount] and the Day Count Fraction.  
The [respective] Interest Amount becomes due for payment in the Specified Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

[In the case of all Dual Currency Securities, the following applies:

- (3) *Interest Amount:* The [respective] "**Interest Amount**" is calculated by the Calculation Agent according to the following formula:

Interest Amount = Interest Rate x [Aggregate Nominal Amount] [Nominal Amount] x Day Count Fraction [ /FX (k) ] [ /FX<sub>1</sub> (k) ] [ /FX<sub>2</sub> (k) ] [ x FX (k) ] [ x FX<sub>1</sub> (k) ] [ x FX<sub>2</sub> (k) ].

The [respective] Interest Amount becomes due for payment in the Payment Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

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

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2000, calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2006, calculated as 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:

" $Y_1$ " is the year, expressed as a number, in which the first day of the Interest Period falls;

" $Y_2$ " is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

" $M_1$ " is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

" $M_2$ " is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

" $D_1$ " is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case  $D_1$  will be 30; and

" $D_2$ " is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30.]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2000 (German interest calculation method), calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2006, calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;  
"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;  
"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;  
"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;  
"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and  
"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:

30E/360 (ISDA) in accordance with ISDA 2006 (German interest calculation method), calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;  
"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;  
"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;  
"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;  
"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and  
"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

[In the case of "Act/360", the following applies:

Act/360, calculated as the actual number of days in the Interest Period divided by 360.]

[In the case of "Act/365" (Fixed), the following applies:

Act/365 (Fixed), calculated as the actual number of days in the Interest Period divided by 365.]

[In the case of "Act/Act (ISDA)", the following applies:

Act/Act (ISDA), calculated as 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).]]

[In the case of Act/Act (ICMA), the following applies:

- (4) "Day Count Fraction" for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows:

[(i) if the Accrual Period is equal to or shorter than the Interest Period during which it falls,] the number of days in the Accrual Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

[(ii) if the Accrual Period is longer than the Interest Period:] the sum of

- (A) the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins, divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in one year], and
- (B) the number of days in such Accrual Period falling in the next Interest Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]]

### § 3

#### **Redemption**

The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Maturity Date pursuant to the provisions of § 5 of the Special Conditions.

### § 4

#### **Redemption Amount**

[In the case of all Securities other than Dual Currency Securities, the following applies:

The Redemption Amount is specified in § 1 of the Product and Underlying Data.]

[In the case of all Dual Currency Securities, the following applies:

The Redemption Amount will be calculated or specified by the Calculation Agent as follows:

Redemption Amount = Nominal Amount [/FX (final)] [/FX<sub>1</sub> (final)] [/FX<sub>2</sub> (final)] [x FX (final)] [x FX<sub>1</sub> (final)] [x FX<sub>2</sub> (final)]

[In the case of all Dual Currency Securities with Conversion Right, the following applies:

However, the Redemption Amount is not less than the Minimum Amount.]]

### § 5

#### **Payments**

[In the case of all Securities where the amounts payable are determined in Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions are rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:

- (1) *Rounding*: The amounts payable under these Terms and Conditions are rounded up or down to the smallest unit of the [Specified Currency] [Payment Currency], with 0.5 of such unit being rounded upwards.]
- (2) *Banking Day Convention*: If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day,

[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day.]

[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day, unless that day would fall into the next calendar month; in that case the Security Holders are entitled to payment on the immediately preceding Banking Day.]

[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:

the Security Holders are entitled to payment on the immediately preceding Banking Day.]

[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [Insert period] after the preceding applicable Interest Payment Date.]

[In the case of all Securities for which the Interest Amount is adjusted, the following applies:

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.]

[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:

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) *Manner of payment, discharge*: All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and to be transferred 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 a payment.
- (4) *Interest of default*: If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

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

- (5) *Non-U.S. Beneficial Ownership Certificates*: Payments of Interest Amounts on the Securities is made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as de-

scribed in § 1 of the General Conditions) by the relevant participants in the Clearing System.]

## § 6

[(intentionally left out)]

### [Issuer's Regular Call Right][,] [Redemption Right of the Security Holders][,] [Issuer's Extraordinary Call Right] [Issuer's Conversion Right]

[In the case of Securities where the Issuer has a Regular Call Right, the following applies:]

- (1) *Issuer's Regular Call Right:* The Issuer may at each Call Date call the Securities completely but not partially (the "**Regular Call Right**") and redeem them pursuant to § 5 of the Special Conditions by payment of the Redemption Amount in the [Specified Currency] [Payment Currency].

The Issuer shall give notice of such call at least [*Insert notice period*] prior to the relevant Call Date pursuant to § 6 of the General Conditions. Such notice shall be irrevocable and shall specify the relevant Call Date.

[The Redemption Right of the Security Holders remains unaffected until the Call Date.]

[In the case of Securities where the Security Holders have a Redemption Right, the following applies:]

- ([•]) *Redemption Right of the Security Holders:* Each Security Holder may at each Redemption Date demand redemption of the Securities against delivery of the Securities to the account of the Principal Paying Agent No. [*Insert account number*] with the Clearing System to the Issuer's order (the "**Redemption Right**"). The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Redemption Date pursuant to the provisions of § 5 of the Special Conditions.

The exercise of the Redemption Right shall be declared by the Security Holder by transmission of a duly completed form (the "**Redemption Notice**"), available at the offices of the Issuer during normal business hours, to the Issuer at least [*Insert notice period*] Banking Days prior to the designated Redemption Date.

The Redemption Notice shall include in particular:

- (a) the name and the address of the Security Holder, with sufficiently conclusive proof of ownership to the Principal Paying Agent that such Security Holder at the time of such notice is a holder of the respective Securities;
- (b) the security identification number and the number of Securities in relation to which the Redemption Right shall be exercised;
- (c) the cash account held by a bank to which the Redemption Amount is to be transferred.

If the number of Securities stated in the Redemption Notice deviates from the number of Securities transferred to the Principal Paying Agent, the Redemption Notice shall be deemed to have been submitted for the number of Securities corresponding to the smaller of the two numbers. Any remaining Securities are transferred back to the Security Holder at the latter's expense and risk.

No Redemption Right so exercised may be revoked or withdrawn.]

[In the case of all Dual Currency Securities with an Extraordinary Call Right, the following applies:]

- ([•]) *Issuer's extraordinary call right:* Upon the occurrence of a FX Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Condi-

tions and redeem the Securities at their Cancellation Amount. The application of §§ 313, 314 BGB remains reserved. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "Cancellation Amount" shall be [the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) as of the tenth Banking Day before the extraordinary call becomes effective [and converted into the Payment Currency at the respective [FX Exchange Rate][FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>]] [, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), the market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities) as of the tenth Banking Day before the extraordinary call becomes effective [and converted into the Payment Currency at the respective [FX Exchange Rate] [FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>].] [However, the Cancellation Amount shall not be less than the Nominal Amount.]

The Cancellation Amount will be paid [five Banking Days following the date of the above mentioned notice, or at the date specified in such notice, as the case may be, pursuant to the provisions of § 5 of the Special Conditions] [on the Maturity Date].]

[In the case of all Dual Currency Securities with a conversion right of the Issuer, the following applies:

#### **Issuer's Conversion Right**

*Issuer's Conversion Right:* Upon the occurrence of a Conversion Event the Securities shall be redeemed at the Cancellation Amount on the Maturity Date.

The "Cancellation Amount" shall be, as determined by the Calculation Agent in its reasonable discretion, the fair market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities (§ 315 BGB) as of the tenth Banking Day following the occurrence of the Conversion Event [and converted into the Payment Currency at the respective [FX Exchange Rate][ [FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>]]. However, the Cancellation Amount shall not be less than the Minimum Amount. If it is not possible to determine the market value of the Securities, the Cancellation Amount corresponds to the Minimum Amount. The Cancellation Amount shall be notified pursuant to § 6 of the General Conditions.

The Cancellation Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.]

## **[§ 7**

#### **Market Disruptions**

- (1) *Postponement:* If a FX Market Disruption Event occurs on an [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date], the respective [FX Valuation Date] [FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date] will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date] shall be postponed if applicable. Interest shall not be payable due to such postponement.

- (2) *Discretionary valuation:* Should the FX Market Disruption Event continue for more than [30][insert number of days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective [FX][FX<sub>1</sub> and/ or FX<sub>2</sub>]. The [FX][FX<sub>1</sub> and/ or FX<sub>2</sub>] required for the calculations or, respectively, specifications de-

scribed in these Terms and Conditions shall be determined in accordance with prevailing market conditions at 10:00 a.m. Munich local time on this [31<sup>st</sup>][*insert number of days*] Banking Day, taking into account the economic position of the Security Holders.

## § 8

### New Fixing Sponsor, Replacement Exchange Rate

- (1) *New Fixing Sponsor:* In the event that the [FX Exchange Rate] [FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] is no longer determined and published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively] or, in case of a not only immaterial modification in the method of determination and/or publication [of the FX Exchange Rate] [of FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively] [(including the time of the determination and/or publication)], the Calculation Agent has the right [, in particular,] to determine the calculations or, respectively, specifications of the Calculation Agent described in these Terms and Conditions on the basis of the determinations and publications by another person, company or institution (the "**New Fixing Sponsor**"). The Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) whether such event occurs and which other person, company or institution shall act as the New Fixing Sponsor (the "**New Fixing Sponsor**"). The New Fixing Sponsor and the time of its first application shall be published pursuant to § 6 of the General Conditions. In this case, any reference to the replaced [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>] in these Terms and Conditions shall be deemed to refer to the New Fixing Sponsor.
- (2) *Replacement Exchange Rate:* In the event that [the FX Exchange Rate] [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] is no longer determined and published, the calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall occur on the basis of price of the [[FX] Exchange Rate][FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>, respectively,] determined and published on the basis of another method, which will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**Replacement Exchange Rate**"). The Replacement Exchange Rate and the time of its first application shall be published pursuant to § 6 of the General Conditions. In this case, any reference to [the replaced FX Exchange Rate] [the replaced FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] in these Terms and Conditions shall be deemed to refer to the Replacement Exchange Rate.
- (3) The application of §§ 313, 314 BGB remains reserved.]]

**Reference Rate-linked Securities:**

**[Special Conditions that apply for particular product types:]**

**Product Type 2: Floating Rate Securities**

**[Option 2: In the case of [TARN Express] [Knock-In] [Interest Rate Difference] [Reverse] [Switchable] [Fixed] Floating Rate [Dual Currency] Securities, the following applies:]**

**§ 1**

**Definitions**

**[In the case of Act/Act (ICMA), the following applies:]**

"**Accrual Period**" means each period for which an Interest Amount is to be calculated.]

"**Aggregate Maximum Interest Rate**" means the Aggregate Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"**Aggregate Minimum Interest Rate**" means the Aggregate Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the series as specified in § 1 of the Product und Underlying Data.

"**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 (the "**TARGET2**")]] 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 of the Product and Underlying Data.]

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

"**Call Date**" means [each Call Date as specified in § 1 of the Product and Underlying Data] [[each Banking Day] [the last Banking Day] of the month [*insert relevant month(s)*] starting from the First Call Date to the [Maturity Date] [*insert other date*]].]

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the First Trade Date

- [(a)] the holding, acquisition or sale of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.]

"**Clearing System**" means [Clearstream Banking AG, Frankfurt am Main ("**CBF**")][Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euro-clear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International

Central Securities Depository) and, collectively, the "ICSDs")] [Monte Titoli S.p.A.] [*Insert other Clearing System(s)*].

[In the case of all Dual Currency Securities with a conversion right of the Issuer, the following applies:

"**Conversion Event**" means each of the following events:

- (a) no suitable New Fixing Sponsor (as specified in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 9 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s];
- (c) 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 the respective Security) the reliable determination of [FX is] [FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable.]

"**Day Count Fraction**" means the Day Count Fraction as specified in § 2 (4) of the Special Conditions.

[ "**Day Count Fraction<sub>1</sub>**" means the Day Count Fraction<sub>1</sub> as specified in § 2 (4) of the Special Conditions.

[ "**Day Count Fraction<sub>2</sub>**" means the Day Count Fraction<sub>2</sub> as specified in § 2 (4) of the Special Conditions.]

[ "**Discount**" means the Discount as specified § 1 of the Product and Underlying Data.]

[ "**Early Maturity Date**" means the Interest Payment Date immediately following the day on which an Early Redemption Event has occurred.]

[ "**Early Redemption Amount**" means the Early Redemption Amount as specified in § 4 (2) of the Special Conditions.]

[An "**Early Redemption Event**" occurs, if the sum of all Interest Rates specified up to an Interest Determination Date (including) reaches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.]

[ "**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.]

[ "**Factor<sub>[1]</sub>**" means the Factor<sub>[1]</sub> as specified in § 1 of the Product and Underlying Data.]

[ "**Factor<sub>2</sub>**" means the Factor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[ "**First Call Date**" means the First Call Date as specified in § 1 of the Product and Underlying Data.]

[ "**First Interest Payment Date**" means the First Interest Payment Date as specified in § 1 of the Product and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[ "**Fixed Interest Rate**" means [with respect to [each] [the relevant] Interest Period] the [respective] Fixed Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor"** means the Fixing Sponsor as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor<sub>1</sub>"** means the Fixing Sponsor<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor<sub>2</sub>"** means the Fixing Sponsor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Floating Interest Rate"** means [with respect to [each] [the relevant] Interest Period] the [respective] Floating Interest Rate as specified in § 1 of the Product and Underlying Data and further described in § 2 (2) of the Special Conditions.]

[**"FX"** means the [official] fixing of the FX Exchange Rate as published [[Insert] [p.m.] [a.m.] [Insert] local time] by the Fixing Sponsor on the FX Screen Page.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub>"** means the [official] fixing of the FX Exchange Rate<sub>1</sub> as published [[Insert] [p.m.] [a.m.] [Insert] local time] by the Fixing Sponsor<sub>1</sub> on the FX<sub>1</sub> Screen Page.

**"FX<sub>2</sub>"** means the [official] fixing of the FX Exchange Rate<sub>2</sub> as published [[Insert] [p.m.] [a.m.] [Insert] local time] by the Fixing Sponsor<sub>2</sub> on the FX<sub>2</sub> Screen Page.]

**"FX Calculation Date"** means each day on which [FX is] [FX<sub>1</sub> and FX<sub>2</sub> are] published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and Fixing Sponsor<sub>2</sub>, respectively].

[**"FX Call Event"** means each of the following events:

- [(•) no suitable New Fixing Sponsor (as defined in § 8 (1) of the Special Conditions) or Replacement Exchange Rate (as defined in § 8 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB); or]
- (•) 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][FX<sub>1</sub> and/or FX<sub>2</sub>]), the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable[, or]
- [(•) a Change in Law [and/or a Hedging Disruption][ and/or Increased Costs of Hedging] occur[s]].]

[**"FX Exchange Rate"** means [the exchange rate for the conversion of the [Specified Currency] [Payment Currency] into the [Payment Currency] [Specified Currency]][[the FX Exchange Rate as specified in § 1 of Product and Underlying Data].]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Exchange Rate<sub>1</sub>"** means [the exchange rate for the conversion of [the Specified Currency into the Third Currency] [the Third Currency into the Specified Currency]][[the FX Exchange Rate<sub>1</sub> as specified in § 1 of Product and Underlying Data].]

**"FX Exchange Rate<sub>2</sub>"** means [the exchange rate for the conversion of [the Payment Currency into the Third Currency] [the Third Currency into the Payment Currency]][[ the FX Exchange Rate<sub>2</sub> as specified in § 1 of Product and Underlying Data].]

[**"FX (final)"** means the FX on the FX Valuation Date (final).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (final)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (final).

**"FX<sub>2</sub> (final)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (final).]

[**"FX (initial)"** means the FX on the FX Valuation Date (initial).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (initial)"** means the FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (initial).

**"FX<sub>2</sub> (initial)"** means the FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (initial).]

[**"FX (k)"** means the FX on the FX Valuation Date (k).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (k)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (k).

**"FX<sub>2</sub> (k)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (k).]

[**"FX Market Disruption Event"** means each of the following events:

- (a) the failure to publish the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively];
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects that are similar to the events listed above

to the extent that the aforementioned events in the reasonable discretion of the Calculation Agent (§ 315 BGB) are material.]

[**"FX Screen Page"** means the FX Screen Page as specified § 1 of the Product and Underlying Data.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Screen Page<sub>1</sub>"** means the FX Screen Page<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

**"FX Screen Page<sub>2</sub>"** means the FX Screen Page<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"FX Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.

**"FX<sub>2</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

[**"FX Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.

**"FX<sub>2</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

[**"FX Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.

**"FX<sub>2</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

**"Hedging Disruption"** means that the Issuer is not able to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date.]

**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB) or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

**"Interest Amount"** means the Interest Amount specified in § 2 (4) of the Special Conditions.

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 of the Product and Underlying Data.

**"Interest Determination Date"** means, with respect to an Interest Period, [the [Insert number] [TARGET] [London] Banking Day prior to] the [first] [last] [TARGET] [London] Banking Day] of the respective Interest Period. [**"[TARGET] [London] [Insert city] Banking Day"** means each day on which [TARGET2 is open for business] [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 of the Product and Underlying Data.

*[In the case of Act/Act (ICMA), the following applies:*

**"Interest Payment Date"** is [, subject to the exercise of the Issuer's Switch Option,] [Insert day and month(s)] in each year. [Following the exercise of the Issuer's Switch Option, Interest Payment Date means [Insert day and month(s)] in each year.]

**"Interest Payment Date"** means[, subject to the exercise of the Issuer's Switch Option,] [the] [[each] Interest Payment Date as specified in § 1 of the Product Data and Underlying Data.] [First Interest Payment Date and each date that follows [Insert number of months] month[s], and each integer multiple thereof, thereafter. [Following the exercise of the Issuer's Switch Option, Interest Payment Date means each date that follows [Insert number

*of months] month[s], or each integer multiple thereof, after the Interest Switch Date.] The last Interest Payment Date means the Interest End Date.] [Interest Payment Dates are subject to postponements in accordance with these Terms and Conditions.]]*

[In the case of Act/Act (ICMA), the following applies:

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

[**"Interest Period"** means [the] [each] period from the Interest Commencement Date (including) to [the First Interest Payment Date (excluding) and from each Interest Payment Date (including) to the respective following Interest Payment Date (excluding). The last Interest Period ends on] the Interest End Date (excluding).]

**"Interest Rate"** means the Interest Rate as specified in § 2 (2) of the Special Conditions.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[**"Issue Price"** means the Issue Price as specified in § 1 of the Product and Underlying Data.]

[In the case of Dual Currency Securities the following applies:

**"Issue Price in the Payment Currency"** means [the Issue Price in the Payment Currency as specified in § 1 of the Product and Underlying Data.] [the Nominal Amount] [/FX (initial)] [/FX<sub>1</sub> (initial)] [/FX<sub>2</sub> (initial)] [x FX (initial)] [x FX<sub>1</sub> (initial)] [x FX<sub>2</sub> (initial)].]

[**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[**"Knock-In Interest Rate"** means the Knock-In Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Knock-Out Interest Rate"** means the Knock-Out Interest Rate as specified in § 1 of the Product and Underlying Data.]

**"Maturity Date"** means the Maturity Date, as specified in § 1 of the Product and Underlying Data.

[**"Maximum Interest Rate"** means the Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Maximum Interest Rate"** means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Maximum Interest Rate Premium] [Maximum Interest Rate Deduction]].]

[**"Maximum Interest Rate Deduction"** means the [Maximum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

[**"Maximum Interest Rate Premium"** means the [Maximum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

[**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.]

[**"Minimum Interest Rate"** means the Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Minimum Interest Rate"** means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Minimum Interest Rate Premium] [Minimum Interest Rate Deduction]].]

[**"Minimum Interest Rate Deduction"** means the [Minimum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

[**Minimum Interest Rate Premium**" means the [Minimum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

[**Payment Currency**" means the Payment Currency as specified in § 1 of the Product and Underlying Data.]

[**Premium**" means the Premium as specified in § 1 of the Product and Underlying Data.]

**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

**Redemption Amount**" means the Redemption Amount as specified in § 4 of the Special Conditions.

[**Redemption Date**" means each Redemption Date as specified in § 1 of the Product and Underlying Data.]

[**Reference Banks**" means [[four] *Insert other number*] major banks in the [Eurozone] [London] [*Insert other interbank market*] interbank market specified by the Calculation Agent in its reasonable discretion (§ 315 BGB)] [[five] *Insert other number*] leading swap traders in the interbank market] [*Insert other definition for Reference Banks, if applicable*.]

**Reference Rate<sub>11</sub>**" means the Reference Rate<sub>11</sub> as specified in § 1 of the Product and Underlying Data and further described in § 2 (3) of the Special Conditions.

[**Reference Rate<sub>2</sub>**" means the Reference Rate<sub>2</sub> as specified in § 1 of the Product and Underlying Data and further described in § 2 (3) of the Special Conditions.

[**Reference Rate Currency**" means the Reference Rate Currency as specified in § 1 of the Product and Underlying Data.]

[**Reference Rate Financial Centre**" means the Reference Rate Financial Centre as specified in § 1 of the Product and Underlying Data.]

[**Reference Rate-Maturity**" means with respect to the Reference Rate<sub>1</sub> the Reference Rate-Maturity<sub>1</sub> and with respect to the Reference Rate<sub>2</sub> the Reference Rate-Maturity<sub>2</sub>.]

[**Reference Rate-Maturity<sub>11</sub>**" means the Reference Rate-Maturity<sub>11</sub> as specified in § 1 of the Product and Underlying Data.]

[**Reference Rate-Maturity<sub>2</sub>**" means the Reference Rate-Maturity<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**Reference Rate Time**" means the Reference Rate Time as specified in § 1 of the Product and Underlying Data.]

**Screen Page**" means the Screen Page and, if applicable, the relevant heading as indicated in § 1 of the Product and Underlying Data. If that page is replaced or if the relevant service is no longer available, the Calculation Agent in its reasonable discretion (§ 315 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.

**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

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

**[“Third Currency”** means the Third Currency as specified in § 1 of the Product and Underlying Data.]

**“Website[s] for Notices”** means the Website[s] for Notices as specified in § 1 of the Product and Underlying Data.

**“Website[s] of the Issuer”** means the Website[s] of the Issuer as specified in § 1 of the Product and Underlying Data.

## § 2

### Interest

*[In the case of Act/Act (ICMA), the following applies:*

(1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] from the Interest Commencement Date to the Interest End Date at the Interest Rate.]

(1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] for [the] [each] Interest Period at the Interest Rate.]

*[In the case of all [TARN Express] [Knock-In] Floating Rate [Dual Currency] Securities, the following applies:*

(2) *Interest Rate:* **“Interest Rate”** means the Floating Interest Rate.

**“Floating Interest Rate”** means the Reference Rate as displayed on the Screen Page on the relevant Interest Determination Date, [multiplied by the Factor] [[and] [plus] [minus] the [Premium] [Discount]].]

*[In the case of all [TARN Express] [Knock-In] Reverse Floating Rate [Dual Currency] Securities, the following applies:*

(2) *Interest Rate:* **“Interest Rate”** means the difference between the Fixed Interest Rate and the Reference Rate, as displayed on the Screen Page on the relevant Interest Determination Date (expressed as a formula, this means: Interest Rate = Fixed Interest Rate – Reference Rate).]

*[In the case of all [TARN Express] [Knock-In] Interest Rate Difference Floating Rate [Dual Currency] Securities, the following applies:*

(2) *Interest Rate:* The “**Interest Rate**” for the respective Interest Period is the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[,] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = Reference Rate<sub>1</sub> [x Faxtor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Faxtor<sub>2</sub>] [+/-] [Premium] [Discount]).]

*[In the case of all [TARN Express] [Knock-In] Interest Rate Difference Fixed Floating Rate [Dual Currency] Securities, the following applies:*

(2) *Interest Rate:* The “**Interest Rate**” for the respective Interest Period is either equal to the Fixed Interest Rate or to the Floating Interest Rate, as specified for the respective Interest Period in § 1 of the Product and Underlying Data.

**“Floating Interest Rate”** means the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[,] [multiplied by the Factor] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = [(Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Factor<sub>2</sub>]) [+/-] [Premium] [Discount]]).

[In the case of [TARN Express] [Knock-In] Fixed Floating Rate [Dual Currency] Securities, the following applies:

- (2) *Interest Rate:* The "Interest Rate" is either the Fixed Interest Rate [or the Floating Interest Rate, as specified for the respective Interest Period in § 1 of the Product and Underlying Data].

"Floating Interest Rate" means the Reference Rate [multiplied by the Factor] [and] [plus the Premium] [minus the Discount].]

[In the case of [TARN Express] [Knock-In] Switchable Fixed Floating Rate [Dual Currency] Securities, the following applies:

- (2) *Interest Rate:* The "Interest Rate" is [, subject to the exercise of the Issuer's Switch Option,] [either] the Fixed Interest Rate [or the Floating Interest Rate, as specified for the respective Interest Period in § 1 of the Product and Underlying Data].

[The Issuer has the right to determine that with effect from any Interest Payment Date which follows at least [●] [months] [years] after the Issue Date (in which case such Interest Payment Date shall be the "Interest Switch Date") the Interest Rate with respect to each Interest Period following the Interest Switch Date shall be the relevant Floating Interest Rate on the relevant Interest Determination Date ("Issuer's Switch Option"). The Issuer's Switch Option can only be exercised once and with effect to all Securities. The Issuer's Switch Option is exercised by the Issuer by giving notice pursuant to § 6 of the General Conditions no later than [five] [●] Business Days prior to the relevant Interest Payment Date.]

"Floating Interest Rate" means the Reference Rate [multiplied by the Factor] [and] [plus the Premium] [minus the Discount].]

[In the case of [TARN Express] [Knock-In] Reverse Fixed Floating Rate [Dual Currency] Securities, the following applies:

- (2) *Interest Rate:* The "Interest Rate" is the difference between the Fixed Interest Rate and the Reference Rate (expressed as a formula, this means: Interest Rate = Fixed Interest Rate – Reference Rate), as displayed on the Screen Page on the relevant Interest Determination Date or the Fixed Interest Rate, as specified for the respective Interest Period in § 1 of the Product and Underlying Data.]

[In the case of all Securities with a Maximum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of all Securities with a Minimum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of all Knock-In Securities, the following applies:

If the Interest Rate determined for an Interest Period in accordance with the provisions above is higher than the Knock-In Interest Rate, the Securities bear interest at the Knock-In Interest Rate for the entire term of the Securities.]

[In the case of all Securities with a Global Cap, the following applies:

If on an Interest Determination Date the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (including) is equal to or greater than the Aggregate Maximum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum

Interest Rate and the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (excluding), and therefore the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).]

[In the case of all Securities with a Global Floor, the following applies:

If on the last Interest Determination Date the total of all Interest Rates determined in accordance with the above provisions up to that Interest Determination Date (including) is smaller than the Aggregate Minimum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (excluding).]

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

- (3) *Reference Rate*: "**Reference Rate**" means the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][*insert other time*] Brussels 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 the Reference Banks in the Eurozone to quote the rate at which they are offering deposits in euros for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.][*insert other time*] Brussels 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 thousandth of a percentage point, with 0.0005 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 Eurozone selected by the Calculation Agent in its reasonable discretion (§ 315 BGB) are offering loans in euros for the relevant Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][*insert other time*] Brussels time on that Interest Determination Date.]

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

- (3) *Reference Rate*: "**Reference Rate**" means the offered rate (expressed as a percentage per annum) for deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][*insert other time*] [London] [*Insert other 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 the London head offices of each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.][*insert other time*] [London] [*Insert other 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 Reference Asset Currency for the corresponding Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] [London] [Insert other Reference Rate Financial Centre] local time on that Interest Determination Date.]

[In the case of all Securities with a EURIBOR or LIBOR as Reference Rate, the following applies:

[In the case of a first short/long coupon, if an interpolation shall be applicable, the following applies:

(Excluded from this is the first Interest Period, which ends on the First Interest Payment Date, for which the Reference Rate will be specified by way of linear interpolation of the [Insert number]-month-[EURIBOR-] [[US-Dollar] [Insert other currency]-LIBOR-] offered rate and the [Insert number]-month-[EURIBOR-] [[US-Dollar] [Insert other currency]-LIBOR-] offered rate (in each case expressed as per cent per annum) in each case for deposits in the Reference Rate currency for the respective Interest Period, displayed on the Screen Page at [11:00 a.m.][insert other time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] [Insert other Reference Rate Financial Centre] time on the relevant Interest Determination Date.)]

[In the case of a last short/long coupon, if an interpolation shall be applicable, the following applies:

(Excluded from this is the Interest Period, which ends on the last Interest Payment Date, for which the Reference Rate will be specified by way of linear interpolation of the [Insert number]-month-[EURIBOR-] [[US-Dollar] [Insert other currency]-LIBOR-] offered rate and the [Insert number]-month-[EURIBOR-] [[US-Dollar] [Insert other currency]-LIBOR-] offered rate (in each case expressed as per cent per annum) in each case for deposits in the Reference Rate currency for the respective Interest Period, displayed on the Screen Page at [11:00 a.m.][insert other time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] [Insert other 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 the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Interest Period in a representative amount to leading banks in the [In the case of EURIBOR as Reference Rate: Eurozone interbank market] [In the case of LIBOR as Reference Rate: London interbank market] at approximately [11:00 a.m.][insert other time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] time on the relevant Interest Determination Date.]

[In the case of all Securities with a CMS-EUR as Reference Rate, the following applies:

- (3) **Reference Rate:** "Reference Rate" means the rate (expressed as a percentage per annum) for swap transactions in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at the Reference Rate Time (local time of the Reference Rate Financial Centre) on the relevant Interest Determination Date.

If either the Screen Page is not available or no such swap rates are displayed at the time specified, the Calculation Agent will ask each of the Reference Banks to quote the mean annual swap rates at approximately the Reference Rate Time on the relevant Interest Determination Date.

If three or more such quotations are provided, the Reference Rate for the respective Interest Determination Date shall be the arithmetic mean (rounded, if necessary, to the nearest

one hundred thousandth of a percentage point, with 0.000005 rounded upwards) of those quotations, with the highest (or if two or more are the same, one of the highest) and the lowest (or if two or more are the same, one of the lowest) having been eliminated. If fewer than three quotations are provided, the Calculation Agent will specify the Reference Rate in its reasonable discretion (§ 315 BGB).]

[In the case of all Securities other than Dual Currency Securities, the following applies:

- (4) *Interest Amount:* The [respective] "**Interest Amount**" is the product of the Interest Rate, the [Aggregate Nominal Amount] [Nominal Amount] and the Day Count Fraction.

The [respective] Interest Amount becomes due for payment in the Specified Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

[In the case of all Dual Currency Securities, the following applies:

- (4) *Interest Amount:* The [respective] "**Interest Amount**" is calculated by the Calculation Agent according to the following formula:

Interest Amount = Interest Rate x [Aggregate Nominal Amount] [Nominal Amount] x Day Count Fraction  $[\text{FX}_1(k)] / [\text{FX}_1(k)]$   $[\text{FX}_2(k)] / [\text{FX}_2(k)]$   $[x \text{ FX}_1(k)] [x \text{ FX}_2(k)]$ .

The [respective] Interest Amount becomes due for payment in the Payment Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

- (5) *Day Count Fraction:* "**Day Count Fraction**" for the purpose of calculating the Interest Amount for an Interest Period means [the Day Count Fraction<sub>1</sub> or, following the exercise of the Issuer's Switch Option, the Day Count Fraction<sub>2</sub>]:

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000 , the following applies:

["**Day Count Fraction<sub>1,2</sub>**" means] [30/360] [360/360] [Bond Basis] in accordance with ISDA 2000, calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:

["**Day Count Fraction<sub>1,2</sub>**" means] [30/360] [360/360] [Bond Basis] in accordance with ISDA 2006, calculated as 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:

[**Day Count Fraction<sub>[•]</sub>**" means] [30E/360] [Eurobond Basis] in accordance with ISDA 2000 (German interest calculation method), calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:

[**Day Count Fraction<sub>[•]</sub>**" means] [30E/360] [Eurobond Basis] in accordance with ISDA 2006, calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:

[**Day Count Fraction<sub>[•]</sub>**" means] 30E/360 (ISDA) in accordance with ISDA 2006 (German interest calculation method), calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

[In the case of "Act/360", the following applies:

[**"Day Count Fraction<sub>[•]</sub>**" means] Act/360, calculated as the actual number of days in the Interest Period divided by 360.]

[In the case of "Act/365" (Fixed), the following applies:

[**"Day Count Fraction<sub>[•]</sub>**" means] Act/365 (Fixed), calculated as the actual number of days in the Interest Period divided by 365.]

[In the case of "Act/Act (ISDA)", the following applies:

[**"Day Count Fraction<sub>[•]</sub>**" means] Act/Act (ISDA), calculated as 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).]]

[In the case of Act/Act (ICMA), the following applies:

- (5)    "**Day Count Fraction**" for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows:

[[[(i) if the Accrual Period is equal to or shorter than the Interest Period during which it falls,] the number of days in the Accrual Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

[[[(ii) if the Accrual Period is longer than the Interest Period:] the sum of

- (A)    the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins, divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in one year], and
- (B)    the number of days in such Accrual Period falling in the next Interest Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]]

### § 3

#### **Redemption[, Automatic Early Redemption]**

- [(1)] The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Maturity Date pursuant to the provisions of § 5 of the Special Conditions.

[In the case of all TARN Express Securities, the following applies:

- (2) If an Early Redemption Event has occurred, the Securities are automatically redeemed early at the Early Redemption Amount on the immediately following Interest Payment Date pursuant to the provisions of § 5 of the Special Conditions.]

## § 4

### **Redemption Amount[, Early Redemption Amount]**

[In the case of all Securities other than Dual Currency Securities, the following applies:

- [(1)] The Redemption Amount is specified in § 1 of the Product and Underlying Data.]

[In the case of all Dual Currency Securities, the following applies:

- [(1)] The Redemption Amount will be calculated or specified by the Calculation Agent as follows:

$$\text{Redemption Amount} = \text{Nominal Amount} [ / \text{FX} \text{ (final)} ] [ / \text{FX}_1 \text{ (final)} ] [ / \text{FX}_2 \text{ (final)} ] [ \times \text{FX} \text{ (final)} ] [ \times \text{FX}_1 \text{ (final)} ] [ \times \text{FX}_2 \text{ (final)} ]$$

*[In the case of Dual Currency Securities with Conversion Right, the following applies:*

However, the Redemption Amount is not less than the Minimum Amount.]]

[In the case of all TARN Express Securities, the following applies:

- (2) *Early Redemption Amount:* The Early Redemption Amount is equal to the Nominal Amount.]]

### **Product Type 3: Range Accrual Securities**

[Option 3: In the case of [TARN Express] [Knock-In] [Dual] Range Accrual [Dual Currency] Securities, the following applies:

#### **§ 1**

#### **Definitions**

[In the case Act/Act of (ICMA), the following applies:

"**Accrual Period**" means each period for which an Interest Amount is to be calculated.]

"**Aggregate Maximum Interest Rate**" means the Aggregate Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"**Aggregate Minimum Interest Rate**" means the Aggregate Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the series as specified in § 1 of the Product und Underlying Data.

"**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 (the "**TARGET2**")]] 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 of the Product and Underlying Data.]

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

"**Call Date**" means [each Call Date as specified in § 1 of the Product and Underlying Data] [[each Banking Day] [the last Banking Day] of the month [*insert relevant month(s)*] starting from the First Call Date to the [Maturity Date] [*insert other date*]].]

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the First Trade Date,

- [(a)] the holding, acquisition or sale of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.

if such changes become effective on or after the First Trade Date.]

"**Clearing System**" means [Clearstream Banking AG, Frankfurt am Main ("**CBF**")][Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euro-clear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**")][Monte Titoli S.p.A.] [*Insert other Clearing System(s)*].

[**"CMS-EUR"** means the CMS-EUR (*Constant Maturity Swap rate in euro*) as specified in § 2 (3) of the Special Conditions.]

*[In the case of all Dual Currency Securities with a conversion right of the Issuer, the following applies:*

**"Conversion Event"** means each of the following events:

- (a) no suitable New Fixing Sponsor (as specified in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 9 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s];
- (c) 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 the respective Security) the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable.]

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2 (4) of the Special Conditions.

[**"Discount"** means the Discount as specified § 1 of the Product and Underlying Data.]

[**"Early Maturity Date"** means the Interest Payment Date immediately following the day on which an Early Redemption Event has occurred.]

[**"Early Redemption Amount"** means the Early Redemption Amount as specified in § 4 (2) of the Special Conditions.]

[An **"Early Redemption Event"** occurs, if the sum of all Interest Rates specified up to an Interest Determination Date (including) reaches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.]

[**"EURIBOR"** means the EURIBOR as specified in § 2 (3) of the Special Conditions.]

[**"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.]

[**"First Call Date"** means the First Call Date as specified in § 1 of the Product and Underlying Data.]

[**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 1 of the Product and Underlying Data.]

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[**"Fixing Sponsor"** means the Fixing Sponsor as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor<sub>1</sub>"** means the Fixing Sponsor<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

**"Fixing Sponsor<sub>2</sub>"** means the Fixing Sponsor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

**"Frozen Period"** means, with respect to an Interest Period, each period starting on the [*Insert number*]<sup>th</sup> Banking Day prior to the respective Interest Payment Date [(including)][(excluding)] up to the respective Interest Payment Date (excluding).

[**"FX"** means the [official] fixing of the FX Exchange Rate as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor on the FX Screen Page.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub>"** means the [official] fixing of the FX Exchange Rate<sub>1</sub> as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor<sub>1</sub> on the FX<sub>1</sub> Screen Page (or any replacement page).

**"FX<sub>2</sub>"** means the [official] fixing of the FX Exchange Rate<sub>2</sub> as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor<sub>2</sub> on the FX<sub>2</sub> Screen Page (or any replacement page).]

**"FX Calculation Date"** means each day on which [FX is][FX<sub>1</sub> and FX<sub>2</sub> are] published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and Fixing Sponsor<sub>2</sub>, respectively].

**"FX Call Event"** means each of the following events:

- [•) no suitable New Fixing Sponsor (as specified in § 8 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 8 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB); or]
- (•) 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][FX<sub>1</sub> and/or FX<sub>2</sub>]), the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable;
- [•) a Change in Law [and/or a Hedging Disruption][ and/or Increased Costs of Hedging] occur[s]].]

**"FX Exchange Rate"** means the exchange rate for the conversion of the [Specified Currency] [Payment Currency] into the [Payment Currency] [Specified Currency]][the FX Exchange Rate as specified in § 1 of Product and Underlying Data].]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Exchange Rate<sub>1</sub>"** means [the exchange rate for the conversion of [the Specified Currency into the Third Currency] [the Third Currency into the Specified Currency]][the FX Exchange Rate<sub>1</sub> as specified in § 1 of Product and Underlying Data].]

**"FX Exchange Rate<sub>2</sub>"** means [the exchange rate for the conversion of [the Payment Currency into the Third Currency] [the Third Currency into the Payment Currency]][ the FX Exchange Rate<sub>2</sub> as specified in § 1 of Product and Underlying Data].]

**"FX (final)"** means the FX on the FX Valuation Date (final).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (final)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (final).

**"FX<sub>2</sub> (final)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (final).]

**"FX (initial)"** means the FX on the FX Valuation Date (initial).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (initial)"** means the FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (initial).

**"FX<sub>2</sub> (initial)"** means the FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (initial).]

**"FX (k)"** means the FX on the FX Valuation Date (k).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (k)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (k).

**"FX<sub>2</sub> (k)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (k).]

**["FX Market Disruption Event"]** means each of the following events:

- (a) the failure to publish the [FX][ FX<sub>1</sub> and/or FX<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively];
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects that are similar to the events listed above

to the extent that the aforementioned events in the reasonable discretion of the Calculation Agent (§ 315 BGB) are material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)]

**["FX Screen Page"]** means the FX Screen Page as specified § 1 of the Product and Underlying Data.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Screen Page<sub>1</sub>"** means the FX Screen Page<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

**"FX Screen Page<sub>2</sub>"** means the FX Screen Page<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

**["FX Valuation Date (final)"]** means the [Insert number] Banking Day prior to the Maturity Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.

**"FX<sub>2</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

**["FX Valuation Date (initial)"]** means the [Insert number] Banking Day prior to the Issue Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.

**"FX<sub>2</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

**["FX Valuation Date (k)"]** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.

**"FX<sub>2</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

[**"Hedging Disruption"** means that the Issuer is not able to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date.]

[**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

**"Interest Amount"** means the Interest Amount specified in § 2 (4) of the Special Conditions.

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 of the Product and Underlying Data.

**"Interest Determination Date"** means, with respect to an Interest Period, [the *[Insert number]* **[TARGET]** **[London]** Banking Day prior to] the **[first]** **[last]** **[TARGET]** **[London]** Banking Day] of the respective Interest Period. [**[TARGET]** **[London]** *[Insert city]* **Banking Day**] means each day on which **[TARGET2]** is open for business] [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 of the Product and Underlying Data.

[In the case of Act/Act (ICMA), the following applies:

**"Interest Payment Date"** is *[Insert day and month]* in each year.]

[**"Interest Payment Date"** means [the] [each] **Interest Payment Date** as specified in § 1 of the Product Data and Underlying Data.] [First Interest Payment Date and each date that follows *[Insert number of months]* month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. The last Interest Payment Date means the Interest End Date.] [Interest Payment Dates are subject to postponements in accordance with these Terms and Conditions.]]

[In the case of Act/Act (ICMA), the following applies:

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

[**"Interest Period"** means [the] [each] period from the Interest Commencement Date (including) to [the First Interest Payment Date (excluding) and from each Interest Payment Date (including) to the respective following Interest Payment Date (excluding). The last Interest Period ends on] the Interest End Date (excluding).]

**"Interest Rate"** means the Interest Rate as specified in § 2 (2) of the Special Conditions.

[**"Interest Rate In"** means with [respect to each Interest Period] the [respective] [Fixed Interest Rate In as specified in § 1 of the Product and Underlying Data] [Reference Rate as displayed on the [relevant] Screen Page on the respective Interest Determination Date [plus] [minus] the [Premium] [Discount]].]

[**"Interest Rate Out"** means with [respect to each Interest Period] the [respective] [Fixed Interest Rate Out as specified in § 1 of the Product and Underlying Data] [Reference Rate as displayed on the [relevant] Screen Page on the respective Interest Determination Date [plus] [minus] the [Premium] [Discount]].]

[**"Interest Rate Range<sub>[1]</sub>"** means the range between the [respective] Lower Interest Rate Threshold<sub>[1]</sub> ([including] [excluding]) and the [respective] Upper Interest Rate Threshold<sub>[1]</sub> ([including] [excluding]).]

[**"Interest Rate Range<sub>2</sub>"** means the range between the [respective] Lower Interest Rate Threshold<sub>2</sub> ([including] [excluding]) and the [respective] Upper Interest Rate Threshold<sub>2</sub> ([including] [excluding]).]

[**"Interest Rate Threshold"** means [for the respective Interest Period] the [respective] Interest Rate Threshold as specified in § 1 of the Product and Underlying Data.]

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[**"Issue Price"** means the Issue Price as specified in § 1 of the Product and Underlying Data.]

*[In the case of Dual Currency Securities the following applies:*

[**"Issue Price in the Payment Currency"** means [the Issue Price in the Payment Currency as specified in § 1 of the Product and Underlying Data.] [the Nominal Amount] [/FX (initial)] [/FX<sub>1</sub> (initial)] [/FX<sub>2</sub> (initial)] [x FX (initial)] [x FX<sub>1</sub> (initial)] [x FX<sub>2</sub> (initial)]]

[**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[**"Knock-In Interest Rate"** means the Knock-In Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Knock-Out Interest Rate"** means the Knock-Out Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"LIBOR"** means the LIBOR as specified in § 2 (3) of the Special Conditions.]

[**"Lower Interest Rate Threshold<sub>[1]</sub>"** means [with respect to an Interest Period] the [respective] Lower Interest Rate Threshold<sub>[1]</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Lower Interest Rate Threshold<sub>2</sub>"** means [with respect to an Interest Period] the [respective] Lower Interest Rate Threshold<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

**"Maturity Date"** means the Maturity Date, as specified in § 1 of the Product and Underlying Data.

[**"Maximum Interest Rate"** means the Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Maximum Interest Rate"** means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Maximum Interest Rate Premium] [Maximum Interest Rate Deduction]].]

[**"Maximum Interest Rate Deduction"** means the [Maximum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

[**Maximum Interest Rate Premium**" means the [Maximum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

[**Minimum Amount**" means the Minimum Amount as specified in § 1 of the Product and Underlying Data.]

[**Minimum Interest Rate**" means the Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**Minimum Interest Rate**" means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Minimum Interest Rate Premium] [Minimum Interest Rate Deduction]].]

[**Minimum Interest Rate Deduction**" means the [Minimum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

[**Minimum Interest Rate Premium**" means the [Minimum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

[**Number of Observation Dates in Range**" means with respect to an Interest Period, the number of Observation Dates in the respective Interest Period for which the Range Accrual Reference Rate is [within the Interest Rate Range] [[above] [below] the Interest Rate Threshold], whereas, with respect to any Observation Date, the Range Accrual Reference Rate, as determined by the Calculation Agent at the [[insert number] Banking Day prior to the] respective Observation Date shall be relevant (each such date being a "**Fixing Date**"). However, with respect to all Observation Dates within a Frozen Period, the Range Accrual Reference Rate as determined by the Calculation Agent on the Fixing Date with respect to the first Observation Date in the relevant Frozen Period shall be relevant.]

[In case of Dual Range Accrual Securities]

**Number of Observation Dates in Range**" means with respect to an Interest Period, the number of Observation Dates in the respective Interest Period for which the Range Accrual Reference Rate<sub>1</sub> for the is [within the Interest Rate Range<sub>1</sub>] [[above] [below] the Interest Rate Threshold<sub>1</sub>] and for which the Range Accrual Reference Rate<sub>2</sub> is [within the Interest Rate Range<sub>2</sub>] [[above] [below] the Interest Rate Threshold<sub>2</sub>], whereas, with respect to any Observation Date, the Range Accrual Reference Rate, as determined by the Calculation Agent at the [[insert number] Banking Day prior to the] respective Observation Date shall be relevant (each such date being a "**Fixing Date**"). However, with respect to all Observation Dates within a Frozen Period, the Range Accrual Reference Rate as determined by the Calculation Agent on the Fixing Date with respect to the first Observation Date in the relevant Frozen Period shall be relevant.]

[**Number of Observation Dates out of Range**" means with respect to an Interest Period, the number of Observation Dates in the respective Interest Period for which the Range Accrual Reference Rate is [outside the Interest Rate Range] [[below] [above] the Interest Rate Threshold], whereas, with respect to any Observation Date, the Range Accrual Reference Rate, as determined by the Calculation Agent at the [[insert number] Banking Day prior to the] respective Observation Date shall be relevant (each such date being a "**Fixing Date**"). However, with respect to all Observation Dates within a Frozen Period, the Range Accrual Reference Rate as determined by the Calculation Agent on the Fixing Date with respect to the first Observation Date in the relevant Frozen Period shall be relevant.]

[In case of Dual Range Accrual Securities]

**Number of Observation Dates out of Range**" means with respect to an Interest Period, the number of Observation Dates in the respective Interest Period for which the Range Accrual Reference Rate<sub>1</sub> is [outside the Interest Rate Range<sub>1</sub>] [[below] [above] the Interest

Rate Threshold<sub>1</sub>] and for which the Range Accrual Reference Rate<sub>2</sub> is [outside the Interest Rate Range<sub>2</sub>] [[below] [above] the Interest Rate Threshold<sub>2</sub>], whereas, with respect to any Observation Date, the Range Accrual Reference Rate, as determined by the Calculation Agent at the [[*insert number*] Banking Day prior to the] respective Observation Date shall be relevant (each such date being a "**Fixing Date**"). However, with respect to all Observation Dates within a Frozen Period, the Range Accrual Reference Rate as determined by the Calculation Agent on the Fixing Date with respect to the first Observation Date in the relevant Frozen Period shall be relevant.]

**"Observation Date"** means [the] [each] [calendar day] [Banking Day] [*Insert date*] [of each month] in the respective Interest Period. [If the Observation Date is not a Banking Day, the immediately preceding Banking Day is deemed to be the relevant Observation Date.]

[**"Payment Currency"** means the Payment Currency as specified in § 1 of the Product and Underlying Data.]

[**"Premium"** means the Premium as specified in § 1 of the Product and Underlying Data.]

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[**"Range Accrual Reference Rate"** means any of the Range Accrual Reference Rate<sub>1</sub> [,] [and] the Range Accrual Reference Rate<sub>2</sub> [,] [and] [the Range Accrual Reference Rate<sub>3</sub>] [and the Range Accrual Reference Rate<sub>4</sub>].]

[**"Range Accrual Reference Rate<sub>1</sub>"** means the Range Accrual Reference Rate<sub>1</sub> as specified in § 1 of the Product and Underlying Data and further described in § 2 (3) of the Special Conditions.]

[**"Range Accrual Reference Rate<sub>2</sub>"** means the [Range Accrual Reference Rate<sub>2</sub> as specified in § 1 of the Product and Underlying Data and further described in § 2 (3) of the Special Conditions] [difference between the Range Accrual Reference Rate<sub>3</sub> and the Range Accrual Reference Rate<sub>4</sub>.]]

[**"Range Accrual Reference Rate<sub>3</sub>"** means the Range Accrual Reference Rate<sub>3</sub> as specified in § 1 of the Product and Underlying Data and further described in § 2 (3) of the Special Conditions.]

[**"Range Accrual Reference Rate<sub>4</sub>"** means the Range Accrual Reference Rate<sub>4</sub> as specified in § 1 of the Product and Underlying Data and further described in § 2 (3) of the Special Conditions.]

[**"Range Accrual Reference Rate Currency"** means [with respect to Range Accrual Reference Rate<sub>1</sub> the Range Accrual Reference Rate Currency<sub>1</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>2</sub> the Range Accrual Reference Rate Currency<sub>2</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>3</sub> the Range Accrual Reference Rate Currency<sub>3</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>4</sub> the Range Accrual Reference Rate Currency<sub>4</sub>].]]

[**"Range Accrual Reference Rate Currency<sub>1</sub>"** means the Range Accrual Reference Rate Currency<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Currency<sub>2</sub>"** means the Range Accrual Reference Rate Currency<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Currency<sub>3</sub>"** means the Range Accrual Reference Rate Currency<sub>3</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Currency<sub>4</sub>"** means the Range Accrual Reference Rate Currency<sub>4</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Financial Centre"** means [with respect to Range Accrual Reference Rate<sub>1</sub> the Range Accrual Reference Rate Financial Centre<sub>1</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>2</sub> the Range Accrual Reference Rate Financial Centre<sub>2</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>3</sub> the Range Accrual Reference Rate Financial Centre<sub>3</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>4</sub> the Range Accrual Reference Rate Financial Centre<sub>4</sub>.].]

[**"Range Accrual Reference Rate Financial Centre<sub>[1]</sub>"** means the Range Accrual Reference Rate-Financial Centre<sub>[1]</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Financial Centre<sub>2</sub>"** means the Range Accrual Reference Rate-Financial Centre<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Financial Centre<sub>3</sub>"** means the Range Accrual Reference Rate-Financial Centre<sub>3</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Financial Centre<sub>4</sub>"** means the Range Accrual Reference Rate-Financial Centre<sub>4</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate-Maturity"** means with respect to Range Accrual Reference Rate<sub>1</sub> the Range Accrual Reference Rate-Maturity<sub>1</sub> [,] [and] with respect to Range Accrual Reference Rate<sub>2</sub> the Range Accrual Reference Rate-Maturity<sub>2</sub> [,] [and] [with respect to Range Accrual Reference Rate<sub>3</sub> the Range Accrual Reference Rate-Maturity<sub>3</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>4</sub> the Range Accrual Reference Rate-Maturity<sub>4</sub>.].]

[**"Range Accrual Reference Rate-Maturity<sub>[1]</sub>"** means the Range Accrual Reference Rate-Maturity<sub>[1]</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate-Maturity<sub>2</sub>"** means the Range Accrual Reference Rate-Maturity<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate-Maturity<sub>3</sub>"** means the Range Accrual Reference Rate-Maturity<sub>3</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate-Maturity<sub>4</sub>"** means the Range Accrual Reference Rate-Maturity<sub>4</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Time"** means [with respect to Range Accrual Reference Rate<sub>1</sub> the Range Accrual Reference Rate Time<sub>1</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>2</sub> the Range Accrual Reference Rate Time<sub>2</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>3</sub> the Range Accrual Reference Rate Time<sub>3</sub>] [,] [and] [with respect to Range Accrual Reference Rate<sub>4</sub> the Range Accrual Reference Rate Time<sub>4</sub>.].]

[**"Range Accrual Reference Rate Time<sub>[1]</sub>"** means the Range Accrual Reference Rate-Time<sub>[1]</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Time<sub>2</sub>"** means the Range Accrual Reference Rate-Time<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Time<sub>3</sub>"** means the Range Accrual Reference Rate-Time<sub>3</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Range Accrual Reference Rate Time<sub>4</sub>"** means the Range Accrual Reference Rate-Time<sub>4</sub> as specified in § 1 of the Product and Underlying Data.]

**"Redemption Amount"** means the Redemption Amount as specified in § 4 of the Special Conditions.

[**"Redemption Date"** means each Redemption Date as specified in § 1 of the Product and Underlying Data.]

[**"Reference Banks"** means [[with respect to the EURIBOR] [four] *[Insert other number]* major banks in the Eurozone interbank market specified by the Calculation Agent in its

reasonable discretion (§ 315 BGB)] [Insert other definition for Reference Banks, if applicable].]

[**Reference Banks**" means [[with respect to the LIBOR] [four] [Insert other number] major banks in the [London] [Insert other interbank market] interbank market specified by the Calculation Agent in its reasonable discretion (§315 BGB)] [Insert other definition for Reference Banks, if applicable].]

[**Reference Banks**" means [[with respect to the CMS-EUR] [five] [Insert other number] leading swap traders in the interbank market] [Insert other definition for Reference Banks, if applicable].]

[**Reference Rate**" means the the Reference Rate as specified in § 1 of the Product and Underlying Data and further described in § 2 (3) of the Special Conditions.]

[**Reference Rate Currency**" means the Reference Rate Currency as specified in § 1 of the Product and Underlying Data.]

[**Reference Rate Financial Centre**" means the Reference Rate Financial Centre as specified in § 1 of the Product and Underlying Data.]

[**Reference Rate-Maturity**" means the Reference Rate-Maturity as specified in § 1 of the Product and Underlying Data.]

[**Reference Rate Time**" means the Reference Rate Time as specified in § 1 of the Product and Underlying Data.]

**Screen Page**" means [with respect to a [Range Accrual] Reference Rate] the Screen Page and, if applicable, the relevant heading as indicated in § 1 of the Product and Underlying Data. If that page is replaced or if the relevant service is no longer available, the Calculation Agent in its reasonable discretion (§ 315 BGB) shall specify another Screen Page on which the [respective] [Range Accrual] 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.

**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

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

[**Third Currency**" means the Third Currency as specified in § 1 of the Product and Underlying Data.]

[**Upper Interest Rate Threshold<sub>11</sub>**" means [with respect to an Interest Period] the [respective] Upper Interest Rate Threshold<sub>11</sub> as specified in § 1 of the Product and Underlying Data.]

[**Upper Interest Rate Threshold<sub>2</sub>**" means [with respect to an Interest Period] the [respective] Upper Interest Rate Threshold<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

**Website[s] for Notices**" means the Website[s] for Notices as specified in § 1 of the Product and Underlying Data.

**Website[s] of the Issuer**" means the Website[s] of the Issuer as specified in § 1 of the Product and Underlying Data.

**§ 2**  
**Interest**

[In the case Act/Act of (ICMA), the following applies:

- (1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] from the Interest Commencement Date to the Interest End Date at the Interest Rate.]
- [(1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] for [the] [each] Interest Period at the Interest Rate.]
- (2) *Interest Rate:* "**Interest Rate**" means the Interest Rate calculated by the Calculation Agent for each Interest Period according to the following formula:  
[Premium +] [()Number of Observation Dates in Range / total number of Observation Dates of the respective Interest Period x Interest Rate In[]] [+ [()Number of Observation Dates out of Range / total number of Observation Dates of the respective Interest Period x Interest Rate Out[]]].]

[In the case of Securities with a Maximum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of Knock-In Securities, the following applies:

If the Interest Rate determined for an Interest Period in accordance with the provisions above is higher than the Knock-In Interest Rate, the Securities bear interest at the Knock-In Interest Rate for the entire term of the Securities.]

[In the case of Securities with a Global Cap, the following applies:

If on an Interest Determination Date the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (including) is equal to or greater than the Aggregate Maximum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (excluding), and therefore the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).]

[In the case of Securities with a Global Floor, the following applies:

If on the last Interest Determination Date the total of all Interest Rates determined in accordance with the above provisions up to that Interest Determination Date (including) is smaller than the Aggregate Minimum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (excluding).]

[In the case of all Securities with a EURIBOR as Reference Rate or Range Accrual Reference Rate, the following applies:

- [3)] *EURIBOR:* "EURIBOR" means, with respect to [the] [a] [Reference Rate] [or] [Range Accrual Reference Rate] [, as the case may be,] the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding [Reference Rate-Maturity] [or]

[Range Accrual Reference Rate-Maturity] [, as the case may be,] displayed on the [respective] Screen Page at [11:00 a.m.] [insert time] Brussels time on the relevant [Interest Determination Date] [or] [Fixing Date] [, as the case may be].

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 the Reference Banks in the Eurozone to quote the rate at which they are offering deposits in euros for the corresponding [Reference Rate-Maturity] [or] [Range Accrual Reference Rate-Maturity] [, as the case may be,] in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.] [insert time] Brussels time on the relevant [Interest Determination Date] [or] [Fixing Date] [, as the case may be].

In the event that two or more Reference Banks provide the Calculation Agent with such quotations, the EURIBOR for the relevant [Reference Rate-Maturity] [or] [Range Accrual Reference Rate-Maturity] [, as the case may be,] with respect to the relevant [Interest Period] [or] [Fixing Date] [, as the case may be,] shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest thousandth of a percentage point, with 0.0005 rounded upwards).

In the event that on an [Interest Determination Date] [or] [Fixing Date] [, as the case may be,] no or only one Reference Bank provides the Calculation Agent with such a quotation, the relevant EURIBOR shall be the arithmetic mean (rounded as described above) of the rates at which major banks in the Eurozone selected by the Calculation Agent in its reasonable discretion (§ 315 BGB) are offering loans in euros for the relevant [Reference Rate-Maturity] [or] [Range Accrual Reference Rate-Maturity] [, as the case may be,] in a representative amount to leading European banks at approximately [11:00 a.m.] [insert time] Brussels time on that Interest [Determination Date] [or] [Fixing Date] [, as the case may be,].]

*[In the case of all Securities with a LIBOR as Reference Rate or Range Accrual Reference Rate, the following applies:*

- [(3)] **LIBOR:** "LIBOR" means, with respect to [the] [a] [Reference Rate] [or] [Range Accrual Reference Rate] [, as the case may be,] the offered rate (expressed as a percentage per annum) for deposits in the [Reference Rate Currency] [or] [Range Accrual Reference Rate Currency] [, as the case may be,] for the corresponding [Reference Rate-Maturity] [or] [Range Accrual Reference Rate-Maturity] [, as the case may be,] displayed on the [relevant] Screen Page at [11:00 a.m.] [insert other time] [London] [Insert other Reference Rate Financial Centre] time on the relevant [Interest Determination Date] [or] [Fixing Date] [, as the case may be].

If either the Screen Page is not available or no offered rate is displayed at the time specified, the Calculation Agent will ask the London head offices of each of the Reference Banks to quote the rate at which they are offering deposits in the [Reference Rate Currency] [or] [Range Accrual Reference Rate Currency] [, as the case may be,] for the corresponding [Reference Rate-Maturity] [or] [Range Accrual Reference Rate-Maturity] [, as the case may be,] in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.] [insert other time] [London] [Insert other Reference Rate Financial Centre] time on the relevant [Interest Determination Date] [or] [Fixing Date] [, as the case may be].

In the event that two or more Reference Banks provide the Calculation Agent with such quotations, the LIBOR for the relevant [Interest Period] [or] [Fixing Date] [, as the case may be,] 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] [or] [Fixing Date] [, as the case may be,] no or only one Reference Bank provides the Calculation Agent with such a quotation, the relevant LIBOR 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 [Reference Rate Currency] [or] [Range Accrual Reference Rate Currency] [, as the case may be,] for the corresponding [Reference Rate-Maturity] [or] [Range Accrual Reference Rate-Maturity] [, as the case may be,] in a representative amount to leading European banks at approximately [11:00 a.m.] [insert other time] [London] [Insert other Reference Rate Financial Centre]. local time on that Interest [Determination Date] [or] [Fixing Date] [, as the case may be,].]

[In the case of all Securities with a EURIBOR or LIBOR as Reference Rate, the following applies:

[In the case of a first short/long coupon, if an interpolation shall be applicable, the following applies:

(Excluded from this is the first Interest Period, which ends on the First Interest Payment Date, for which the [Reference Rate] [or] [Range Accrual Reference Rate] [, as the case may be,] will be specified by way of linear interpolation of the [Insert number]-month-[EURIBOR-] [[US-Dollar] [Insert other currency]-LIBOR-] offered rate and the [Insert number]-month-[EURIBOR-] [[US-Dollar] [Insert other currency]-LIBOR-] offered rate (in each case expressed as per cent per annum) in each case for deposits in the [Reference Rate Currency] [or] [Range Accrual Reference Rate Currency] [, as the case may be,] for the respective Interest Period, displayed on the Screen Page at [11:00 a.m.][insert time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] [Insert other Reference Rate Financial Centre] time on the relevant Interest Determination Date.)]

[In the case of a last short/long coupon, if an interpolation shall be applicable, the following applies:

(Excluded from this is the Interest Period, which ends on the last Interest Payment Date, for which the [Reference Rate] [or] [Range Accrual Reference Rate] [, as the case may be,] will be specified by way of linear interpolation of the [Insert number]-month-[EURIBOR-] [[US-Dollar] [Insert other currency]-LIBOR-] offered rate and the [Insert number]-month-[EURIBOR-] [[US-Dollar] [Insert other currency]-LIBOR-] offered rate (in each case expressed as per cent per annum) in each case for deposits in the [Reference Rate Currency] [or] [Range Accrual Reference Rate Currency] [, as the case may be,] for the respective Interest Period, displayed on the Screen Page at [11:00 a.m.] [insert time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] [Insert other 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 the Reference Banks to quote the rate at which they are offering deposits in the [Reference Rate Currency] [or] [Range Accrual Reference Rate Currency] [, as the case may be,] for the corresponding Interest Period in a representative amount to leading banks in the [In the case of EURIBOR as Reference Rate: Eurozone interbank market] [In the case of LIBOR as Reference Rate: London interbank market] at approximately [11:00 a.m.] [insert time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] time on the relevant Interest Determination Date.]

[In the case of all Securities with a CMS-EUR as Reference Rate or Range Accrual Reference Rate, the following applies:

[(3)] CMS: "CMS-EUR" means, with respect to [the] [a] [Reference Rate] [or] [Range Accrual Reference Rate] [, as the case may be,] the rate (expressed as a percentage per annum) for swap transactions in euros for the corresponding [Reference Rate-Maturity] [or] [Range Accrual Reference Rate-Maturity] [, as the case may be,] displayed on the [relevant] Screen Page at the [Reference Rate Time] [or] [Range Accrual Reference Rate Time] [, as

the case may be,] (local time of the [Reference Rate Financial Centre] [or] [Range Accrual Reference Rate Financial Centre [, as the case may be]) on the relevant [Interest Determination Date] [or] [Fixing Date].

If either the [relevant] Screen Page is not available or no such swap rates are displayed at the time specified, the Calculation Agent will ask each of the Reference Banks to quote the mean annual swap rates at approximately the [Reference Rate Time] [or] [Range Accrual Reference Rate Time] [, as the case may be] on the relevant [Interest Determination Date] [or] [Fixing Date] [, as the case may be].

If three or more such quotations are provided, the CMS-EUR for the respective [Interest Determination Date] [or] [Fixing Date] [, as the case may be,] shall be the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards) of those quotations, with the highest (or if two or more are the same, one of the highest) and the lowest (or if two or more are the same, one of the lowest) having been eliminated. If fewer than three quotations are provided, the Calculation Agent will specify the CMS-EUR in its reasonable discretion § 315 BGB).]

[In the case of Securities other than Dual Currency Securities, the following applies:

- (4) *Interest Amount:* The [respective] "**Interest Amount**" is the product of the Interest Rate, the [Aggregate Nominal Amount] [Nominal Amount] and the Day Count Fraction.

The [respective] Interest Amount becomes due for payment in the Specified Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

[In the case of all Dual Currency Securities, the following applies:

- (4) *Interest Amount:* The [respective] "**Interest Amount**" is calculated by the Calculation Agent according to the following formula:

Interest Amount = Interest Rate x [Aggregate Nominal Amount] [Nominal Amount] x Day Count Fraction [/FX (k)] [/FX<sub>1</sub> (k)] [/FX<sub>2</sub> (k)] [x FX (k)] [x FX<sub>1</sub> (k)] [x FX<sub>2</sub> (k)].

The [respective] Interest Amount becomes due for payment in the Payment Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

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

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000 , the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2000, calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2006, calculated as 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2000 (German interest calculation method), calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2000 (German interest calculation method), calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:

30E/360 (ISDA) in accordance with ISDA 2006 (German interest calculation method), calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

" $Y_1$ " is the year, expressed as a number, in which the first day of the Interest Period falls;

" $Y_2$ " is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

" $M_1$ " is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

" $M_2$ " is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

" $D_1$ " is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case  $D_1$  will be equal to 30; and

" $D_2$ " is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) such number would be 31, in which case  $D_2$  will be equal to 30.]

[In the case of "Act/360", the following applies:

Act/360, calculated as the actual number of days in the Interest Period divided by 360.]

[In the case of "Act/365" (Fixed), the following applies:

Act/365 (Fixed), calculated as the actual number of days in the Interest Period divided by 365.]

[In the case of "Act/Act (ISDA)", the following applies:

Act/Act (ISDA), calculated as 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).]]

[In the case of Act/Act (ICMA), the following applies:

(5)   **"Day Count Fraction"** for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows:

[[[(i) if the Accrual Period is equal to or shorter than the Interest Period during which it falls,] the number of days in the Accrual Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

[[[(ii) if the Accrual Period is longer than the Interest Period:] the sum of

(A)   the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins, divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in one year], and

- (B) the number of days in such Accrual Period falling in the next Interest Period divided by [the product of (1) the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]]

### § 3

#### **Redemption[, Automatic Early Redemption]**

- [(1)] The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Maturity Date pursuant to the provisions of § 5 of the Special Conditions.

*[In the case of TARN Express Securities, the following applies:*

- (2) If an Early Redemption Event has occurred, the Securities are automatically redeemed early at the Early Redemption Amount on the immediately following Interest Payment Date pursuant to the provisions of § 5 of the Special Conditions.]

### § 4

#### **Redemption Amount[, Early Redemption Amount]**

*[In the case of Securities other than Dual Currency Securities, the following applies:*

- [(1)] The Redemption Amount is specified in § 1 of the Product and Underlying Data.]

*[In the case of all Dual Currency Securities, the following applies:*

- [(1)] The Redemption Amount will be calculated or specified by the Calculation Agent as follows:

$$\text{Redemption Amount} = \text{Nominal Amount} [/FX \text{ (final)}] [/FX_1 \text{ (final)}] [/FX_2 \text{ (final)}] [\times FX \text{ (final)}] [\times FX_1 \text{ (final)}] [\times FX_2 \text{ (final)}]$$

*[In the case of Dual Currency Securities with Conversion Right, the following applies:*

However, the Redemption Amount is not less than the Minimum Amount.]]

*[In the case of TARN Express Securities, the following applies:*

- (2) *Early Redemption Amount:* The Early Redemption Amount is equal to the Nominal Amount.]]

#### **Product Type 4: Digital Securities**

[Option 4: In the case of [TARN Express] Digital [Range] [Floating Rate] [Dual Currency] Securities, the following applies:

## § 1

### **Definitions**

[In the case of Act/Act (ICMA), the following applies:

"**Accrual Period**" means each period for which an Interest Amount is to be calculated.]

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the series as specified in § 1 of the Product und Underlying Data.

"**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 (the "**TARGET2**")]] 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 of the Product and Underlying Data.]

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

[ "**Call Date**" means [each Call Date as specified in § 1 of the Product and Underlying Data] [[each Banking Day] [the last Banking Day] of the month [*insert relevant month(s)*] starting from the First Call Date to the [Maturity Date] [*insert other date*]].]

[ "**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the First Trade Date,

- [(a)] the holding, acquisition or sale of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.

if such changes become effective on or after the First Trade Date.]

"**Clearing System**" means [Clearstream Banking AG, Frankfurt am Main ("**CBF**")][Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euro-clear Bank**")](CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**")][Monte Titoli S.p.A.] [*Insert other Clearing System(s)*].

[In the case of all Dual Currency Securities with a conversion right of the Issuer, the following applies:

"**Conversion Event**" means each of the following events:

- (a) no suitable New Fixing Sponsor (as specified in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 9 (2) of the Special Conditions)

- is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)
- (b) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s];
  - (c) 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 the respective Security) the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable.]

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2 (4) of the Special Conditions.

[**"Early Maturity Date"** means the Interest Payment Date immediately following the day on which an Early Redemption Event has occurred.]

[**"Early Redemption Amount"** means the Early Redemption Amount as specified in § 4 (2) of the Special Conditions.]

[An **"Early Redemption Event"** occurs, if the sum of all Interest Rates specified up to an Interest Determination Date (including) reaches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.]

[**"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.]

[**"Factor"** means the Factor as specified in § 1 of the Product and Underlying Data.]

[**"First Call Date"** means the First Call Date as specified in § 1 of the Product and Underlying Data.]

[**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 1 of the Product and Underlying Data.]

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[**"Fixed Interest Rate<sub>1</sub>"** means [with respect to each Interest Period] the [respective] Fixed Interest Rate<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Fixed Interest Rate<sub>2</sub>"** means [with respect to each Interest Period] the [respective] Fixed Interest Rate<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor"** means the Fixing Sponsor as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor<sub>1</sub>"** means the Fixing Sponsor<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

**"Fixing Sponsor<sub>2</sub>"** means the Fixing Sponsor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"FX"** means the [official] fixing of the FX Exchange Rate as published [[Insert] [p.m.] [a.m.] [Insert] local time] by the Fixing Sponsor on the FX Screen Page.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub>"** means the [official] fixing of the FX Exchange Rate<sub>1</sub> as published [[Insert] [p.m.] [a.m.] [Insert] local time] by the Fixing Sponsor<sub>1</sub> on the FX<sub>1</sub> Screen Page (or any replacement page).

**"FX<sub>2</sub>"** means the [official] fixing of the FX Exchange Rate<sub>2</sub> as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor<sub>2</sub> on the FX<sub>2</sub> Screen Page (or any replacement page).]

**"FX Calculation Date"** means each day on which [FX is][ FX<sub>1</sub> and FX<sub>2</sub> are] published by the [Fixing Sponsor][ Fixing Sponsor<sub>1</sub> and Fixing Sponsor<sub>2</sub>, respectively].

**"FX Call Event"** means each of the following events:

- [(●) no suitable New Fixing Sponsor (as specified in § 8 (1) of the Special Conditions) or Replacement Exchange Rate<sub>i</sub> (as specified in § 8 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB); or]
- (●) 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][FX<sub>1</sub> and/or FX<sub>2</sub>]), the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable;
- [(●) a Change in Law [and/or a Hedging Disruption][ and/or Increased Costs of Hedging] occur[s]].]

**"FX Exchange Rate"** means [the exchange rate for the conversion of the [Specified Currency] [Payment Currency] into the [Payment Currency] [Specified Currency]][the FX Exchange Rate as specified in § 1 of Product and Underlying Data].]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Exchange Rate<sub>1</sub>"** means [the exchange rate for the conversion of [the Specified Currency into the Third Currency] [the Third Currency into the Specified Currency]][the FX Exchange Rate<sub>1</sub> as specified in § 1 of Product and Underlying Data].

**"FX Exchange Rate<sub>2</sub>"** means [the exchange rate for the conversion of [the Payment Currency into the Third Currency] [the Third Currency into the Payment Currency]][ the FX Exchange Rate<sub>2</sub> as specified in § 1 of Product and Underlying Data].]

**"FX (final)"** means the FX on the FX Valuation Date (final).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (final)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (final).

**"FX<sub>2</sub> (final)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (final).]

**"FX (initial)"** means the FX on the FX Valuation Date (initial).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (initial)"** means the FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (initial).

**"FX<sub>2</sub> (initial)"** means the FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (initial).]

**"FX (k)"** means the FX on the FX Valuation Date (k).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (k)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (k).

**"FX<sub>2</sub> (k)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (k).]

**"FX Market Disruption Event"** means each of the following events:

- (a) the failure to publish the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively];

- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects that are similar to the events listed above to the extent that the aforementioned events in the reasonable discretion of the Calculation Agent (§ 315 BGB) are material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

[**FX Screen Page**" means the FX Screen Page as specified § 1 of the Product and Underlying Data.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Screen Page<sub>1</sub>"** means the FX Screen Page<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

**"FX Screen Page<sub>2</sub>"** means the FX Screen Page<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"FX Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.

**"FX<sub>2</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

[**"FX Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.

**"FX<sub>2</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

[**"FX Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.

**"FX<sub>2</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

[**"Hedging Disruption"** means that the Issuer is not able to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date.]

[**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

**"Interest Amount"** means the Interest Amount specified in § 2 (4) of the Special Conditions.

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 of the Product and Underlying Data.

**"Interest Determination Date"** means, with respect to an Interest Period, [the [*Insert number*] TARGET] [London] Banking Day prior to] the [first] [last] TARGET] [London] Banking Day] of the respective Interest Period. ["**TARGET** **London** *Insert city* **Banking Day**" means each day on which [TARGET2 is open for business] [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 of the Product and Underlying Data.

[In the case of Act/Act (ICMA), the following applies:

**"Interest Payment Date"** is [*Insert day and month*] in each year.]

[**"Interest Payment Date"** means [the] [each] [Interest Payment Date as specified in § 1 of the Product Data and Underlying Data.] [First Interest Payment Date and each date that follows [*Insert number of months*] month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. The last Interest Payment Date means the Interest End Date.] [Interest Payment Dates are subject to postponements in accordance with these Terms and Conditions.]]

[In the case of Act/Act (ICMA), the following applies:

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

[**"Interest Period"** means [the] [each] period from the Interest Commencement Date (including) to [the First Interest Payment Date (excluding) and from each Interest Payment Date (including) to the respective following Interest Payment Date (excluding). The last Interest Period ends on] the Interest End Date (excluding).]

**"Interest Rate"** means the Interest Rate as specified in § 2 (2) of the Special Conditions.

[**"Interest Rate Threshold"** means [for the respective Interest Period] the [respective] Interest Rate Threshold as specified in § 1 of the Product and Underlying Data.]

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[**"Issue Price"** means the Issue Price as specified in § 1 of the Product and Underlying Data.]

*[In the case of Dual Currency Securities the following applies:*

**"Issue Price in the Payment Currency"** means [the Issue Price in the Payment Currency as specified in § 1 of the Product and Underlying Data.] [the Nominal Amount] [/FX (initial)] [/FX<sub>1</sub> (initial)] [/FX<sub>2</sub> (initial)] [x FX (initial)] [x FX<sub>1</sub> (initial)] [x FX<sub>2</sub> (initial)]]

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

**"Knock-Out Interest Rate"** means the Knock-Out Interest Rate as specified in § 1 of the Product and Underlying Data.]

**"Lower Interest Rate Threshold"** means [for each Interest Period] the [respective] Lower Interest Rate Threshold as specified in § 1 of the Product and Underlying Data.]

**"Maturity Date"** means the Maturity Date, as specified in § 1 of the Product and Underlying Data.

**"Maximum Interest Rate"** means the Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

**"Maximum Interest Rate"** means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Maximum Interest Rate Premium] [Maximum Interest Rate Deduction]].]

**"Maximum Interest Rate Deduction"** means the [Maximum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

**"Maximum Interest Rate Premium"** means the [Maximum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.]

**"Minimum Interest Rate"** means the Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

**"Minimum Interest Rate"** means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Minimum Interest Rate Premium] [Minimum Interest Rate Deduction]].]

**"Minimum Interest Rate Deduction"** means the [Minimum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

**"Minimum Interest Rate Premium"** means the [Minimum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Redemption Amount"** means the Redemption Amount as specified in § 4 of the Special Conditions.

**"Redemption Date"** means each Redemption Date as specified in § 1 of the Product and Underlying Data.]

**"Payment Currency"** means the Payment Currency as specified in § 1 of the Product and Underlying Data.]

**"Premium"** means the Premium as specified in § 1 of the Product and Underlying Data.]

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

**"Reference Banks"** means [[four] *[Insert other number]*] major banks in the [Eurozone] [London] *[Insert other interbank market]* interbank market specified by the Calculation

Agent in its reasonable discretion (§ 315 BGB)] [[five] [Insert other number] leading swap traders in the interbank market] [Insert other definition for Reference Banks, if applicable].]

**"Reference Rate"** means the Reference Rate as specified in § 1 of the Product and Underlying Data and further described in § 2 (3) of the Special Conditions.

[**"Reference Rate Currency"** means the Reference Rate Currency as specified in § 1 of the Product and Underlying Data.]

[**"Reference Rate Financial Centre"** means the Reference Rate Financial Centre as specified in § 1 of the Product and Underlying Data.]

**"Reference Rate-Maturity"** means the Reference Rate-Maturity as specified in § 1 of the Product and Underlying Data.

[**"Reference Rate Time"** means the Reference Rate Time as specified in § 1 of the Product and Underlying Data.]

**"Screen Page"** means the Screen Page and, if applicable, the relevant heading as indicated in § 1 of the Product and Underlying Data. If that page is replaced or if the relevant service is no longer available, the Calculation Agent in its reasonable discretion (§ 315 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.

**"Specified Currency"** means the Specified Currency as specified in § 1 of the Product and Underlying Data.

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

[**"Third Currency"** means the Third Currency as specified in § 1 of the Product and Underlying Data.]

[**"Upper Interest Rate Threshold"** means [for each Interest Period] the [respective] Upper Interest Rate Threshold as specified in § 1 of the Product and Underlying Data.]

**"Website[s] for Notices"** means the Website[s] for Notices as specified in § 1 of the Product and Underlying Data.

**"Website[s] of the Issuer"** means the Website[s] of the Issuer as specified in § 1 of the Product and Underlying Data.

## § 2

### Interest

[In the case of Act/Act (ICMA), the following applies:

- (1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] from the Interest Commencement Date to the Interest End Date at the Interest Rate.]
- [(1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] for [the] [each] Interest Period at the Interest Rate.]

[In the case of [TARN Express] Digital Securities, the following applies:

- (2) *Interest Rate:* **"Interest Rate"** means the Interest Rate calculated by the Calculation Agent for each Interest Period according to the following formula:

- [- If Reference Rate  $\leq$  Interest Rate Threshold, then the Interest Rate is the Fixed Interest Rate<sub>1</sub>.]
- [- If Reference Rate  $>$  Interest Rate Threshold, then the Interest Rate is the Fixed Interest Rate<sub>2</sub>.]]

[In the case of [TARN Express] Digital Range Securities, the following applies:

- (2) *Interest Rate*: "Interest Rate" means the Interest Rate calculated by the Calculation Agent for each Interest Period according to the following formula:

- [- If Reference Rate  $\geq$  Lower Interest Rate Threshold and Reference Rate  $\leq$  Upper Interest Rate Threshold, then the Interest Rate is the Fixed Interest Rate<sub>1</sub>.]
- [- If Reference Rate  $<$  Lower Interest Rate Threshold and Reference Rate  $>$  Upper Interest Rate Threshold, then the Interest Rate is the Fixed Interest Rate<sub>2</sub>.]]

[In the case of [TARN Express] Digital Floating Rate Securities, the following applies:

- (2) *Interest Rate*: "Interest Rate" means the Interest Rate calculated by the Calculation Agent for each Interest Period according to the following formula:
- [- If Reference Rate  $\geq$   $\leq$  Interest Rate Threshold, then the Interest Rate is the Fixed Interest Rate.]
  - [- If Reference Rate  $<$   $>$  Interest Rate Threshold, then the Interest Rate is the Reference Rate [x Factor] [+ Premium].]]

[In the case of Securities with a Maximum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of Securities with a EURIBOR as Reference Rate, the following applies:

- (3) *Reference Rate*: "Reference Rate" means the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][insert other time] Brussels 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 the Reference Banks in the Eurozone to quote the rate at which they are offering deposits in euros for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.][insert other time] Brussels 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 thousandth of a percentage point, with 0.0005 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 Eurozone selected by the Calculation Agent in its reasonable discretion (§ 315 BGB) are offering loans in euros for the relevant Reference Rate-Maturity in a representative amount

to leading European banks at approximately [11:00 a.m.][*insert other time*] Brussels time on that Interest Determination Date.]

[In the case of Securities with a LIBOR as Reference Rate, the following applies:

- (3) **Reference Rate:** "Reference Rate" means the offered rate (expressed as a percentage per annum) for deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][*insert other time*] [London] [*Insert other 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 the London head offices of each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.][*insert other time*] [London] [*Insert other 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 Reference Asset Currency for the corresponding Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][*insert other time*] [London] [*Insert other Reference Rate Financial Centre*] local time on that Interest Determination Date.]

[In the case of Securities with a EURIBOR or LIBOR as Reference Rate, the following applies:

[In the case of a first short/long coupon, if an interpolation shall be applicable, the following applies:

(Excluded from this is the first Interest Period, which ends on the First Interest Payment Date, for which the Reference Rate will be specified by way of linear interpolation of the [*Insert number*]-month-[EURIBOR-] [[US-Dollar] [*Insert other currency*]]-LIBOR-] offered rate and the [*Insert number*]-month-[EURIBOR-] [[US-Dollar] [*Insert other currency*]]-LIBOR-] offered rate (in each case expressed as per cent per annum) in each case for deposits in the Reference Rate currency for the respective Interest Period, displayed on the Screen Page at [11:00 a.m.][*insert other time*] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] [*Insert other Reference Rate Financial Centre*] time on the relevant Interest Determination Date.)]

[In the case of a last short/long coupon, if an interpolation shall be applicable, the following applies:

(Excluded from this is the Interest Period, which ends on the last Interest Payment Date, for which the Reference Rate will be specified by way of linear interpolation of the [*Insert number*]-month-[EURIBOR-] [[US-Dollar] [*Insert other currency*]]-LIBOR-] offered rate and the [*Insert number*]-month-[EURIBOR-] [[US-Dollar] [*Insert other currency*]]-LIBOR-] offered rate (in each case expressed as per cent per annum) in each case for deposits in the Reference Rate currency for the respective Interest Period, displayed on the Screen Page at [11:00 a.m.][*insert other time*] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] [*Insert other 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 the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Interest Period in a representative amount to leading banks in the In the case of EURIBOR as Reference Rate: Eurozone interbank market] In the case of LIBOR as Reference Rate: London interbank market] at approximately [11:00 a.m.][insert other time] In the case of EURIBOR as Reference Rate: Brussels] In the case of LIBOR as Reference Rate: London] time on the relevant Interest Determination Date.]

In the case of Securities with a CMS-EUR as Reference Rate, the following applies:

- (3) **Reference Rate:** "Reference Rate" means the rate (expressed as a percentage per annum) for swap transactions in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at the Reference Rate Time (local time of the Reference Rate Financial Centre) on the relevant Interest Determination Date.

If either the Screen Page is not available or no such swap rates are displayed at the time specified, the Calculation Agent will ask each of the Reference Banks to quote the mean annual swap rates at approximately the Reference Rate Time on the relevant Interest Determination Date.

If three or more such quotations are provided, the Reference Rate for the respective Interest Determination Date shall be the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards) of those quotations, with the highest (or if two or more are the same, one of the highest) and the lowest (or if two or more are the same, one of the lowest) having been eliminated. If fewer than three quotations are provided, the Calculation Agent will specify the Reference Rate in its reasonable discretion (§ 315 BGB).]

In the case of all Securities other than Dual Currency Securities, the following applies:

- (4) **Interest Amount:** The [respective] "Interest Amount" is the product of the Interest Rate, the [Aggregate Nominal Amount] [Nominal Amount] and the Day Count Fraction.

The [respective] Interest Amount becomes due for payment in the Specified Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

In the case of all Dual Currency Securities, the following applies:

- (4) **Interest Amount:** The [respective] "Interest Amount" is calculated by the Calculation Agent according to the following formula:

Interest Amount = Interest Rate x [Aggregate Nominal Amount] [Nominal Amount] x Day Count Fraction [/FX (k)] [/FX<sub>1</sub> (k)] [/FX<sub>2</sub> (k)] [x FX (k)] [x FX<sub>1</sub> (k)] [x FX<sub>2</sub> (k)].

The [respective] Interest Amount becomes due for payment in the Payment Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

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

In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000 , the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2000, calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall

not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2006, calculated as 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2000 (German interest calculation method), calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2006, calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M**<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D**<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and

"**D**<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:

30E/360 (ISDA) in accordance with ISDA 2006 (German interest calculation method), calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y**<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y**<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M**<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M**<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D**<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"**D**<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

[In the case of "Act/360", the following applies:

Act/360, calculated as the actual number of days in the Interest Period divided by 360.]

[In the case of "Act/365" (Fixed), the following applies:

Act/365 (Fixed), calculated as the actual number of days in the Interest Period divided by 365.]

[In the case of "Act/Act (ISDA)", the following applies:

Act/Act (ISDA), calculated as 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).]]

[In the case of Act/Act (ICMA), the following applies:

(5) "**Day Count Fraction**" for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows:

[(i) if the Accrual Period is equal to or shorter than the Interest Period during which it falls,] the number of days in the Accrual Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

- [(ii) if the Accrual Period is longer than the Interest Period:] the sum of
- (A) the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins, divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in one year], and
  - (B) the number of days in such Accrual Period falling in the next Interest Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]]

### § 3

#### **Redemption[, Automatic Early Redemption]**

- [(1)] The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Maturity Date pursuant to the provisions of § 5 of the Special Conditions.

[In the case of TARN Express Securities, the following applies:

- (2) If an Early Redemption Event has occurred, the Securities are automatically redeemed early at the Early Redemption Amount on the immediately following Interest Payment Date pursuant to the provisions of § 5 of the Special Conditions.]

### § 4

#### **Redemption Amount[, Early Redemption Amount]**

[In the case of Securities other than Dual Currency Securities, the following applies:

- [(1)] The Redemption Amount is specified in § 1 of the Product and Underlying Data.]

[In the case of all Dual Currency Securities, the following applies:

- [(1)] The Redemption Amount will be calculated or specified by the Calculation Agent as follows:

$$\text{Redemption Amount} = \text{Nominal Amount} [\text{FX} \text{ (final)}] [\text{FX}_1 \text{ (final)}] [\text{FX}_2 \text{ (final)}] [\times \text{FX} \text{ (final)}] [\times \text{FX}_1 \text{ (final)}] [\times \text{FX}_2 \text{ (final)}]$$

[In the case of all Dual Currency Securities with a Conversion Right, the following applies:

However, the Redemption Amount is not less than the Minimum Amount.]]

[In the case of TARN Express Securities, the following applies:

- (2) *Early Redemption Amount:* The Early Redemption Amount is equal to the Nominal Amount.]]

**[Special Conditions that apply for all Reference Rate-linked Securities:**

**§ 5**

**Payments**

**[In the case of all Securities where the amounts payable are determined in Euro, the following applies:**

- (1) *Rounding*: The amounts payable under these Terms and Conditions are rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

**[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:**

- (1) *Rounding*: The amounts payable under these Terms and Conditions are rounded up or down to the smallest unit of the [Specified Currency] [Payment Currency], with 0.5 of such unit being rounded upwards.]
- (2) *Banking Day Convention*: If the due date for any payment under the Securities (the "Payment Date") is not a Banking Day,

**[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:**

the Security Holders are not entitled to payment until the next following Banking Day.]

**[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:**

the Security Holders are not entitled to payment until the next following Banking Day, unless that day would fall into the next calendar month; in that case the Security Holders are entitled to payment on the immediately preceding Banking Day.]

**[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:**

the Security Holders are entitled to payment on the immediately preceding Banking Day.]

**[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:**

the Security Holders are not entitled to payment until the next following Banking Day, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [Insert period] after the preceding applicable Interest Payment Date.]

**[In the case of all Securities for which the Interest Amount is adjusted, the following applies:**

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.]

**[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:**

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) *Manner of payment, discharge*: All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and to be transferred 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 a payment.

- (4) *Interest of default:* If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

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

- (5) *Non-U.S. Beneficial Ownership Certificates:* Payments of Interest Amounts on the Securities is made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants in the Clearing System.]

## § 6

[(intentionally left out)]

### **[Issuer's Regular Call Right][,] [Redemption Right of the Security Holders][,] [Issuer's Extraordinary Call Right] [Issuer's Conversion Right]**

[In the case of Securities where the Issuer has a Regular Call Right, the following applies:

- (1) *Issuer's Regular Call Right:* The Issuer may at each Call Date call the Securities completely but not partially (the "**Regular Call Right**") and redeem them pursuant to § 5 of the Special Conditions by payment of the Redemption Amount in the [Specified Currency] [Payment Currency].

The Issuer shall give notice of such call at least [*Insert notice period*] prior to the relevant Call Date pursuant to § 6 of the General Conditions. Such notice shall be irrevocable and shall specify the relevant Call Date.

[The Redemption Right of the Security Holders remains unaffected until the Call Date.]

[In the case of Securities where the Security Holders have a Redemption Right, the following applies:

- ([•]) *Redemption Right of the Security Holders:* Each Security Holder may at each Redemption Date demand redemption of the Securities against delivery of the Securities to the account of the Principal Paying Agent No. [*Insert account number*] with the Clearing System to the Issuer's order (the "**Redemption Right**"). The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Redemption Date pursuant to the provisions of § 5 of the Special Conditions.

The exercise of the Redemption Right shall be declared by the Security Holder by transmission of a duly completed form (the "**Redemption Notice**"), available at the offices of the Issuer during normal business hours, to the Issuer at least [*Insert notice period*] Banking Days prior to the designated Redemption Date.

The Redemption Notice shall include in particular:

- (a) the name and the address of the Security Holder, with sufficiently conclusive proof of ownership to the Principal Paying Agent that such Security Holder at the time of such notice is a holder of the respective Securities;
- (b) the security identification number and the number of Securities in relation to which the Redemption Right shall be exercised;
- (c) the cash account held by a bank to which the Redemption Amount is to be transferred.

If the number of Securities stated in the Redemption Notice deviates from the number of Securities transferred to the Principal Paying Agent, the Redemption Notice shall be

deemed to have been submitted for the number of Securities corresponding to the smaller of the two numbers. Any remaining Securities are transferred back to the Security Holder at the latter's expense and risk.

No Redemption Right so exercised may be revoked or withdrawn.]

[In the case of all Dual Currency Securities with an Extraordinary Call Right, the following applies:

- ([•]) *Issuer's extraordinary call right:* Upon the occurrence of a FX Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and redeem the Securities at their Cancellation Amount. The application of §§ 313, 314 BGB remains reserved. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "**Cancellation Amount**" shall be [the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) as of the tenth Banking Day before the extraordinary call becomes effective [and converted into the Payment Currency at the respective [FX Exchange Rate][FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>]] [, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), the market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities) as of the tenth Banking Day before the extraordinary call becomes effective[and converted into the Payment Currency at the respective [FX Exchange Rate] [FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>].][ However, the Cancellation Amount shall not be less than the Nominal Amount.]

The Cancellation Amount will be paid [five Banking Days following the date of the above mentioned notice, or at the date specified in such notice, as the case may be, pursuant to the provisions of § 5 of the Special Conditions] [on the Maturity Date].]

[In the case of all Dual Currency Securities with a Conversion Right of the Issuer, the following applies:

#### **Issuer's Conversion Right**

*Issuer's Conversion Right:* Upon the occurrence of a Conversion Event the Securities shall be redeemed at the Cancellation Amount on the Maturity Date.

The "**Cancellation Amount**" shall be, as determined by the Calculation Agent in its reasonable discretion, the fair market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities (§ 315 BGB) as of the tenth Banking Day following the occurrence of the Conversion Event[ and converted into the Payment Currency at the respective [FX Exchange Rate][ [FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>]]. However, the Cancellation Amount shall not be less than the Minimum Amount. If it is not possible to determine the market value of the Securities, the Cancellation Amount corresponds to the Minimum Amount. The Cancellation Amount shall be notified pursuant to § 6 of the General Conditions.

The Cancellation Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.]

## [§ 7

### Market Disruptions

- (1) *Postponement:* If a FX Market Disruption Event occurs on an [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date], the respective [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date] will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date] shall be postponed if applicable. Interest shall not be payable due to such postponement.

- (2) *Discretionary valuation:* Should the FX Market Disruption Event continue for more than [30][insert number of days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective [FX][FX<sub>1</sub> and/ or FX<sub>2</sub>]. The [FX][FX<sub>1</sub> and/ or FX<sub>2</sub>] required for the calculations or, respectively, specifications described in these Terms and Conditions shall be determined in accordance with prevailing market conditions at 10:00 a.m. Munich local time on this [31<sup>st</sup>][insert number of days] Banking Day, taking into account the economic position of the Security Holders.

## § 8

### New Fixing Sponsor, Replacement Exchange Rate

- (1) *New Fixing Sponsor:* In the event that the [FX Exchange Rate][FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] is no longer determined and published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively], or, in case of a not only immaterial modification in the method of determination and/or publication [of the FX Exchange Rate] [of FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively] [(including the time of the determination and/or publication)], the Calculation Agent has the right [, in particular,] to determine the calculations or, respectively, specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of the determinations and publications by another person, company or institution (the "**New Fixing Sponsor**"). The Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) whether such event occurs and which other person, company or institution shall act as the New Fixing Sponsor (the "**New Fixing Sponsor**"). The New Fixing Sponsor and the time of its first application shall be published pursuant to § 6 of the General Conditions. In this case, any reference to the replaced [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>] in these Terms and Conditions shall be deemed to refer to the New Fixing Sponsor.

- (2) *Replacement Exchange Rate:* In the event that [the FX Exchange Rate] [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] is no longer determined and published, the calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall occur on the basis of price of the [[FX] Exchange Rate][FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>, respectively,] determined and published on the basis of another method, which will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**Replacement Exchange Rate**"). The Replacement Exchange Rate and the time of its first application shall be published pursuant to § 6 of the General Conditions. In this case, any reference to [the replaced FX Exchange Rate] [the replaced FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] in these Terms and Conditions shall be deemed to refer to the Replacement Exchange Rate.

- (3) The application of §§ 313, 314 BGB remains reserved.]

**Inflation Index-linked Securities:**

**[Special Conditions that apply for particular product types:**

**Product Type 5: Inflation Floating Rate Securities**

**[Option 5: In the case of [TARN Express] [Knock-In] Inflation [Interest Rate Difference] [Reverse] [Fixed] [Digital] [Floor] [Cap] Floating Rate [Dual Currency] Securities, the following applies:**

**§ 1**

**Definitions**

**[In the case of Act/Act (ICMA), the following applies:**

"**Accrual Period**" means each period for which an Interest Amount is to be calculated.]

"**Adjustment Event**" means each of the following events:

- (a) changes in the relevant Index Concept or the calculation of the [respective] Inflation Index result in a new relevant Index Concept or calculation of the [respective] Inflation Index being no longer economically equivalent to the original relevant Index Concept or the original calculation of the [respective] Inflation Index; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) the calculation or publication of the [respective] Inflation Index is finally discontinued, or replaced by another index (the "**Index Replacement Event**"); or
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the [respective] Inflation Index; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

"**Aggregate Maximum Interest Rate**" means the Aggregate Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"**Aggregate Minimum Interest Rate**" means the Aggregate Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the series as specified in § 1 of the Product und Underlying Data.

"**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 (the "**TARGET2**")]] 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 of the Product and Underlying Data.]

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

"**Call Date**" means [each Call Date as specified in § 1 of the Product and Underlying Data] [[each Banking Day] [the last Banking Day] of the month [*insert relevant month(s)*] starting from the First Call Date to the [Maturity Date] [*insert other date*]].]

"**Call Event**" means Index Call Event or FX Call Event.]

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the First Trade Date,

- [(a)] the holding, acquisition or sale of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.

]

**"Clearing System"** means [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("Euro-clear Bank") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**")] [Monte Titoli S.p.A.] [*Insert other Clearing System(s)*].

**["Conversion Event"]** means each of the following events:

- (a) no suitable New Fixing Sponsor (as specified in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 9 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s];
- (c) 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 the respective Security) the reliable determination of [FX][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] is impossible or impracticable.]

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2 (4) of the Special Conditions.

**["Discount"]** means the Discount as specified § 1 of the Product and Underlying Data.]

**["Early Maturity Date"]** means the Interest Payment Date immediately following the day on which an Early Redemption Event has occurred.]

**["Early Redemption Amount"]** means the Early Redemption Amount as specified in § 4 (2) of the Special Conditions.]

[An **"Early Redemption Event"** occurs, if the sum of all Interest Rates specified up to an Interest Determination Date (including) reaches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.]

**["Factor<sub>1</sub>]** means the Factor<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

**["Factor<sub>2</sub>]** means the Factor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

**["First Call Date"]** means the First Call Date as specified in § 1 of the Product and Underlying Data.]

[**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 1 of the Product and Underlying Data.]

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[**"Fixed Interest Rate"** means [with respect to each Interest Period] the [respective] Fixed Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Floating Interest Rate"** means the difference between the Fixed Interest Rate and the Inflation Rate (expressed as a formula, this means: Interest Rate = Fixed Interest Rate – Inflation Rate), as calculated by the Calculation Agent on the relevant Interest Determination Date.]

[**"Fixing Sponsor"** means the Fixing Sponsor as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor<sub>1</sub>"** means the Fixing Sponsor<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor<sub>2</sub>"** means the Fixing Sponsor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"FX"** means the [official] fixing of the FX Exchange Rate as published [[Insert] [p.m.] [a.m.] [Insert] local time]by the Fixing Sponsor on the FX Screen Page.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub>"** means the [official] fixing of the FX Exchange Rate<sub>1</sub> as published [[Insert] [p.m.] [a.m.] [Insert] local time]by the Fixing Sponsor<sub>1</sub> on the FX<sub>1</sub> Screen Page (or any replacement page).

**"FX<sub>2</sub>"** means the [official] fixing of the FX Exchange Rate<sub>2</sub> as published [[Insert] [p.m.] [a.m.] [Insert] local time]by the Fixing Sponsor<sub>2</sub> on the FX<sub>2</sub> Screen Page (or any replacement page).]

**"FX Calculation Date"** means each day on which [FX][FX<sub>1</sub> and FX<sub>2</sub> are] is published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and Fixing Sponsor<sub>2</sub>, respectively].

**"FX Call Event"** means each of the following events:

- [(•) no suitable New Fixing Sponsor (as specified in § 8 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 8 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB); or]
- (•) 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][FX<sub>1</sub> and/or FX<sub>2</sub>]), the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable;
- [(•) a Change in Law [and/or a Hedging Disruption][ and/or Increased Costs of Hedging] occur[s]].]

[**"FX Exchange Rate"** means the exchange rate for the conversion of the [Specified Currency] [Payment Currency] into the [Payment Currency] [Specified Currency][the FX Exchange Rate as specified in § 1 of Product and Underlying Data].]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Exchange Rate<sub>1</sub>"** means [the exchange rate for the conversion of [the Specified Currency into the Third Currency] [the Third Currency into the Specified Currency]][the FX Exchange Rate<sub>1</sub> as specified in § 1 of Product and Underlying Data].

**"FX Exchange Rate<sub>2</sub>"** means [the exchange rate for the conversion of [the Payment Currency into the Third Currency] [the Third Currency into the Payment Currency]][ the FX Exchange Rate<sub>2</sub> as specified in § 1 of Product and Underlying Data].]

[**"FX (final)"** means the FX on the FX Valuation Date (final).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (final)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (final).

**"FX<sub>2</sub> (final)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (final).]

[**"FX (initial)"** means the FX on the FX Valuation Date (initial).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (initial)"** means the FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (initial).

**"FX<sub>2</sub> (initial)"** means the FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (initial).]

[**"FX (k)"** means the FX on the FX Valuation Date (k).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (k)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (k).

**"FX<sub>2</sub> (k)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (k).]

**"FX Market Disruption Event"** means each of the following events:

- (a) the failure to publish the [FX][ FX<sub>1</sub> and/or FX<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively];
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects that are similar to the events listed above

to the extent that the aforementioned events in the reasonable discretion of the Calculation Agent (§ 315 BGB) are material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

[**"FX Screen Page"** means the FX Screen Page as specified § 1 of the Product and Underlying Data.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Screen Page<sub>1</sub>"** means the FX Screen Page<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

**"FX Screen Page<sub>2</sub>"** means the FX Screen Page<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"FX Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.

**"FX<sub>2</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

**"FX Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

**"FX<sub>2</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

**"FX Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

**"FX<sub>2</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

**[Hedging Disruption]** means that the Issuer is not able to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,  
under conditions which are economically substantially equivalent to those on the Issue Date.]

**[Increased Costs of Hedging]** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

**[Index Call Event]** means each of the following events:

- (a) no suitable substitute for the respective Index Sponsor is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];
- (c) no suitable Replacement Inflation Index is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (d) an adjustment pursuant to § 8 (2) or (3) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders].

**["Index Conversion Event"]** means each of the following events:

- (a) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders;
- (b) no suitable Replacement Inflation Index is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (c) no suitable substitute for the respective Index Sponsor and/or the respective Index Calculation Agent is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (d) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occurs;
- (e) the relevant Underlying is no longer calculated or published in the relevant Currency of the Underlying]

**"Index Sponsor"** means the Index Sponsor as specified in § 2 of the Product and Underlying Data.

**["Inflation Index"]** refers to both Inflation Index<sub>1</sub> and Inflation Index<sub>2</sub>.]

**["Inflation Index<sub>1</sub>]** means the Inflation Index<sub>1</sub> as specified in § 1 of the Product and Underlying Data and described in § 2 of the Product and Underlying Data.]

**["Inflation Index<sub>2</sub>]** means the Inflation Index<sub>2</sub> as specified in § 1 of the Product and Underlying Data and described in § 2 of the Product and Underlying Data.]

**"Inflation Rate"** means the Inflation Rate as specified in § 2 of the Special Conditions.

**"Interest Amount"** means the Interest Amount specified in § 2 (4) of the Special Conditions.

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 of the Product and Underlying Data.

**"Interest Determination Date"** means the *[Insert number]*<sup>th</sup> Banking Day prior to the respective Interest Payment Date.

**"Interest End Date"** means the Interest End Date as specified in § 1 of the Product and Underlying Data.

**[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Payment Date"** is *[Insert day and month]* in each year.]

**["Interest Payment Date"]** means [the] [each] [Interest Payment Date as specified in § 1 of the Product Data and Underlying Data.] [First Interest Payment Date and each date that follows *[Insert number of months]* month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. The last Interest Payment Date means the Interest End Date.] [Interest Payment Dates are subject to postponements in accordance with these Terms and Conditions.]]

**[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**["Interest Period"]** means [the] [each] period from the Interest Commencement Date (including) to [the First Interest Payment Date (excluding) and from each Interest Payment Date (including) to the respective following Interest Payment Date (excluding). The last Interest Period ends on] the Interest End Date (excluding).]

**"Interest Rate"** means the Interest Rate as specified in § 2 (2) of the Special Conditions.

[**"Interest Rate Threshold"** means [for the respective Interest Period] the [respective] Interest Rate Threshold as specified in § 1 of the Product and Underlying Data.]

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[**"Issue Price"** means the Issue Price as specified in § 1 of the Product and Underlying Data.]

*[In the case of Dual Currency Securities the following applies:*

**"Issue Price in the Payment Currency"** means [the Issue Price in the Payment Currency as specified in § 1 of the Product and Underlying Data.] [the Nominal Amount] [/FX (initial)] [/FX<sub>1</sub> (initial)] [/FX<sub>2</sub> (initial)] [x FX (initial)] [x FX<sub>1</sub> (initial)] [x FX<sub>2</sub> (initial)])]

[**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[**"Knock-In Interest Rate"** means the Knock-In Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Knock-Out Interest Rate"** means the Knock-Out Interest Rate as specified in § 1 of the Product and Underlying Data.]

[The "**Linearly Interpolated Price of the Inflation Index**" for any day is calculated by deducting the Reference Price for Relevant Month<sub>1</sub> from the Reference Price for Relevant Month<sub>2</sub> and dividing it by the number of calendar days of the month in which the respective day falls. The value determined in this way is multiplied by the number of calendar days from the first day of the month (including) in which the respective day falls up to the respective day (excluding) and added to the Reference Price for Relevant Month<sub>1</sub>.]

**"Market Disruption Event"** means the suspension or failure or non-publication of the calculation of the Inflation Index [as a result of a decision by the Index Sponsor], to the extent this such Market Disruption Event affects at least one value, which is necessary for the calculation or specification, as the case may be, of the respective Inflation Rate, occurs in the last hour prior to the normal calculation of the Inflation Index and continues at the point of time of the normal calculation.]

**"Maturity Date"** means the Maturity Date, as specified in § 1 of the Product and Underlying Data.

[**"Maximum Interest Rate"** means the Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Maximum Interest Rate"** means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Maximum Interest Rate Premium] [Maximum Interest Rate Deduction]].]

[**"Maximum Interest Rate Deduction"** means the [Maximum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

[**"Maximum Interest Rate Premium"** means the [Maximum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

[**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.]

[**"Minimum Interest Rate"** means the Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**"Minimum Interest Rate"** means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Minimum Interest Rate Premium] [Minimum Interest Rate Deduction]].]

[**Minimum Interest Rate Deduction**" means the [Minimum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

[**Minimum Interest Rate Premium**" means the [Minimum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

[**Payment Currency**" means the Payment Currency as specified in § 1 of the Product and Underlying Data.]

[**Premium**" means the Premium as specified in § 1 of the Product and Underlying Data.]

**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

**Redemption Amount**" means the Redemption Amount as specified in § 4 of the Special Conditions.

[**Redemption Date**" means each Redemption Date as specified in § 1 of the Product and Underlying Data.]

**Reference Price**" means the price of the Inflation Index as published by the Index Sponsor.

[**Relevant Month<sub>[1]</sub>**" means the Relevant Month<sub>[1]</sub> as specified in § 1 of the Product and Underlying Data.]

[**Relevant Month<sub>2</sub>**" means the Relevant Month<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**R (initial)**" means the [Reference Price for the Relevant Month immediately prior to the] [Linearly Interpolated Price of the Inflation Index for the] Issue Date.]

[**R (k)**" means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month immediately preceding the respective Interest Payment Date] [Linearly Interpolated Price of the Inflation Index for the respective Interest Determination Date].]

[**R (k-1)**" means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month] [Linearly Interpolated Price of the Inflation Index for the calendar day] that is one year prior to the respective Interest Payment Date.]

**Security Holder**" means the holder of a Security.

**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

[**Third Currency**" means the Third Currency as specified in § 1 of the Product and Underlying Data.]

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

**Website[s] for Notices**" means the Website[s] for Notices as specified in § 1 of the Product and Underlying Data.

**Website[s] of the Issuer**" means the Website[s] of the Issuer as specified in § 1 of the Product and Underlying Data.

§ 2  
Interest

[In the case of Act/Act (ICMA), the following applies:

- (1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] from the Interest Commencement Date to the Interest End Date at the Interest Rate.]
- [(1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] for [the] [each] Interest Period at the Interest Rate.]

[In the case of [TARN Express] [Knock-In] Inflation Floating Rate [Dual Currency] Securities, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Inflation Rate as calculated by the Calculation Agent on the relevant Interest Determination Date[,] [multiplied by the Factor] [[and] [plus] [minus] the [Premium] [Discount]].]

[In the case of [TARN Express] [Knock-In] Inflation Reverse Floating Rate [Dual Currency] Securities, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the difference between the Fixed Interest Rate and the Inflation Rate as calculated by the Calculation Agent on the relevant Interest Determination Date (expressed as a formula, this means: Interest Rate = Fixed Interest Rate – Inflation Rate).]

[In the case of [TARN Express] [Knock-In] Inflation Interest Rate Difference Floating Rate Securities, the following applies:

- (2) *Interest Rate:* The "**Interest Rate**" for the respective Interest Period is the difference between the Inflation Rate for Inflation Index<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Inflation Rate for Inflation Index<sub>2</sub> [multiplied by Factor<sub>1</sub>], as calculated or specified by the Calculation Agent on the relevant Interest Determination Date[,] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = Inflation Rate for Inflation Index<sub>1</sub> [x Faxtor<sub>1</sub>] – Inflation Rate for Inflation Index<sub>2</sub> [x Faxtor<sub>2</sub>] [+/-] [Premium] [Discount]).]

[In the case of [TARN Express] [Knock-In] Inflation Fixed Floating Rate [Dual Currency] Securities, the following applies:

- (2) *Interest Rate:* The "**Interest Rate**" is either the Inflation Rate or the Fixed Interest Rate as specified for the respective Interest Period in § 1 of the Product and Underlying Data.]

[In the case of [TARN Express] [Knock-In] Inflation Reverse Fixed Floating Rate [Dual Currency] Securities, the following applies:

- (2) *Interest Rate:* The "**Interest Rate**" is the Floating Interest Rate or the Fixed Interest Rate, as specified for the respective Interest Period in § 1 of the Product and Underlying Data.]

[In the case of [TARN Express] [Knock-In] Inflation Digital Floating Rate [Dual Currency] Securities, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Interest Rate calculated by the Calculation Agent for each Interest Period according to the following formula:
  - If Inflation Rate on the Interest Determination Date [ $\geq$ ] [ $\leq$ ] Interest Rate Threshold, then the Interest Rate is the Fixed Interest Rate.
  - If Inflation Rate on the Interest Determination Date [ $<$ ] [ $>$ ] Interest Rate Threshold, then the Interest Rate is the Inflation Rate [x Factor] [+ Premium].]

[In the case of Securities with a Maximum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of Knock-In Securities, the following applies:

If the Interest Rate determined for an Interest Period in accordance with the provisions above is higher than the Knock-In Interest Rate, the Securities bear interest at the Knock-In Interest Rate for the entire term of the Securities.]

[In the case of Securities with a Global Cap, the following applies:

If on an Interest Determination Date the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (including) is equal to or greater than the Aggregate Maximum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (excluding), and therefore the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).]

[In the case of Securities with a Global Floor, the following applies:

If on the last Interest Determination Date the total of all Interest Rates determined in accordance with the above provisions up to that Interest Determination Date (including) is smaller than the Aggregate Minimum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (excluding).]

[In the case of Securities that bear interest at a rate linked to a YoY inflation rate, the following applies:

- (3) *Inflation Rate:* "**Inflation Rate**" means the Inflation Rate (expressed as a percentage per annum) as calculated by the Calculation Agent on each Interest Determination Date as follows:

$$\text{Inflation Rate} = R(k) / R(k - 1) - 1$$

[In the case of Securities that bear interest at a rate linked to a ZC inflation rate, the following applies:

- (3) *Inflation Rate:* "**Inflation Rate**" means the Inflation Rate (expressed as a percentage per annum) as calculated by the Calculation Agent on each Interest Determination Date as follows:

$$\text{Inflation Rate} = R(k) / R(\text{initial}) - 1$$

[In the case of Securities other than Dual Currency Securities, the following applies:

- (4) *Interest Amount:* The respective "**Interest Amount**" is the product of the Interest Rate, the [Aggregate Nominal Amount] [Nominal Amount] and the Day Count Fraction.

The [respective] Interest Amount becomes due for payment in the Specified Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

[In the case of Dual Currency Securities, the following applies:

- (4) *Interest Amount:* The [respective] "Interest Amount" is calculated by the Calculation Agent according to the following formula:

$$\text{Interest Amount} = \text{Interest Rate} \times [\text{Aggregate Nominal Amount}] [\text{Nominal Amount}] \times \frac{\text{Day Count Fraction}}{[\text{FX}_1 (\text{k})] [\text{FX}_2 (\text{k})]} [\text{x FX} (\text{k})] [\text{x FX}_1 (\text{k})] [\text{x FX}_2 (\text{k})].$$

The [respective] Interest Amount becomes due for payment in the Payment Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

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

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2000, calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2006, calculated as 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2000 (German interest calculation method), calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the

case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month.)]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2006, calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:

30E/360 (ISDA) in accordance with ISDA 2006 (German interest calculation method), calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

[In the case of "Act/360", the following applies:

Act/360, calculated as the actual number of days in the Interest Period divided by 360.]

[In the case of "Act/365" (Fixed), the following applies:

Act/365 (Fixed), calculated as the actual number of days in the Interest Period divided by 365.]

[In the case of "Act/Act (ISDA)", the following applies:

Act/Act (ISDA), calculated as 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).]]

[In the case of Act/Act (ICMA), the following applies:

(5)   **"Day Count Fraction"** for the purposes of determining an Interest Amount in respect of an Accrual Period is Act Act (ICMA), calculated as follows:

[[(i) if the Accrual Period is equal to or shorter than the Interest Period during which it falls,] the number of days in the Accrual Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

[[(ii) if the Accrual Period is longer than the Interest Period:] the sum of

- (A)   the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins, divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in one year], and
- (B)   the number of days in such Accrual Period falling in the next Interest Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]]

### § 3

#### **Redemption[, Automatic Early Redemption]**

[(1)]   The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Maturity Date pursuant to the provisions of § 5 of the Special Conditions.

[In the case of all TARN Express Securities, the following applies:

(2)   If an Early Redemption Event has occurred, the Securities are automatically redeemed early at the Early Redemption Amount on the immediately following Interest Payment Date pursuant to the provisions of § 5 of the Special Conditions.]

### § 4

#### **Redemption Amount[, Early Redemption Amount]**

[In the case of Securities other than Dual Currency Securities, the following applies:

[(1)]   The Redemption Amount is specified in § 1 of the Product and Underlying Data.]

[In the case of Dual Currency Securities, the following applies:

- (1) The Redemption Amount will be calculated or specified by the Calculation Agent as follows:

Redemption Amount = Nominal Amount [/FX (final)] [/FX<sub>1</sub> (final)] [/FX<sub>2</sub> (final)] [x FX (final)] [x FX<sub>1</sub> (final)] [x FX<sub>2</sub> (final)]

[In the case of Dual Currency Securities with a Conversion Right, the following applies:

However, the Redemption Amount is not less than the Minimum Amount.]]

[In the case of TARN Express Securities, the following applies:

- (2) *Early Redemption Amount:* The Early Redemption Amount is equal to the Nominal Amount.]]

#### **Product Type 6: Inflation Range Accrual Securities**

[Option 6: In the case of [TARN Express] [Knock-In] Inflation Range Accrual [Dual Currency] Securities, the following applies:

## § 1

### **Definitions**

[In the case of Act/Act (ICMA), the following applies:

"Accrual Period" means each period for which an Interest Amount is to be calculated.]

"Adjustment Event" means each of the following events:

- (a) changes in the relevant Index Concept or the calculation of the [respective] Inflation Index, that result in a new relevant Index Concept or calculation of the [respective] Inflation Index being no longer economically equivalent to the original relevant Index Concept or the original calculation of the [respective] Inflation Index; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) the calculation or publication of the [respective] Inflation Index is finally discontinued, or replaced by another index (the "**Index Replacement Event**"); or
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the [respective] Inflation Index. whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

"Aggregate Maximum Interest Rate" means the Aggregate Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"Aggregate Minimum Interest Rate" means the Aggregate Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"Aggregate Nominal Amount" means the Aggregate Nominal Amount of the series as specified in § 1 of the Product und Underlying Data.

"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 (the "**TARGET2**")]] 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 of the Product and Underlying Data.]

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

**["Call Date"]** means [each Call Date as specified in § 1 of the Product and Underlying Data] [[each Banking Day] [the last Banking Day] of the month [*insert relevant month(s)*] starting from the First Call Date to the [Maturity Date] [*insert other date*]].]

**["Call Event"]** means Index Call Event or FX Call Event.]

**["Change in Law"]** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the First Trade Date,

- [(a)] the holding, acquisition or sale of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.]

**"Clearing System"** means [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("Euro-clear Bank")] (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**") [Monte Titoli S.p.A.] [*Insert other Clearing System(s)*].

**["Conversion Event"]** means each of the following events:

- (a) no suitable New Fixing Sponsor (as specified in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 9 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s];
- (c) 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 the respective Security) the reliable determination of [FX][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] is impossible or impracticable.]

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2 (4) of the Special Conditions.

**["Early Maturity Date"]** means the Interest Payment Date immediately following the day on which an Early Redemption Event has occurred.]

**["Early Redemption Amount"]** means the Early Redemption Amount as specified in § 4 (2) of the Special Conditions.]

[An "Early Redemption Event" occurs, if the sum of all Interest Rates specified up to an Interest Determination Date (including) reaches or exceeds the Knock-Out Interest Rate on an Interest Determination Date.]

["First Call Date" means the First Call Date as specified in § 1 of the Product and Underlying Data.]

["First Interest Payment Date" means the First Interest Payment Date as specified in § 1 of the Product and Underlying Data.]

["First Trade Date" means the First Trade Date as specified in § 1 of the Product and Underlying Data.]

["Fixed Interest Rate In" means [with respect to each Interest Period] the [respective] Fixed Interest Rate In as specified in § 1 of the Product and Underlying Data.]

["Fixed Interest Rate Out" means [with respect to each Interest Period] the [respective] Fixed Interest Rate Out as specified in § 1 of the Product and Underlying Data.]

["Frozen Period" means each period starting on the [*Insert number*]<sup>th</sup> Banking Day prior to the respective Interest Payment Date (including) up to the respective Interest Payment Date (excluding).]

["Fixing Sponsor" means the Fixing Sponsor as specified in § 1 of the Product and Underlying Data.]

["Fixing Sponsor<sub>1</sub>" means the Fixing Sponsor<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

["Fixing Sponsor<sub>2</sub>" means the Fixing Sponsor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

["FX" means the [official] fixing of the FX Exchange Rate as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor on the FX Screen Page.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

"FX<sub>1</sub>" means the [official] fixing of the FX Exchange Rate<sub>1</sub> as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor<sub>1</sub> on the FX<sub>1</sub> Screen Page (or any replacement page).

"FX<sub>2</sub>" means the [official] fixing of the FX Exchange Rate<sub>2</sub> as published [[*Insert*] [p.m.] [a.m.] [*Insert*] local time] by the Fixing Sponsor<sub>2</sub> on the FX<sub>2</sub> Screen Page (or any replacement page).]

"FX Calculation Date" means each day on which [FX][FX<sub>1</sub> and FX<sub>2</sub> are] is published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and Fixing Sponsor<sub>2</sub>, respectively].

["FX Call Event" means each of the following events:

- (•) no suitable New Fixing Sponsor (as specified in § 8 (1) of the Special Conditions) or Replacement Exchange Rate<sub>i</sub> (as specified in § 8 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB); or]
- (•) 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][FX<sub>1</sub> and/or FX<sub>2</sub>]), the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable;

[(•) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s].]

**[“FX Exchange Rate”** means the exchange rate for the conversion of the [Specified Currency] [Payment Currency] into the [Payment Currency] [Specified Currency][the FX Exchange Rate as specified in § 1 of Product and Underlying Data].]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**“FX Exchange Rate<sub>1</sub>”** means [the exchange rate for the conversion of [the Specified Currency into the Third Currency] [the Third Currency into the Specified Currency]][the FX Exchange Rate<sub>1</sub> as specified in § 1 of Product and Underlying Data].

**“FX Exchange Rate<sub>2</sub>”** means [the exchange rate for the conversion of [the Payment Currency into the Third Currency] [the Third Currency into the Payment Currency]][ the FX Exchange Rate<sub>2</sub> as specified in § 1 of Product and Underlying Data].]

**["FX (final)"** means the FX on the FX Valuation Date (final).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**“FX<sub>1</sub> (final)”** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (final).

**“FX<sub>2</sub> (final)”** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (final).]

**["FX (initial)"** means the FX on the FX Valuation Date (initial).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**“FX<sub>1</sub> (initial)”** means the FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (initial).

**“FX<sub>2</sub> (initial)”** means the FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (initial).]

**["FX (k)"** means the FX on the FX Valuation Date (k).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**“FX<sub>1</sub> (k)”** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (k).

**“FX<sub>2</sub> (k)”** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (k).]

**“FX Market Disruption Event”** means each of the following events:

- (a) the failure to publish the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively];
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects that are similar to the events listed above

to the extent that the aforementioned events in the reasonable discretion of the Calculation Agent (§ 315 BGB) are material; ; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

**["FX Screen Page”** means the FX Screen Page as specified § 1 of the Product and Underlying Data.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**“FX Screen Page<sub>1</sub>”** means the FX Screen Page<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

**“FX Screen Page<sub>2</sub>”** means the FX Screen Page<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

**["FX Valuation Date (final)"]** means the [Insert number] Banking Day prior to the Maturity Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (final)"]** means the [Insert number] Banking Day prior to the Maturity Date.

**"FX<sub>2</sub> Valuation Date (final)"]** means the [Insert number] Banking Day prior to the Maturity Date.]

**["FX Valuation Date (initial)"]** means the [Insert number] Banking Day prior to the Issue Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (initial)"]** means the [Insert number] Banking Day prior to the Issue Date.

**"FX<sub>2</sub> Valuation Date (initial)"]** means the [Insert number] Banking Day prior to the Issue Date.]

**["FX Valuation Date (k)"]** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (k)"]** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.

**"FX<sub>2</sub> Valuation Date (k)"]** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

**["Hedging Disruption"]** means that the Issuer is not able to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities ; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date.]

**["Increased Costs of Hedging"]** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

**["Index Call Event"]** means each of the following events:

(a) no suitable substitute for the respective Index Sponsor is available; ; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (b) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s][;]
- (c) no suitable Replacement Inflation Index is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (d) an adjustment pursuant to § 8 (2) or (3) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders].]

**"Index Sponsor"** means the Index Sponsor as specified in § 2 of the Product and Underlying Data.

**[ "Index Conversion Event"** means each of the following events:

- (a) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders;
- (b) no suitable Replacement Inflation Index is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (c) no suitable substitute for the respective Index Sponsor and/or the respective Index Calculation Agent is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (d) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occurs;
- (e) the relevant Underlying is no longer calculated or published in the relevant Currency of the Underlying.]

**"Inflation Index"** means the Inflation Index as specified in § 1 of the Product and Underlying Data and described in § 2 of the Product and Underlying Data.

**"Inflation Rate"** means the Inflation Rate as specified in § 2 of the Special Conditions.

**"Interest Amount"** means the Interest Amount specified in § 2 (4) of the Special Conditions.

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 of the Product and Underlying Data.

**"Interest Determination Date"** means each Observation Date during the respective Interest Period until the *[Insert number]*<sup>th</sup> Banking Day prior to the respective Interest Payment Date (excluding).

**"Interest End Date"** means the Interest End Date as specified in § 1 of the Product and Underlying Data.

[In the case of Act/Act (ICMA), the following applies:]

**"Interest Payment Date"** is *[Insert day and month]* in each year.]

**[ "Interest Payment Date"** means [the] [each] [Interest Payment Date as specified in § 1 of the Product Data and Underlying Data.] [First Interest Payment Date and each date that follows *[Insert number of months]* month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. The last Interest Payment Date means the Interest End Date.] [Interest Payment Dates are subject to postponements in accordance with these Terms and Conditions.]]

[In the case of Act/Act (ICMA), the following applies:]

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**[ "Interest Period"** means [the] [each] period from the Interest Commencement Date (including) to [the First Interest Payment Date (excluding) and from each Interest Payment

Date (including) to the respective following Interest Payment Date (excluding). The last Interest Period ends on] the Interest End Date (excluding).]

**"Interest Rate"** means the Interest Rate as specified in§ 2 (2) of the Special Conditions.

**"Interest Rate Range"** means the range between the [respective] Lower Interest Rate Threshold ([including] [excluding]) and the [respective] Upper Interest Rate Threshold ([including] [excluding]).]

**"Interest Rate Threshold"** means [for the respective Interest Period] the [respective] Interest Rate Threshold as specified in § 1 of the Product and Underlying Data.]

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

**"Issue Price"** means the Issue Price as specified in § 1 of the Product and Underlying Data.]

*[In the case of Dual Currency Securities the following applies:*

**"Issue Price in the Payment Currency"** means [the Issue Price in the Payment Currency as specified in § 1 of the Product and Underlying Data.] [the Nominal Amount] [/FX (initial)] [/FX<sub>1</sub> (initial)] [/FX<sub>2</sub> (initial)] [x FX (initial)] [x FX<sub>1</sub> (initial)] [x FX<sub>2</sub> (initial)])]

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

**"Knock-In Interest Rate"** means the Knock-In Interest Rate as specified in § 1 of the Product and Underlying Data.]

**"Knock-Out Interest Rate"** means the Knock-Out Interest Rate as specified in § 1 of the Product and Underlying Data.]

[The **"Linearly Interpolated Price of the Inflation Index"** for any day is calculated by deducting the Reference Price for Relevant Month<sub>1</sub> from the Reference Price for Relevant Month<sub>2</sub> and dividing it by the number of calendar days of the month in which the respective day falls. The value determined in this way is multiplied by the number of calendar days from the first day of the month (including) in which the respective day falls up to the respective day (excluding) and added to the Reference Price for Relevant Month<sub>1</sub>.]

**"Lower Interest Rate Threshold"** means [for each Interest Period] the [respective] Lower Interest Rate Threshold as specified in § 1 of the Product and Underlying Data.]

**"Market Disruption Event"** means the suspension or failure or non-publication of the calculation of the Inflation Index [as a result of a decision by the Index Sponsor], to the extent this such Market Disruption Event affects at least one value, which is necessary for the calculation or specification, as the case may be, of the respective Inflation Rate, occurs in the last hour prior to the normal calculation of the Inflation Index and continues at the point of time of the normal calculation.]

**"Maturity Date"** means the Maturity Date, as specified in § 1 of the Product and Underlying Data.

**"Maximum Interest Rate"** means the Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

**"Maximum Interest Rate"** means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Maximum Interest Rate Premium] [Maximum Interest Rate Deduction]].]

**"Maximum Interest Rate Deduction"** means the [Maximum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

**"Maximum Interest Rate Premium"** means the [Maximum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

[**Minimum Amount**" means the Minimum Amount as specified in § 1 of the Product and Underlying Data.]

[**Minimum Interest Rate**" means the Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

[**Minimum Interest Rate**" means, with respect to an Interest Period, the Interest Rate for the immediately preceding Interest Period [[plus] [less] the [Minimum Interest Rate Premium] [Minimum Interest Rate Deduction]].]

[**Minimum Interest Rate Deduction**" means the [Minimum Interest Rate Deduction, as specified in § 1 of the Product and Underlying Data] [Discount].]

[**Minimum Interest Rate Premium**" means the [Minimum Interest Rate Premium, as specified in § 1 of the Product and Underlying Data] [Premium].]

**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

[**Number of Observation Dates in Range**" means the number of Observation Dates in the respective Interest Period on which the Inflation Rate is [within the Interest Rate Range] [[above] [below] the Interest Rate Threshold]; for the Frozen Period the Inflation Rate is relevant which was determined on the last Interest Determination Date of the respective Interest Period.]

[**Number of Observation Dates out of Range**" means the number of Observation Dates in the respective Interest Period on which the Inflation Rate is [outside the Interest Rate Range] [[below] [above] the Interest Rate Threshold]; for the Frozen Period the Inflation Rate is relevant which was determined on the last Interest Determination Date of the respective Interest Period.]

**Observation Date**" means [the] [each] [calendar day] [Banking Day] [*Insert date*] [of each month] in the respective Interest Period. [If the Observation Date is not a Banking Day, the immediately preceding Banking Day is deemed to be the relevant Observation Date.]

[**Payment Currency**" means the Payment Currency as specified in § 1 of the Product and Underlying Data.]

[**Premium**" means the Premium as specified in § 1 of the Product and Underlying Data.]

**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

**Redemption Amount**" means the Redemption Amount as specified in § 4 of the Special Conditions.

[**Redemption Date**" means each Redemption Date as specified in § 1 of the Product and Underlying Data.]

**Reference Price**" means the price of the Inflation Index as published by the Index Sponsor.

[**Relevant Month**" refers to the Relevant Month<sub>[1]</sub> and the Relevant Month<sub>[2]</sub>.]

[**Relevant Month<sub>1</sub>**" means the Relevant Month<sub>1</sub> as specified in § 1 of the Product and Underlying Data.]

[**Relevant Month<sub>2</sub>**" means the Relevant Month<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**R (initial)**" means the [Reference Price for the Relevant Month immediately prior to the] [Linearly Interpolated Price of the Inflation Index for the] Issue Date.]

[**R (k)**" means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month immediately preceding the respective Interest Payment Date] [Linearly Interpolated Price of the Inflation Index for the respective Interest Determination Date].]

[**R (k-1)**" means the [price of the Inflation Index published by the Index Sponsor for the Relevant Month that is one year prior to the respective Interest Payment Date] [Linearly Interpolated Price of the Inflation Index for the calendar day that is one year prior to the respective Interest Determination Date].]

**Security Holder**" means the holder of a Security.

**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

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

[**Third Currency**" means the Third Currency as specified in § 1 of the Product and Underlying Data.]

[**Upper Interest Rate Threshold**" means [for each Interest Period] the [respective] Upper Interest Rate Threshold as specified in § 1 of the Product and Underlying Data.]

**Website[s] for Notices**" means the Website[s] for Notices as specified in § 1 of the Product and Underlying Data.

**Website[s] of the Issuer**" means the Website[s] of the Issuer as specified in § 1 of the Product and Underlying Data.

## § 2

### Interest

[In the case of Act/Act (ICMA), the following applies:

- (1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] from the Interest Commencement Date to the Interest End Date at the Interest Rate.]
- [(1) *Interest:* The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] for [the] [each] Interest Period at the Interest Rate.]
- (2) *Interest Rate:* "**Interest Rate**" means the Interest Rate calculated by the Calculation Agent for each Interest Period according to the following formula:

Premium + (Number of Observation Dates in Range / total number of Observation Dates of the respective Interest Period x Fixed Interest Rate In) + (Number of Observation Dates out of Range / total number of Observation Dates of the respective Interest Period x Fixed Interest Rate Out).

[In the case of Securities with a Maximum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

If the Interest Rate determined for an 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.]

[In the case of Knock-In Securities, the following applies:

If the Interest Rate determined for an Interest Period in accordance with the provisions above is higher than the Knock-In Interest Rate, the Securities bear interest at the Knock-In Interest Rate for the entire term of the Securities.]

[In the case of Securities with a Global Cap, the following applies:

If on an Interest Determination Date the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (including) is equal to or greater than the Aggregate Maximum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Maximum Interest Rate and the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (excluding), and therefore the respective Interest Rate for all subsequent Interest Determination Dates is zero (0%).]

[In the case of Securities with a Global Floor, the following applies:

If on the last Interest Determination Date the total of all Interest Rates determined in accordance with the above provisions up to that Interest Determination Date (including) is smaller than the Aggregate Minimum Interest Rate, the Interest Rate for the relevant Interest Determination Date is equal to the difference between the Aggregate Minimum Interest Rate and the total of all Interest Rates determined in accordance with the provisions above up to that Interest Determination Date (excluding).]

[In the case of Securities that bear interest at a rate linked to a YoY inflation rate, the following applies:

- (3) *Inflation Rate:* "**Inflation Rate**" means the Inflation Rate (expressed as a percentage per annum) as calculated by the Calculation Agent on each Interest Determination Date as follows:

$$\text{Inflation Rate} = R(k) / R(k-1) - 1$$

[In the case of Securities that bear interest at a rate linked to a ZC inflation rate, the following applies:

- (3) *Inflation Rate:* "**Inflation Rate**" means the Inflation Rate (expressed as a percentage per annum) as calculated by the Calculation Agent on each Interest Determination Date as follows:

$$\text{Inflation Rate} = R(k) / R(\text{initial}) - 1$$

[In the case of Securities other than Dual Currency Securities, the following applies:

- (4) *Interest Amount:* The [respective] "**Interest Amount**" is the product of the Interest Rate, the [Aggregate Nominal Amount] [Nominal Amount] and the Day Count Fraction.

The [respective] Interest Amount becomes due for payment in the Specified Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

[In the case of all Dual Currency Securities, the following applies:

- (4) *Interest Amount:* The [respective] "**Interest Amount**" is calculated by the Calculation Agent according to the following formula:

$$\text{Interest Amount} = \text{Interest Rate} \times [\text{Aggregate Nominal Amount}] [\text{Nominal Amount}] \times \text{Day Count Fraction} \quad [/FX(k)] \quad [/FX_1(k)] \quad [/FX_2(k)] \quad [x FX(k)] \\ [x FX_1(k)] [x FX_2(k)].$$

The [respective] Interest Amount becomes due for payment in the Payment Currency on the [relevant] Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.]

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

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2000, calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:

[30/360] [360/360] [Bond Basis] in accordance with ISDA 2006, calculated as 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:

" $Y_1$ " is the year, expressed as a number, in which the first day of the Interest Period falls;

" $Y_2$ " is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

" $M_1$ " is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

" $M_2$ " is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

" $D_1$ " is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case  $D_1$  will be 30; and

" $D_2$ " is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30.]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2000 (German interest calculation method), calculated as the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:

[30E/360] [Eurobond Basis] in accordance with ISDA 2006, calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;  
"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;  
"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;  
"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;  
"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and  
"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:

30E/360 (ISDA) in accordance with ISDA 2006 (German interest calculation method), calculated as the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;  
"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;  
"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;  
"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;  
"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and  
"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

[In the case of "Act/360", the following applies:

Act/360, calculated as the actual number of days in the Interest Period divided by 360.]

[In the case of "Act/365" (Fixed), the following applies:

Act/365 (Fixed), calculated as the actual number of days in the Interest Period divided by 365.]

[In the case of "Act/Act (ISDA)", the following applies:

Act/Act (ISDA), calculated as 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).]

[In the case of Act/Act (ICMA), the following applies:]

- (5) "Day Count Fraction" for the purposes of determining an Interest Amount in respect of an Accrual Period is calculated as follows:
- [(i) if the Accrual Period is equal to or shorter than the Interest Period during which it falls,] the number of days in the Accrual Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]
- [(ii) if the Accrual Period is longer than the Interest Period:] the sum of
- (A) the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins, divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in one year], and
- (B) the number of days in such Accrual Period falling in the next Interest Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]]

### § 3

#### **Redemption[, Automatic Early Redemption]**

- (1) The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Maturity Date pursuant to the provisions of § 5 of the Special Conditions.

[In the case of all TARN Express Securities, the following applies:]

- (2) If an Early Redemption Event has occurred, the Securities are automatically redeemed early at the Early Redemption Amount on the immediately following Interest Payment Date pursuant to the provisions of § 5 of the Special Conditions.]

### § 4

#### **Redemption Amount[, Early Redemption Amount]**

[In the case of Securities other than Dual Currency Securities, the following applies:]

- (1) The Redemption Amount is specified in § 1 of the Product and Underlying Data.]

[In the case of Dual Currency Securities, the following applies:]

- (1) The Redemption Amount will be calculated or specified by the Calculation Agent as follows:

$$\text{Redemption Amount} = \text{Nominal Amount} [\text{FX} \text{ (final)}] [\text{FX}_1 \text{ (final)}] [\text{FX}_2 \text{ (final)}] [\times \text{FX} \text{ (final)}] [\times \text{FX}_1 \text{ (final)}] [\times \text{FX}_2 \text{ (final)}]$$

[In the case of Dual Currency Securities with a Conversion Right, the following applies:]

However, the Redemption Amount is not less than the Minimum Amount.]]

[In the case of TARN Express Securities, the following applies:]

- (2) *Early Redemption Amount:* The Early Redemption Amount is equal to the Nominal Amount.]]

[Special Conditions that apply for all Inflation Index-linked Securities]

§ 5

**Payments**

[In the case of all Securities where the amounts payable are determined in Euro, the following applies:

- (1) *Rounding*: The amounts payable under these Terms and Conditions are rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:

- (1) *Rounding*: The amounts payable under these Terms and Conditions are rounded up or down to the smallest unit of the [Specified Currency] [Payment Currency], with 0.5 of such unit being rounded upwards.]
- (2) *Banking Day Convention*: If the due date for any payment under the Securities (the "Payment Date") is not a Banking Day,

[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day.]

[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day, unless that day would fall into the next calendar month; in that case the Security Holders are entitled to payment on the immediately preceding Banking Day.]

[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:

the Security Holders are entitled to payment on the immediately preceding Banking Day.]

[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [Insert period] after the preceding applicable Interest Payment Date.]

[In the case of all Securities for which the Interest Amount is adjusted, the following applies:

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.]

[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:

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) *Manner of payment, discharge*: All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and to be transferred 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 a payment.

- (4) *Interest of default:* If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

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

- (5) *Non-U.S. Beneficial Ownership Certificates:* Payments of Interest Amounts on the Securities is made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants in the Clearing System.]

## § 6

[(intentionally left out)]

### **[Issuer's Regular Call Right][,] [Redemption Right of the Security Holders][,] [Issuer's Extraordinary Call Right] [Issuer's Conversion Right]**

[In the case of Securities where the Issuer has a Regular Call Right, the following applies:

- (1) *Issuer's Regular Call Right:* The Issuer may at each Call Date call the Securities completely but not partially (the "**Regular Call Right**") and redeem them pursuant to § 5 of the Special Conditions by payment of the Redemption Amount in the [Specified Currency] [Payment Currency].

The Issuer shall give notice of such call at least [*Insert notice period*] prior to the relevant Call Date pursuant to § 6 of the General Conditions. Such notice shall be irrevocable and shall specify the relevant Call Date.

[The Redemption Right of the Security Holders remains unaffected until the Call Date.]

[In the case of Securities where the Security Holders have a Redemption Right, the following applies:

- (i) *Redemption Right of the Security Holders:* Each Security Holder may at each Redemption Date demand redemption of the Securities against delivery of the Securities to the account of the Principal Paying Agent No. [*Insert account number*] with the Clearing System to the Issuer's order (the "**Redemption Right**"). The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Redemption Date pursuant to the provisions of § 5 of the Special Conditions.

The exercise of the Redemption Right shall be declared by the Security Holder by transmission of a duly completed form (the "**Redemption Notice**"), available at the offices of the Issuer during normal business hours, to the Issuer at least [*Insert notice period*] Banking Days prior to the designated Redemption Date.

The Redemption Notice shall include in particular:

- (a) the name and the address of the Security Holder, with sufficiently conclusive proof of ownership to the Principal Paying Agent that such Security Holder at the time of such notice is a holder of the respective Securities;
- (b) the security identification number and the number of Securities in relation to which the Redemption Right shall be exercised;
- (c) the cash account held by a bank to which the Redemption Amount is to be transferred.

If the number of Securities stated in the Redemption Notice deviates from the number of Securities transferred to the Principal Paying Agent, the Redemption Notice shall be

deemed to have been submitted for the number of Securities corresponding to the smaller of the two numbers. Any remaining Securities are transferred back to the Security Holder at the latter's expense and risk.

No Redemption Right so exercised may be revoked or withdrawn.]

- (•) *Issuer's extraordinary call right:* Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and redeem the Securities at their Cancellation Amount. The application of §§ 313, 314 BGB remains reserved. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "**Cancellation Amount**" shall be [the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) as of the tenth Banking Day before the extraordinary call becomes effective[ and converted into the Payment Currency at the respective [FX Exchange Rate][FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>]] [, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), the market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities) as of the tenth Banking Day before the extraordinary call becomes effective[ and converted into the Payment Currency at the respective [FX Exchange Rate] [FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>].][ However, the Cancellation Amount shall not be less than the Nominal Amount.]

The Cancellation Amount will be paid [five Banking Days following the date of the above mentioned notice, or at the date specified in such notice, as the case may be, pursuant to the provisions of § 5 of the Special Conditions] [on the Maturity Date].]

[In the case of all Dual Currency Securities with a conversion right of the Issuer, the following applies:]

#### **Issuer's Conversion Right**

*Issuer's Conversion Right:* Upon the occurrence of a Conversion Event the Securities shall be redeemed at the Cancellation Amount on the Maturity Date.

The "**Cancellation Amount**" shall be, as determined by the Calculation Agent in its reasonable discretion, the fair market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities (§ 315 BGB) as of the tenth Banking Day following the occurrence of the Conversion Event[ and converted into the Payment Currency at the respective [FX Exchange Rate][ [FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>]]. However, the Cancellation Amount shall not be less than the Minimum Amount. If it is not possible to determine the market value of the Securities, the Cancellation Amount corresponds to the Minimum Amount. The Cancellation Amount shall be notified pursuant to § 6 of the General Conditions.

The Cancellation Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.]

## **[§ 7]**

### **Market Disruptions**

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Interest Determination Date, the respective Interest Determination Date will be postponed to the next following Banking Day on which the Market Disruption Event no longer exists.

[If a FX Market Disruption Event occurs on an [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date], the respective [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date] will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.]

Any Payment Date relating to such Interest Determination Date [or [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date]] shall be postponed if applicable. Interest shall not be payable due to such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [30][insert number of days] consecutive Banking Days, the Calculation Agent will determine in its reasonable discretion (§ 315 BGB) the respective value of the Inflation Index required for the calculations or specifications described in these Terms and Conditions. Such price of the Inflation Index shall be determined in accordance with prevailing market conditions at 10:00 a.m. Munich local time on this [31<sup>st</sup>][insert number of days] Banking Day Banking Day, taking into account the economic position of the Security Holders.

[Should the FX Market Disruption Event continue for more than [30][ insert number of days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective [FX][FX<sub>1</sub> and/ or FX<sub>2</sub>]. The [FX][FX<sub>1</sub> and/ or FX<sub>2</sub>] required for the calculations or, respectively, specifications described in these Terms and Conditions shall be determined in accordance with prevailing market conditions at 10:00 a.m. Munich local time on this [31<sup>st</sup> ][ insert number of days ]Banking Day, taking into account the economic position of the Security Holders.]

## § 8

### **Index Concept, Adjustments, Replacement Inflation Index, New Index Sponsor, Replacement Specification**

- (1) *Index Concept:* The basis for the calculations or specifications by the Calculation Agent described in these Terms and Conditions is the Inflation Index with its provisions currently applicable, as developed and continued by the Index Sponsor, as well as the respective method of calculation, determination and publication of the price of the Inflation Index (the "**Index Concept**") applied by the Index Sponsor. This also applies if during the term of the Securities changes are made or occur in respect of the Index Concept, or if other measures are taken which have an impact on the Index Concept, unless otherwise provided in the provisions below.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event these Terms and Conditions (in particular the Inflation Index and/or all prices of the Inflation Index specified by the Issuer) and/or all prices of the Inflation Index determined by the Calculation Agent on the basis of these Terms and Conditions shall be adjusted in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the Inflation Index. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (3) *Replacement Inflation Index:* In cases of an Index Replacement Event, the adjustment pursuant to paragraph (2) usually entails the Calculation Agent in its reasonable discretion (§ 315 BGB) determining which index should be used in the future as the Inflation Index (the "**Replacement Inflation Index**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Inflation Index and/or all prices of the Inflation Index specified by the Issuer) and/or all prices of the Inflation Index determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the economic position of the Security Holders remains unchanged to the

greatest extent possible. The Replacement Inflation Index and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Inflation Index, any reference to the Inflation Index in these Terms and Conditions shall be deemed to refer to the Replacement Inflation Index, unless the context provides otherwise.

- (4) *New Index Sponsor*: If the Underlying is no longer calculated, specified and published by the Index Sponsor but rather by another person, company or institution (the "**New Index Sponsor**"), then all calculations or specifications described in these Terms and Conditions will be made on the basis of the Inflation Index as specified by the New Index Sponsor. In this case, any reference to the Index Sponsor, depending on the context, will be deemed to refer to the New Index Sponsor, unless the context provides otherwise.
- (5) *Replacement Specification*: If a necessary price of the Inflation Index pursuant to these Terms and Conditions, as published by the Index Sponsor, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor after the original publication, but still within one settlement cycle, then the Calculation Agent will notify the Issuer of the Corrected Value immediately and again specify the relevant value using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions.
- (6) The application of §§ 313, 314 BGB remains reserved.

## § 9

### New Fixing Sponsor, Replacement Exchange Rate

- (1) *New Fixing Sponsor*: In the event that the [FX Exchange Rate][FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] is no longer determined and published by the [Fixing Sponsor][ Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively], or, in case of a not only immaterial modification in the method of determination and/or publication [of the FX Exchange Rate] [of FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively] [(including the time of the determination and/or publication)], the Calculation Agent has the right [, in particular,] to determine, the calculations or, respectively, specifications of the Calculation Agent described in these Terms and Conditions on the basis of the determinations and publications by another person, company or institution (the "**New Fixing Sponsor**"). The Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) whether such event occurs and which other person, company or institution shall act as the New Fixing Sponsor (the "**New Fixing Sponsor**"). The New Fixing Sponsor and the time of its first application shall be published pursuant to § 6 of the General Conditions. In this case, any reference to the replaced [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>] in these Terms and Conditions shall be deemed to refer to the New Fixing Sponsor.
- (2) *Replacement Exchange Rate*: In the event that [the FX Exchange Rate][FX][FX<sub>1</sub> and/or FX<sub>2</sub>] is no longer determined and published, the calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall occur on the basis of price of the [[FX] Exchange Rate][FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>, respectively,] determined and published on the basis of another method, which will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**Replacement Exchange Rate**"). The Replacement Exchange Rate and the time of its first application shall be published pursuant to § 6 of the General Conditions. In this case, any reference to [the replaced FX Exchange Rate][the replaced FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] in these Terms and Conditions shall be deemed to refer to the Replacement Exchange Rate.
- (3) The application of §§ 313, 314 BGB remains reserved.]

**Zero Coupon Securities:**

**Product Type 7: Zero Coupon [Dual Currency] Securities**

**§ 1**

**Definitions**

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the series as specified in § 1 of the Product und Underlying Data.

"**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 (the "**TARGET2**")] 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 of the Product and Underlying Data.] [**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.]

"**Calculation Period**" means any period of time from and including the first day of such period to but excluding the last day of such period.

["**Call Date**" means [each Call Date as specified in § 1 of the Product and Underlying Data] [[each Banking Day] [the last Banking Day] of the month [*insert relevant month(s)*] starting from the First Call Date to the [Maturity Date] [*insert other date*]].]

["**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the First Trade Date,

- [(a)] the holding, acquisition or sale of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.

]

"**Clearing System**" means [Clearstream Banking AG, Frankfurt am Main ("**CBF**")][Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euro-clear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**")][Monte Titoli S.p.A.] [*Insert other Clearing System(s)*].

*[In the case of all Dual Currency Securities with a conversion right of the Issuer, the following applies:*

"**Conversion Event**" means each of the following events:

- (a) no suitable New Fixing Sponsor (as specified in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 9 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (b) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s];
- (c) 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 the respective Security) the reliable determination of [FX][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] is impossible or impracticable.]

[**First Call Date**" means the First Call Date as specified in § 1 of the Product and Underlying Data.]

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[**"Fixing Sponsor"** means the Fixing Sponsor as specified in § 1 of the Product and Underlying Data.]

[**"Fixing Sponsor<sub>1</sub>"** means the Fixing Sponsor<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

**"Fixing Sponsor<sub>2</sub>"** means the Fixing Sponsor<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"FX"** means the [official] fixing of the FX Exchange Rate as published [[Insert] [p.m.] [a.m.] [Insert] local time] by the Fixing Sponsor on the FX Screen Page.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub>"** means the [official] fixing of the FX Exchange Rate<sub>1</sub> as published [[Insert] [p.m.] [a.m.] [Insert] local time] by the Fixing Sponsor<sub>1</sub> on the FX<sub>1</sub> Screen Page (or any replacement page).

**"FX<sub>2</sub>"** means the [official] fixing of the FX Exchange Rate<sub>2</sub> as published [[Insert] [p.m.] [a.m.] [Insert] local time] by the Fixing Sponsor<sub>2</sub> on the FX<sub>2</sub> Screen Page (or any replacement page).]

**"FX Calculation Date"** means each day on which [FX][FX<sub>1</sub> and FX<sub>2</sub> are] is published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and Fixing Sponsor<sub>2</sub>, respectively].

**"FX Call Event"** means each of the following events:

- [(•) no suitable New Fixing Sponsor (as specified in § 8 (1) of the Special Conditions) or Replacement Exchange Rate (as specified in § 8 (2) of the Special Conditions) is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB); or]
- (•) 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][FX<sub>1</sub> and/or FX<sub>2</sub>]), the reliable determination of [FX is][FX<sub>1</sub> and/or FX<sub>2</sub> is/are] impossible or impracticable;
- [(•) a Change in Law [and/or a Hedging Disruption][ and/or Increased Costs of Hedging] occur[s].]

[**"FX Exchange Rate"** means the exchange rate for the conversion of the [Specified Currency] [Payment Currency] into the [Payment Currency] [Specified Currency].]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Exchange Rate<sub>1</sub>"** means [the exchange rate for the conversion of [the Specified Currency into the Third Currency] [the Third Currency into the Specified Currency]][the FX Exchange Rate<sub>1</sub> as specified in § 1 of Product and Underlying Data].

**"FX Exchange Rate<sub>2</sub>"** means [the exchange rate for the conversion of [the Payment Currency into the Third Currency] [the Third Currency into the Payment Currency]][ the FX Exchange Rate<sub>2</sub> as specified in § 1 of Product and Underlying Data].]

[**"FX (final)"** means the FX on the FX Valuation Date (final).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (final)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (final).

**"FX<sub>2</sub> (final)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (final).]

[**"FX (initial)"** means the FX on the FX Valuation Date (initial).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (initial)"** means the FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (initial).

**"FX<sub>2</sub> (initial)"** means the FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (initial).]

[**"FX (k)"** means the FX on the FX Valuation Date (k).]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> (k)"** means FX<sub>1</sub> on the FX<sub>1</sub> Valuation Date (k).

**"FX<sub>2</sub> (k)"** means FX<sub>2</sub> on the FX<sub>2</sub> Valuation Date (k).]

**"FX Market Disruption Event"** means each of the following events:

- (a) the failure to publish the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively];
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects that are similar to the events listed above

to the extent that the aforementioned events in the reasonable discretion of the Calculation Agent (section 315 BGB) are material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

[**"FX Screen Page"** means the FX Screen Page as specified § 1 of the Product and Underlying Data.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX Screen Page<sub>1</sub>"** means the FX Screen Page<sub>1</sub> as specified in § 1 of the Product and Underlying Data.

**"FX Screen Page<sub>2</sub>"** means the FX Screen Page<sub>2</sub> as specified in § 1 of the Product and Underlying Data.]

[**"FX Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.

**"FX<sub>2</sub> Valuation Date (final)"** means the [Insert number] Banking Day prior to the Maturity Date.]

**"FX Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

**"FX<sub>2</sub> Valuation Date (initial)"** means the [Insert number] Banking Day prior to the Issue Date.]

**"FX Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

*[In the case of all Dual Currency Cross Rate Securities, the following applies:*

**"FX<sub>1</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

**"FX<sub>2</sub> Valuation Date (k)"** means the [Insert number] Banking Day prior to the [respective] Interest Payment Date.]

**[Hedging Disruption]** means that the Issuer is not able to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date.]

**[Increased Costs of Hedging]** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB); or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

**[Issue Date]** means the Issue Date as specified in § 1 of the Product and Underlying Data.

**[Issue Price]** means the Issue Price as specified in § 1 of the Product and Underlying Data.]

*[In the case of Dual Currency Securities the following applies:*

**[Issue Price in the Payment Currency]** means [the Issue Price in the Payment Currency as specified in § 1 of the Product and Underlying Data.] [the Issue Price] [x the Nominal Amount] [/FX (initial)] [/FX<sub>1</sub> (initial)] [/FX<sub>2</sub> (initial)] [x FX (initial)] [x FX<sub>1</sub> (initial)] [x FX<sub>2</sub> (initial)]]

**[Issuing Agent]** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

**"Maturity Date"** means the Maturity Date, as specified in § 1 of the Product and Underlying Data.

[**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.]

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Redemption Amount"** means the Redemption Amount as specified in § 4 of the Special Conditions.

[**"Redemption Date"** means each Redemption Date as specified in § 1 of the Product and Underlying Data.]

[**"Payment Currency"** means the Payment Currency as specified in § 1 of the Product and Underlying Data.]

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

**"Security Holder"** means the holder of a Security.

**"Specified Currency"** means the Specified Currency as specified in § 1 of the Product and Underlying Data.

**"Termination Amount"** means the Termination Amount as specified in § 6 of the Special Conditions.

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

[**"Third Currency"** means the Third Currency as specified in § 1 of the Product and Underlying Data.]

**"Website[s] for Notices"** means the Website[s] for Notices as specified in § 1 of the Product and Underlying Data.

**"Website[s] of the Issuer"** means the Website[s] of the Issuer as specified in § 1 of the Product and Underlying Data.

## § 2

### Interest

*Interest:* There will be no periodic payments of interest on the Securities.

## § 3

### Redemption

The Securities are redeemed by payment of the Redemption Amount in the [Specified Currency] [Payment Currency] on the Maturity Date pursuant to the provisions of § 5 of the Special Conditions.

## § 4

### Redemption Amount

[In the case of all Securities other than Dual Currency Securities, the following applies:

The Redemption Amount is specified in § 1 of the Product and Underlying Data.]

[In the case of all Dual Currency Securities, the following applies:

The Redemption Amount will be calculated or specified by the Calculation Agent as follows:

$$\text{Redemption Amount} = \text{Nominal Amount} [\text{FX (final)}] [\text{FX}_1 (\text{final})] [\text{FX}_2 (\text{final})] [\times \text{FX} (\text{final})] [\times \text{FX}_1 (\text{final})] [\times \text{FX}_2 (\text{final})]$$

[In the case of all Dual Currency Securities with a Conversion Right, the following applies:

However, the Redemption Amount is not less than the Minimum Amount.]

## § 5

### Payments

[In the case of all Securities where the amounts payable are determined in Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions are rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions are rounded up or down to the smallest unit of the [Specified Currency] [Payment Currency], with 0.5 of such unit being rounded upwards.]
- (2) *Banking Day Convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day,

[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day.]

[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day, unless that day would fall into the next calendar month; in that case the Security Holders are entitled to payment on the immediately preceding Banking Day.]

[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:

the Security Holders are entitled to payment on the immediately preceding Banking Day.]

[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:

the Security Holders are not entitled to payment until the next following Banking Day, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [Insert period] after the preceding applicable Interest Payment Date.]

- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and to be transferred 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 a payment.

- (4) *Interest of default:* If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

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

- (5) *Non-U.S. Beneficial Ownership Certificates:* Payments of Interest Amounts on the Securities is made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants in the Clearing System.]

## § 6

[(intentionally left out)]

### **[Issuer's Regular Call Right][,] [Redemption Right of the Security Holders][,] [Issuer's Extraordinary Call Right] [Issuer's Conversion Right]**

[In the case of Securities where the Issuer has a Regular Call Right, the following applies:

- (1) *Issuer's Regular Call Right:* The Issuer may at each Call Date call the Securities completely but not partially (the "**Regular Call Right**") and redeem them pursuant to § 5 of the Special Conditions by payment of the Termination Amount in the [Specified Currency] [Payment Currency].

The Issuer shall give notice of such call at least [*Insert notice period*] prior to the relevant Call Date pursuant to § 6 of the General Conditions. Such notice shall be irrevocable and shall specify the relevant Call Date.

[The Redemption Right of the Security Holders remains unaffected until the Call Date.]

[In the case of Securities where the Security Holders have a Redemption Right, the following applies:

- (i) *Redemption Right of the Security Holders:* Each Security Holder may at each Redemption Date demand redemption of the Securities against delivery of the Securities to the account of the Principal Paying Agent No. [*Insert account number*] with the Clearing System to the Issuer's order (the "**Redemption Right**"). The Securities are redeemed by payment of the Termination Amount in the [Specified Currency] [Payment Currency] on the Redemption Date pursuant to the provisions of § 5 of the Special Conditions.

The exercise of the Redemption Right shall be declared by the Security Holder by transmission of a duly completed form (the "**Redemption Notice**"), available at the offices of the Issuer during normal business hours, to the Issuer at least [*Insert notice period*] Banking Days prior to the designated Redemption Date.

The Redemption Notice shall include in particular:

- (a) the name and the address of the Security Holder, with sufficiently conclusive proof of ownership to the Principal Paying Agent that such Security Holder at the time of such notice is a holder of the respective Securities;
- (b) the security identification number and the number of Securities in relation to which the Redemption Right shall be exercised;
- (c) the cash account held by a bank to which the Redemption Amount is to be transferred.

If the number of Securities stated in the Redemption Notice deviates from the number of Securities transferred to the Principal Paying Agent, the Redemption Notice shall be

deemed to have been submitted for the number of Securities corresponding to the smaller of the two numbers. Any remaining Securities are transferred back to the Security Holder at the latter's expense and risk.

No Redemption Right so exercised may be revoked or withdrawn.]

- (•) “Termination Amount”: The Termination Amount shall be calculated as follows:

[The "Termination Amount" per Security shall be as follows:

Call Date(s) [Insert Call Date(s)]	Termination Amount(s) [Insert Termination Amount(s)]
Redemption Date(s) [Insert Redemption Date(s)]	Termination Amount(s) [Insert Termination Amount(s)]

]

[In the case of all Dual Currency Securities with an Extraordinary Call Right, the following applies:]

- (•) Issuer's extraordinary call right: Upon the occurrence of a FX Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and redeem the Securities at their Cancellation Amount. The application of §§ 313, 314 BGB remains reserved. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "Cancellation Amount" shall be [the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) as of the tenth Banking Day before the extraordinary call becomes effective[ and converted into the Payment Currency at the respective [FX Exchange Rate][FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>]] [, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), the market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities) as of the tenth Banking Day before the extraordinary call becomes effective[ and converted into the Payment Currency at the respective [FX Exchange Rate] [FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>].] [However, the Cancellation Amount shall not be less than the Nominal Amount.]

The Cancellation Amount will be paid [five Banking Days following the date of the above mentioned notice, or at the date specified in such notice, as the case may be, pursuant to the provisions of § 5 of the Special Conditions] [on the Maturity Date].]

[In the case of all Dual Currency Securities with a conversion right of the Issuer, the following applies:]

### **Issuer's Conversion Right**

*Issuer's Conversion Right:* Upon the occurrence of a Conversion Event the Securities shall be redeemed at the Cancellation Amount on the Maturity Date.

The "Cancellation Amount" shall be, as determined by the Calculation Agent in its reasonable discretion, the fair market value of the Securities, (with accrued interest for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining term as the Securities (§ 315 BGB) as of the tenth Banking Day following the occurrence of the Conversion Event[ and converted into the Payment Currency at the respective [FX Exchange Rate][ [FX Exchange Rate<sub>1</sub> and FX Exchange Rate<sub>2</sub>]]. However, the Cancellation Amount shall not be less than the Minimum Amount. If it is not possible to determine the market value of the Securities, the Cancellation Amount shall be the Nominal Amount.

tion Amount corresponds to the Minimum Amount. The Cancellation Amount shall be notified pursuant to § 6 of the General Conditions.

The Cancellation Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.]

## [§ 7]

### Market Disruptions

- (1) *Postponement:* If a FX Market Disruption Event occurs on an [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date], the respective [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date] will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such [FX Valuation Date][FX<sub>1</sub> Valuation Date and/or FX<sub>2</sub> Valuation Date] shall be postponed if applicable. Interest shall not be payable due to such postponement.

- (2) *Discretionary valuation:* Should the FX Market Disruption Event continue for more than [30][insert number of days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective [FX][FX<sub>1</sub> and/ or FX<sub>2</sub>]. The [FX][FX<sub>1</sub> and/ or FX<sub>2</sub>] required for the calculations or, respectively, specifications described in these Terms and Conditions shall be determined in accordance with prevailing market conditions at 10:00 a.m. Munich local time on this [31<sup>st</sup> ][insert number of days] Banking Day, taking into account the economic position of the Security Holders.

## § 8

### New Fixing Sponsor, Replacement Exchange Rate

- (1) *New Fixing Sponsor:* In the event that the [FX Exchange Rate][FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] is no longer determined and published by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively], ] or, in case of a not only immaterial modification in the method of determination and/or publication [of the FX Exchange Rate] [of FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>] by the [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>, respectively] [(including the time of the determination and/or publication)], the Calculation Agent has the right [, in particular,] to determine, the calculations or, respectively, specifications of the Calculation Agent described in these Terms and Conditions on the basis of the determinations and publications by another person, company or institution (the "**New Fixing Sponsor**"). The Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) whether such event occurs and which other person, company or institution shall act as the New Fixing Sponsor (the "**New Fixing Sponsor**"). The New Fixing Sponsor and the time of its first application shall be published pursuant to § 6 of the General Conditions. In this case, any reference to the replaced [Fixing Sponsor][Fixing Sponsor<sub>1</sub> and/or Fixing Sponsor<sub>2</sub>] in these Terms and Conditions shall be deemed to refer to the New Fixing Sponsor.

- (2) *Replacement Exchange Rate:* In the event that [the FX Exchange Rate] [FX][FX<sub>1</sub> and/or FX<sub>2</sub>] is no longer determined and published, the calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall occur on the basis of price of the [FX Exchange Rate][FX Exchange Rate<sub>1</sub> and/or FX Exchange Rate<sub>2</sub>, respectively,] determined and published on the basis of another method, which will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**Replacement Exchange Rate**"). The Replacement Exchange Rate and the time of its first application shall be published pursuant to § 6 of the General Conditions. In this case, any reference to [the replaced FX Exchange Rate] [the replaced FX Exchange Rate<sub>1</sub> and/or FX Ex-

change Rate<sub>2</sub>] in these Terms and Conditions shall be deemed to refer to the Replacement Exchange Rate.

- (3) The application of §§ 313, 314 BGB remains reserved.]]

### **Conditions of the Securities incorporated by reference in the Base Prospectus**

In connection with Securities which are publicly offered or admitted to trading for the first time before the date of this Base Prospectus and in connection with an increase of Securities the Conditions of the Securities as included in:

- the Base Prospectus of UniCredit Bank AG dated 28 August 2015 for the issuance of Notes,
- the Supplement dated 18 January 2016 to the Base Prospectus of UniCredit Bank AG dated 28 August 2015 for the issuance of Notes,
- the Base Prospectus of UniCredit Bank AG date 24 August 2016 for the issuance of Interest Securities and
- the 2<sup>nd</sup> Supplement dated 16 March 2017 to the Base Prospectus of UniCredit Bank AG dated 24 August 2016 for the issuance of Interest Securities

are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 218 et seq.

## 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, at the date of the Base Prospectus (the "Prospectus Directive") in connection with § 6 para. 3 of the German Securities Prospectus Act, at the date of the Base Prospectus (Wertpapierprospektgesetz, the "WpPG"). 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 24 August 2017 for the issuance of Interest Securities (the "Base Prospectus") and in any supplements to the Base Prospectus according to § 16 WpPG (the "Supplements").*

*The Base Prospectus, any Supplements and these Final Terms are available on [Insert website(s)] in accordance with § 14 WpPG. 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.*

*[The validity of the above mentioned Base Prospectus dated 24 August 2017, under which the Securities described in these Final Terms [are issued] [are continuously offered], ends on [Insert date]. From this point in time, these Final Terms are to be read together with the latest base prospectus of UniCredit Bank AG for the issuance of Interest Securities (including the information incorporated by reference in the latest base prospectus from the base prospectus, under which these securities have initially been issued) which follows the Base Prospectus dated 24 August 2017. The latest base prospectus of UniCredit Bank AG for the issuance of Interest Securities will be published on [www.onemarkets.de/basisprospekte](http://www.onemarkets.de/basisprospekte) and on [www.investimenti.unicredit.it](http://www.investimenti.unicredit.it) (Prodotti e Quotazioni/Documentazione/Programmi di Emissione).]<sup>17</sup>*

*[In case of a continuance of a public offer or an increase of Securities, which in each case, have been publicly offered or admitted to trading for the first time before the date of the Base Prospectus, the following applies:*

*These Final Terms are to be read in conjunction with the Base Prospectus as well as the Description of the Securities and the Conditions of the Securities as included in the base prospectus of UniCredit Bank AG dated [28 August 2015 for the issuance of Notes] [and the Supplement dated 18 January 2016 to the base prospectus of UniCredit Bank AG dated 28 August 2015 for the issuance of Notes] [24 August 2016 for the issuance of Interest Securities] [and the 2<sup>nd</sup> Supplement*

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<sup>17</sup> In case, the Final Terms are not prepared for a new issuance of the Securities but for the continuance of the public offer of previously issued securities.

*dated 16 March 2017 to the base prospectus of UniCredit Bank AG dated 24 August 2016 for the issuance of Interest Securities] which are incorporated by reference into the Base Prospectus.]*

*[An issue specific summary is annexed to these Final Terms.]<sup>18</sup>*

## **SECTION A – GENERAL INFORMATION**

### **Issue date and issue price:**

*[Insert issue date]<sup>19</sup>*

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

*[Insert issue price]<sup>20</sup>*

*[The issue price per Security is specified in § 1 of the Product and Underlying Data.]*

*[The issue price per Security will be determined by the issuer on [Insert date] on the basis of the product parameters and the current market situation (in particular [the price of the Underlying,] the implied volatility, interest rates, dividend 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 and, if applicable, heading]] 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 Underlying 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 Underlying Data.

### **Product Type:**

*[Fixed Rate [Dual Currency] Securities]*

*[[TARN Express] [Knock-In] [Interest Rate Difference] [Reverse] [Switchable] [Fixed] Floating Rate [Dual Currency] Securities]*

*[[TARN Express] [Knock-In] [Dual] Range Accrual [Dual Currency] Securities]*

*[[TARN Express] Digital [Range] [Floating Rate] [Dual Currency] Securities]*

*[[TARN Express] [Knock-In] Inflation [Interest Rate Difference] [Reverse] [Fixed] [Digital] [Floor] [Cap] [Floating Rate] [Dual Currency] Securities]*

*[[TARN Express] [Knock-In] Inflation Range Accrual [Dual Currency] Securities]*

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<sup>18</sup> No issuance-specific summary is required in case of Securities with a minimum denomination of 100,000 Euro which are not publicly offered.

<sup>19</sup> In the case of multi series issuances the issue dates of each series may be included in tabular form.

<sup>20</sup> In the case of multi series issuances the issue prices of each series may be included in tabular form.

[Zero Coupon Securities]

**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 for the Securities to be admitted to trading [with effect from [Insert expected date]] on the following regulated or other equivalent markets: [Insert relevant regulated or other equivalent market(s).]

*[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).].]

**[Estimated total expenses related to the admission to trading:]**

[Insert estimated expenses]<sup>21</sup>

*[For Securities where the Issuer is obliged to pay to the Security Holder at least 100% of the Nominal Amount due to the Terms and Conditions, the following applies:]*

**Method for calculating the yield:**

[Not applicable.]

[Not applicable. The yield cannot be calculated at the time of the issue of the Securities.]

[The yield has been calculated by application of the [Moosmueller-method] [ICMA/ISMA-method] and is [Insert yield]. The yield has been calculated as of the Issue Date on the basis of the Issue Price. This information does not provide any indication on any future yield and does not allow any conclusion thereon.]

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<sup>21</sup> Only applicable in the case of Securities with a denomination per unit of at least 100,000 Euro.

**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]

**Notification:**

The Federal Financial Supervisory Authority (the "BaFin") has provided to the competent authorities in Italy a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

**Terms and conditions of the offer:**

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

[Start of the new public offer: [Insert Start of the new public offer] [(continuance of the public offer of previously issued securities)] [(increase of previously issued securities)].]

[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 Italy.]

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

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

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

[As of the [day of the first public offer] [start of the new public offer] the Securities described in the Final Terms will be offered on a continuous basis.]

[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.]

**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 Italy.]

[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 Italy 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]<sup>22</sup>

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

[With regard to trading of the Securities the Issuer has a conflict of interest being also the Market Maker on the [Insert relevant regulated or other equivalent market(s)][;][,]] [moreover] [[T][t]he [Insert relevant regulated or other equivalent market(s)] is organized and managed by [Insert name], a company in which UniCredit S.p.A. – the Holding Company of UniCredit Bank AG as the Issuer – has a stake in.] [The Issuer is also the [arranger] [and] [the Calculation Agent] of the Securities.]

### **Additional information:**

[Insert additional provisions relating to the Underlying]

[Not applicable]

## **SECTION B – CONDITIONS:**

### **Part A - General Conditions of the Securities**

#### **Form, Clearing System, Global Note, Custody**

Type of the Securities:	Notes
Global Note:	[The Securities are represented by a permanent global note without interest coupons]

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<sup>22</sup> 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).

[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]

Principal Paying Agent: [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [Citibank, N.A., London 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, Germany]  
*[Insert name and address of other calculation agent]*

Clearing System: [CBF]  
[CBL and Euroclear Bank]  
[Euroclear Bank]  
[Monte Titoli S.p.A.]  
*[insert other Clearing System]*

## **Part B - Product and Underlying Data**

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

## **Part C - Special Conditions of the Securities**

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

UniCredit Bank AG

## 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, Italy and the United States of America.

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, Italy and the United States of America 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 any withholding taxes.**

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

### EU Savings Directive

The EU Directive 2003/48/EC on the taxation of savings income in the form of interest income ("EU Savings Directive") was repealed in general on 1 January 2016. In Austria the repeal came into effect on 1 January 2017.

### 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.

### Financial Transaction Taxes

#### *European Financial Transaction Tax*

On 14 February 2013 the European Commission issued a draft directive (the "Commission proposal") for a common system of financial transaction tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Portugal, Slovenia and Slovakia (the "Participating Member States"). However, Estonia decided not to take part in the discussions anymore.

The scope of the Commission proposal is very broad and the proposal could, insofar as it is introduced, under certain conditions apply to specific security transactions (especially secondary market transactions).

Under the commission proposal, the financial transaction tax could apply under specific circumstances to certain individuals, both inside and outside the Participating Member States. Generally, it would apply to certain transactions with securities, 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 may under various conditions be established in a Participating Member State - or be considered as established - in particular (a) through transactions with a company established in a Partici-

pating Member State or (b) in cases where the underlying financial instrument of the transaction is issued in a Participating Member State.

The proposed financial transaction tax is the subject of negotiations between the Participating Member States. It could therefore be amended before the implementation, which date is unclear. Other Member States could decide to participate.

Besides a possible European Transaction Tax, France and Italy have already introduced its own financial transaction tax.

Investors are advised to seek professional advice regarding financial transaction taxes.

### ***Italian Financial Transaction Taxes***

In 2012, the Italian Parliament has passed the law on Italian Financial Transaction Tax (IFTT) "Law no. 228/2012". Effective since 1 March 2013, the acquisition of

- Stocks of Italian limited companies whose capitalization exceeds EUR 500 million and
- other equity instruments of these public limited companies (this includes e.g. DRs<sup>23</sup>)

is taxable. The tax is payable for the relevant products regardless of the transaction location or the legal seat of the parties involved.

According to the law, the taxation of derivatives is carried out since 1 September 2013. Concerning derivatives the IFTT arises for both contracting parties (buyer- and seller-party).

## **Italy**

*This section contains a brief summary on tax implications related to the Securities for Italian tax laws purposes. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with particular situations which may be of relevance for specific potential investors. It is based on the currently valid Italian tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation as of the date of this Base Prospectus, all of which may be amended from time to time. Such amendments may also be effected with retroactive effect and may negatively impact the tax consequences described below. Potential purchasers of the Securities should consult with their legal and tax advisors to check tax implications of their possible investment in the Securities.*

*This section does not constitute a tax advice and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.*

### ***Tax Treatment of the Securities***

*Interest and other proceeds - Securities that qualify as "obbligazioni o titoli similari alle obbligazioni" (bonds)*

For income tax purposes, debentures similar to bonds are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (i.e., the issuer is legally obliged to reimburse the principal amount to the bond holder) and that do not give any right to directly or indirectly participate in the management of the relevant issuer or of the business in relation to which they are issued. Pursuant to Legislative Decree No. 239 of April 1, 1996 ("**Decree No. 239**"), as amended and restated, and pursuant to Art. 44 paragraph 2(c) of Presidential Decree No. 917 of December 22, 1986 ("**Decree No. 917**"), as amended and restated, in general, interest and other proceeds (including the difference between the redemption amount and the issue price) in respect of securities that qualify as bonds or debentures similar to bonds and

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<sup>23</sup> So-called Depositary Receipts or Global Depositary Receipts. These certificates representing ownership of a stored stock.

that are issued by a non-Italian resident issuer may be subject to final Italian substitutive tax if owed to beneficial owners resident in Italy for tax purposes, depending on the legal status of the beneficial owners.

#### *Italian Resident Security Holders Applicability of Substitutive Tax*

In particular, pursuant to Decree No. 239, as amended and restated, payments of interest and other proceeds in respect of securities that qualify as "*bonds*" to Italian resident beneficial owners (either when interest and other proceeds are paid or when payment thereof is obtained by a beneficial owner on a transfer of Securities) will be subject to final substitutive tax at a rate of 26.0% in Italy if made to Italian resident beneficial owners that are: (i) private individuals holding Securities not in connection with an entrepreneurial activity (unless they have entrusted the management of their financial assets, including the Securities, to an Italian authorised financial intermediary and have opted for the *Risparmio Gestito* regime ("**Asset Management**" regime) provided for by Article 7 of Legislative Decree No. 461 of November 21, 1997 ("**Decree No. 461**")); (ii) Italian resident non-commercial partnerships; (iii) public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal activity; (iv) entities exempt from corporate income tax.

In case the Securities are held by an individual or by an entity indicated above under (iii), in either case in connection with an entrepreneurial activity, interest and other proceeds relating to the Securities will be subject to the substitutive tax and will be included in the relevant beneficial owner's income tax return. As a consequence, the interest and other proceeds will be subject to the ordinary income tax and the substitutive tax may be recovered as a deduction from the income tax due. The 26.0% substitutive tax will be applied by the Italian resident qualified financial intermediaries as defined by Italian law that will intervene, in any way, in the collection of interest and other proceeds on the Securities or in the transfer of the Securities.

If interest and other proceeds on the Securities are not collected through an Italian resident qualified intermediary as defined by Italian law and as such no substitutive tax is levied, the Italian resident beneficial owners listed above under (i) to (iv) will be required to include interest and other proceeds in their yearly income tax return and subject them to final substitute tax at a rate of 26.0%, unless an option is allowed and made for a different regime.

#### *Italian Resident Security Holders Substitutive Tax Not Applicable*

Pursuant to Decree No. 239, as amended and restated, payments of interest and other proceeds in respect of Securities that qualify as '*bonds*' to Italian resident beneficial owners will not be subject to the substitutive tax at the rate of 26.0% if made to beneficial owners that are: (i) Italian resident individuals holding Securities not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an Italian authorised financial intermediary and have opted for the *Asset Management* regime; (ii) Italian resident collective investment funds, SICAVs and SICAFs (the "**Italian Resident Undertaking for Collective Investment**") and pension funds referred to in Legislative Decree No. 124 of April 21, 1993; (iii) Italian resident real estate investment funds; (iv) Italian resident corporations or permanent establishments in the Republic of Italy of non-resident corporations to which the Securities are effectively connected; (v) Italian resident partnerships carrying out a commercial activity to which the Securities are effectively connected; or (vi) public and private entities, other than companies, carrying out commercial activities and holding Securities in connection with the same commercial activities.

If the Securities are part of an investment portfolio managed on a discretionary basis by an Italian authorised intermediary and the beneficial owner of the Securities has opted for the Asset Management regime, the annual substitute tax at a rate of 26.0% (the "**Asset Management Tax**") applies on the increase in value of the managed assets accrued, even if not realised, at the end of each tax year (such increase includes interest and other proceeds accrued on Securities). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Securities held by Italian resident corporations, commercial partnerships, individual entrepreneurs holding the Securities in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Securities are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, "IRES") at 27.5%<sup>24</sup> or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "IRPEF"), at progressive rates ranging from 23.0% to 43.0%, plus local surcharges, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive*, "IRAP"), at a general rate of 3.9% (regions may vary the rate up to 0.92%).

Italian Resident Undertakings for Collective Investment are not subject to tax on accrued interest and other proceeds, unless provided by specific provisions of law. In such cases, withholding taxes are applied as final withholding taxes. In particular, pursuant to Article 73, paragraph 5-quinquies, of Decree No. 917, Italian Resident Undertakings for Collective Investment are considered as a taxable person for IRES purposes, though the income realised (with only few exceptions) is exempt from taxation.

Italian resident pension funds are subject to an 20% annual substitutive tax (the "**Pension Fund Tax**") in relation to the increase in value of the managed assets accrued at the end of each tax year.

Any positive difference between the nominal amount of the Securities and their issue price is deemed to be interest for tax purposes. To ensure payment of interest and other proceeds in respect of the Securities without application of the substitutive tax, where allowed, investors indicated here above under (i) to (vi) must be the beneficial owners of payments of interest and other proceeds on the Securities and timely deposit the Securities, together with the coupons relating to such Securities, directly or indirectly, with an Italian authorised financial intermediary as defined by Italian law.

#### *Non-Italian Resident Security Holders*

Interest and other proceeds paid on Securities by the non-Italian resident Issuer to a beneficial owner who is not resident in Italy for tax purposes, without a permanent establishment in Italy to which the Securities are effectively connected, should not be subject to any Italian taxation. In any case an Italian resident bank or intermediary, as defined by Italian law, intervenes in the payment of interest and other proceeds on the Securities, to ensure payment of interest and other proceeds without application of Italian taxation a non-Italian resident Security Holder may be required to produce to the Italian bank or other intermediary as defined by Italian law a self-declaration certifying to be the beneficial owner of payments of interest and other proceeds on the Securities and not to be resident in Italy for tax purposes.

#### *Tax treatment of Securities that do not qualify as bonds'*

The following applies to Securities containing a derivative agreement (or similar mechanism) in the relevant terms and conditions.

Securities whose proceeds (a) do not qualify as proceeds from bonds ('obbligazioni') or debentures similar to bonds ('titoli simili alle obbligazioni') pursuant to Art. 44 of the *TUIR*, but (b) qualify as *Redditi diversi* (sundry income) pursuant to Article 67 of Decree No. 917 may fall under the joint provisions of Article 67 Decree No. 917 and Article 5 of Decree No. 461, and further amendments thereof, according to which, proceeds and capital gains, arising from both the exercise and the sale for money consideration of the Securities, are subject to the substitutive tax of 26.0%. Charges and capital losses arising from the exercise and the sale of the Securities are deductible in accordance with the modalities indicated below; premiums paid on the Securities contribute to create the income of the financial year in which the Securities are exercised or alienated.

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<sup>24</sup> According to the provisions set forth by Law No. 208 of December 28, 2015, from tax period starting from 1 January 2017 onward, IRES tax rate will be equal to 24%.

## **Capital Gains Tax**

Any capital gains realised by Security Holders that are (a) Italian resident corporations; (b) Italian resident commercial partnerships; (c) permanent establishments in Italy of foreign corporations to which the Securities are effectively connected; or (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out, upon the sale for consideration or redemption of the Securities will be treated for the purpose of IRES and of IRPEF as part of the taxable business income of Security Holders (and, in certain cases, depending on the status of the Security Holders, may also be included in the taxable basis of IRAP), and it will, therefore, be subject to tax in Italy according to the relevant tax provisions.

### *Italian Resident Security Holders*

Pursuant to Decree No. 461, any capital gains realised by Italian resident individuals holding Securities not in connection with entrepreneurial activity and certain other persons<sup>25</sup> upon the sale for consideration or redemption of the Securities would be subject to a "substitutive tax" at the current rate of 26.0%. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, the "substitutive tax" on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss. These individuals must report overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay the "substitutive tax" on such gains together with any balance on income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Security Holders not in connection with entrepreneurial activity may elect to pay the "substitutive tax" separately on capital gains realised on each sale or redemption of the Securities (the *Risparmio Amministrato* regime or "**Managed Portfolio**" regime). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries; and (ii) an express election for the Managed Portfolio regime being made promptly in writing by the relevant Security Holder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for the "substitutive tax" in respect of capital gains realised on each sale or redemption of Securities (as well as in respect of capital gains realised at the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Security Holder. Under the Managed Portfolio regime, where a sale or redemption of Securities results in capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth year.

Any capital gains realised by Italian resident individuals holding Securities not in connection with entrepreneurial activity who have elected for the Asset Management regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to the substitutive tax at the current rate of 26.0% to be applied on behalf of the taxpayer by the managing authorised financial intermediary.

Any capital gains realised by Security Holders who are Italian Resident Undertakings for Collective Investments are not subject to tax. Any capital gains realised by Security Holders who are Italian resident pension funds will be included in the computation of the taxable basis of Pension Fund Tax.

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<sup>25</sup> Such as Italian resident non-commercial partnerships; public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal activity.

### *Non-Italian Resident Security Holders*

The 26.0% final "substitutive tax" may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Securities by non-Italian resident persons or entities without a permanent establishment in Italy to which the Securities are effectively connected, if the Securities are held in Italy. However, even if the Securities are held in Italy and regardless of the provisions set forth by any applicable double taxation treaty, pursuant to Article 23 of Decree No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected, through the sale for consideration or redemption of Securities are exempt from taxation in Italy to the extent that the Securities are listed on a regulated market in Italy or abroad<sup>26</sup> and in certain cases subject to filing of required documentation. In case the Securities are not listed on a regulated market in Italy or abroad (1) as to capital gains realised by non-Italian resident of the Securities with no permanent establishment in Italy to which the Securities are effectively connected are exempt from the substitutive tax in Italy on any capital gains realised upon sale for consideration or redemption of the Securities if (a) they are beneficial owners resident, for tax purposes, in a country which recognizes the Italian tax authorities' right to an adequate exchange of information, the so called "white list" or (b) non-Italian foreign institutional investors established in a "white list" country. (2) In any event, non-Italian resident persons or entities without a permanent establishment in Italy to which the Securities are effectively connected that may qualify for applicability of benefit from a double taxation treaty with Italy, providing that capital gains realised upon the sale or redemption of the Securities are to be taxed only in the country of tax residence of the recipient, will not be subject to the "substitutive tax" in Italy on any capital gains realised upon sale for consideration or redemption of Securities.

### *Atypical securities*

According to the provisions of the Conditions of the Securities, it is possible that Securities may be qualified as 'atypical' securities pursuant to Article 5 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 26.0%.

The withholding tax is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

### *Inheritance and Gift Taxes*

The transfer by inheritance or gift of the Securities is subject to the inheritance and gift tax at the following rates: (i) 4% if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer to each beneficiary is subject to taxation on the value (if any) exceeding Euro 1,000,000; (ii) 6% if the transfer is made to brothers and sisters; in this case, the transfer to each beneficiary is subject to taxation on the value (if any) exceeding Euro 100,000; (iii) 6% if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and (iv) 8% in all other cases. If the transfer is made in favour of persons with severe disabilities, taxation will apply only on the value (if any) of the transaction exceeding Euro 1,500,000.

### *Tax Monitoring Obligations*

Italian resident individuals, partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships) not carrying out commercial activities, not commercial trusts, professional associations and public and private entities, other than companies, not carrying out commercial activities will be required to report in their yearly income tax return ("UNICO" tax form, RW section), for tax monitoring purposes, the amount of Securities (and of other investments held abroad and foreign financial assets generating foreign source income taxable in

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<sup>26</sup> Financial markets of OECD countries compliant with relevant regulatory provisions adopted by the competent authorities of the country of establishment.

Italy) directly or indirectly held (*i.e.* when the above-mentioned subjects qualify as the beneficial owner of the Securities) over each tax year. This also is the case if at the end of the tax year the Securities (or other investments held abroad and foreign financial assets generating foreign source income taxable in Italy) are no longer held by the above-mentioned subjects. The above subjects will however not be required to comply with the above reporting requirements in respect of Securities deposited for management or administration with qualified Italian financial intermediaries as defined by Italian law and in respect of contracts entered into through the intervention of financial intermediaries, upon condition that the items of income derived from the Securities are collected through the intervention of and subject to withholding tax or substitute tax levied by the same financial intermediaries.

#### ***Stamp duty and Tax on financial activities held abroad***

The extended stamp duty on all kind of financial activities ("Stamp Duty") is applicable on all kind of financial assets, including the Securities held with the intervention of Italian financial intermediaries. The tax is levied at 0.2% rate (with a limit up to Euro 14,000 for holders different from individual) on the fair market value or, if failing, on the book or redemption value as at 31 December of each year. Stamp Duty is generally applied by the Italian financial intermediary, if such entity intervene in the administration/management of the Securities. The tax on financial activities held abroad (so called "IVAFE") is applicable on the value of financial assets held abroad Italy by Italian tax resident individuals without the intervention of Italian financial intermediaries. The tax is applied at a rate equal to 0.2%, on the fair market value as at 31 December of each year. IVAFE should be applicable in case the financial activities do not fall within the Stamp Duty scope. The tax is calculated, disclosed in the yearly tax return and paid by the individual directly.

#### ***Transfer tax***

The Law no. 228 as of December 24, 2012 introduced a stamp duty on certain financial transactions (the "Tobin Tax"). In general terms the Tobin Tax applies to transactions, even if executed abroad, involving shares, bonds converted in shares and equity financial instruments issued by both listed and non-listed companies resident in Italy and derivatives substantially underlying such securities. Tobin Tax is applied at a rate of 0.2% on transaction regarding shares and other participating instruments issued by Italian resident companies. The tax rate is reduced down to 0.1% if the transfer is executed on regulated financial markets or through multilateral negotiation systems. Tobin Tax on transactions in derivative financial instruments shall be due in a fixed amount (ranging from Euro 0.01875 to Euro 200 depending on both the typology and the notional value of the instrument) and is payable by both the counterparties to the transaction, regardless of their place of residence and the place where the transactions have been executed.

#### ***U.S. Withholding Tax***

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

Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended ("IRC") (commonly referred to as "FATCA"), generally impose a new reporting regime and a 30% withholding tax with respect to certain US-source payments (including dividends and interest) and with respect to gross proceeds from the disposition of property that may produce such US-source interest and dividends, and certain payments made by entities that are classified as financial institutions under FATCA, such as banks, insurance companies and many funds and capital markets issuers. A financial institution which is not exempted from the FATCA regime must either (i) enter into an agreement with the Internal Revenue Service (an "FFI Agreement") or (ii) comply with the terms of an applicable intergovernmental agreement ("IGA") regarding the implementation of FATCA to avoid the imposition of the 30% withholding tax. Under an FFI Agreement or an applicable IGA, a financial institution will be required to identify, disclose and report infor-

mation on its direct and indirect US accountholders (including certain non-US accountholders with US ownership).

On 31 May 2013, the Federal Republic of Germany entered into an IGA with the United States. Under this IGA, as currently drafted, a financial institution that is treated as resident in Germany and that complies with the requirements of the respective IGA will not be subject to FATCA withholding on payments it receives and will not be required to withhold on payments of non-U.S. source income. As a result, the Issuer does not expect payments made on or with respect to the Securities to be subject to withholding under FATCA.

No assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Securities in the future. You should consult with your US tax advisor for further information regarding the potential impact of FATCA.

## **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 BaFin 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 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 one 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.

***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, except as provided in the applicable Final Terms with respect to Securities with a maturity on the issue date of one year or less, 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 U.S. 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 U.S. 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 2015 and 2016 of the Issuer, the unconsolidated annual financial statements of the Issuer in respect of the fiscal year ended 31 December 2016 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), the unaudited consolidated results of HVB Group as of 30 June 2017, 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, separately or jointly, 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**"), Clearstream Banking AG, Frankfurt am Main (Mergenthalerallee 61, 65760 Eschborn, Germany) ("**Clearstream Banking AG**" or "**CBF**"), Monte Titoli S.p.A. (Piazza degli Affari, 6 – 20123 Milano) ("**Monte Titoli**") 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.

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 2017 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 2017, and (ii) no material adverse change in the prospects of the HVB Group since 31 December 2016, 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. Therefore, the Distributors and their affiliates may have a particular interest in the Issuer's economic success and the continuance of their business relationship with the Issuer.

With regard to trading of the Securities the Issuer has a conflict of interest being also the Market Maker on a regulated or other equivalent market(s), if indicated in the Final Terms; moreover a relevant regulated or other equivalent market(s), is organized and managed by a company in which UniCredit S.p.A. – the Holding Company of UniCredit Bank AG as the Issuer – has a stake in. If applicable, such market will be indicated in the Final Terms. The Issuer is also the arranger of the Securities, if so specified in the Final Terms. The Issuer or any of their affiliates may also act as a Calculation Agent or Paying Agent, if so specified in the Final Terms.

Besides, conflicts of interest in relation to the Issuer or the persons entrusted with the offer may arise for the following reasons which may result in a decision to the Security Holder's disadvantage:

- 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 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 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 price of the Underlying or its components.
- The Issuer, any Distributor and its affiliates may issue securities in relation to the Underlying or its components on which already other securities have been issued.
- The Issuer, any Distributor and any of its affiliates may possess or obtain material information about the Underlying or its components (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 issuer of the Underlying or its components, 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 a sponsor or issuer of the Underlying or its components.

### **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 Issuer is not bound regarding the use of the issue and offer proceeds.

### **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 whose information is not incorporated by express reference are not relevant for potential investors.

	<b>Pages of the document:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
<b>Registration Document of UniCredit Bank AG, dated 21 April 2017<sup>1)</sup></b>		
<b>Risk Factors</b>		
- Risks relating to the business activity of HVB Group	p. 3 to 14	p. 39
<b>Statutory Auditors</b>	p. 14	p. 58
<b>UniCredit Bank AG</b>		
- Information about HVB, the parent company of HVB Group	p. 15	p. 58
- Programme Transform 2019	p.15	p. 58
<b>Business Overview</b>		
- Principal Activities	p. 15	p. 58
- Business segments of HVB Group	p. 15 to 17	p. 58
- Principal Markets	p. 17	p. 58
<b>Management and Supervisory Bodies</b>	p. 17 to 19	p. 58
<b>Major Shareholders</b>	p. 19	p. 58
<b>Auditors</b>	p. 20	p. 58
<b>Legal and Arbitration Proceedings</b>	p. 20 to 22	p. 58
<b>Proceedings Related to Actions by the Regulatory Authorities</b>	p. 22	p. 58
<b>Audited financial statements of HVB Group for the fiscal year ended 31 December 2016 (Annual Report HVB Group 2016)<sup>2)</sup></b>		
- Consolidated Income Statement	p. 94 to 95	p. 58

	<b>Pages of the document:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
- Consolidated Balance Sheet	p. 96 to 97	p. 58
- Statement of Changes in Consolidated Shareholders' Equity	p. 98 to 99	p. 58
- Consolidated Cash Flow Statement	p. 100 to 101	p. 58
- Notes	p. 102 to 238	p. 58
- Independent Auditors' Report	p. 239	p. 58
<b>Audited unconsolidated financial statements (<i>Jahresabschluss</i>) of UniCredit Bank AG for the fiscal year ended 31 December 2016 (Annual Report UniCredit Bank AG (HVB) 2016)<sup>2)</sup></b>		
- Income Statement of UniCredit Bank AG	p. 82 to 83	p. 58
- Balance Sheet of UniCredit Bank AG	p. 84 to 89	p. 58
- Notes	p. 90 to 146	p. 58
- Auditors' Report	p. 147	p. 58
<b>Audited financial statements of HVB Group for the fiscal year ended 31 December 2015 (Annual Report HVB Group 2015)<sup>2)</sup></b>		
- Consolidated Income Statement	p. 114 to 115	p. 58
- Consolidated Balance Sheet	p. 116 to 117	p. 58
- Statement of Changes in Consolidated Shareholders' Equity	p. 118 to 119	p. 58
- Consolidated Cash Flow Statement	p. 120 to 121	p. 58
- Notes	p. 122 to 252	p. 58
- Independent Auditors' Report	p. 253	p. 58

	<b>Pages of the document:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
<b>Base prospectus of UniCredit Bank AG dated 28 August 2015 for the issuance of Notes<sup>3)</sup></b>  - Description of the Securities - Conditions of the Securities	p. 53 to 64  p. 65 to 174	p. 80  p. 198
<b>Supplement dated 18 January 2016 to the base prospectus of UniCredit Bank AG dated 28 August 2015 for the issuance of Notes<sup>3)</sup></b>	p. 2	p. 198
<b>Base prospectus of UniCredit Bank AG dated 24 August 2016 for the issuance of Interest Securities<sup>3)</sup></b>  - Description of the Securities - Conditions of the Securities	p. 61 to 74  p. 75 to 191	p. 80  p. 198
<b>2<sup>nd</sup> Supplement dated 16 March 2017 to the base prospectus of UniCredit Bank AG dated 24 August 2016 for the issuance of Interest Securities<sup>3)</sup></b>	p. 3	p. 198

<sup>1)</sup> The document is published on the following website of the Issuer:  
<http://www.onemarkets.de/de/rechtliches/registrierungsdokumente-uvp.html>

<sup>2)</sup> The document is published on the following website of the Issuer:  
<http://investors.hypovereinsbank.de/cms/english/investorrelations/index.html>

<sup>3)</sup> The document is published on the following website of the Issuer:  
<http://www.onemarkets.de/de/produkte/rechtliche-hinweise/basisprospekte.html>

## **UNAUDITED CONSOLIDATED RESULTS OF HVB GROUP AS OF 30 JUNE 2017**

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# Financial Highlights

## Key performance indicators

	1/1–30/6/2017	1/1–30/6/2016
Net operating profit	€942m	€542m
Cost-income ratio (based on operating income)	61.2%	71.6%
Profit before tax	€933m	€568m
Consolidated profit	€717m	€371m
Earnings per share	€0.89	€0.46

## Balance sheet figures/Key capital ratios

	30/6/2017	31/12/2016
Total assets	€294,598m	€302,090m
Shareholders' equity	€18,278m	€20,420m
Common Equity Tier 1 capital <sup>1</sup>	€16,761m	€16,611m
Core capital (Tier 1 capital) <sup>1</sup>	€16,761m	€16,611m
Risk-weighted assets (including equivalents for market risk and operational risk)	€79,019m	€81,575m
Common Equity Tier 1 capital ratio <sup>1,2</sup>	21.2%	20.4%
Core capital ratio (Tier 1 capital ratio) <sup>1,2</sup>	21.2%	20.4%
Leverage ratio in accordance with Commission Delegated Regulation <sup>1,3</sup>	5.3%	5.3%

1 31/12/2016: in accordance with approved financial statements

2 calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk

3 ratio of core capital to the sum total of the exposure values of all assets and off-balance-sheets items

	30/6/2017	31/12/2016
Employees (in FTEs)	14,031	14,748
Branch offices	574	579

## Ratings

	LONG-TERM	SHORT-TERM	OUTLOOK	STAND-ALONE RATING	CHANGED/CONFIRMATION	PFANDBRIEFS		CHANGED/CONFIRMATION
						PUBLIC SECTOR	MORTGAGE	
<b>Fitch Ratings</b>				bbb+	27/4/2017	AAA/stable	AAA/stable	15/5/2017 8/5/2017
Derivative Counterparty Ratings	BBB+				27/4/2017			
Deposits	BBB+	F2			27/4/2017			
Issuer Default Rating	BBB+	F2	negative		27/4/2017			
<b>Moody's</b>				baa2	31/5/2017	Aaa/–	Aaa/–	23/6/2015 23/6/2015
Counterparty Risk	A1	P-1	—		31/5/2017			
Deposits	A2	P-1	stable		31/5/2017			
Senior – Senior Unsecured Bank Debt	A2		stable		31/5/2017			
Senior Unsecured & Issuer Rating	Baa2	P-1	stable		31/5/2017			
<b>Standard &amp; Poor's</b>				bbb+	28/3/2017	AAA/negative	—	22/8/2016
Issuer Credit Rating	BBB	A-2	developing		28/3/2017			
Senior Subordinated Debt	BBB–	—	—		28/3/2017			

# Consolidated Income Statement

INCOME/EXPENSES	NOTES	1/1–30/6/2017	1/1–30/6/2016	CHANGE	
		€ millions	€ millions	€ millions	in %
Interest income		1,865	2,118	(253)	(11.9)
Interest expense		(549)	(801)	+ 252	(31.5)
Net interest	6	1,316	1,317	(1)	(0.1)
Dividends and other income from equity investments	7	2	48	(46)	(95.8)
Net fees and commissions	8	599	567	+ 32	+ 5.6
Net trading income	9	680	342	+ 338	+ 98.8
Net other expenses/income	10	161	165	(4)	(2.4)
Payroll costs		(819)	(861)	+ 42	(4.9)
Other administrative expenses		(750)	(762)	+ 12	(1.6)
Amortisation, depreciation and impairment losses on intangible and tangible assets		(119)	(123)	+ 4	(3.3)
Operating costs	11	(1,688)	(1,746)	+ 58	(3.3)
Net write-downs of loans and provisions for guarantees and commitments	12	(128)	(151)	+ 23	(15.2)
Provisions for risks and charges	13	(17)	(9)	(8)	+ 88.9
Restructuring costs		(2)	(2)	—	—
Net income from investments	14	10	37	(27)	(73.0)
<b>PROFIT BEFORE TAX</b>		<b>933</b>	<b>568</b>	<b>+ 365</b>	<b>+ 64.3</b>
Income tax for the period		(216)	(197)	(19)	+ 9.6
<b>PROFIT AFTER TAX</b>		<b>717</b>	<b>371</b>	<b>+ 346</b>	<b>+ 93.3</b>
Impairment on goodwill		—	—	—	—
<b>CONSOLIDATED PROFIT</b>		<b>717</b>	<b>371</b>	<b>+ 346</b>	<b>+ 93.3</b>
attributable to the shareholder of UniCredit Bank AG		715	369	346	+ 93.8
attributable to minorities		2	2	—	—

## Earnings per share

(in €)

	NOTES	1/1–30/6/2017	1/1–30/6/2016
Earnings per share (undiluted and diluted)	15	0.89	0.46

**Consolidated statement of total comprehensive income**

(€ millions)

	1/1–30/6/2017	1/1–30/6/2016
<b>Consolidated profit recognised in the income statement</b>	<b>717</b>	<b>371</b>
<b>Income and expenses recognised in other comprehensive income</b>		
<b>Income and expenses not to be reclassified to the income statement in future periods</b>		
Actuarial profit/(loss) on defined benefit plans (pension commitments)	158	(546)
Non-current assets held for sale	—	—
Other changes	—	—
Taxes on income and expenses not to be reclassified to the income statement in future periods	(50)	171
<b>Income and expenses to be reclassified to the income statement in future periods</b>		
Changes from foreign currency translation	(6)	(8)
Changes from companies accounted for using the equity method	—	—
Changes in valuation of financial instruments (AFS reserve)	70	9
Unrealised gains/(losses)	77	19
Gains/(losses) reclassified to the income statement	(7)	(10)
Changes in valuation of financial instruments (hedge reserve)	(1)	2
Unrealised gains/(losses)	1	7
Gains/(losses) reclassified to the income statement	(2)	(5)
Other changes	—	—
Taxes on income and expenses to be reclassified to the income statement in future periods	(24)	(5)
<b>Total income and expenses recognised in equity under other comprehensive income</b>	<b>147</b>	<b>(377)</b>
<b>Total comprehensive income</b>	<b>864</b>	<b>(6)</b>
of which:		
attributable to the shareholder of UniCredit Bank AG	862	(8)
attributable to minorities	2	2

# Consolidated Balance Sheet

ASSETS	NOTES	30/6/2017	31/12/2016	CHANGE	
		€ millions	€ millions	€ millions	in %
Cash and cash balances		21,901	9,770	+ 12,131	>+ 100.0
Financial assets held for trading	16	80,540	94,087	(13,547)	(14.4)
Financial assets at fair value through profit or loss	17	24,113	28,512	(4,399)	(15.4)
Available-for-sale financial assets	18	6,690	5,929	+ 761	+ 12.8
Investments in associates and joint ventures	19	40	44	(4)	(9.1)
Held-to-maturity investments	20	25	36	(11)	(30.6)
Loans and receivables with banks	21	30,813	33,043	(2,230)	(6.7)
Loans and receivables with customers	22	122,430	121,474	+ 956	+ 0.8
Hedging derivatives		366	384	(18)	(4.7)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		95	51	+ 44	+ 86.3
Property, plant and equipment		2,802	2,869	(67)	(2.3)
Investment properties		942	1,028	(86)	(8.4)
Intangible assets		450	455	(5)	(1.1)
of which: goodwill		418	418	—	—
Tax assets		1,375	1,696	(321)	(18.9)
Current tax assets		146	333	(187)	(56.2)
Deferred tax assets		1,229	1,363	(134)	(9.8)
Non-current assets or disposal groups held for sale		278	1,077	(799)	(74.2)
Other assets		1,738	1,635	+ 103	+ 6.3
<b>Total assets</b>		<b>294,598</b>	<b>302,090</b>	<b>(7,492)</b>	<b>(2.5)</b>

LIABILITIES	NOTES	30/6/2017	31/12/2016	CHANGE	
		€ millions	€ millions	€ millions	in %
Deposits from banks	24	69,758	57,584	+ 12,174	+ 21.1
Deposits from customers	25	117,083	117,204	(121)	(0.1)
Debt securities in issue	26	24,099	24,214	(115)	(0.5)
Financial liabilities held for trading	27	58,080	72,834	(14,754)	(20.3)
Hedging derivatives		634	997	(363)	(36.4)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		1,351	1,785	(434)	(24.3)
Tax liabilities		709	723	(14)	(1.9)
Current tax liabilities		596	642	(46)	(7.2)
Deferred tax liabilities		113	81	+ 32	+ 39.5
Liabilities of disposal groups held for sale	8	1,162	(1,154)	(99.3)	
Other liabilities		1,854	2,145	(291)	(13.6)
Provisions	28	2,744	3,022	(278)	(9.2)
Shareholders' equity		18,278	20,420	(2,142)	(10.5)
Shareholders' equity attributable to the shareholder of UniCredit Bank AG		18,271	20,414	(2,143)	(10.5)
Subscribed capital		2,407	2,407	—	—
Additional paid-in capital		9,791	9,791	—	—
Other reserves		5,209	5,107	+ 102	+ 2.0
Changes in valuation of financial instruments		149	104	+ 45	+ 43.3
AfS reserve		120	74	+ 46	+ 62.2
Hedge reserve		29	30	(1)	(3.3)
Consolidated profit 2016		—	3,005	(3,005)	(100.0)
Net profit 1/1–30/6/2017 <sup>1</sup>		715	—	+ 715	
Minority interest	7	6	1	+ 1	+ 16.7
<b>Total shareholders' equity and liabilities</b>		<b>294,598</b>	<b>302,090</b>	<b>(7,492)</b>	<b>(2.5)</b>

<sup>1</sup> attributable to the shareholder of UniCredit Bank AG

The 2016 profit available for distribution disclosed in the separate financial statements of UniCredit Bank AG (corresponding to the consolidated profit of HVB Group), which forms the basis for the appropriation of profit, amounts to €3,005 million. On 22 May 2017, the Shareholders' Meeting adopted a resolution to pay a dividend of €3,005 million to UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €3.75 per share after around €0.50 in the 2015 financial year.

# Statement of Changes in Shareholders' Equity

	SUBSCRIBED CAPITAL	ADDITIONAL PAID-IN CAPITAL	TOTAL OTHER RESERVES	OTHER RESERVES OF WHICH: PENSIONS AND SIMILAR OBLIGATIONS (IAS 19)
<b>Shareholders' equity at 1/1/2016</b>	<b>2,407</b>	<b>9,791</b>	<b>8,125</b>	<b>(1,135)</b>
Consolidated profit recognised in the consolidated income statement	—	—	—	—
Total income and expenses recognised in equity under other comprehensive income <sup>4</sup>	—	—	(383)	(375)
Changes in valuation of financial instruments not affecting income	—	—	—	—
Changes in valuation of financial instruments affecting income	—	—	—	—
Actuarial gains/(losses) on defined benefit plans	—	—	(375)	(375)
Reserve arising from foreign currency translation	—	—	(8)	—
Other changes	—	—	—	—
<b>Total other changes in equity</b>	<b>—</b>	<b>—</b>	<b>15</b>	<b>13</b>
Dividend payouts	—	—	—	—
Transfers from consolidated profit	—	—	—	—
Changes in group of consolidated companies	—	—	15	13
Capital decreases	—	—	—	—
<b>Shareholders' equity at 30/6/2016</b>	<b>2,407</b>	<b>9,791</b>	<b>7,757</b>	<b>(1,497)</b>
<b>Shareholders' equity at 1/1/2017</b>	<b>2,407</b>	<b>9,791</b>	<b>5,107</b>	<b>(1,316)</b>
Consolidated profit recognised in the consolidated income statement	—	—	—	—
Total income and expenses recognised in equity under other comprehensive income <sup>4</sup>	—	—	102	108
Changes in valuation of financial instruments not affecting income	—	—	—	—
Changes in valuation of financial instruments affecting income	—	—	—	—
Actuarial gains/(losses) on defined benefit plans	—	—	108	108
Reserve arising from foreign currency translation	—	—	(6)	—
Other changes	—	—	—	—
<b>Total other changes in equity</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5</b>
Dividend payouts	—	—	—	—
Transfers from consolidated profit	—	—	—	—
Changes in group of consolidated companies	—	—	—	5
Capital decreases	—	—	—	—
<b>Shareholders' equity at 30/6/2017</b>	<b>2,407</b>	<b>9,791</b>	<b>5,209</b>	<b>(1,203)</b>

1 The Shareholders' Meeting of 10 May 2016 resolved to distribute the 2015 consolidated profit in the amount of €398 million as a dividend to our sole shareholder UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €0.50 per share. The Shareholders' Meeting of 22 May 2017 resolved to distribute the 2016 consolidated profit in the amount of €3,005 million as a dividend to our sole shareholder UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €3.75 per share.

2 attributable to the shareholder of UniCredit Bank AG

3 UniCredit Bank AG (HVB)

4 see Consolidated statement of total comprehensive income

(€ millions)

CHANGE IN VALUATION OF FINANCIAL INSTRUMENTS							
AFS RESERVE	HEDGE RESERVE	CONSOLIDATED PROFIT <sup>1</sup>	PROFIT 1/1-30/6 <sup>2</sup>	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDER OF HVB <sup>3</sup>	MINORITY INTEREST	TOTAL SHAREHOLDERS' EQUITY	
11	30	398	—	20,762	4	20,766	
—	—	—	369	369	2	371	
5	1	—	—	(377)	—	(377)	
14	5	—	—	19	—	19	
(9)	(4)	—	—	(13)	—	(13)	
—	—	—	—	(375)	—	(375)	
—	—	—	—	(8)	—	(8)	
—	—	—	—	—	—	—	
—	—	(398)	—	(383)	(1)	(384)	
—	—	(398)	—	(398)	(3)	(401)	
—	—	—	—	—	—	—	
—	—	—	—	15	2	17	
—	—	—	—	—	—	—	
16	31	—	369	20,371	5	20,376	
74	30	3,005	—	20,414	6	20,420	
—	—	—	715	715	2	717	
46	(1)	—	—	147	—	147	
51	—	—	—	51	—	51	
(5)	(1)	—	—	(6)	—	(6)	
—	—	—	—	108	—	108	
—	—	—	—	(6)	—	(6)	
—	—	—	—	—	—	—	
—	—	(3,005)	—	(3,005)	(1)	(3,006)	
—	—	(3,005)	—	(3,005)	(1)	(3,006)	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
120	29	—	715	18,271	7	18,278	

# Consolidated Cash Flow Statement (abridged version)

	(€ millions)	
	2017	2016
Cash and cash equivalents at 1 January	9,770	11,443
Net cash provided/used by operating activities	15,714	1,850
Net cash provided/used by investing activities	(695)	(4,138)
Net cash provided/used by financing activities	(2,888)	(817)
Effects of exchange rate changes	—	—
Less non-current assets or disposal groups held for sale	—	—
<b>Cash and cash equivalents at 30 June</b>	<b>21,901</b>	<b>8,338</b>

# Accounting and Valuation

## 1 Accounting and valuation principles

The present Half-yearly Financial Report has been prepared in accordance with the regulations defined in the International Financial Reporting Standards (IFRS) and complies with IAS 34, which covers interim reporting. Thus, the present Half-yearly Financial Report meets the requirements of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) for the half-yearly financial reporting of capital-market-oriented companies.

UniCredit Bank AG (HVB) is a universal bank with its registered office and principal place of business in Arabellastrasse 12, Munich. It is filed under HRB 42148 in the B section of the Commercial Register maintained by Munich District Court. HVB is an affiliated company of UniCredit S.p.A., Rome, Italy (ultimate parent company).

We did not avail ourselves of the possibility of reviewing the present Half-yearly Financial Report of HVB Group compliant with Section 37w (5) WpHG.

The amounts shown in the tables and texts below relate to the reporting date of 30 June 2017 for disclosures regarding balance sheet items, or 31 December 2016 in the case of figures for the previous year, and totals for the period from 1 January to 30 June of the respective year for disclosures regarding the income statement.

We have applied the same accounting, valuation and disclosure principles in 2017 as in the consolidated financial statements for 2016 (please refer to the HVB Group Annual Report for 2016, starting on page 104).

The changes in the following standards newly published or revised by the IASB are mandatorily applicable in the EU for the first time in the 2017 financial year:

- Amendments to IAS 7 “Disclosure Initiative”
- Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealised Losses”
- “Annual Improvements to IFRSs 2014-2016 Cycle (IFRS 12)”

Implementation of these standard amendments will have no effect or no material effect on the consolidated financial statements of HVB Group.

We refer to the comments, which continue to be valid without changes, in the 2016 Annual Report in the notes to the consolidated financial statements concerning the effects of published, not yet applicable IFRS. On account of the relevance of IFRS 9, which is applicable for the first time as of 1 January 2018, the comments made in the 2016 Annual Report will be updated based on the progress meanwhile made in implementation.

In July 2014, the IASB published the definitive version of IFRS 9 “Financial Instruments” to replace IAS 39, the current standard covering the recognition and measurement of financial instruments. IFRS 9 contains a complete revision of the main regulations regarding the classification and measurement of financial instruments, the recognition of impairments of financial assets and the recognition of hedges. IFRS 9, which was adopted into European law by the EU in November 2016, is subject to adoption for reporting periods beginning on or after 1 January 2018. Initial application should be retrospective.

# Accounting and Valuation (CONTINUED)

In previous years UniCredit started a group-wide project involving HVB to implement IFRS 9. In the first half of 2017, project activities focused on the implementation of the new requirements relating to the required classification of financial instruments based on business models and on methods for the calculation of the expected losses, which are necessary for the new or modified valuation techniques under IFRS 9. For individual subareas, the technical concepts are being revised based on new insights, whereby their application is planned for the second half of the year to ensure that the IFRS 9 requirements can be implemented on schedule.

In connection with the initial adoption of IFRS 9, the effects arising from the retrospective adoption of IFRS 9 will be recognised in shareholders' equity. In the process, one important factor will be the change in the methodology applied to determine the portfolio allowances. The portfolio allowances for fully performing debt instruments measured at amortised cost will be determined in future based on the 12-month expected loss or if the credit rating has been significantly downgraded since the extension of the credit, based on the life-time expected loss. This will cause an increase in portfolio allowances for fully performing debt instruments. However, it will not be possible to estimate the effects in terms of quantity with sufficient reliability until a later date.

Against the backdrop that the Bank's business model prioritises the cultivation of customer relations, there is generally an intention to hold to maturity the loans extended by the Bank. The analysis of the credit portfolio, which has been completed for the most part, showed that only in a few exceptional cases are the cash flow conditions (cash flows represent solely interest and repayments of the outstanding capital) not met. As regards the portfolio of securities, no significant changes are planned in relation to the business model, which means that no material effects from changes in valuation (change in valuation from securities valued at cost to securities valued at fair value and vice versa) are expected in this respect either.

HVB intends to exercise the option provided in IFRS 9 to continue applying the regulations set forth in IAS 39 on the fair value hedge portfolio. No significant changes to hedge accounting are thus to be expected as a result of the application of IFRS 9. As the Bank is not exercising the option to apply the fair value option for liabilities, the new regulations on the treatment of own credit spread do not apply.

It is not yet possible to conduct a reliable quantitative assessment of the effects of the first-time application of IFRS 9. Individual effects result in both an increase and a decrease of shareholders' equity which means these compensate each other. According to current information, it is possible to rule out a significant reduction in shareholders' equity on account of the first-time application of IFRS 9.

## 2 Companies included in consolidation

The following companies left the group of companies included in consolidation in the first half of 2017 due to merger, sale, imminent or completed liquidation:

- Bankhaus Neelmeyer AG, Bremen
- Newstone Mortgage Securities No. Plc., London
- HVB Asset Management Holding GmbH, Munich

# Segment Reporting

## **3 Notes to segment reporting by business segment**

In segment reporting, the activities of HVB Group are divided into the following business segments:

- Commercial Banking
- Corporate & Investment Banking (CIB)
- Other/consolidation

### **Method of segment reporting**

The same principles are being applied in the 2017 financial year as were used at year-end 2016. We use risk-weighted assets compliant with Basel III as the criterion for allocating tiered equity capital. The core capital allocated to the business segments of HVB as a proportion of risk-weighted assets compliant with Basel III was raised from 11% to 12% at the beginning of 2017. The interest rate used to assess the equity capital allocated to companies assigned to several business segments (HVB and UniCredit Luxembourg S.A.) was 1.88% in the 2016 financial year. This interest rate was redetermined for the 2017 financial year and has been 1.02% since 1 January 2017.

In the course of the reorganisation, there were essentially shifts in net interest between all the business segments in the first half of 2017. These are mainly due to a recalculation of the return on investment.

The figures in previous periods affected by this reorganisation have been adjusted accordingly.

Since the 2017 financial year, certain balance sheet items of the segment assets (loans and receivables with banks) and segment liabilities (deposits from banks, debt securities in issue) are no longer segmented as this information is no longer required on a regular basis for management purposes by the Management Board as the responsible management body. Consequently, the balance sheet figures, broken down by business segment, disclosed as part of segment reporting have also been eliminated for these items.

# Segment Reporting (CONTINUED)

## 4 Income statement, broken down by business segment

Income statement, broken down by business segment for the period from 1 January to 30 June 2017

(€ millions)

INCOME/EXPENSES	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	OTHER/CONSOLIDATION	HVB GROUP
Net interest	727	443	146	1,316
Dividends and other income from equity investments	—	1	1	2
Net fees and commissions	430	178	(9)	599
Net trading income	38	623	19	680
Net other expenses/income	12	72	77	161
<b>OPERATING INCOME</b>	<b>1,207</b>	<b>1,317</b>	<b>234</b>	<b>2,758</b>
Payroll costs	(332)	(226)	(261)	(819)
Other administrative expenses	(586)	(428)	264	(750)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(58)	(56)	(119)
<b>Operating costs</b>	<b>(923)</b>	<b>(712)</b>	<b>(53)</b>	<b>(1,688)</b>
<b>OPERATING PROFIT</b>	<b>284</b>	<b>605</b>	<b>181</b>	<b>1,070</b>
Net write-downs of loans and provisions for guarantees and commitments	(61)	(69)	2	(128)
<b>NET OPERATING PROFIT</b>	<b>223</b>	<b>536</b>	<b>183</b>	<b>942</b>
Provisions for risks and charges	(25)	8	—	(17)
Restructuring costs	—	—	(2)	(2)
Net income from investments	(4)	8	6	10
<b>PROFIT BEFORE TAX</b>	<b>194</b>	<b>552</b>	<b>187</b>	<b>933</b>

Income statement, broken down by business segment for the period from 1 January to 30 June 2016

(€ millions)

INCOME/EXPENSES	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	OTHER/CONSOLIDATION	HVB GROUP
Net interest	752	560	5	1,317
Dividends and other income from equity investments	22	4	22	48
Net fees and commissions	377	197	(7)	567
Net trading income	(7)	349	—	342
Net other expenses/income	6	71	88	165
<b>OPERATING INCOME</b>	<b>1,150</b>	<b>1,181</b>	<b>108</b>	<b>2,439</b>
Payroll costs	(338)	(236)	(287)	(861)
Other administrative expenses	(607)	(442)	287	(762)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(58)	(60)	(123)
<b>Operating costs</b>	<b>(950)</b>	<b>(736)</b>	<b>(60)</b>	<b>(1,746)</b>
<b>OPERATING PROFIT</b>	<b>200</b>	<b>445</b>	<b>48</b>	<b>693</b>
Net write-downs of loans and provisions for guarantees and commitments	9	(175)	15	(151)
<b>NET OPERATING PROFIT</b>	<b>209</b>	<b>270</b>	<b>63</b>	<b>542</b>
Provisions for risks and charges	1	(11)	1	(9)
Restructuring costs	—	(2)	—	(2)
Net income from investments	14	3	20	37
<b>PROFIT BEFORE TAX</b>	<b>224</b>	<b>260</b>	<b>84</b>	<b>568</b>

**Development of the Commercial Banking business segment**

(€ millions)

INCOME/EXPENSES	1/1–30/6/2017	1/1–30/6/2016
Net interest	727	752
Dividends and other income from equity investments	—	22
Net fees and commissions	430	377
Net trading income	38	(7)
Net other expenses/income	12	6
<b>OPERATING INCOME</b>	<b>1,207</b>	<b>1,150</b>
Payroll costs	(332)	(338)
Other administrative expenses	(586)	(607)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(5)
<b>Operating costs</b>	<b>(923)</b>	<b>(950)</b>
<b>OPERATING PROFIT</b>	<b>284</b>	<b>200</b>
Net write-downs of loans and provisions for guarantees and commitments	(61)	9
<b>NET OPERATING PROFIT</b>	<b>223</b>	<b>209</b>
Provisions for risks and charges	(25)	1
Restructuring costs	—	—
Net income from investments	(4)	14
<b>PROFIT BEFORE TAX</b>	<b>194</b>	<b>224</b>
Cost-income ratio in % <sup>1</sup>	76.5	82.6

1 ratio of operating costs to operating income

The Commercial Banking business segment increased its operating profit (before net write-downs of loans and provisions for guarantees and commitments) by 42.0%, or €84 million, to €284 million in the first half of 2017.

At €1,207 million, operating income surpassed the year-ago figure (€1,150 million). On account of the extremely low interest rates, net interest of €727 million was generated, which had fallen by 3.3%. Deposit-taking operations continued to be weighed down by the persistently ultra-low interest rates. Despite a rise in real estate financing in the retail customer business with a slight fall in margins, a very good expansion in consumer lending activities (up 48%) and increased demand for credit in our business customer activities (up 2.8%) with stable margins compared with the previous year, it was not possible to compensate for the fall in profit in the deposit-taking business. No dividends and other income were generated from equity investments in 2017, while an extraordinary dividend payout from our investment in EURO Kartensysteme GmbH was contained in the first half of 2016. Net fees and commissions were up by €53 million to €430 million compared with the year-ago figure. At €38 million, net trading income developed favourably in the first half of 2017 compared with the previous year (down €7 million). Net other expenses/income also improved from €6 million in the first half of 2016 to €12 million in the current reporting period.

In the first half of 2017, operating costs were again reduced and fell by 2.8%, or €27 million, to €923 million compared with the equivalent period of the previous year. Payroll costs fell by 1.8%, or €6 million, to €332 million, particularly also on account of the smaller workforce. Likewise, other administrative expenses were lowered by 3.5%, or €21 million, to €586 million, which is attributable, among other factors, to a reduction in marketing expenses and a lower level of contributions to deposit guarantee institutions.

The cost-income ratio improved significantly from 82.6% in the first half of 2016 to 76.5% in the current reporting period due to an increase in operating income and higher cost reductions.

In the first half of 2017, there was a net addition to net write-downs of loans and provisions for guarantees and commitments of minus €61 million, after a net reversal (€9 million) was recorded in the equivalent period of the previous year. This increase of €70 million in net write-downs of loans and provisions for guarantees and commitments, in conjunction with the improved operating profit, resulted in a rise of 6.7%, or €14 million, to €223 million in net operating profit.

The additions to the provisions for risks and charges, with a net addition of €25 million recorded in the current reporting period, are mainly related to legal transactions. In the first half of 2017, the business segment generated a profit before tax totalling €194 million (year-ago figure: €224 million) on the back of a €18 million decline in net income from investments.

# Segment Reporting (CONTINUED)

## *Development of the Corporate & Investment Banking business segment*

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
<b>INCOME/EXPENSES</b>		
Net interest	443	560
Dividends and other income from equity investments	1	4
Net fees and commissions	178	197
Net trading income	623	349
Net other expenses/income	72	71
<b>OPERATING INCOME</b>	<b>1,317</b>	<b>1,181</b>
Payroll costs	(226)	(236)
Other administrative expenses	(428)	(442)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(58)	(58)
<b>Operating costs</b>	<b>(712)</b>	<b>(736)</b>
<b>OPERATING PROFIT</b>	<b>605</b>	<b>445</b>
Net write-downs of loans and provisions for guarantees and commitments	(69)	(175)
<b>NET OPERATING PROFIT</b>	<b>536</b>	<b>270</b>
Provisions for risks and charges	8	(11)
Restructuring costs	—	(2)
Net income from investments	8	3
<b>PROFIT BEFORE TAX</b>	<b>552</b>	<b>260</b>
Cost-income ratio in % <sup>1</sup>	54.1	62.3

<sup>1</sup> ratio of operating costs to operating income

In the first half of 2017, the Corporate & Investment Banking business segment generated operating income of €1,317 million, thus improving on the year-ago figure by €136 million or 11.5%.

In the reporting year, net interest continued to come under clear pressure from the ultra-low interest rate environment. At €443 million, net interest was €117 million lower than in the equivalent period in the previous year. The decline is mainly attributable to the Treasury business and the trading-induced interest. In addition, it should also be taken into account that net interest in 2016 benefitted from a gain in connection with the sale of a credit portfolio to finance commercial property. At €178 million, net fees and commissions did not manage to match the result of the first half of 2016 (€197 million). Net other expenses/income remained almost unchanged at €72 million (year-ago figure: €71 million).

Compared with 2016, net trading income rose a sharp €274 million, or 78.5%, to €623 million. This profit improvement was generated particularly in the fixed-income products and the Treasury business. We also generated an increase in earnings in the business with equity derivatives. The contribution to earnings by the valuation adjustments, which mainly include credit value adjustments and funding value adjustments as well as effects from a change in own credit spreads, was slightly higher than in the previous year.

Operating costs fell in comparison to the equivalent period last year by €24 million, or 3.3%, to €712 million. Of this total, payroll costs fell by €10 million to €226 million and other administrative expenses by €14 million to €428 million. At €58 million, amortisation, depreciation and impairment losses on intangible and tangible assets remained almost constant.

The cost-income ratio improved significantly by 8.2 percentage points to 54.1% both as a result of the pleasing earnings performance and cost reductions. Consequently, the operating profit rose by €160 million, or 36.0%, to €605 million.

In the reporting period, net write-downs of loans and provisions for guarantees and commitments amounted to €69 million, which is thus €106 million lower than the year-ago figure of €175 million. In the reporting period, provisions of €8 million were reversed in the non-lending business, after €11 million were transferred to provisions in the same period in 2016, which essentially relate to legal risks. For the first half of 2017, €8 million was generated in net income from investments after €3 million in the previous year.

In the current reporting period, the business segment generated a profit before tax of €552 million, which significantly exceeded the equivalent figure in the previous year by €292 million.

**Development of the Other/consolidation business segment**

(€ millions)

INCOME/EXPENSES	1/1–30/6/2017	1/1–30/6/2016
Net interest	146	5
Dividends and other income from equity investments	1	22
Net fees and commissions	(9)	(7)
Net trading income	19	—
Net other expenses/income	77	88
<b>OPERATING INCOME</b>	<b>234</b>	<b>108</b>
Payroll costs	(261)	(287)
Other administrative expenses	264	287
Amortisation, depreciation and impairment losses on intangible and tangible assets	(56)	(60)
<b>Operating costs</b>	<b>(53)</b>	<b>(60)</b>
<b>OPERATING PROFIT</b>	<b>181</b>	<b>48</b>
Net write-downs of loans and provisions for guarantees and commitments	2	15
<b>NET OPERATING PROFIT</b>	<b>183</b>	<b>63</b>
Provisions for risks and charges	—	1
Restructuring costs	(2)	—
Net income from investments	6	20
<b>PROFIT BEFORE TAX</b>	<b>187</b>	<b>84</b>
Cost-income ratio in % <sup>1</sup>	22.6	55.6

<sup>1</sup> ratio of operating costs to operating income

In the first half of 2017, the operating income of the Other/consolidation business segment, at €234 million, was significantly higher than the year-ago figure (€108 million). This development is mainly due to net interest (up €141 million to €146 million), which benefitted substantially from the positive non-recurring effect from the reversal of provisions. In the reporting period, €1 million was generated in dividends and similar income from equity investments, while €22 million attributable to a single notable dividend yield from our shareholdings was recorded in the previous year. The higher net trading income is driven by the positive effects from the buy-back of our own bonds and hybrid capital instruments (Tier 1 capital).

With operating costs having fallen by €7 million to €53 million compared with the previous year, the operating profit amounted to €181 million after €48 million in the previous year.

There was a net reversal in net write-downs of loans and provisions for guarantees and commitments in both years: €2 million in 2017 and €15 million in 2016. This meant that the net operating profit in the reporting year amounted to €183 million after €63 million in the previous year.

At €6 million, a lower result was generated in net income from investments compared with the previous year (€20 million). In 2017, this mainly relates to write-ups for investment properties, while 2016 contained gains on the disposal of investment properties. The profit before tax of €187 million was significantly higher than the year-ago figure (€84 million), particularly on account of the increase in net interest.

# Segment Reporting (CONTINUED)

## 5 Balance sheet figures, broken down by business segment

(€ millions)

	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	OTHER/CONSOLIDATION	HVB GROUP
<b>Loans and receivables with customers</b>				
30/6/2017	80,415	41,794	221	122,430
31/12/2016	78,435	43,863	(824)	121,474
<b>Goodwill</b>				
30/6/2017	130	288	—	418
31/12/2016	130	288	—	418
<b>Deposits from customers</b>				
30/6/2017	81,368	32,639	3,076	117,083
31/12/2016	81,962	30,519	4,723	117,204
<b>Risk-weighted assets compliant with Basel III</b> (including equivalents for market risk and operational risk)				
30/6/2017	29,859	42,754	6,406	79,019
31/12/2016	30,440	44,493	6,642	81,575

# Notes to the Income Statement

## 6 Net interest

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Interest income	1,865	2,118
Lending and money market transactions	1,393	1,471
Other interest income	472	647
Interest expense	(549)	(801)
Deposits	(66)	(101)
Debt securities in issue and other interest expenses	(483)	(700)
<b>Total</b>	<b>1,316</b>	<b>1,317</b>

Interest that the Bank is required to pay on assets (such as interest payable on average reserves maintained with the ECB above the minimum required reserve and other deposits with the ECB) is carried as a negative item under interest income (€65 million); where interest receivable accrues on the liabilities side, this is similarly recognised as a positive item under interest expense (€128 million). This mainly relates to securities repurchase agreements, overnight deposits and forward transactions with banks and institutional investors.

## Net interest attributable to related parties

The following table shows the net interest attributable to related parties:

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Non-consolidated affiliated companies	19	25
of which:		
UniCredit S.p.A.	2	6
Sister companies	17	19
Joint ventures	3	2
Associated companies	5	1
Other participating interests	9	—
<b>Total</b>	<b>36</b>	<b>28</b>

## 7 Dividends and other income from equity investments

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Dividends and other similar income	3	48
Companies accounted for using the equity method	(1)	—
<b>Total</b>	<b>2</b>	<b>48</b>

# Notes to the Income Statement (CONTINUED)

## 8 Net fees and commissions

	(€ millions)	1/1–30/6/2017	1/1–30/6/2016
Fee and commission income		738	777
Fee and commission expense		(139)	(210)
<b>Net fees and commissions</b>		<b>599</b>	<b>567</b>
thereof:			
Management, brokerage and consultancy services		303	297
Collection and payment services		131	98
Lending operations		162	178
Other service operations		3	(6)

### Net fees and commissions from related parties

The following table shows the net fees and commissions attributable to related parties:

	(€ millions)	1/1–30/6/2017	1/1–30/6/2016
Non-consolidated affiliated companies		69	(8)
of which:			
UniCredit S.p.A.		17	(57)
Sister companies		48	45
Subsidiaries		4	4
Joint ventures		—	—
Associated companies		2	9
Other participating interests		—	—
<b>Total</b>		<b>71</b>	<b>1</b>

## 9 Net trading income

	(€ millions)	1/1–30/6/2017	1/1–30/6/2016
Net gains on financial assets held for trading <sup>1</sup>		607	409
Effects arising from hedge accounting		54	(39)
Changes in fair value of hedged items		474	(494)
Changes in fair value of hedging derivatives		(420)	455
Net gains/(losses) on financial assets at fair value through profit or loss (fair value option) <sup>2</sup>		8	(28)
Other net trading income		11	—
<b>Total</b>		<b>680</b>	<b>342</b>

1 including dividends on financial assets held for trading

2 also including the valuation results of derivatives concluded to hedge financial assets through fair value at profit or loss (effect in the first half of 2017: plus €190 million; effect in the equivalent period last year: minus €236 million)

The effects arising from hedge accounting include the hedge results of the fair value hedge portfolio and the individual micro fair value hedges as a net aggregate total.

The net hedge accounting income of €54 million (first half of 2016: expense of €39 million) arises from the increase of €474 million (first half of 2016: decrease of €494 million) in fair value relating to the secured risk of the hedged items and the decrease of €420 million in the fair value of hedging derivatives (first half of 2016: increase of €455 million).

The net gains on holdings at fair value through profit or loss (held-for-trading portfolio and fair value option) generally only contain the changes in fair value disclosed in the income statement. The interest income from held-for-trading portfolios is normally disclosed under net interest. To ensure that the full contribution of these activities to profits is disclosed, the interest cash flows are only carried in net trading income for the interest rate swap trading book, which exclusively contains interest rate derivatives.

## 10 Net other expenses/income

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Other income	311	306
Other expenses	(150)	(141)
<b>Total</b>	<b>161</b>	<b>165</b>

## Net other expenses/income attributable to related parties

The following table shows the net other expenses/income attributable to related parties:

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Non-consolidated affiliated companies	41	39
of which:		
UniCredit S.p.A.	7	7
Sister companies	34	32
Joint ventures	—	—
Associated companies	—	—
Other participating interests	—	—
<b>Total</b>	<b>41</b>	<b>39</b>

## 11 Operating costs

### Operating costs of related parties

The following table shows the operating costs of related parties included in the total operating costs shown in the income statement:

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Non-consolidated affiliated companies	(365)	(351)
of which:		
UniCredit S.p.A.	(5)	(7)
Sister companies	(360)	(344)
Joint ventures	—	—
Associated companies	—	—
Other participating interests	—	—
<b>Total</b>	<b>(365)</b>	<b>(351)</b>

## 12 Net write-downs of loans and provisions for guarantees and commitments

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Additions/releases	(147)	(181)
Allowances for losses on loans and receivables	(211)	(196)
Allowances for losses on guarantees and indemnities	64	15
Recoveries from write-offs of loans and receivables	19	30
Gains/(losses) on the disposal of impaired loans and receivables	—	—
<b>Total</b>	<b>(128)</b>	<b>(151)</b>

### Net write-downs of loans and provisions for guarantees and commitments to related parties

The following table shows the net write-downs of loans and provisions for guarantees and commitments attributable to related parties:

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Non-consolidated affiliated companies	—	—
of which:		
UniCredit S.p.A.	—	—
Sister companies	—	—
Joint ventures	—	—
Associated companies	—	—
Other participating interests	—	(1)
<b>Total</b>	<b>—</b>	<b>(1)</b>

# Notes to the Income Statement (CONTINUED)

## 13 Provisions for risks and charges

In the first six months of the 2017 financial year, there were expenses of €17 million for provisions for risks and charges after €9 million in the previous year. These are primarily provisions for legal risks in both years. The legal risks of HVB Group are described in greater detail in the section entitled "Operational risk" in the Risk Report of this Interim Management Report.

## 14 Net income from investments

Net income from investments	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Available-for-sale financial assets	4	13
Shares in affiliated companies	1	—
Companies accounted for using the equity method	—	—
Held-to-maturity investments	—	—
Land and buildings	—	—
Investment properties <sup>1</sup>	5	24
Other	—	—
<b>Total</b>	<b>10</b>	<b>37</b>

<sup>1</sup> gains on disposal, impairments and write-ups

Net income from investments breaks down as follows:

	(€ millions)	
	1/1–30/6/2017	1/1–30/6/2016
Gains on the disposal of		
available-for-sale financial assets	11	36
shares in affiliated companies	9	14
companies accounted for using the equity method	1	—
held-to-maturity investments	—	—
land and buildings	—	—
investment properties	1	22
other	—	—
Write-downs, value adjustments and write-ups on	(1)	1
available-for-sale financial assets	(5)	(1)
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	—
investment properties	4	2
other	—	—
<b>Total</b>	<b>10</b>	<b>37</b>

## 15 Earnings per share

	1/1–30/6/2017	1/1–30/6/2016
Consolidated profit attributable to the shareholder (€ millions)	715	369
Average number of shares	802,383,672	802,383,672
Earnings per share (€) (undiluted and diluted)	0.89	0.46

# Notes to the Balance Sheet

## 16 Financial assets held for trading

	(€ millions)	
	30/6/2017	31/12/2016
Balance-sheet assets	31,864	35,691
Fixed-income securities	10,050	10,928
Equity instruments	13,070	11,315
Other financial assets held for trading	8,744	13,448
Positive fair value from derivative financial instruments	48,676	58,396
<b>Total</b>	<b>80,540</b>	<b>94,087</b>

The financial assets held for trading include €290 million (31 December 2016: €170 million) in subordinated assets.

## Financial assets held for trading of related parties

The following table shows the breakdown of financial assets held for trading involving related parties:

	(€ millions)	
	30/6/2017	31/12/2016
Non-consolidated affiliated companies	12,678	15,116
of which:		
UniCredit S.p.A.	8,549	9,937
Sister companies <sup>1</sup>	4,129	5,179
Joint ventures	24	20
Associated companies	838	703
Other participating interests	7	9
<b>Total</b>	<b>13,547</b>	<b>15,848</b>

1 mostly derivative transactions involving UniCredit Bank Austria AG

## 17 Financial assets at fair value through profit or loss

	(€ millions)	
	30/6/2017	31/12/2016
Fixed-income securities	23,062	27,423
Equity instruments	—	—
Investment certificates	—	—
Promissory notes	1,051	1,089
Other financial assets at fair value through profit or loss	—	—
<b>Total</b>	<b>24,113</b>	<b>28,512</b>

The financial assets at fair value through profit or loss (fair value option) include €7 million (31 December 2016: €6 million) in subordinated assets.

# Notes to the Balance Sheet (CONTINUED)

## 18 Available-for-sale financial assets

	(€ millions)	
	30/6/2017	31/12/2016
Fixed-income securities	6,393	5,627
Equity instruments	105	99
Other available-for-sale financial assets	58	56
Impaired assets	134	147
<b>Total</b>	<b>6,690</b>	<b>5,929</b>

Available-for-sale financial assets at 30 June 2017 include financial instruments of €150 million (31 December 2016: €231 million) valued at cost.

Available-for-sale financial assets at 30 June 2017 contain a total of €134 million (31 December 2016: €147 million) in impaired assets. Impairments of €2 million (first half of 2016: €1 million) were taken to the income statement during the reporting period.

None of the non-impaired debt instruments are financial instruments past due.

At 30 June 2017 and at 31 December 2016, the available-for-sale financial assets include no subordinated assets.

## 19 Shares in associated companies accounted for using the equity method and joint ventures accounted for using the equity method

	(€ millions)	
	30/6/2017	31/12/2016
Associated companies accounted for using the equity method	40	44
of which: goodwill	11	11
Joint ventures accounted for using the equity method	—	—
<b>Total</b>	<b>40</b>	<b>44</b>

## 20 Held-to-maturity investments

	(€ millions)	
	30/6/2017	31/12/2016
Fixed-income securities	25	36
Impaired assets	—	—
<b>Total</b>	<b>25</b>	<b>36</b>

The held-to-maturity investments at 30 June 2017 include no subordinated assets, as was also the case at 31 December 2016.

The held-to-maturity investments at 30 June 2017 include no impaired or past due assets, as was also the case at 31 December 2016.

## 21 Loans and receivables with banks

	(€ millions)	
	30/6/2017	31/12/2016
Current accounts	1,891	1,059
Cash collateral and pledged credit balances	7,505	9,567
Reverse repos	11,998	13,169
Reclassified securities	209	450
Other loans to banks	9,210	8,798
<b>Total</b>	<b>30,813</b>	<b>33,043</b>

The non-performing loans and receivables with banks arise from the gross loans and receivables of €40 million before allowances (31 December 2016: €45 million) less the associated specific allowances of €40 million (31 December 2016: €43 million).

The other loans to banks consist mostly of term deposits and bonds.

The loans and receivables with banks include €0 million (31 December 2016: €5 million) in subordinated assets at 30 June 2017.

### **Loans and receivables with related parties**

The following table shows the breakdown of loans and receivables with banks involving related parties:

	30/6/2017	31/12/2016
Non-consolidated affiliated companies	6,406	3,874
of which:		
UniCredit S.p.A.	4,043	1,897
Sister companies <sup>1</sup>	2,363	1,977
Joint ventures	285	295
Associated companies	47	12
Other participating interests	82	79
<b>Total</b>	<b>6,820</b>	<b>4,260</b>

1 mainly UniCredit Bank Austria AG

### **22 Loans and receivables with customers**

	30/6/2017	31/12/2016
Current accounts	7,900	7,315
Cash collateral and pledged cash balances	2,293	2,529
Reverse repos	1,470	1,632
Mortgage loans	44,755	44,009
Finance leases	1,878	2,026
Reclassified securities	1,093	1,271
Non-performing loans and receivables	1,961	2,511
Other loans and receivables	61,080	60,181
<b>Total</b>	<b>122,430</b>	<b>121,474</b>

The non-performing loans and receivables with customers arise from the gross loans and receivables of €4,123 million before allowances (31 December 2016: €4,661 million) less the associated specific allowances of €2,162 million (31 December 2016: €2,150 million).

Other loans and receivables largely comprise miscellaneous other loans, installment loans, term deposits and refinanced special credit facilities.

Loans and receivables with customers include an amount of €3,720 million (31 December 2016: €3,515 million) funded under the fully consolidated Arabella conduit programme. This essentially involves buying short-term accounts payable and medium-term receivables under lease agreements from customers and funding them by issuing commercial paper on the capital market. The securitised loans and receivables essentially reflect loans and receivables of European borrowers.

The loans and receivables with customers at 30 June 2017 include €471 million (31 December 2016: €467 million) in subordinated assets.

### **Loans and receivables with related parties**

The following table shows the breakdown of loans and receivables with customers involving related parties:

	30/6/2017	31/12/2016
Non-consolidated affiliated companies	5	54
of which:		
Sister companies	4	2
Subsidiaries	1	52
Joint ventures	22	24
Associated companies	33	37
Other participating interests	445	437
<b>Total</b>	<b>505</b>	<b>552</b>

# Notes to the Balance Sheet (CONTINUED)

## 23 Allowances for losses on loans and receivables with customers and banks

Analysis of loans and receivables

(€ millions)

<b>Balance at 1/1/2016</b>	<b>2,688</b>
Changes affecting income <sup>1</sup>	196
Changes not affecting income	(181)
Changes due to make-up of group of consolidated companies and reclassifications of non-current assets or disposal groups held for sale	(8)
Use of existing loan-loss allowances	(140)
Effects of currency translation and other changes not affecting income	(33)
Non-current assets or disposal groups held for sale	—
<b>Balance at 30/6/2016</b>	<b>2,703</b>
<b>Balance at 1/1/2017</b>	<b>2,563</b>
Changes affecting income <sup>1</sup>	211
Changes not affecting income	(147)
Changes due to make-up of group of consolidated companies and reclassifications of non-current assets or disposal groups held for sale	—
Use of existing loan-loss allowances	(96)
Effects of currency translation and other changes not affecting income	(51)
Non-current assets or disposal groups held for sale	—
<b>Balance at 30/6/2017</b>	<b>2,627</b>

1 the changes affecting income include the gains on the disposal of impaired loans and receivables

## 24 Deposits from banks

(€ millions)

	30/6/2017	31/12/2016
Deposits from central banks	19,680	15,946
Deposits from banks	50,078	41,638
Current accounts	4,012	2,417
Cash collateral and pledged credit balances	12,034	11,132
Repos	16,512	12,362
Term deposits	5,290	4,720
Other liabilities	12,230	11,007
<b>Total</b>	<b>69,758</b>	<b>57,584</b>

## Amounts owed to related parties

The following table shows the breakdown of deposits from banks involving related parties:

(€ millions)

	30/6/2017	31/12/2016
Non-consolidated affiliated companies	5,947	4,407
of which:		
UniCredit S.p.A.	2,850	1,139
Sister companies <sup>1</sup>	3,097	3,268
Joint ventures	13	33
Associated companies	45	78
Other participating interests	21	22
<b>Total</b>	<b>6,026</b>	<b>4,540</b>

1 the largest single item relates to UniCredit Bank Austria AG

## 25 Deposits from customers

	(€ millions)	
	30/6/2017	31/12/2016
Current accounts	66,143	69,341
Cash collateral and pledged credit balances	3,881	4,076
Savings deposits	13,710	13,780
Repos	7,520	8,798
Term deposits	20,757	16,028
Promissory notes	3,416	3,565
Other liabilities	1,656	1,616
<b>Total</b>	<b>117,083</b>	<b>117,204</b>

## Amounts owed to related parties

The following table shows the breakdown of deposits from customers involving related parties:

	(€ millions)	
	30/6/2017	31/12/2016
Non-consolidated affiliated companies	259	333
of which:		
Sister companies	255	326
Subsidiaries	4	7
Joint ventures	2	6
Associated companies	5	4
Other participating interests	323	370
<b>Total</b>	<b>589</b>	<b>713</b>

## 26 Debt securities in issue

	(€ millions)	
	30/6/2017	31/12/2016
Bonds	22,237	21,834
of which:		
Registered mortgage Pfandbriefs	5,462	5,498
Registered public-sector Pfandbriefs	2,263	3,027
Mortgage Pfandbriefs	8,001	7,351
Public-sector Pfandbriefs	164	262
Registered bonds	2,792	2,740
Other securities	1,862	2,380
<b>Total</b>	<b>24,099</b>	<b>24,214</b>

## Debt securities in issue, payable to related parties

The following table shows the breakdown of debt securities in issue involving related parties:

	(€ millions)	
	30/6/2017	31/12/2016
Non-consolidated affiliated companies	—	217
of which:		
UniCredit S.p.A.	—	—
Sister companies	—	217
Joint ventures	1	16
Associated companies	151	146
Other participating interests	—	—
<b>Total</b>	<b>152</b>	<b>379</b>

# Notes to the Balance Sheet (CONTINUED)

## 27 Financial liabilities held for trading

	(€ millions)	
	30/6/2017	31/12/2016
Negative fair values arising from derivative financial instruments	44,276	54,806
Other financial liabilities held for trading	13,804	18,028
<b>Total</b>	<b>58,080</b>	<b>72,834</b>

The negative fair values arising from derivative financial instruments are carried as financial liabilities held for trading purposes. Also included under other financial liabilities held for trading purposes are warrants, certificates and bonds issued by our trading department as well as delivery obligations arising from short sales of securities held for trading purposes.

## 28 Provisions

	(€ millions)	
	30/6/2017	31/12/2016
Provisions for pensions and similar obligations	777	898
Allowances for losses on guarantees and commitments and irrevocable credit commitments	150	230
Restructuring provisions	624	631
Other provisions	1,193	1,263
Payroll provisions	262	272
Provisions related to tax disputes (without income taxes)	34	60
Provisions for rental guarantees and dismantling obligations	132	133
Other provisions	765	798
<b>Total</b>	<b>2,744</b>	<b>3,022</b>

### Provisions for pensions and similar obligations

At 30 June 2017, the provisions for pensions and similar obligations were remeasured on the basis of updated actuarial assumptions and market values of the plan assets. Compared with year-end 2016, the pension provisions shown in the consolidated balance sheet have decreased by €121 million (–13.5%) to €777 million. The recognised pension provisions correspond to the net liability under the defined benefit plans calculated by offsetting the present value of the defined benefit obligation (DBO) of €4,846 million against the fair value of the plan assets of €4,069 million.

The main reason for the decrease in pension provisions was the increase in the actuarial interest rate (weighted average) by 25 basis points to 2.15% (31 December 2016: 1.90%) arising from developments on the capital markets in the first half of 2017. An increased actuarial interest rate leads to higher discounting of the obligations arising from defined benefit pension commitments and hence to a lower present value of the obligation.

The actuarial gains resulting from the calculation of the estimated present value of the defined benefit obligation at the reporting date, netted with the losses from the current market valuation of the plan assets (difference between normalised and actual return), gave rise to an overall positive effect from remeasurement of €158 million, which was recognised immediately in shareholders' equity and carried under other comprehensive income (OCI) in the consolidated statement of total comprehensive income.

## 29 Subordinated capital

The following table shows the breakdown of subordinated capital included in deposits from banks and customers and debt securities in issue: (€ millions)

	30/6/2017	31/12/2016
Subordinated liabilities	545	543
Hybrid capital instruments	53	56
<b>Total</b>	<b>598</b>	<b>599</b>

# Other Information

## 30 Reclassification of financial instruments in accordance with IAS 39.50 et seq. and IFRS 7

HVB reclassified certain financial assets to loans and receivables in 2008 and 2009 in accordance with the amendment to IAS 39 and IFRS 7 implemented by the International Accounting Standards Board (IASB) and Commission Regulation (EC) No 1004/2008. The intention to trade no longer exists for these reclassified holdings since the markets in these financial instruments had become illiquid as a result of the extraordinary circumstances created by the financial crisis (2008/09) through to the time of reclassification. Given the high quality of the assets concerned, HVB intends to retain the assets for a longer period. HVB has not reclassified any assets from the available-for-sale portfolio. No further reclassifications have been carried out since 2010.

The asset-backed securities and other debt securities reclassified in 2008 were disclosed at 31 December 2008 with a carrying amount of €13.7 billion and the holdings reclassified in 2009 were disclosed at 31 December 2009 with a carrying amount of €7.3 billion.

Analysis of the reclassified holdings for the current and previous reporting periods

(€ billions)

RECLASSIFIED ASSET-BACKED SECURITIES AND OTHER DEBT SECURITIES	CARRYING AMOUNT OF ALL RECLASSIFIED ASSETS <sup>1</sup>	FAIR VALUE OF ALL RECLASSIFIED ASSETS	NOMINAL AMOUNT OF ALL RECLASSIFIED ASSETS
<b>Reclassified in 2008</b>			
Balance at 31/12/2016	0.9	0.9	1.0
Balance at 30/6/2017	0.7	0.6	0.8
<b>Reclassified in 2009</b>			
Balance at 31/12/2016	0.9	1.0	0.9
Balance at 30/6/2017	0.7	0.9	0.7
<b>Balance of reclassified assets at 30/6/2017</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>

<sup>1</sup> before accrued interest

The fair value at the date when the reclassification takes effect represents the new acquisition cost, which in some cases is considerably less than the nominal value. Accordingly, this difference (discount) is to be amortised over the remaining term of the reclassified financial assets. This together with the reclassified securities that had been matured or partially repaid gives rise to an effect of €6 million in the first half of 2017 (2016 financial year: €13 million), which is recognised in net interest.

A gain of €2 million (2016 financial year: €19 million) on reclassified securities that had been sold was recognised in the income statement in the first six months of 2017.

In the first half of 2017, we reversed write-downs of €4 million that had previously been taken on reclassified assets. Write-downs of €51 million were reversed on the reclassified assets in the 2016 financial year.

If these reclassifications had not been carried out in 2008 and 2009, mark-to-market valuation (inclusive realised disposals) would have given rise to a net loss of €9 million (2016 financial year: €25 million) in net trading income in the first half of 2017. These effects reflect a theoretical, pro forma calculation, as the assets are measured at amortised cost on account of the reclassification. Accordingly, the inclusion of these effects on the income statement resulted in a profit before tax that was €21 million higher in the first six months of 2017 (2016 financial year: €108 million). Between the date when the reclassifications took effect in 2008 and the reporting date, the cumulative net effect on the income statement from the reclassifications already carried out totalled minus €83 million before tax (31 December 2016: minus €104 million).

# Other Information (CONTINUED)

## 31 Notes to selected structured products

Additional information regarding selected structured products is given below in order to provide greater transparency. Holdings of asset-backed securities (ABS) transactions issued by third parties are shown below alongside tranches retained by HVB Group.

### **ABS portfolio**

In a securitisation transaction, above all the originator transfers credit receivables and/or credit risks to third parties. The securitisation itself is usually performed via what are known as structured entities (formerly called special purpose vehicles or SPVs). In order to refinance the acquisition of receivables, these vehicles issue securities on the capital market that are secured by the receivables acquired. This serves to transfer the associated credit risks to investors in the form of asset-backed securities. The securities issued by vehicles are generally divided into tranches which differ above all in terms of seniority in the servicing of claims to repayment and interest payments. These tranches are generally assessed by rating agencies.

Depending on the underlying assets in a securitisation transaction, the following types of security among others are distinguished in ABS transactions:

- residential mortgage-backed securities (RMBS) relating to mortgage loans in the private sector (residential mortgage loans)
- commercial mortgage-backed securities (CMBS) relating to mortgage loans in the commercial sector (commercial mortgage loans)
- collateralised loan obligations (CLO) relating to commercial bank loans
- collateralised bond obligations (CBO) relating to securities portfolios

Besides this, consumer loans, credit card receivables and receivables under finance leases are also securitised.

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by rating class: (€ millions)

CARRYING AMOUNTS	30/6/2017			31/12/2016
	SENIOR	MEZZANINE	JUNIOR	TOTAL
<b>Positions retained from own securitisations</b>	—	—	—	—
<b>Positions in third-party ABS transactions</b>	<b>6,257</b>	<b>350</b>	—	<b>6,607</b>
Residential mortgage-backed securities (RMBS)	2,276	139	—	2,415
Commercial mortgage-backed securities (CMBS)	69	47	—	116
Collateralised debt obligations (CDO)	55	—	—	55
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	2,760	135	—	2,895
Consumer loans	1,051	21	—	1,072
Credit cards	—	—	—	77
Receivables under finance leases	17	4	—	21
Others	29	4	—	33
<b>Total</b>	<b>30/6/2017</b>	<b>6,257</b>	<b>350</b>	<b>6,607</b>
	<b>31/12/2016</b>	<b>6,278</b>	<b>510</b>	<b>6,788</b>

The positions are classified as senior, mezzanine and junior on the basis of external ratings, or internal ratings where no external rating exists. Only those tranches with the best rating are carried as senior tranches. Only tranches with low ratings (worse than BB– in external ratings) and unrated tranches (known as first loss pieces) are carried as junior tranches; all other tranches are grouped together as mezzanine tranches.

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by region

(€ millions)

CARRYING AMOUNTS	30/6/2017					
	EUROPE	USA	ASIA	OTHER REGIONS	TOTAL	
Positions retained from own securitisations	—	—	—	—	—	
Positions in third-party ABS transactions	5,439	1,140	—	28	6,607	
Residential mortgage-backed securities (RMBS)	2,407	1	—	7	2,415	
Commercial mortgage-backed securities (CMBS)	110	6	—	—	116	
Collateralised debt obligations (CDO)	3	31	—	21	55	
Collateralised loan obligations (CLO)/						
collateralised bond obligations (CBO)	1,797	1,098	—	—	2,895	
Consumer loans	1,068	4	—	—	1,072	
Credit cards	—	—	—	—	—	
Receivables under finance leases	21	—	—	—	21	
Others	33	—	—	—	33	
Total	30/6/2017	5,439	1,140	—	28	6,607
	31/12/2016	5,800	957	—	31	6,788

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by remaining maturity

(€ millions)

CARRYING AMOUNTS	30/6/2017			TOTAL	
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS		
Positions retained from own securitisations	—	—	—	—	
Positions in third-party ABS transactions	566	4,473	1,568	6,607	
Residential mortgage-backed securities (RMBS)	242	1,754	419	2,415	
Commercial mortgage-backed securities (CMBS)	10	31	75	116	
Collateralised debt obligations (CDO)	1	2	52	55	
Collateralised loan obligations (CLO)/					
collateralised bond obligations (CBO)	79	1,835	981	2,895	
Consumer loans	218	838	16	1,072	
Credit cards	—	—	—	—	
Receivables under finance leases	16	5	—	21	
Others	—	8	25	33	
Total	30/6/2017	566	4,473	1,568	6,607
	31/12/2016	822	4,356	1,610	6,788

# Other Information (CONTINUED)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by class as per IAS 39 (€ millions)

CARRYING AMOUNTS	30/6/2017					TOTAL
	HELD FOR TRADING	FAIR VALUE OPTION	LOANS & RECEIVABLES	HELD TO MATURITY	AVAILABLE FOR SALE	
<b>Positions retained from own securitisations</b>	—	—	—	—	—	—
<b>Positions in third-party ABS transactions</b>	<b>101</b>	<b>11</b>	<b>6,441</b>	<b>25</b>	<b>29</b>	<b>6,607</b>
Residential mortgage-backed securities (RMBS)	63	6	2,326	—	20	2,415
Commercial mortgage-backed securities (CMBS)	—	—	110	—	6	116
Collateralised debt obligations (CDO)	—	5	29	21	—	55
Collateralised loan obligations (CLO)/	—	—	2,895	—	—	2,895
collateralised bond obligations (CBO)	—	—	—	—	—	—
Consumer loans	27	—	1,041	4	—	1,072
Credit cards	—	—	—	—	—	—
Receivables under finance leases	11	—	7	—	3	21
Others	—	—	33	—	—	33
<b>Total</b>	<b>30/6/2017</b>	<b>101</b>	<b>11</b>	<b>6,441</b>	<b>25</b>	<b>29</b>
	<b>31/12/2016</b>	<b>156</b>	<b>14</b>	<b>6,517</b>	<b>36</b>	<b>65</b>
						<b>6,788</b>

## 32 Fair value hierarchy

The development of financial instruments measured at fair value and recognised at fair value in the balance sheet is described below notably with regard to the fair value hierarchy.

This fair value hierarchy is divided into the following levels:

Level 1 contains financial instruments measured using prices of identical assets or liabilities listed on an active market. These prices are incorporated unchanged. We have assigned mostly listed equity instruments, bonds and exchange-traded derivatives to this category.

Assets and liabilities whose valuation is derived from directly observable (prices) or indirectly observable (derived from prices) input data are shown in Level 2. No price can be observed on an active market for the assets and liabilities concerned themselves. As a result of this, we notably show the fair values of interest rate and credit derivatives in this level together with the fair values of ABS bonds, provided a liquid market exists for the asset class in question.

Financial assets or liabilities of €489 million (31 December 2016: €1,168 million) have been transferred between Level 1 and Level 2. At the same time, financial assets or liabilities of €1,653 million (31 December 2016: €1,393 million) were transferred between Level 2 and Level 1. Most of the transfers relate to securities, resulting from an increase or decrease in the actual trading taking place in the securities concerned and the associated change in the bid-offer spreads.

The following table shows transfers between Level 1 and Level 2 for financial instruments where the fair value is determined on a recurring basis: (€ millions)

	TO LEVEL 1	TO LEVEL 2
<b>Financial assets held for trading</b>		
Transfer from Level 1	—	18
Transfer from Level 2	285	—
<b>Financial assets at fair value through profit or loss</b>		
Transfer from Level 1	—	465
Transfer from Level 2	1,329	—
<b>Available-for-sale financial assets</b>		
Transfer from Level 1	—	0
Transfer from Level 2	10	—
<b>Financial liabilities held for trading</b>		
Transfer from Level 1	—	6
Transfer from Level 2	29	—

1 January is considered the transfer date for instruments transferred between the levels in the reporting period (1 January to 30 June).

Level 3 relates to assets or liabilities for which the fair value cannot be calculated exclusively on the basis of observable market data (non-observable input data). The amounts involved are stated in Level 2 if the impact of the non-observable input data on the determination of fair value is insignificant. Thus, the respective fair values also incorporate valuation parameters based on model assumptions. This includes derivatives and structured products that contain at least one "exotic" component, such as foreign currency or interest rate derivatives on illiquid currencies, derivatives without standard market terms, structured products with an illiquid underlying as reference and ABS bonds of an asset class for which no liquid market exists.

If the value of a financial instrument is based on non-observable valuation parameters, the value of these parameters may be selected from a range of possible appropriate alternatives at the reporting date. Appropriate values are determined for these non-observable parameters and applied for valuation purposes, when the annual financial statements are prepared, reflecting the prevailing market conditions. In addition, individual parameters that cannot be incorporated separately as standalone valuation parameters are taken into account by applying a model reserve.

## Other Information (CONTINUED)

The following measurement methods are applied for each product type, broken down by the individual classes of financial instrument. The valuations for financial instruments in fair value Level 3 depend upon the following significant parameters that cannot be observed on the market:

PRODUCT TYPE	MEASUREMENT METHOD	SIGNIFICANT NON-OBSERVABLE PARAMETERS	RANGE
Fixed-income securities and other debt instruments	Market approach	Price	0%–106%
Equities	Market approach	Price	0%–100%
Asset-backed securities (ABS)	DCF method	Credit spread curves	68BSP–790BSP
		Residual value	20%–80%
		Default rate	0.5%–3.5%
		Prepayment rate	0%–20%
Equity derivatives	Option price model	Equity volatility	5%–85%
		Correlation between equities	(95)%–95%
Interest rate derivatives	DCF method	Dividend yields	0%–8%
		Swap interest rate	(40)BSP–1,000BSP
	Option price model	Inflation swap interest rate	0BSP–230BSP
		Inflation volatility	1%–10%
		Interest rate volatility	1%–100%
Credit derivatives	Hazard rate model	Correlation between interest rates	0%–100%
		Credit spread curves	0%–35%
		Credit correlation	25%–85%
	Option price model	Residual value	20%–41%
Currency derivatives	DCF method	Credit volatility	37%–53%
	Option price model	Yield curves	(25)%–20%
		FX volatility	1%–40%

The impact of changing possible appropriate alternative parameter values on the fair value (after adjustments) is shown in the sensitivity analysis presented below. For portfolios at fair value through profit or loss, the positive change in fair value at 30 June 2017 resulting from the use of possible appropriate alternatives would be €112 million (31 December 2016: €125 million), and the negative change would be €50 million (31 December 2016: €61 million).

The following table shows the significant sensitivity effects, broken down by the individual classes of financial instrument for the various product types:

(€ millions)

	30/6/2017		31/12/2016	
	POSITIVE	NEGATIVE	POSITIVE	NEGATIVE
Fixed-income securities and other debt instruments	1	(1)	1	(1)
Equities	12	(12)	10	(10)
Asset-backed securities	—	—	1	—
Equity derivatives	75	(22)	80	(25)
Interest rate derivatives	6	(2)	2	(1)
Credit derivatives	20	(16)	26	(21)
Currency derivatives	(2)	3	3	(3)
Commodity derivatives	—	—	2	—
<b>Total</b>	<b>112</b>	<b>(50)</b>	<b>125</b>	<b>(61)</b>

For fixed-income securities and other debt instruments and asset-backed securities, the credit spread curves were varied as part of the sensitivity analyses in line with rating. For shares, the spot price is varied using a relative value.

The following non-observable parameters were varied (stress test) for the sensitivity analysis for equity derivatives included in Level 3: spot prices for hedge funds, implicit volatility, dividends, implicit correlations and the assumptions regarding the interpolation between individual parameters observable on the market, such as volatilities. For interest rate products, interest rates, interest rate correlations and implicit volatilities were varied as part of the sensitivity analysis. For credit derivatives, rating-dependent shifts in the risk premium curves for credit risk were assumed together with changes in implicit correlations and increases in default rates. Foreign currency derivatives were varied in terms of interest rates and the implicit volatility.

Where trades are executed for which the transaction price deviates from the fair value at the trade date and non-observable parameters are employed to a considerable extent in valuation models, the financial instrument concerned is recognised at the trade price. This difference between the transaction price and the fair value of the valuation model is defined as the trade date gain/loss. Any gain determined at the trade date is deferred and recognised in the income statement over the term of the transaction. As soon as a reference price can be determined for the transaction on an active market, or the significant input parameters on observable market data, the deferred trade date gain is taken directly to the income statement in net trading income.

The following table shows a year-on-year comparison of changes in trade date gains that were deferred on account of the application of significant non-observable parameters for financial instruments recognised at fair value:

(€ millions)

	2017	2016
<b>Balance at 1/1</b>	<b>9</b>	—
New transactions during the period	4	13
Write-downs	1	1
Expired transactions	—	—
Retroactive change in observability	1	3
Exchange rate changes	—	—
<b>Balance at 30/6/2017 and 31/12/2016</b>	<b>11</b>	<b>9</b>

## Other Information (CONTINUED)

The following table shows the assignment of the financial assets and financial liabilities shown in the balance sheet to the respective levels of the fair value hierarchy:

(€ millions)

	FAIR VALUE OBSERVED ON AN ACTIVE MARKET (LEVEL 1)		FAIR VALUE BASED ON VALUATION PARAMETERS OBSERVED ON THE MARKET (LEVEL 2)		FAIR VALUE BASED ON VALUATION PARAMETERS NOT OBSERVED ON THE MARKET (LEVEL 3)	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016
<b>Financial assets recognised</b>						
<b>in the balance sheet at fair value</b>						
Financial assets held for trading	23,759	23,431	55,403	69,620	1,378	1,036
thereof: derivatives	1,923	1,718	45,826	55,964	927	714
Financial assets at fair value through profit or loss	9,104	10,069	14,994	18,429	15	14
Available-for-sale financial assets <sup>1</sup>	5,721	4,846	812	846	7	6
Hedging derivatives	—	—	366	384	—	—
<b>Financial liabilities recognised</b>						
<b>in the balance sheet at fair value</b>						
Financial liabilities held for trading	6,547	7,661	49,806	63,842	1,727	1,331
thereof: derivatives	2,492	2,158	40,856	51,875	928	773
Hedging derivatives	—	—	634	997	—	—

1 Available-for-sale financial assets include financial instruments of €150 million (31 December 2016: €231 million) valued at historical cost that are not included in these totals at 30 June 2017.

The following tables show the development of the financial assets and financial liabilities that are assigned to Level 3 as part of the fair value hierarchy:

(€ millions)

	2017			
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HEDGING DERIVATIVES
<b>Balance at 1/1</b>	<b>1,036</b>	<b>14</b>	<b>6</b>	<b>—</b>
<b>Additions</b>				
Acquisitions	444	—	28	—
Realised gains <sup>1</sup>	21	—	—	—
Transfer from other levels	397	—	—	—
Other additions <sup>2</sup>	2	1	1	—
<b>Reductions</b>				
Sale	(440)	—	—	—
Repayment	—	—	(28)	—
Realised losses <sup>1</sup>	(48)	—	—	—
Transfer to other levels	(22)	—	—	—
Other reductions	(12)	—	—	—
<b>Balance at 30/6</b>	<b>1,378</b>	<b>15</b>	<b>7</b>	<b>—</b>

1 in the income statement and shareholders' equity

2 also including changes in the group of companies included in consolidation

	(€ millions)	
	2017	HEDGING DERIVATIVES
	FINANCIAL LIABILITIES HELD FOR TRADING	
<b>Balance at 1/1</b>	<b>1,331</b>	<b>—</b>
<b>Additions</b>		
Sale	300	—
Issues	286	—
Realised losses <sup>1</sup>	76	—
Transfer from other levels	433	—
Other additions <sup>2</sup>	5	—
<b>Reductions</b>		
Buy-back	(408)	—
Repayment	(24)	—
Realised gains <sup>1</sup>	(123)	—
Transfer to other levels	(127)	—
Other reductions	(22)	—
<b>Balance at 30/6</b>	<b>1,727</b>	<b>—</b>

1 in the income statement and shareholders' equity

2 also including changes in the group of companies included in consolidation

	(€ millions)		
	2016		
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HEDGING DERIVATIVES
	HELD FOR TRADING		
<b>Balance at 1/1</b>	<b>1,047</b>	<b>130</b>	<b>31</b>
<b>Additions</b>			
Acquisitions	586	—	4
Realised gains <sup>1</sup>	99	—	—
Transfer from other levels	74	—	1
Other additions <sup>2</sup>	—	1	—
<b>Reductions</b>			
Sale	(563)	—	(7)
Repayment	—	—	—
Realised losses <sup>1</sup>	(113)	(1)	—
Transfer to other levels	(293)	(114)	(7)
Other reductions	(17)	—	(1)
<b>Balance at 30/6</b>	<b>820</b>	<b>16</b>	<b>21</b>

1 in the income statement and shareholders' equity

2 also including changes in the group of companies included in consolidation

# Other Information (CONTINUED)

	(€ millions)	
	2016	
	FINANCIAL LIABILITIES HELD FOR TRADING	HEDGING DERIVATIVES
<b>Balance at 1/1</b>	<b>1,623</b>	<b>—</b>
<b>Additions</b>		
Sale	257	—
Issues	150	—
Realised losses <sup>1</sup>	105	—
Transfer from other levels	93	—
Other additions <sup>2</sup>	23	—
<b>Reductions</b>		
Buy-back	(348)	—
Repayment	(94)	—
Realised gains <sup>1</sup>	(125)	—
Transfer to other levels	(411)	—
Other reductions	(13)	—
<b>Balance at 30/6</b>	<b>1,260</b>	<b>—</b>

1 in the income statement and shareholders' equity

2 also including changes in the group of companies included in consolidation

The transfers from financial assets and liabilities held for trading to other levels are attributable to the reduced observability of the valuation parameters for interest rate derivatives in certain currencies.

### 33 Fair values of financial instruments compliant with IFRS 7

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is assumed in this context that the transaction takes place on the principal market for the instrument or the most advantageous market to which the Bank has access.

The fair value of loans is calculated as the sum total of the discounted, risk-adjusted anticipated cash flows discounted on the basis of the swap curve (based on Libor). In this context, the anticipated, risk-adjusted cash flows are based on the survival probability and the loss given default. The survival probability is determined on the basis of the risk-neutral probability of default, while the proceeds upon realisation are determined on the basis of the internal loss given default parameters. In turn, the risk-neutral probability of default is determined on the basis of the internally calculated one-year default rate (real-world probability of default), the market risk premium and the correlation between the respective loan and the general market risk. The market risk premium represents a factor used to cover the difference between the real-world probability of default and the market's return expectations for the risk assumed. The loan portfolio is divided into four sectors (sovereign loans, loans to banks, corporate loans and retail loans) in order to take account of the specific features of each sector. For each of these sectors with exception of retail loans, first of all the market risk premium is determined on the basis of a portfolio of specific, liquid CDS prices for the respective sector. Only for retail loans is the market risk premium derived from the market risk premiums for the other sectors due to the lack of a CDS market.

The fair values of certain financial instruments stated with their nominal values are roughly equivalent to their carrying amounts. These include the cash and cash balances as well as receivables and liabilities without a defined maturity or fixed interest rate. Such instruments are transferred at regular intervals at the amount repayable (such as the repayment of a deposit repayable on demand at the nominal amount), meaning that listed prices for identical and similar instruments are available on inactive markets. These instruments are allocated to Level 2 accordingly.

The fair value calculation for other loans and receivables for which the fair value is not roughly equivalent to the carrying amount is built around the risk-neutral credit spread, which takes account of all relevant factors on the market. Further parameters besides the risk-neutral credit spread and the risk-free return on investment are not included. Provided the markets are liquid and no relevant market disruptions are evident, as is currently the case, the arbitrage between the markets on which credit risks are traded leads to a narrowing of the credit spreads. Accordingly, the CDS market is defined as the relevant exit market for loans and receivables.

Since the parameters used to determine the real-world probability of default (PD) and loss given default (LGD) are not immaterial when determining the fair value, and these are determined on the basis of internal procedures meaning they cannot be observed on the market, the other loans and receivables are allocated to Level 3.

Investments in joint ventures and associated companies are valued using the equity method, provided they are not of minor significance. Investments in non-consolidated companies and listed companies not accounted for using the equity method are normally carried at their fair value. Where the fair value of non-listed equity instruments cannot be reliably determined, such assets are recognised at cost.

Quoted market prices are used for exchange-traded securities and derivatives as well as for listed debt instruments. These instruments are allocated to Level 1. The fair value of the remaining securities is calculated as the net present value of anticipated future cash flows. The methods used to determine the fair value levels as described in the note covering the fair value hierarchy are employed for this purpose.

The fair values of single-currency and cross-currency swaps and interest rate futures are calculated on the basis of discounted, anticipated future cash flows. In doing so, we apply the market rates applicable for the remaining maturity of the financial instruments. The fair value of forward exchange transactions is computed on the basis of current forward rates. Options are valued using price quotations or generally accepted models used to calculate the price of options. The common Black & Scholes model and the Bachelier model are used to value simple European options. In the case of more complex instruments, the interest is simulated using term-structure models with the current interest rate structure as well as caps and swaption volatilities as parameters relevant for valuation. The disbursement structure of the equities or indexes for the complex instruments is valued using either Black & Scholes or a stochastic volatility model with equity prices, volatilities, correlations and dividend expectations as parameters. The methods used to determine the fair value levels described in the note covering the fair value hierarchy are employed for this purpose.

Please refer to the note covering the fair value hierarchy for a description of the methods used to determine the fair value levels for non-listed derivatives.

The anticipated future cash flows of the liabilities (deposits from banks and customers, and debt securities in issue, provided these are not listed) are discounted to the present value using current interest rates taking into account internally determined funding premiums. The funding premiums correspond to the parameters that the Bank uses when setting the prices for its own issues. These funding premiums represent internally determined parameters that are essential for the determination of the fair value; the other liabilities are allocated to Level 3 accordingly.

The fair values are calculated using the market information available at the reporting date as well as individual company valuation methods.

## Other Information (CONTINUED)

(€ billions)

ASSETS	CARRYING AMOUNT		FAIR VALUE	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Cash and cash balances	21.9	9.8	21.9	9.8
Financial assets held for trading	80.5	94.1	80.5	94.1
Financial assets at fair value through profit or loss	24.1	28.5	24.1	28.5
Available-for-sale financial assets				
thereof measured:				
at cost	0.2	0.2	0.2	0.2
at fair value	6.5	5.7	6.5	5.7
Held-to-maturity investments	—	—	—	—
Loans and receivables with banks	30.8	33.0	31.1	33.5
Loans and receivables with customers	122.4	121.5	125.9	125.0
thereof: finance leases	1.9	2.0	1.9	2.0
Hedging derivatives	0.4	0.4	0.4	0.4
<b>Total</b>	<b>286.8</b>	<b>293.2</b>	<b>290.6</b>	<b>297.2</b>

(€ billions)

ASSETS	FAIR VALUE OBSERVED ON AN ACTIVE MARKET (LEVEL 1)		FAIR VALUE BASED ON VALUATION PARAMETERS OBSERVED ON THE MARKET (LEVEL 2)		FAIR VALUE BASED ON VALUATION PARAMETERS NOT OBSERVED ON THE MARKET (LEVEL 3)	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016
<b>Financial assets not carried at fair value</b>						
<b>in the balance sheet</b>						
Cash and cash balances	—	—	21.9	9.8	—	—
Held-to-maturity investments	—	—	—	—	—	—
Loans and receivables with banks	0.6	0.5	24.4	25.6	6.1	7.4
Loans and receivables with customers	1.1	1.1	19.0	17.7	105.8	106.2
thereof: finance leases	—	—	—	—	1.9	2.0

(€ billions)

LIABILITIES	CARRYING AMOUNT		FAIR VALUE	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Deposits from banks	69.8	57.6	69.5	57.5
Deposits from customers	117.1	117.2	117.3	117.8
Debt securities in issue	24.1	24.2	26.4	27.2
Financial liabilities held for trading	58.1	72.8	58.1	72.8
Hedging derivatives	0.6	1.0	0.6	1.0
<b>Total</b>	<b>269.7</b>	<b>272.8</b>	<b>271.9</b>	<b>276.3</b>

	(€ billions)					
	FAIR VALUE OBSERVED ON AN ACTIVE MARKET (LEVEL 1)		FAIR VALUE BASED ON VALUATION PARAMETERS OBSERVED ON THE MARKET (LEVEL 2)		FAIR VALUE BASED ON VALUATION PARAMETERS NOT OBSERVED ON THE MARKET (LEVEL 3)	
LIABILITIES	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016
<b>Financial liabilities not carried at fair value</b>						
<b>in the balance sheet</b>						
Deposits from banks	—	—	46.5	25.7	23.0	31.8
Deposits from customers	—	—	93.3	82.2	24.0	35.6
Debt securities in issue	6.4	5.7	5.7	6.0	14.3	15.5

The difference in HVB Group between the fair values and carrying amounts totals €3.8 billion (31 December 2016: €4.0 billion) for assets and €2.2 billion (31 December 2016: €3.5 billion) for liabilities. The balance of these amounts is €1.6 billion (31 December 2016: €0.5 billion). When comparing carrying amounts and fair values for the hedged items, it should be noted that part of the undisclosed reserves/charges has already been included in the hedge adjustment amount.

### 34 Disclosures regarding the offsetting of financial assets and liabilities

The following two tables separately show the recognised financial assets and financial liabilities that have already been netted in the balance sheet in accordance with IAS 32.42 together with the financial instruments that are subject to a legally enforceable master netting arrangement or similar agreement but that do not satisfy the criteria for offsetting in the balance sheet.

	(€ millions)						
	AMOUNTS NOT RECOGNISED						
	FINANCIAL ASSETS (GROSS)	NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED FINANCIAL ASSETS (NET)	EFFECTS OF MASTER NETTING ARRANGE- MENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	NET AMOUNT 30/6/2017
Derivatives <sup>1</sup>	66,369	(17,327)	49,042	(29,870)	(746)	(8,949)	9,477
Reverse repos <sup>2</sup>	23,481	(5,010)	18,471	—	(18,250)	—	221
Loans and receivables <sup>3</sup>	91,081	(1,202)	89,879	—	—	—	89,879
<b>Total at 30/6/2017</b>	<b>180,931</b>	<b>(23,539)</b>	<b>157,392</b>	<b>(29,870)</b>	<b>(18,996)</b>	<b>(8,949)</b>	<b>99,577</b>

1 derivatives are included in financial assets held for trading and hedging derivatives

2 Reverse repos are covered in the notes regarding loans and receivables with banks and loans and receivables with customers. They are also included in financial assets held for trading with an amount of €5,003 million.

3 only relates to current accounts, cash collateral or pledged credit balances and other loans and receivables (including cumulative variation margins), as covered in the notes covering loans and receivables with banks and loans and receivables with customers

	(€ millions)						
	AMOUNTS NOT RECOGNISED						
	FINANCIAL ASSETS (GROSS)	NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED LIABILITIES (NET)	EFFECTS OF MASTER NETTING ARRANGE- MENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	NET AMOUNT 30/6/2017
Derivatives <sup>1</sup>	61,473	(16,563)	44,910	(29,870)	(708)	(8,893)	5,439
Repos <sup>2</sup>	30,931	(5,010)	25,921	—	(25,786)	—	135
Liabilities <sup>3</sup>	101,922	(1,966)	99,956	—	—	—	99,956
<b>Total at 30/6/2017</b>	<b>194,326</b>	<b>(23,539)</b>	<b>170,787</b>	<b>(29,870)</b>	<b>(26,494)</b>	<b>(8,893)</b>	<b>105,530</b>

1 derivatives are included in financial liabilities held for trading and hedging derivatives

2 Repos are covered in the notes covering deposits from banks and deposits from customers. They are also included in financial liabilities held for trading with an amount of €1,636 million.

3 only relates to current accounts, cash collateral or pledged credit balances and other liabilities (including cumulative variation margins), as covered in the notes covering deposits from banks and deposits from customers

## Other Information (CONTINUED)

Financial assets that are netted in the balance sheet or subject to a legally enforceable master netting arrangement or similar agreement (€ millions)

				AMOUNTS NOT RECOGNISED			
	FINANCIAL ASSETS (GROSS)	NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED FINANCIAL ASSETS (NET)	EFFECTS OF MASTER NETTING ARRANGEMENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	NET AMOUNT 31/12/2016
Derivatives <sup>1</sup>	77,853	(19,073)	58,780	(37,520)	(1,379)	(9,697)	10,184
Reverse repos <sup>2</sup>	29,142	(3,770)	25,372	—	(25,211)	—	161
Loans and receivables <sup>3</sup>	90,728	(1,279)	89,449	—	—	—	89,449
<b>Total at 31/12/2016</b>	<b>197,723</b>	<b>(24,122)</b>	<b>173,601</b>	<b>(37,520)</b>	<b>(26,590)</b>	<b>(9,697)</b>	<b>99,794</b>

1 derivatives are included in financial assets held for trading and hedging derivatives

2 Reverse repos are covered in the notes regarding loans and receivables with banks and loans and receivables with customers. They are also included in financial assets held for trading with an amount of €10,571 million.

3 only relates to current accounts, cash collateral or pledged credit balances and other loans and receivables (including cumulative variation margins), as covered in the notes covering loans and receivables with banks and loans and receivables with customers

Financial liabilities that are netted in the balance sheet or subject to a legally enforceable master netting arrangement or similar agreement

				AMOUNTS NOT RECOGNISED			
	FINANCIAL LIABILITIES (GROSS)	NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED LIABILITIES (NET)	EFFECTS OF MASTER NETTING ARRANGEMENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	NET AMOUNT 31/12/2016
Derivatives <sup>1</sup>	73,559	(17,756)	55,803	(37,520)	(1,114)	(10,280)	6,889
Repos <sup>2</sup>	29,908	(3,770)	26,138	—	(25,982)	—	156
Liabilities <sup>3</sup>	102,185	(2,596)	99,589	—	—	—	99,589
<b>Total at 31/12/2016</b>	<b>205,652</b>	<b>(24,122)</b>	<b>181,530</b>	<b>(37,520)</b>	<b>(27,096)</b>	<b>(10,280)</b>	<b>106,634</b>

1 derivatives are included in financial liabilities held for trading and hedging derivatives

2 Repos are covered in the notes covering deposits from banks and deposits from customers. They are also included in financial liabilities held for trading with an amount of €4,978 million.

3 only relates to current accounts, cash collateral or pledged credit balances and other liabilities (including cumulative variation margins), as covered in the notes covering deposits from banks and deposits from customers

Compliant with IAS 32.42, financial assets and liabilities with the same counterparty are to be offset and recognised in the balance sheet at the net amount if such offsetting of the amounts recognised at the present date is legally enforceable and the intention is to settle on a net basis during the normal course of business or to realise the asset and settle the liability simultaneously. The tables show a reconciliation from the gross amounts prior to netting and the set-off amounts to the net amounts after offsetting for these set-offs in the balance sheet. At HVB Group, the set-offs in the balance sheet relate to transactions with central counterparties (CCPs), being OTC derivatives (set-off of the balancing positive and negative fair values at currency level) and the receivables and liabilities arising from reverse repos and repos concluded with the same central counterparty. At the same time, nettable receivables and liabilities repayable on demand with the same counterparty in the banking business are also offset in the balance sheet. In addition, cumulative changes in the fair value of listed future-styled derivatives are netted with the cumulative variation margin payments.

The column "Effects of master netting arrangements" shows the financial instruments that are subject to a legally enforceable master netting arrangement or similar agreement, but which are not netted in the balance sheet as they do not satisfy the IAS 32.42 offsetting requirements as described above.

At HVB Group, this includes OTC derivatives and repo transactions with individual counterparties with which legally enforceable master netting arrangements have been concluded allowing netting in the event of default. In addition, the tables contain the financial instruments received or pledged as collateral in this context and cash collateral. With regard to the presentation of reverse repos or repos, as the case may be, collateral in the form of financial instruments was recorded in a Group unit for the first time in the reporting year. The previous-year disclosures were correspondingly corrected.

### 35 Contingent liabilities and other commitments

(€ millions)

	30/6/2017	31/12/2016
<b>Contingent liabilities<sup>1</sup></b>	<b>20,796</b>	<b>21,856</b>
Guarantees and indemnities	20,796	21,856
<b>Other commitments</b>	<b>49,686</b>	<b>49,165</b>
Irrevocable credit commitments	49,643	49,111
Other commitments <sup>2</sup>	43	54
<b>Total</b>	<b>70,482</b>	<b>71,021</b>

1 Contingent liabilities are offset by contingent assets to the same amount.

2 Not included in other commitments are the future payment commitments arising from non-cancellable operating leases.

HVB has made use of the option to provide some of the annual contribution to the bank restructuring fund in the form of fully secured payment claims (irrevocable payment commitments) in accordance with Section 12 of the German Bank Restructuring Fund Act (Restrukturierungsfondsgesetz – RStruktFG). The cash collateral provided in this regard amounted to €48 million at 30 June 2017 (31 December 2016: €34 million).

### Contingent liabilities payable to related parties

(€ millions)

	30/6/2017	31/12/2016
Non-consolidated affiliated companies	1,091	1,403
of which:		
UniCredit S.p.A.	558	563
Sister companies	533	786
Subsidiaries	—	54
Joint ventures	46	46
Associated companies	—	—
Other participating interests	127	250
<b>Total</b>	<b>1,264</b>	<b>1,699</b>

# Other Information (CONTINUED)

## 36 Information on relationships with related parties

Besides the relationships with consolidated, affiliated companies, there are a number of transactions involving UniCredit S.p.A. and other affiliated but not consolidated UniCredit companies as a result of the integration of HVB into the UniCredit group of companies. The quantitative information in this regard can be found in the notes to the balance sheet and the income statement.

HVB has been assigned the role of centre of competence for the markets and investment banking activities of the entire UniCredit corporate group. Among other things, HVB acts as counterparty for derivative transactions conducted by UniCredit companies in this role. For the most part, this involves hedge derivatives that are externalised on the market via HVB. The section of the Risk Report in the Interim Management Report entitled "Credit risk" under "Risk types in detail" contains further information regarding the exposure to UniCredit and its subsidiaries.

Like other affiliated companies, HVB has outsourced IT activities to UniCredit Business Integrated Solutions S.C.p.A. (UBIS), Milan, a company that is affiliated with the Bank. The goal is to exploit synergies and enable HVB to offer fast, high-quality IT services by means of a service level agreement. HVB incurred expenses of €280.6 million (first half of 2016: €279.7 million) for these services during the first half of 2017. This was offset by income of €8.8 million (first half of 2016: €6.1 million) from services rendered and internal charges. Moreover, software products worth €0.5 million (first half of 2016: €0.8 million) were purchased from UBIS.

Furthermore, HVB has transferred certain back office activities to UBIS. In this context, UBIS provides settlement services for HVB and other affiliated companies in line with a standard business and operating model. HVB incurred expenses of €54.2 million (first half of 2016: €48.3 million) for these services during the first half of 2017.

Transactions involving related parties are always conducted on an arm's length basis.

Loans and advances made to, and contingent liabilities and liabilities assumed for, related parties at the reporting date were as follows: (€ thousands)

	30/6/2017		31/12/2016		
	LOANS AND RECEIVABLES	CONTINGENT LIABILITIES ASSUMED	LIABILITIES	LOANS AND RECEIVABLES	CONTINGENT LIABILITIES ASSUMED
Members of the Management Board of UniCredit Bank AG	1,375	—	8,932	1,416	—
Members of the Supervisory Board of UniCredit Bank AG	300	—	4,437	340	—
Members of the Executive Management Committee <sup>1</sup>	—	—	1,926	—	—
					1,994

<sup>1</sup> excluding members of the Management Board and Supervisory Board of UniCredit Bank AG

Members of the Supervisory Board and Management Board at HVB, and members of the Executive Management Committee of UniCredit S.p.A. and their respective immediate family members are considered related parties.

Loans and advances were granted to members of the Management Board and their immediate family members in the form of planned overdraft facilities with an interest rate of 6% with a term to maturity until 2021 and mortgage loans with interest rates of between 1.36% and 5.13% falling due in the period from 2022 to 2025.

Loans and advances were granted to members of the Supervisory Board and their immediate family members in the form of overdraft facilities with an interest rate of 6% with no fixed maturity and mortgage loans with interest rates of between 1.92% and 3.33% falling due in the period from 2017 to 2035.

All banking transactions involving the group of people listed were conducted at customary market terms with the usual collateral.

### **37 Members of the Supervisory Board**

Gianni Franco Papa **Chairman**

Florian Schwarz **Deputy Chairman**  
Dr Wolfgang Sprissler

Paolo Cornetta **Members**  
Beate Dura-Kempf  
Francesco Giordano  
Klaus Grünwald  
Werner Habich  
Prof Dr Annette G. Köhler  
Dr Marita Kraemer  
Klaus-Peter Prinz  
Jens-Uwe Wächter

## Other Information (CONTINUED)

### 38 Members of the Management Board

Peter Buschbeck	Commercial Banking – Private Clients Bank
Dr Michael Diederich	Corporate & Investment Banking
Heinz Laber	Chief Operating Officer (COO)
Robert Schindler	Commercial Banking – Unternehmer Bank
Andrea Umberto Varese	Chief Risk Officer (CRO)
Dr Theodor Weimer	Spokesman of the Management Board
Guglielmo Zadra	Chief Financial Officer (CFO)

Munich, 9 August 2017

UniCredit Bank AG  
The Management Board



Buschbeck

Dr Diederich



Laber

Schindler



Varese



Dr Weimer



Zadra

# Declaration by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Munich, 9 August 2017

UniCredit Bank AG  
The Management Board



Buschbeck



Dr Diederich



Laber



Schindler



Varese



Dr Weimer



Zadra

**UniCredit Bank AG**

Arabellastraße 12

81925 Munich

Signed by

**Sandra Braun**

**Yulia Yakovleva**