

**UniCredit Bank AG**

Munich, Federal Republic of Germany

**Base Prospectus**

for the issuance of

**Securities with Single-Underlying  
(without capital protection)**

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

**12 August 2014**

This document constitutes a base prospectus (the "**Base Prospectus**") according to Art. 5 (4) of Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") in connection with Section 6 of the German Securities Prospectus Act, as amended (*Wertpapierprospektgesetz*, the "**WpPG**") in connection with the Commission Regulation (EC) No 809/2004, as amended relating to securities with single-underlying (without capital protection) (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 25 April 2014 (the "**Registration Document**"), whose information is incorporated herein by reference, (b) the supplements to this Base Prospectus in accordance with Section 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.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Securities. Potential investors should note that an investment in the Securities is only suitable for investors, who understand the nature of such Securities and the extent of their exposure to risk and have sufficient knowledge, experience and access to professional advisors (including their financial, legal and tax advisors) in order to form their own legal, tax and financial opinion upon the existing risks of such investments in such Securities.

Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Securities. The delivery of this Base Prospectus does not 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 Section 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).

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## SUMMARY

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

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

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

### A. INTRODUCTION AND WARNINGS

A.1	Warning	<p>This Summary should be read as an introduction to the Base Prospectus.</p> <p>The investor should base any decision to invest in the 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 ("<b>UniCredit Bank</b>", the "<b>Issuer</b>" or "<b>HVB</b>"), Kardinal-Faulhaber-Straße 1, 80333 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 consent to the use of the Base Prospectus during the term of its validity 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>][for an offer period of twelve (12) months following the <i>[Insert date at which the Final Terms will be filed with BaFin]</i> [during the period the Base Prospectus is valid pursuant to Section 9 WpPG].]</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</p>

		<p>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.] Besides, the consent is not subject to any other conditions.]</p> <p>[Not applicable. No consent is given.]</p>
	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 Kardinal-Faulhaber-Straße 1, 80333 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 depend on the future development on the financial markets and the real economy in 2014 as well as other remaining imponderables. In this environment, HVB Group will continuously adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived therefrom on a regular basis.
B.5	Description of the group and the issuer's position within the group	<p>UniCredit Bank is the parent company of HVB Group. HVB Group holds directly and indirectly equity participations in various companies.</p> <p>UniCredit Bank has been an affiliated company of UniCredit S.p.A., Rome ("<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.</p>
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made.
B.10	Nature of any qualifications in the audit report on historical financial information	<p>Not applicable. KPMG AG Wirtschaftsprüfungsgesellschaft, the independent auditors (<i>Wirtschaftsprüfer</i>) of UniCredit Bank for the financial year 2012, have audited the consolidated financial statements of HVB Group and the unconsolidated financial statement of UniCredit Bank as of and for the year ended 31 December 2012 and have issued an unqualified audit opinion thereon.</p> <p>Deloitte &amp; Touche GmbH, Wirtschaftsprüfungsgesellschaft, the independent</p>

auditors (*Wirtschaftsprüfer*) of UniCredit Bank for the financial year 2013, have audited the consolidated financial statements of HVB Group and the unconsolidated financial statement of UniCredit Bank as of and for the year ended 31 December 2013 and have issued an unqualified audit opinion thereon.

B.12 Selected historical key financial information

**Consolidated Financial Highlights as of 31 December 2013\***

<b>Key performance indicators</b>	<b>1/1 – 31/12/2013</b>	<b>1/1 – 31/12/2012</b>
Net operating income	€1,839m	€1,807m
Cost-income ratio (based on operating income)	63.6%	58.1%
Profit before tax	€1,458m	€2,058m
Consolidated profit	€1,074m	€1,287m
Return on equity before tax <sup>1)</sup>	7.1%	9.2%
Return on equity after tax <sup>1)</sup>	5.8%	5.8%
Earnings per share	€1.29	€1.55
<b>Balance sheet figures</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Total assets	€290.0bn	€347.3bn
Shareholders' equity	€21.0bn	€23.3bn
Leverage ratio <sup>2)</sup>	7.1%	6.6%
<b>Key capital ratios compliant with Basel II</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Core capital without hybrid capital (core Tier 1 capital)	€18.4bn	€19.1bn
Core capital (Tier 1 capital)	€18.5bn	€19.5bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€85.5bn	€109.8bn
Core capital ratio without hybrid capital (core Tier 1 ratio) <sup>3)</sup>	21.5%	17.4%
Core capital ratio (Tier 1 ratio) <sup>3)</sup>	21.6%	17.8%

\* Figures shown in this table are audited and taken from the Issuer's Consolidated Annual Report as of 31 December 2013

<sup>1)</sup> Return on equity calculated on the basis of average shareholders' equity according to IFRS.

<sup>2)</sup> Ratio of shareholders' equity shown in the balance sheet less intangible assets to total

assets less intangible assets

<sup>3)</sup> Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.

**Consolidated Financial Highlights as of 30 June 2014\***

<b>Key performance indicators</b>	<b>1/1 – 30/06/2014</b>	<b>1/1 – 30/06/2013</b>	
Net operating profit	€399m	€1,121m	
Cost-income ratio (based on operating income)	79.3%	59.4%	
Profit before tax	€513m	€1,222m	
Consolidated profit	€334m	€818m	
Return on equity before tax <sup>1)</sup>	5.1%	11.8%	
Return on equity after tax <sup>1)</sup>	3.3%	8.1%	
Earnings per share	€0.41	€1.01	
<b>Balance sheet figures</b>	<b>30/06/2014</b>	<b>31/12/2013</b>	
Total assets	€298.6bn	€290.0bn	
Shareholders' equity	€20.5bn	€21.0bn	
Leverage ratio <sup>2)</sup>	6.7%	7.1%	
<b>Key capital ratios</b>	<b>30/06/2014 Basel III</b>	<b>31/03/2014 Basel III</b>	<b>31/12/2013 Basel II</b>
Core capital without hybrid capital (core Tier 1 capital)	-	-	€18.4bn
Common Equity Tier 1 capital	€18.9bn	€19.0bn	-
Core capital (Tier 1 capital)	€18.9bn	€19.0bn	€18.5bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€88.7bn	€90.8bn	€85.5bn
Core capital ratio without hybrid capital (core Tier 1 ratio) <sup>3)</sup>	-	-	21.5%
Common Equity Tier 1 capital ratio <sup>3)</sup>	21.3%	21.0%	-
Core capital ratio (Tier 1 ratio) <sup>3)</sup>	21.3%	21.0%	21.6%

		<p>* Figures shown in this table are unaudited and taken from the Issuer's Consolidated Interim Report as of 30 June 2014</p> <p>1) Return on equity calculated on the basis of average shareholders' equity with IFRS and projected profit before tax at 30 June 2014 for the year as a whole</p> <p>2) Ratio of shareholders' equity shown in the balance sheet less intangible assets to total assets less intangible assets</p> <p>3) Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk</p>
	<p>Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change</p> <p>Description of significant change in the financial position subsequent to the period covered by the historical financial information</p>	<p>There has been no material adverse change in the prospects of HVB Group since 31 December 2013, the date of its last published audited financial statements (Annual Report 2013).</p> <p>There has been no significant change in the financial position of HVB Group since 30 June 2014.</p>
B.13	Recent developments	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	<p>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.</p> <p>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 for corporate customers and fund products for all asset classes, advisory and brokerage services, securities transactions, liquidity and financial risk management, advisory services for affluent customers and investment banking products for corporate customers.</p>
B.16	Direct or indirect ownership or control	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.

### C. SECURITIES

C.1	Type and class of the securities	<p>[Discount Securities] [Bonus Securities] [Bonus Cap Securities] [Reverse Bonus Cap Securities] [Top Securities] [Closed End Securities] [Express Securities] [Express Plus Securities] [Express Securities with Additional Amount] [Reverse Convertible Securities] [Barrier Reverse Convertible Securities] [Express Barrier Reverse Convertible Securities]</p> <p>The Securities will be issued as [non-par value] [Notes] [Certificates] [with Nominal Amount].</p> <p>["Notes"] ["Certificates"] are debt instruments in bearer form (<i>Inhaberschuldverschreibungen</i>) pursuant to Section 793 German Civil Code (<i>Bürgerliches Gesetzbuch, BGB</i>).</p> <p>["Nominal Amount" 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. 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</i> ] (the " <b>Specified Currency</b> ").
C.5	Restrictions of any free transferability of the	Not applicable. The Securities are freely transferable.

	securities	
C.8	Rights attached to the securities, including ranking and limitations to those rights	<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> <p><b>Rights attached to the Securities</b></p> <p>The Securities have a fixed term.</p> <p><b><u>[Product Type 1: In the case of Discount Securities, the following applies:</u></b></p> <p>The Securities do not bear interest.</p> <p>The Security Holders are entitled to the payment of the Redemption Amount (as defined in C.15) on the Maturity Date (as defined in C.16) <i>[In the case of Securities linked to a share or a depository receipt with physical delivery, the following applies:</i> or the delivery of a specified quantity of the Underlying (as defined in C.20)].]</p> <p><b><u>[Product Type 2, 3 and 5: In the case of Bonus, Bonus Cap and Top Securities, the following applies:</u></b></p> <p>The Securities do not bear interest.</p> <p>[The Security Holders are entitled to the payment of the respective Additional Amount (I) (as specified in the Final Terms) on the respective Additional Amount Payment Date (I) (as specified in the Final Terms).]</p> <p>The Security Holders are entitled to the payment of the Redemption Amount (as defined in C.15) on the Maturity Date (as defined in C.16) <i>[In the case of Securities linked to a share or a depository receipt with physical delivery, the following applies:</i> or the delivery of a specified quantity of the Underlying (as defined in C.20)].]</p> <p><b><u>[Product Type 4: In the case of Reverse Bonus Cap Securities, the following applies:</u></b></p> <p>The Securities do not bear interest.</p> <p>[The Security Holders are entitled to the payment of the respective Additional Amount (I) (as specified in the Final Terms) on the respective Additional Amount Payment Date (I) (as specified in the Final Terms).]</p> <p>The Security Holders are entitled to the payment of the Redemption Amount (as defined in C.15) on the Maturity Date (as defined in C.16).]</p> <p><b><u>[Product Type 6: In the case of Closed End Securities, the following applies:</u></b></p> <p>[The Securities do not bear interest.]</p> <p>[The Security Holders are entitled to the payment of the Interest Amount (as specified in the Final Terms) at each Interest Payment Date (as specified in the Final Terms).]</p> <p>[The Security Holders are entitled to the payment of the respective Dividend</p>

		<p>Amount (as defined in C.15) at each Dividend Amount Payment Date (as defined in the Final Terms).]</p> <p>A Security Holder is entitled to the payment of the Redemption Amount (as defined in C.15) either (i) upon exercise of its Redemption Right (as defined in the Final Terms) on the respective Redemption Date (as defined in C.16) or (ii) upon exercise of the Issuer’s Regular Call Right (as defined in the Final Terms) on the respective Call Date (as defined in C.16) or (iii) if none of these rights have been exercised on the Maturity Date (as defined in C.16).]</p> <p><b><u>[Product Type 7 and 8: In the case of Express and Express Plus Securities, the following applies:</u></b></p> <p>The Securities do not bear interest.</p> <p>[The Security Holders are entitled to the payment of the respective Additional Amount (l) (as specified in the Final Terms) on the respective Additional Amount Payment Date (l) (as specified in the Final Terms).]</p> <p>The Security Holders are entitled to the payment of the respective Early Redemption Amount (k) (as specified in the Final Terms) on the respective Early Maturity Date (k) (as defined in C.16), if an Early Redemption Event has occurred (as defined in C.15), or the Redemption Amount (as defined in C.15) on the Maturity Date (as defined in C.16) <u>[In the case of Securities linked to a share or a depository receipt with physical delivery, the following applies:</u> or the delivery of a specified quantity of the Underlying (as defined in C.20)].]</p> <p><b><u>[Product Type 9: In the case of Express Securities with Additional Amount, the following applies:</u></b></p> <p>The Securities do not bear interest.</p> <p>If an Additional Amount Payment Event has occurred (as defined in C.15) the Security Holders are entitled to the payment of the respective Additional Amount (k) (as specified in the Final Terms) on the respective Additional Amount Payment Date (k) (as specified in the Final Terms).</p> <p>[The Security Holders are [furthermore] entitled to the payment of the Additional Amount (l) (as specified in the Final Terms) at each Additional Amount Payment Date (l) (as specified in the Final Terms).]</p> <p>The Security Holders are entitled to the payment of the respective Early Redemption Amount (k) (as specified in the Final Terms) on the respective Early Maturity Date (k) (as defined in C.16), if an Early Redemption Event has occurred (as defined in C.15), or the Redemption Amount (as defined in C.15) on the Maturity Date (as defined in C.16) <u>[In the case of Securities linked to a share or a depository receipt with physical delivery, the following applies:</u> or the delivery of a specified quantity of the Underlying (as defined in C.20)].]</p> <p><b><u>[Product Type 10 and Product Type 11: In the case of Reverse Convertible</u></b></p>
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		<p><u>Securities and Barrier Reverse Convertible Securities, the following applies:</u></p> <p>[The Securities bear interest [on their] [Aggregate Nominal Amount] [Nominal Amount] [at a fixed Interest Rate (as specified in the Final Terms)] [on the Reference Rate] for the [respective] Interest Period (as specified in the Final Terms).</p> <p>[If the Interest Rate determined for an Interest Period is greater than the Maximum Interest Rate (as specified in the Final Terms), the Interest Rate for this Interest Period is the Maximum Interest Rate.]</p> <p>[If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate (as specified in the Final Terms), the Interest Rate for this Interest Period is the Minimum Interest Rate.]</p> <p>[The Interest Rate is calculated by [adding the Positive Spread to the Reference Rate] [deducting the Negative Spread from the Reference Rate] (as specified in the Final Terms).]</p> <p>The respective Interest Amount is calculated by multiplying the product of the respective Interest Rate and the Aggregate Nominal Amount or, respectively the Nominal Amount by the Day Count Fraction (as specified in the Final Terms). The respective Interest Amount falls due for payment on the relevant Interest Payment Date (as specified in the Final Terms).]</p> <p>[The Securities do not bear interest.</p> <p>[The Security Holders are entitled to the payment of the respective Additional Amount (I) (as specified in the Final Terms) on the respective Additional Amount Payment Date (I) (as specified in the Final Terms).]</p> <p>The Security Holders are entitled to the payment of the Redemption Amount (as defined in C.15) on the Maturity Date (as defined in C.16) <u>[In the case of Securities linked to a share or a depository receipt with physical delivery, the following applies:</u> or the delivery of a specified quantity of the Underlying (as defined in C.20)].]</p> <p><u>[Product Type 12: In the case of Express Barrier Reverse Convertible Securities, the following applies:</u></p> <p>[The Securities bear interest on their [Aggregate Nominal Amount] [Nominal Amount] [at a fixed Interest Rate (as specified in the Final Terms)] [on the Reference Rate] for the [respective] Interest Period (as specified in the Final Terms).</p> <p>[If the Interest Rate determined for an Interest Period is greater than the Maximum Interest Rate (as specified in the Final Terms), the Interest Rate for this Interest Period is the Maximum Interest Rate.]</p> <p>[If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate (as specified in the Final Terms), the Interest Rate for this Interest Period is the Minimum Interest Rate.]</p> <p>[The Interest Rate is calculated by [adding the Positive Spread to the</p>
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		<p>Reference Rate] [deducting the Negative Spread from the Reference Rate] (as specified in the Final Terms).]</p> <p>The respective Interest Amount is calculated by multiplying the product of the respective Interest Rate and the Aggregate Nominal Amount or, respectively the Nominal Amount by the Day Count Fraction (as specified in the Final Terms). The respective Interest Amount falls due for payment on the relevant Interest Payment Date (as specified in the Final Terms).]</p> <p>[The Securities do not bear interest.</p> <p>[The Security Holders are entitled to the payment of the respective Additional Amount (l) (as specified in the Final Terms) on the respective Additional Amount Payment Date (l) (as specified in the Final Terms).]]</p> <p>The Security Holders are entitled to the payment of the respective Early Redemption Amount (k) which corresponds to the Nominal Amount on the respective Early Maturity Date (k) (as defined in C.16), if an Early Redemption Event has occurred (as defined in C.15), or the Redemption Amount (as defined in C.15) on the Maturity Date (as defined in C.16) [<i>In the case of Securities linked to a share or a depository receipt with physical delivery, the following applies:</i> or the delivery of a specified quantity of the Underlying (as defined in C.20)].]</p> <p><b>Limitations of the rights</b></p> <p>The Issuer may [call the Securities or] adjust the terms and conditions of the Securities.</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, at least <i>pari passu</i> with all other unsecured unsubordinated present and future obligations of the Issuer.</p>
C.11	Admission to trading	<p>[Application [has been] [will be] made for the Securities to be admitted to trading with effect from [<i>Insert expected date</i>] 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.]</p> <p>[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 (an) unregulated 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 (an) unregulated market(s)</i>], and the relevant instructions to such rules. [Moreover, the Market Maker undertakes to apply, in normal market conditions, a spread between</p>

		bid and offer quotes not higher than [ <i>Insert percentage</i> ]%.]
C.15	Effect of the underlying on the value of the securities	<p><b><u>[Product Type 1: In the case of Discount Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>The redemption on the Maturity Date depends on R (final) (as defined in C.19). The price of the Discount Securities at the time of issue is lower than the current price of the Underlying multiplied by the [Ratio] [Ratio Factor] (as specified in the Final Terms) [and by applying an FX exchange rate]. For this discount, the investor participates during the term of the Security in the performance of the Underlying only up to the Maximum Amount (as specified in the Final Terms).</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p>[No currency hedging element is provided for the Securities (Compo).]</p> <p><i>Redemption on the Maturity Date</i></p> <p>[The Securities are redeemed by payment of the Redemption Amount which corresponds to R (final) multiplied by the Ratio. However, the Redemption Amount is not greater than the Maximum Amount.]</p> <p>[If R (final) is equal to or greater than the Cap (as specified in the Final Terms) redemption is made by payment of the Redemption Amount. In this case the Redemption Amount corresponds to the Maximum Amount.</p> <p>If R (final) is lower than the Cap redemption is made by delivery of a quantity of the Underlying expressed by the Ratio and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).]</p> <p><b><u>[Product Type 2: In the case of Bonus Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>The redemption on the Maturity Date depends on R (final) (as defined in C.19). However, the payment corresponds at least to a Bonus Amount (as specified in the Final Terms), provided that a Barrier Event has not occurred.</p> <p>Barrier Event means that [any published price of the Underlying is equal to or lower than the Barrier (as specified in the Final Terms) during the Barrier Observation Period (as specified in the Final Terms) in the case of continuous observation] [any Reference Price on the respective Barrier Observation Date (as specified in the Final Terms) is lower than the Barrier (as specified in the Final Terms)].</p>

		<p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p>[No currency hedging element is provided for the Securities (Compo).]</p> <p><i>Redemption on the Maturity Date</i></p> <p>If no Barrier Event has occurred, redemption is made by payment of the Redemption Amount which corresponds to [R (final) multiplied by the [Ratio] [Ratio Factor] (as specified in the Final Terms) [and by applying an FX exchange rate]] [the Nominal Amount multiplied by R (final) and divided by [<i>In the case of Securities, which are issued under this Base Prospectus for the first time ("New Products")</i>: the Strike] [R (initial)] (as specified in the Final Terms)]. The Redemption Amount is not lower than the Bonus Amount.</p> <p>If a Barrier Event has occurred, redemption is made by [delivery of a quantity of the Underlying expressed by the Ratio and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).] [by payment of a Redemption Amount which corresponds to [R (final) multiplied by the Ratio.] [the Nominal Amount multiplied by R (final) and divided by [<i>In the case of "New Products"</i>: the Strike] [R (initial)].]</p> <p><b><u>[Product Type 3: In the case of Bonus Cap Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>The redemption on the Maturity Date depends on R (final) (as defined in C.19). However, the payment corresponds at least to a Bonus Amount (as specified in the Final Terms), if no Barrier Event has occurred. In all cases payment is not greater than the Maximum Amount (as specified in the Final Terms).</p> <p>Barrier Event means that [any published price of the Underlying is equal to or lower than the Barrier (as specified in the Final Terms) during the Barrier Observation Period (as specified in the Final Terms) in the case of continuous observation.] [any Reference Price on the respective Barrier Observation Date (as specified in the Final Terms) is lower than the Barrier (as specified in the Final Terms).]</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p>[No currency hedging element is provided for the Securities (Compo).]</p> <p><i>Redemption on the Maturity Date</i></p> <p>If no Barrier Event has occurred [or if a Barrier Event has occurred and R (final) is equal to or greater than the Cap (as specified in the Final Terms)], redemption is made by payment of the Redemption Amount [which</p>
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	<p>corresponds to [R (final) multiplied by the [Ratio] [Ratio Factor] (as specified in the Final Terms) [and by applying an FX exchange rate]] [the Nominal Amount multiplied by R (final) and divided by [<i>In the case of Securities, which are issued under this Base Prospectus for the first time ("New Products")</i>: the Strike] [R (initial)] (as specified in the Final Terms)]. In this case the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount.] [which corresponds to the Maximum Amount.]</p> <p>[If a Barrier Event has occurred, redemption is made by payment of the Redemption Amount which corresponds to [R (final) multiplied with the Ratio.] [the Nominal Amount multiplied by R (final) and divided by [<i>In the case of "New Products"</i>: the Strike] [R (initial)] (as specified in the Final Terms).] In this case the Redemption Amount is not greater than the Maximum Amount.]</p> <p>[If a Barrier Event has occurred and R (final) is lower than the Cap, redemption is made by delivery of a quantity of the Underlying expressed by the Ratio and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).]]</p> <p><b><u>[Product Type 4: In the case of Reverse Bonus Cap Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying falls, the value of the Securities regularly rises. If the value of the Underlying rises, the value of the Securities regularly falls.</p> <p>The redemption on the Maturity Date depends on R (final) (as defined in C.19) and develops in the reverse direction to the value of the Reference Price. However, the payment corresponds at least to a Bonus Amount (as specified in the Final Terms), if no Barrier Event has occurred. Payment is not greater than the Maximum Amount (as specified in the Final Terms).</p> <p>Barrier Event means that [any published price of the Underlying is equal to or greater than the Barrier (as specified in the Final Terms) during the Barrier Observation Period (as specified in the Final Terms) in the case of continuous observation.] [any Reference Price on the respective Barrier Observation Date (as specified in the Final Terms) is greater than the Barrier (as specified in the Final Terms)]</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p>[No currency hedging element is provided for the Securities (Compo).]</p> <p><i>Redemption on the Maturity Date</i></p> <p>The Securities are redeemed by payment of the Redemption Amount.</p> <p>If no Barrier Event has occurred the Redemption Amount corresponds to [the</p>
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		<p>Maximum Amount] [the Reverse Amount (as specified in the Final Terms) less the product of R (final) and the Ratio (as specified in the Final Terms), but where the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount.] [the Nominal Amount multiplied by the difference between (1) the Reverse Level (as specified in the Final Terms) and (2) R (final) divided by R (initial) (as specified in the Final Terms), but where the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount].</p> <p>If a Barrier Event has occurred, the Redemption Amount corresponds to [the Reverse Amount less the product of R (final) and the Ratio, but where the Redemption Amount is not lower than zero and not greater than the Maximum Amount.] [the Nominal Amount multiplied by the difference between (1) the Reverse Level and (2) R (final) divided by R (initial), but where the Redemption Amount is not lower than zero and not greater than the Maximum Amount.]]</p> <p><b><u>Product Type 5: In the case of Top Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>The redemption on the Maturity Date depends on R (final) (as defined in C.19). A Maximum Amount (as specified in the Final Terms) will be paid, if R (final) is equal to or greater than R (initial) (as specified in the Final Terms).</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p>[No currency hedging element is provided for the Securities (Compo).]</p> <p><b><i>Redemption on the Maturity Date</i></b></p> <p>If R (final) is equal to or greater than R (initial), redemption is made by payment of the Maximum Amount.</p> <p>If R (final) is lower than R (initial), redemption is made [by delivery of a quantity of the Underlying expressed by the Ratio (as specified in the Final Terms) and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms)] [by payment of the Redemption Amount which corresponds to the Nominal Amount multiplied by R (final) and divided by R (initial)].]</p> <p><b><u>Product Type 6: In the case of Closed End Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p>
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		<p>The redemption upon the Security Holder’s Redemption Right on the respective Redemption Date or upon exercise of the Issuer’s Regular Call Right on the respective Call Date or, if none of these rights have been exercised, on the Maturity Date depends on the Relevant Reference Price (as defined in C.19).</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p>[No currency hedging element is provided for the Securities (Compo).]</p> <p><i>Redemption</i></p> <p>The Redemption Amount is an amount in the Specified Currency which corresponds to the Relevant Reference Price multiplied by the Ratio (as specified in the Final Terms).</p> <p>[The Relevant Reference Price will be reduced by [a Quanto Fee[,] [and/or]] [a Management Fee][,] [and/or] [a Short Selling Fee][,] [and/or] [an Index Calculation Fee] [and/or] [a Gap Risk Fee] ([each] as specified in the Final Terms).]</p> <p>The Redemption Amount may in no case be lower than zero.]</p> <p><u><i>[In the case of Closed End Securities linked to an index as Underlying, for which “Distributing Index” is specified in the column “Index Type” of the relevant table in § 2 of Part B – Product and Underlying Data, the following applies:</i></u></p> <p><i>Dividend Amount</i></p> <p>Securities, that are linked to a distributing index as Underlying, may in addition pay a Dividend Amount to the Security Holder at each Dividend Amount Payment Date. The payment of the Dividend Amount at each Dividend Amount Payment Date depends on the Dividend Value (as defined in the Final Terms) of the Underlying. The "<b>Dividend Amount</b>" corresponds to the Dividend Value of the Underlying for a certain Dividend Period (as defined in the Final Terms) multiplied by the Ratio.]</p> <p><u><i>[Product Type 7: In the case of Express Securities, the following applies:</i></u></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>The redemption on the Maturity Date depends on R (final) (as defined in C.19). In addition, the Securities allow under certain circumstances for automatic early redemption at the Early Redemption Amount (k) (as specified in the Final Terms).</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p><i>Automatic Early Redemption</i></p>
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		<p>If an Early Redemption Event has occurred [and no Barrier Event] the Securities will be automatically early redeemed on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k).</p> <p>An Early Redemption Event means that the Reference Price is equal to or greater than the Early Redemption Level (k) (as specified in the Final Terms) on the respective Observation Date (k) (as defined in C.16).</p> <p><i>Redemption on the Maturity Date</i></p> <p>If no Barrier Event has occurred [or if a Barrier Event has occurred and R (final) is equal to or greater than <i>[In the case of Securities, which are issued under this Base Prospectus for the first time ("New Products"): the Strike] [In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013: R (initial)]</i> (as specified in the Final Terms)], redemption is made by payment of the Redemption Amount which:</p> <ul style="list-style-type: none"> <li>• if a Final Redemption Event has occurred, corresponds to the Maximum Amount (as specified in the Final Terms) <u>or</u></li> <li>• if no Final Redemption Event has occurred, corresponds to the Final Redemption Amount (as specified in the Final Terms)</li> </ul> <p>A Barrier Event means that [any published price of the Underlying is equal to or lower than the Barrier (as specified in the Final Terms) during the Barrier Observation Period (as specified in the Final Terms) in the case of continuous observation.] [any Reference Price on the respective Barrier Observation Date (as specified in the Final Terms) is lower than the Barrier (as specified in the Final Terms).]</p> <p>A Final Redemption Event means that the Reference Price is equal to or greater than the Final Redemption Level on the Final Observation Date.</p> <p>[If a Barrier Event has occurred, redemption is made by payment of the Redemption Amount which corresponds to the Nominal Amount multiplied by R (final) and divided by <i>[In the case of New Products: the Strike] [In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013: by R (initial)]</i>; however, the Redemption Amount is not greater than the Nominal Amount.]</p> <p>[If a Barrier Event has occurred and R (final) is equal to or greater than <i>[In the case of New Products: the Strike] [In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013: R (initial)]</i> redemption is made by payment of the Redemption Amount which corresponds to the Nominal Amount.</p> <p>If a Barrier Event has occurred and R (final) is lower than <i>[In the case of New</i></p>
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		<p><i>Products: the Strike</i>] [<i>In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013: R (initial)</i>] redemption is made by delivery of a quantity of the Underlying expressed by the Ratio (as specified in the Final Terms) and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).]</p> <p><b><u>Product Type 8: In the case of Express Plus Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>The redemption on the Maturity Date depends on the R (final) (as defined in C.19). In addition, the Securities allow under certain circumstances for automatic early redemption at the Early Redemption Amount (k) (as specified in the Final Terms).</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p><i>Automatic Early Redemption</i></p> <p>If an Early Redemption Event has occurred [and no Barrier Event] the Securities will be automatically early redeemed on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k).</p> <p>An Early Redemption Event means that the Reference Price is equal to or greater than the Early Redemption Level (k) (as specified in the Final Terms) on the respective Observation Date (k) (as defined in C.16).</p> <p><i>Redemption on the Maturity Date</i></p> <p>If no Barrier Event has occurred redemption is made by payment of the Redemption Amount which corresponds to the Maximum Amount (as specified in the Final Terms).</p> <p>If a Barrier Event has occurred [and R (final) (as defined in C.19) is equal to or greater than [<i>In the case of Securities, which are issued under this Base Prospectus for the first time ("New Products"): the Strike</i>] [<i>In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013: R (initial)</i>] (as specified in the Final Terms)] redemption is made by payment of the Redemption Amount [which corresponds to the Nominal Amount multiplied by R (final) and divided by [<i>In the case of New Products: the Strike</i>] [<i>In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013: R (initial)</i>]. The Redemption Amount is not greater than the Nominal</p>
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		<p>Amount.] [which corresponds to the Nominal Amount.]</p> <p>[If a Barrier Event has occurred and R (final) is lower than [<i>In the case of New Products: the Strike</i>] [<i>In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013: R (initial)</i>] redemption is made by delivery of a quantity of the Underlying expressed by the Ratio (as specified in the Final Terms) and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).]</p> <p>Barrier Event means that [any published price of the Underlying is equal to or lower than the Barrier (as specified in the Final Terms) during the Barrier Observation Period (as specified in the Final Terms) in the case of continuous observation.] [any Reference Price on any Barrier Observation Date (as specified in the Final Terms) is lower than the Barrier (as specified in the Final Terms).]</p> <p><b><u>Product Type 9: In the case of Express Securities with Additional Amount, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>The redemption on the Maturity Date depends on R (final) (as defined in C.19). In addition, the Securities allow for the payment of an Additional Amount (k) on each Additional Amount Payment Date (k) (as specified in the Final Terms) if an Additional Amount Payment Event has occurred. In addition, the Securities allow under certain circumstances for automatic early redemption at the Early Redemption Amount (k) (as specified in the Final Terms).</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p><i>Additional Amount (k)</i></p> <p>The payment of the Additional Amount (k) depends on the occurrence of an Additional Amount Payment Event.</p> <p>Additional Amount Payment Event means that the Reference Price is equal to or greater than the relevant Additional Amount Payment Level (k) (as specified in the Final Terms) on the relevant Observation Date (k).</p> <ul style="list-style-type: none"> <li>[• If an Additional Amount Payment Event has occurred on an Observation Date (k) [and if no Barrier Event has occurred], the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) less all Additional Amounts (k) paid on the preceding Additional Amount Payment Dates (k). ]</li> <li>[• If an Additional Amount Payment Event has occurred on an</li> </ul>
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		<p>Observation Date (k) [and if no Barrier Event has occurred], the respective Additional Amount (k) is paid on the respective Additional Amount Payment Date (k).]</p> <ul style="list-style-type: none"> <li>• If no Additional Amount Payment Event has occurred on an Observation Date (k), no Additional Amount (k) is paid on the respective Additional Amount Payment Date (k).</li> </ul> <p>[If a Barrier Event has occurred, no Additional Amount (k) is paid on any following Additional Amount Payment Date (k).]</p> <p><i>Automatic Early Redemption</i></p> <p>If an Early Redemption Event has occurred [and no Barrier Event] the Securities will be automatically early redeemed on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k).</p> <p>An Early Redemption Event means that the Reference Price is equal to or greater than the Early Redemption Level (k) (as specified in the Final Terms) on the respective Observation Date (k) (as defined in C.16).</p> <p><i>Redemption on the Maturity Date</i></p> <p>If no Barrier Event has occurred redemption is made by payment of the Redemption Amount which corresponds to the Maximum Amount (as specified in the Final Terms).</p> <p>If a Barrier Event has occurred [and R (final) is equal to or greater than [<i>In the case of Securities, which are issued under this Base Prospectus for the first time ("New Products")</i>: the Strike] [<i>In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013</i>: R (initial)]] (as specified in the Final Terms)] redemption is made by payment of the Redemption Amount [which corresponds to the Nominal Amount multiplied by R (final) and divided by [<i>In the case of New Products</i>: the Strike] [<i>In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013</i>: R (initial)]]]. The Redemption Amount is not greater than the Nominal Amount.] [, corresponds to the Nominal Amount.]</p> <p>[If a Barrier Event has occurred and R (final) is lower than [<i>In the case of New Products</i>: the Strike] [<i>In the case of Securities, which are issued under the Base Prospectus of UniCredit Bank AG for the issuance of Reverse Convertible Securities and Express Securities dated 29 August 2013</i>: R (initial)]] redemption is made by delivery of a quantity of the Underlying expressed by the Ratio (as specified in the Final Terms) and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).]</p> <p>Barrier Event means that [any published price of the Underlying is equal to or lower than the Barrier (as specified in the Final Terms) during the Barrier</p>
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		<p>Observation Period (as specified in the Final Terms) in the case of continuous observation.] [any Reference Price on any Barrier Observation Date (as specified in the Final Terms) is lower than the Barrier (as specified in the Final Terms).]]</p> <p><b><u>[Product Type 10: In the case of Reverse Convertible Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>[The Securities bear interest during the term of the Securities.] If R (final) (as defined in C.19) is equal to or greater than the Strike (as specified in the Final Terms) redemption is made by payment of a Redemption Amount which corresponds to the Nominal Amount.</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p><i>Redemption on the Maturity Date</i></p> <p>If R (final) is equal to or greater than the Strike, redemption is made by payment of the Redemption Amount in the Specified Currency which corresponds to the Nominal Amount.</p> <p>If R (final) is lower than the Strike, redemption is made [by payment of the Redemption Amount which corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike] [by delivery of a quantity of the Underlying expressed by the Ratio (as specified in the Final Terms) and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).]]</p> <p><b><u>[Product Type 11: In the case of Barrier Reverse Convertible Securities, the following applies:</u></b></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>[The Securities bear interest during the term of the Securities (as defined in C.8).] If no Barrier Event has occurred, redemption is made on the Maturity Date by payment of a Redemption Amount which corresponds to the Nominal Amount. If a Barrier Event has occurred, redemption depends on the Reference Price on the Final Observation Date (as defined in C.19).</p> <p>Barrier Event means that [any published price of the Underlying is equal to or lower than the Barrier (as specified in the Final Terms) during the Barrier Observation Period (as specified in the Final Terms) in the case of continuous observation.] [any Reference Price on any Barrier Observation Date (as</p>
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		<p>specified in the Final Terms) is lower than the Barrier (as specified in the Final Terms).]</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p><i>Redemption on the Maturity Date</i></p> <p>If no Barrier Event has occurred, redemption is made by payment of the Redemption Amount in the Specified Currency which corresponds to the Nominal Amount.</p> <p>If a Barrier Event has occurred [and R (final) is equal to or greater than the Strike], redemption is made [by payment of the Redemption Amount which corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike; however, the Redemption Amount is not greater than the Nominal Amount.] [by payment of the Redemption Amount which corresponds to the Nominal Amount.]</p> <p>[If a Barrier Event has occurred and R (final) is lower than the Strike, redemption is made by delivery of a quantity of the Underlying expressed by the Ratio (as specified in the Final Terms) and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).]</p> <p><u><b><i>Product Type 12: In the case of Express Barrier Reverse Convertible Securities, the following applies:</i></b></u></p> <p>The value of the Securities during the term of the Securities depends decisively on the value of the Underlying (as defined in C.20). If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls.</p> <p>[The Securities bear interest during the term of the Securities (as defined in C.8).] If no Barrier Event has occurred, redemption is made on the Maturity Date by payment of a Redemption Amount which corresponds to the Nominal Amount. If a Barrier Event has occurred, redemption depends on the Reference Price on the Final Observation Date (as defined in C.19). In addition, the Securities allow under certain circumstances for automatic early redemption at the Early Redemption Amount (k) which corresponds to the Nominal Amount.</p> <p>Barrier Event means that [any published price of the Underlying is equal to or lower than the Barrier (as specified in the Final Terms) during the Barrier Observation Period (as specified in the Final Terms) in the case of continuous observation.] [any Reference Price on any Barrier Observation Date (as specified in the Final Terms) is lower than the Barrier (as specified in the Final Terms).]</p> <p>[The Security Holder is not exposed to the influence of exchange rate movements (Quanto).]</p> <p><i>Automatic Early Redemption</i></p>
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		<p>If an Early Redemption Event has occurred [and no Barrier Event] the Express Securities will be automatically early redeemed on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k).</p> <p>An Early Redemption Event means that the Reference Price is equal to or greater than the Early Redemption Level (k) (as specified in the Final Terms) on the respective Observation Date (k) (as defined in C.16).</p> <p><i>Redemption on the Maturity Date</i></p> <p>If no Barrier Event has occurred, redemption is made by payment of the Redemption Amount in the Specified Currency which corresponds to the Nominal Amount.</p> <p>If a Barrier Event has occurred [and R (final) is equal to or greater than the Strike], redemption is made [by payment of the Redemption Amount which corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike; however, the Redemption Amount is not greater than the Nominal Amount.] [by payment of the Redemption Amount which corresponds to the Nominal Amount.]</p> <p>[If a Barrier Event has occurred and R (final) is lower than the Strike, redemption is made by delivery of a quantity of the Underlying expressed by the Ratio (as specified in the Final Terms) and if applicable by payment of a Supplemental Cash Amount (as specified in the Final Terms).]</p>
C.16	The expiration or maturity date of the derivative securities – the exercise date or final reference date	<p>The ["<b>Final Observation Date</b>"] [,] [and] the "<b>Maturity Date</b>" [, the "<b>First Redemption Date</b>", the "<b>First Call Date</b>"] [, the respective "<b>Observation Date (k)</b>" and the "<b>Early Maturity Date (k)</b>"] are specified in the table in the Annex to this summary.]</p> <p>["<b>Observation Date</b>" means the [fifth]<sup>1</sup> [sixth]<sup>2</sup> Banking Day prior to each Redemption Date and each Call Date and the Maturity Date respectively.</p> <p>"<b>Call Date</b>" means the last Banking Day of the month of [<i>Insert month(s)</i>] of each year, starting on the First Call Date.</p> <p>"<b>Redemption Date</b>" means the last Banking Day of the month of [<i>Insert month(s)</i>] of each year, starting on the First Redemption Date.]</p>
C.17	Settlement procedure of the securities	<p>All payments [and/or deliveries of the Underlying] shall be made to [<i>Insert</i>] (the "<b>Principal Paying Agent</b>"). The Principal Paying Agent shall pay the amounts due [and/or deliver the Underlying] to the Clearing System for credit to the respective accounts of the depository banks for transfer to the Security Holders.</p> <p>The payment [and delivery] to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment [and</p>

<sup>1</sup> In the case of non-Quanto Closed End Securities and Quanto Closed End Securities.

<sup>2</sup> In the case of Compo Closed End Securities.

		delivery]. "Clearing System" means <i>[Insert]</i> .
C.18	Description of how any return on derivative securities takes place	<p><u><i>[In the case of Securities with cash settlement insert:</i></u> Payment of the Redemption Amount [on the Redemption Date in relation to which a Security Holder exercises its Redemption Right or at the Call Date in relation to which the Issuer exercises its Regular Call Right or] on the Maturity Date.]</p> <p><u><i>[In the case of Securities linked to a share or a depository receipt with physical delivery, the following applies:</i></u> Payment of the Redemption Amount on the Maturity Date or delivery of the Underlying and (if applicable of the Supplemental Cash Amount) within five Banking Days after the respective Maturity Date.]</p> <p><u><i>[In the case of Securities with automatic early redemption, the following applies:</i></u> or payment of the respective Early Redemption Amount (k) on the respective Early Maturity Date (k).]</p>
C.19	Exercise price or final reference price of the underlying	<p><u><i>[In the case of Securities with final Reference Price observation, the following applies:</i></u> "R (final)" means the Reference Price (as defined in the table in the Annex to this summary) on the Final Observation Date.]</p> <p><u><i>[In the case of Securities with final average observation, the following applies:</i></u> "R (final)" means the equally weighted average of the Reference Prices (as defined in the table in the Annex to this summary) specified on the Final Observation Dates.</p> <p><u><i>[In the case of Securities with [best] [worst]-out observation, the following applies:</i></u> "R (final)" means the [greatest] [lowest] Reference Price (as defined in the table in the Annex to this summary) on [each of the Final Observation Dates] [each <i>[Insert Relevant Date(s)]</i> between the First Day of the [Best] [Worst]-out Period (including) and the Final Observation Date (including).]</p> <p><u><i>[Product Type 6: In the case of Closed End Securities, the following applies:</i></u> "Relevant Reference Price" means the Reference Price (as defined in the table in the Annex to this summary) on the respective Observation Date immediately preceding the respective Redemption Date or the respective Call Date or Maturity Date, as the case may be .]</p>
C.20	Type of the underlying and description	The [share] [ADR] [RDR] [index] [commodity] which forms the Underlying is specified in the table in the Annex to this summary. For further information about the past and the future performance of the Underlying and its volatility,

	where information on the underlying can be found	please refer to the Website (or any successor website), as specified in the table in the Annex to this summary.
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#### D. RISKS

D.2	Key information on the key risks that are specific to the Issuer	<p><i>Potential investors should be aware that in the case of the occurrence of one of the below mentioned risk factors the Securities may decline in value and that they may sustain a <b>total loss</b> of their investment.</i></p> <ul style="list-style-type: none"> <li>• Credit Risk <p>(i) Risks connected to an economic slowdown and volatility of the financial markets; (ii) Deteriorating asset valuations resulting from poor market conditions may adversely affect HVB Group's future earnings; (iii) The economic conditions of the geographic markets in which HVB Group operates have had, and may continue to have, adverse effects on HVB Group's results of operations, business and financial condition; (iv) Non-traditional banking activities expose HVB Group to additional credit risks; (v) Changes in the German and European regulatory framework could adversely affect HVB Group's business; (vi) Loan losses may exceed anticipated levels; (vii) Systemic risk could adversely affect HVB Group's business.</p> </li> <li>• Market Risk <p>(i) Difficult market situations can add to volatility in HVB Group's income; (ii) HVB Group's income can be volatile related to trading activities and fluctuations in interest and exchange rates.</p> </li> <li>• Liquidity Risk <p>(i) Risks concerning liquidity which could affect HVB Group's ability to meet its financial obligations as they fall due; (ii) HVB Group's results of operations, business and financial condition have been and could continue to be affected by adverse macroeconomic and market conditions; (iii) HVB Group has significant exposure to weaker euro-zone countries.</p> </li> <li>• Operational Risk <p>(i) HVB Group's risk management strategies and techniques may leave HVB Group exposed to unidentified or unanticipated risks; (ii) IT risks; (iii) Risks arising from fraud in trading; (iv) Risks in connection with legal proceedings; (v) HVB Group is involved in pending tax proceedings.</p> </li> <li>• Strategic Risk <p>(i) Risk arising from the overall economic environment; (ii) The European sovereign debt crisis has adversely affected, and may continue to, adversely affect HVB Group's results of operations, business and financial condition; (iii) Risks from the strategic orientation of HVB Group's business model; (iv) Risks from the consolidation of the banking market; (v) Risks arising from changing competitive conditions in the German financial sector; (vi) The regulatory environment for HVB Group may change; non-compliance with regulatory requirements may result in enforcement measures; (vii) Risks from the introduction of new charges and taxes to stabilize the financial</p> </li> </ul>
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		<p>markets and involve banks in the sharing of costs for the financial crisis; (viii) The exercise of stress tests could adversely affect the business of HVB Group; (ix) HVB Group may be exposed to specific risks arising from the so-called Single Supervisory Mechanism (SSM) and other initiatives to create the so-called EU Banking Union; (x) Risks in relation to prohibition/separation of certain activities from other banking business; (xi) Risks arising from a change in HVB's rating</p> <ul style="list-style-type: none"> <li>• Reputational Risk</li> </ul> <p>Adverse reactions by stakeholders due to a change of perception of the bank may have a negative impact on HVB Group's results of operations, business and financial position.</p> <ul style="list-style-type: none"> <li>• Business Risk</li> </ul> <p>Unexpected negative changes in the business volume and/or the margins (e.g., as a result of the ongoing sovereign debt crisis) can lead to serious losses in earnings, thereby diminishing the market value of a company.</p> <ul style="list-style-type: none"> <li>• Real estate Risk</li> </ul> <p>Changes in the market value of the real estate portfolio of HVB Group may have an adverse impact on its financial position and results of operations.</p> <ul style="list-style-type: none"> <li>• Financial investment risk</li> </ul> <p>Fluctuations in market prices of HVB Group's portfolio of listed and unlisted shareholdings, financial investments and corresponding fund shares could lead to losses.</p> <ul style="list-style-type: none"> <li>• Pension risk</li> </ul> <p>HVB Group has undertaken to provide pension plans to its current and former employees. Pension risks exist in connection with such pension plans which may require a provision of additional capital to service the vested pension commitments.</p> <ul style="list-style-type: none"> <li>• Risks arising from outsourcing activities</li> </ul> <p>Failures in the risk assessment process or in defining risk reducing measures in relation to an outsourcing of activities and processes to external service providers could lead to a negative impact on HVB Group's results of operations, business and financial position.</p>
D.6	Key information on the key risks that are specific to the securities	<ul style="list-style-type: none"> <li>• Potential conflicts of interest</li> </ul> <p>Conflict of interest risk is related to the possibility that certain functions of the Issuer, distributors or agents or events with respect to the Underlying-linked Securities may be adverse to the interests of the Security Holders.</p> <ul style="list-style-type: none"> <li>• Risks related to the market</li> </ul> <p>(i) Risk that no active trading market for the Securities exists; (ii) Risks related to the offering volume; (iii) Risks related to the market value of the Securities; (iv) Risks related to the expansion of the spread between bid and offer prices; (v) Currency risk with respect to the Securities; (vi) Risk related to hedging transactions.</p> <ul style="list-style-type: none"> <li>• Risks related to the Securities in general</li> </ul> <p>(i) Risks related to the suitability of the Securities; (ii) Credit risk of the Issuer; (iii) Possible limitations of the legality of purchase; (iv) Termination</p>

		<p>by the Issuer; (v) Risks arising from financial market turmoils, the German Bank Restructuring Act and other governmental or regulatory interventions; (vi) Risks related to the introduction of a future recovery and resolution regime for credit institutions; (vii) Risks due to the lack of own independent review and advice of the investor; (viii) Risks in connection with a later determination of features; (ix) Risks arising from debt financing the purchase of the Securities; (x) Risks arising from transaction costs; (xi) Risks with regard to determinations by the Calculation Agent; (xii) Inflation risk; (xiii) Risks in connection with a purchase of Securities for hedging purposes; (xiv) Risks related to Taxation; (xv) Risks relating to fixed rate Securities; (xvi) Risks relating to Floater Securities; (xvii) Special risks related to reference rates; (xviii) Risks due to a limitation of the interest rate to a maximum interest rate.</p> <ul style="list-style-type: none"> <li>• Risks related to Underlying-linked Securities <ul style="list-style-type: none"> <li>(i) Risks arising from the influence of the Underlying on the market value of the Securities; (ii) Risks arising from the fact that the valuation of the Underlying occurs only at a specified date or time; (iii) Risks in spite of conditional minimum payment; (iv) Risks arising from missing or uncertain ongoing payments; (v) Risks arising from the impact of thresholds or limits; (vi) Risks arising from the impact of Barrier Events; (vii) Risks in relation to Securities with subscription period due to the specification of thresholds on the Initial Observation Date; (viii) Risks with respect to a Strike; (ix) Risks due to a limitation of potential returns to a Maximum Amount; (x) Risks in relation to reverse structures; (xi) Risks in relation to a ratio; (xii) Risks due to express structures; (xiii) Risk of postponement or alternative provisions for the valuation of the Underlying; (xiv) Currency risk with respect to the Underlying, (xv) Risks in relation to adjustment events; (xvi) Risk of Market Disruptions; (xvii) Risk of regulatory consequences to investors when investing in Underlying-linked Securities; (xviii) Risks arising from negative effects of hedging arrangements by the Issuer on the Securities; (xix) Risks arising from the Issuer's extraordinary call right; (xx) Risks arising from an Issuer's Regular Call Right; (xxi) Risks arising from the Redemption Right of the Security Holders; (xxii) Risks in relation to physical delivery.</li> </ul> </li> <li>• Risks related to the Underlying <ul style="list-style-type: none"> <li>- General risks <ul style="list-style-type: none"> <li>(i) Risks arising from the volatility of the price of the Underlying and risk due to a short history; (ii) No rights of ownership of the Underlying or its constituents; (iii) Risks associated with Underlyings subject to emerging market jurisdictions.</li> </ul> </li> <li>[- Risks related to shares as Underlying <ul style="list-style-type: none"> <li>(i) Similar risks to a direct investment in shares; (ii) Investors have no shareholder rights; (iii) Risks related to ADRs/RDRs]</li> </ul> </li> <li>[- Risks related to indices as Underlying <ul style="list-style-type: none"> <li>(i) Similar risks to a direct investment in index constituents; (ii) No influence of the Issuer on the index; (iii) Risks arising from special conflicts of interests in relation to indices as Underlying; (iv) Risks in relation to strategy indices as Underlying; (v) Risks in relation to price indices as Underlying; (vi) Risks in relation to net return indices as Underlying; (vii) Risks in</li> </ul> </li> </ul> </li> </ul>
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		<p>relation to short indices as Underlying; (viii) Risks in relation to leverage indices as Underlying; (ix) Risks in relation to distributing indices as Underlying; (x) Risks in relation to excess return indices as Underlying; (xi) Risks in relation to country or sector related indices; (xii) Currency exchange risk contained in the index; (xiii) Adverse effect of fees on the index level; (xiv) Risks with respect to the publication of the index composition which is not constantly updated; (xv) Risks of unrecognized or new indices; (xvi) Risks related to futures contracts as index components.]</p> <p>[-Risks related to commodities as Underlying</p> <p>(i) Similar risks as a direct investment in commodities; (ii) Higher risks than other asset classes; (iii) Risks arising from price influencing factors; (iv) Risks arising from the trading in various time zones and on different markets.]</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 net proceeds from each issue of Securities will be used by the Issuer for its general corporate purposes.
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 offer: <i>[Insert]</i> [(continuance of the public offer of previously issued securities)] [(increase of previously issued securities)].]</p> <p>[A public offer will be made in [France][,] [and] [Italy] [,] [and] [Luxembourg] [and] [Czech Republic].]</p> <p>[The smallest transferable unit is <i>[Insert]</i>.]</p> <p>[The smallest tradable unit is <i>[Insert]</i>.]</p> <p>The Securities will be offered to [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>

E.4	Any interest that is material to the issue/offer including conflicting interest	<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 (an) unregulated market(s)]</i>; [moreover] [[T][t]he <i>[Insert relevant regulated or (an) unregulated 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 their affiliates may act as a calculation agent or paying agent.]</p>
E.7	Estimated expenses charged to the investor by the Issuer or the distributor	<p>[Selling Concession: <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.]</p>

#### ANNEX TO THE SUMMARY

[WKN] [ISIN] (C.1)	Reference Price (C.19)	[Final Observation Date[s] (C.16)]	[First Redemption Date (C.16)]	Maturity Date (C.16)	[k (C.16)]	[Observation Date (k) (C.16)]	[Early Maturity Date (k) (C.16)]	[First Call Date (C.16)]	Underlying (C.20)	Web site (C.20)
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert name and, if applicable, ISIN]	[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 immaterial 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 they may sustain a **total loss** of their investment (e.g. in the case of a substantially unfavorable performance of the Underlying or of an insolvency of the Issuer).*

*The relevant final terms of the Securities (the "Final Terms") do not replace a consultation with a potential investor's house bank or financial adviser which will be indispensable in any case. Potential investors should review these Risk Factors carefully before deciding to purchase Securities.*

*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 25 April 2014 (the "Registration Document"), the information of which is incorporated herein by reference, (c) all documents the information of which is incorporated in the Base Prospectus by reference, and (d) the relevant Final Terms. An investment in the Securities is only suitable for 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 of such investments. 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 influence of such risk factor on the value of the Securities.*

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

### **A. Risks related to the Issuer**

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 below stated functions of the Issuer, the financial institution or the financial intermediary with whom the Issuer has entered into a distribution agreement (the "**Distributor**") (as defined below under "Potential conflicts related to other functions of the Issuer - calculation agent or paying agent") or any of their affiliates as well as the below mentioned transactions may have a negative impact on the market value of and/or the amounts payable and/or the quantity of Underlyings to be delivered under the Securities, which may be adverse to the interests of the Security Holders.

#### ***Potential conflicts related to the Issue Price***

The Securities will be sold 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, 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 related to market maker activities*

The Issuer and any of its affiliates may, but are not obliged to, act as a market maker for the Securities. "**Market Making**" means the Issuer and any of its affiliates continuously quotes bid and offer prices at which the Issuer or any of its affiliates are prepared to trade the Securities in a certain volume. The prices may substantially deviate from the mathematical (intrinsic) value of the Securities. Market Making, carried out especially by the Issuer and any of its affiliates, may substantially influence the liquidity and/or the value of the Securities. The prices quoted by a market maker usually do not correspond to the prices which would have been formed without Market Making and in a liquid market.

*Potential conflicts related to Distributors and inducements*

Distributors may subscribe the Securities at a price equivalent to or below the Issue Price. A periodic fee may be payable to the Distributors in respect of the Securities until maturity. The rate of the fee will be determined by the Issuer as well as the relevant Distributor and may vary. The Distributors agree to comply with the selling restrictions stated in the Base Prospectus. Distributors act independently and not as agents of the Issuer.

In particular, the Issuer may pay placement- and/or management fees in terms of sales-related commissions to the relevant Distributor. Placement fees are one-off payments. Alternatively, the Issuer can grant an appropriate discount on the Issue Price (without subscription surcharge). Payment of management fees is recurring and dependant on the volume of Securities issued.

*Potential conflicts related to other functions of the Issuer - 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 payable and/or the quantity of Underlyings to be delivered under the Securities and make adjustments or other determinations, as described in the Final Terms, by i.e. exercising reasonable discretion (Section 315 German Civil Code, *Bürgerliches Gesetzbuch*, "**BGB**"). The aforementioned calculations, adjustments and determinations may influence the value of, and/or the amounts payable and/or the quantity of Underlyings to be delivered under the Securities and therefore could cause conflicts of interest between the relevant entity on the one hand and the Security Holders on the other hand since, even if acting within its reasonable discretion, such calculations, adjustments and determinations could be disadvantageous for a Security Holder.

**2. Potential conflicts of interest with respect to Underlying-linked Securities**

*Potential conflicts related to transactions in respect of the Underlying*

The Issuer or any of its affiliates may occasionally participate in transactions involving securities, fund shares, future contracts, commodities, indices or derivatives for their own account or for the account of their customers which may affect the liquidity or value of the Underlying (as defined below under "D. Risks related to the Underlying") and the Securities and which may be adverse to the interests of the Security Holders.

*Potential conflicts related to the issuance of other securities*

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

*Potential conflicts related to information with respect to the Underlying*

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 information (also not publicly available) about the Underlying over the term of the Securities. The issuance of Securities related to such an Underlying does not create any obligation to disclose such information (whether or not confidential) to the Security Holders.

*Potential conflicts related to business activities with the issuers of Underlyings*

The Issuer, any Distributor or any of their affiliates may deal with issuers of the Underlying, any of their affiliates, competitors or any guarantor and engage in any kind of commercial or investment banking or other business activities, as if the Securities issued under the Base Prospectus would not exist. Any such action may have a negative impact on the Underlying and the Securities accordingly and could be contrary to the interests of the Security Holders.

*Potential conflicts related to other functions of the Issuer – member of a syndicate of banks etc.*

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 a bank of the sponsor of the Underlying or of the issuer of the Underlying. The aforementioned functions may influence the amounts payable and/or the quantity of Underlyings to be delivered and therefore could lead to conflicts of interest between the Issuer and any of its affiliates with the Security Holders.

**C. Risks related to the Securities**

***1. Risks related to the market***

*Risk that no active trading market for the Securities exists*

The Securities will be newly issued securities, which may not be widely distributed and for which no active trading market may exist and may develop.

Generally, there is no assurance regarding the development or liquidity of a trading market for a particular tranche of Securities. Although applications could be made for the Securities to be admitted to the regulated market of any stock exchange or to any market or trading system within the European Economic Area, there is no assurance that such applications will be accepted, that a particular tranche of Securities will be admitted or that an active trading market will develop. 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 maturity. If the Securities are not traded on any stock exchange or any other market or trading system, pricing information for the Securities may be more difficult to obtain which may have a negative effect on the liquidity and the market prices 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 or private agreement. Any Securities purchased in this way by the Issuer may be held, resold or cancelled.

If the Issuer acts as the only market maker for the Securities, the secondary market may become substantially limited. If there is no market maker, the secondary market may become even more limited. The more limited the secondary market is, the more difficult it may be for Security Holders to realise the value of the Securities prior to the settlement of the Securities. Therefore, a certain risk does exist that Security Holders have to hold the Securities until maturity or, respectively, termination.

*Risks related to the offering volume*

The issue volume described in the Final Terms only constitutes the volume of the Securities offered for sale. This amount does not allow any conclusion on the volume of the actually issued Securities and thus on the liquidity of a potential secondary market associated with the same risks as stated above.

*Risks related to the market value of the Securities*

Prior to the settlement of the Securities, the Security Holders may only be able to realise a revenue through a sale of the Securities in the secondary market. The price at which a Security Holder may be able to sell its Securities may be substantially lower than the purchase price. The Issuer assumes no guarantee that the Securities may be sold at a certain price or that the spread between bid and offer prices will remain constant or within a certain range. Selling the Securities at a certain point of time at which the market value of the Securities is below the paid purchase price will result in the Security Holder suffering a loss.

The market value (or the market price) of the Securities will be affected by the creditworthiness of the Issuer and by a number of further factors such as the relevant prevailing interest and yield rates, the market for similar securities, the general economic conditions, the variations in the intensity of the fluctuation of values (volatility) of Underlyings, the interference (correlation) between various Underlyings, the fungibility or, as the case may be, the remaining term of the Securities. If the Securities are traded after their initial issuance, these factors may lead to a market value of the Securities being substantially below their Issue Price.

*Risks related to the expansion of the spread between bid and offer prices*

During extreme 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 hedging transactions, or when such transactions are very difficult to conclude, the spread between the bid and offer prices which will be quoted by it may be expanded in order to limit its economic risk. As a consequence, Security Holders who sell their Securities on an exchange or directly among market participants via so-called over-the-counter dealings (off-exchange) may only be able to do so at a price that is substantially lower than the mathematical (intrinsic) value of the Securities at the time of the sale and will therefore suffer a loss.

*Currency risk with respect to the Securities*

The Securities may be denominated in a currency other than the currency of the jurisdiction where the investor is domiciled or where the investor seeks to receive funds. Exchange rates between currencies (the "**Currency Exchange Rates**") are determined by factors of supply and demand in the international currency markets, which are affected by macro-economic factors, speculations and intervention by the central banks and governments (including the imposition of currency controls and restrictions). Fluctuations in Currency Exchange Rates may have a negative impact on the value of the Securities and may result in a loss for the Security Holders. There may be other factors which are almost impossible to predict, such as psychological factors (e.g. a crisis of confidence in the political regime of a country), which also may have a material impact on the value of the relevant currency. Various different sources may be used as references for Currency Exchange Rates. If irregularities or manipulations occur in connection with the exchange rate determination of such sources, this could have material adverse effects on the Securities.

*Risk related to hedging transactions*

Security Holders may not be able to make transactions to preclude or limit risks arising from an investment in the Securities. Their ability to do so will depend on, *inter alia*, the relevant prevailing market conditions. In some cases investors may have to carry out such transactions only at a market price that is disadvantageous to them, so that a significant loss may occur.

**2. Risks related to the Securities in general**

*Risks related to the suitability of the Securities*

An investment in the Securities requires detailed knowledge of the features of the relevant Security. Investors should have experience with investing in structured securities which are referenced to Underlyings 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 of an investment in derivative notes;
- 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;
- are able to bear the economic risk of an investment in derivative notes for an indefinite period, and
- are aware that it may, during a substantial period of time or even at all, not be possible to sell the securities.

Due to the dependence on the respective Underlyings, an investment in the Securities is associated with substantial risks which do not exist in the case of an investment in fixed or floating interest bearing traditional notes with a claim for redemption of the nominal amount.

#### *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 its 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. The worse the creditworthiness of the Issuer is the higher is the risk of a loss. Such risk is not protected by 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.

#### *Possible limitations of the legality of purchase*

The purchase, holding and/or disposal of the Securities may from time to time be subject to restrictions which may have a negative effect on the fungibility and transferability and the value of the Securities. Neither the Issuer nor any Distributor or any of their affiliates have assumed or assume responsibility towards any potential investor for the legality of the acquisition of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for the compliance by a potential investor with any law, regulation or regulatory policy applicable to it.

#### *Termination by the Issuer*

The Terms and Conditions for any particular issue of Securities may provide for an Issuer termination right. Upon any such termination, negative deviations from the expected return may occur and the amount paid on the Securities may be lower than a (minimum) redemption amount as set out in the Final Terms (if any) or than the purchase price paid for the Securities by the investor, such that the investor will in such case not in full or not at all receive the invested capital. Furthermore, the Security Holder has to bear a reinvestment risk, e.g. that he will only be able to re-invest the amount received upon a regular or extraordinary termination at less favourable market conditions than those prevailing at the time of the purchase of the Securities, or that, e.g. he will not be able to make an investment which has a comparable return or a comparable risk profile as the terminated Securities,

#### *Risks arising from financial market turmoils, the German Bank Restructuring Act and other governmental or regulatory interventions*

Market turmoil in the international financial markets may affect inflation, interest rates, the price of securities, participation of other investors and thus almost all investments and may lead to (and in the past have led to) extensive governmental interventions. It is generally not possible to predict the structural and/or regulatory changes which may result from current and future market conditions or whether such changes may be materially adverse to the Securities and to their Underlyings, if any. However, the German legislator implemented a bank restructuring act (*Gesetz zur Restrukturierung und geordneten Abwicklung von Kreditinstituten, zur Errichtung eines Restrukturierungsfonds für Kreditinstitute und zur Verlängerung der Verjährungsfrist der aktienrechtlichen Organhaftung, Restrukturierungsgesetz*, the "**German Bank Restructuring Act**") as part of its reaction to the capital markets crisis which began in 2007. As a German credit institution the Issuer is subject to the German Bank Restructuring Act, which has introduced a special restructuring scheme for German credit institutions on 1 January 2011. This scheme consists of: (i) the restructuring procedure (*Sanierungsverfahren*) pursuant to sections 2 et seqq. of the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz*, the "**KredReorgG**"), (ii) the reorganisation procedure (*Reorganisationsverfahren*) pursuant to sections 7 et seqq. of the KredReorG, and (iii) the transfer order (*Übertragungsanordnung*) pursuant to sections 48a et seqq. of the German Banking Act (*Kreditwesengesetz*, the "**KWG**").

Whereas 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

rights of the credit institution's creditors including a reduction of existing claims or a suspension of payments. The measures proposed in the reorganisation plan are subject to a majority vote of the creditors and shareholders of the respective credit institution. Furthermore, the KredReorgG stipulates detailed rules on the voting process and on the required majorities and to what extent negative votes may be disregarded. Measures pursuant to the KredReorgG are instituted by the respective credit institution and after approval by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, the "**BaFin**").

Is the existence of the relevant credit institution endangered (*Bestandsgefährdung*) and does this endanger the stability of the financial system (*Systemgefährdung*), BaFin may issue a transfer order pursuant to which the credit institution will be forced to transfer whole or parts of its business activities or assets to a so-called bridge bank.

Claims of Security Holders may be negatively affected by the reorganisation plan, which can be adopted by majority vote. In the context of a transfer order, the initial debtor of Securities (the Issuer) may be replaced by another debtor (which may have a fundamentally different risk assumption or creditworthiness than the Issuer). Alternatively, the claims may remain with the original debtor, but this situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical to the situation prior to the transfer order.

In addition, the German legislator has introduced the Second Financial Market Stabilisation Act (*Zweites Gesetz zur Umsetzung eines Maßnahmenpakets zur Stabilisierung des Finanzmarktes*) which came into force on 1 March 2012. Pursuant to such act, *inter alia*, the BaFin may impose regulatory measures on a German credit institution if the financial condition of such credit institution raises doubts whether such institute can constantly comply with the capital or liquidity requirements of the KWG. Even though such regulatory measures may not directly interfere with Security Holders' rights, the fact that BaFin applies such measures towards a credit institution may have negative effects, e.g. on the pricing of Securities or on the institute's ability to refinance itself.

The Act of 7 August 2013 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*) provides that upon positions which are regarded by the legislator as being "risk inherent" having reached certain thresholds, the underlying transactions have to be transferred to a legally and financially independent financial trading institution (separation of banking activities). Furthermore, BaFin may, from 1 July 2016 on, prohibit the Issuer from having further types of activities being carried out by specific institutions in order to avoid risks. The claims of the Security Holders may be negatively affected thereby, including in particular that the original debtor of the Securities may be replaced by another debtor. Alternatively, the claims may continue to be towards the original debtor while 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.

#### *Risks related to the introduction of a future recovery and resolution regime for credit institutions*

The Council of the European Union has on 6 May 2014 passed the Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (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 and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council the "**Bank Recovery and Resolution Directive**") which has already been published in the Official Journal of the European Union. Pursuant to the Bank Recovery and Resolution Directive, the authorities which will be in charge of the resolution will be furnished with instruments by means of which they will be in a position to resolve credit institutions and investment firms which in the opinion of the competent authorities threaten to fail and where the failure may not be prevented by alternative measures in the same efficient manner and where the relevant measure is of public interest. The resolution tools under the Bank Recovery and Resolution Directive include, among others, a "bail-in" instrument enabling the authorities in charge of the resolution to write down unsecured (debt) claims and to convert debt which can be subject to a write-down into shares or other equity. The provisions of the Bank Recovery and

Resolution Directive will have to be implemented into German law before being directly applicable to the Issuer. Any such implementation may also occur through an amendment of the German Insolvency Code (*Insolvenzordnung*). For the adoption, an implementation period until 31 December 2014 has been granted to the respective member states. The respective national provisions regarding the "bail-in" instrument shall enter into force on 1 January 2016 at the latest. Currently it is not yet possible to provide a comprehensive assessment of the Bank Recovery and Resolution Directive or any German implementing legal measures.

The provisions of the Bank Recovery and Resolution Directive or any similar provisions and/or its implementation into German law may have a substantial effect on the rights of the Security Holders and may result in a resolution of the Issuer and a loss of the entire investment.

Building on the Bank Recovery and Resolution Directive, the Regulation (EU) No 806/2014 of the European Parliament and the Council of 15 July 2014 will establish uniform rules and a uniform mechanism for the resolution of failing credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 in relation to the creation of a so-called banking union. The regulation, whose provisions shall be effective mainly as of 1 January 2016, without requiring an implementation into national law, provides certain resolution tools (e.g., a reduction of liabilities or its transformation into equity, a transfer of claims and/or liabilities of the affected institution or even a resolution of the affected institution), which may have a substantial effect on the rights of the Security Holders and may have a material adverse effect on the enforcement of the Security Holders' claims.

#### *Risks due to the lack of own independent review and advice of the investor*

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 (or if the investor is acquiring the Securities in a fiduciary capacity, the trustee) financial needs, objectives and restrictions, and whether it is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and if it is a fit, proper and suitable investment for the investor (or if the investor is acquiring the Securities in a fiduciary capacity, for the trustee), notwithstanding the substantial risks inherent in investing in or holding the Securities. Otherwise, there is the risk of an unfavourable or unsuitable investment by such investor.

#### *Risks in connection with a later determination of features*

The Final Terms may provide that either the Issue Price or other features of the Securities (such as a Strike ) may be determined by the Issuer in accordance with Section 315 BGB or published at any point of time after the production of the Final Terms. Depending on the time and manner of any such determination, investors in the relevant Securities bear the risk that the potential return which is achievable from an investment in the relevant Securities do not match the expectations of the investor at the time of subscription or the risk profile does not match the risk expectations of the investor.

#### *Risks arising from debt financing the purchase of the Securities*

If a potential investor decides to finance the purchase of the Securities with funds borrowed from a third party, the investor should make sure in advance that he can still pay the interest and principal payments on the loan also in the event of a loss. In the case of a deferral or default of payments in relation to the Securities or of a decrease of the secondary market value of the Securities, the investor does not only have to bear the occurred loss, but also pay interest and repay the loan which has been taken up. The investor should not rely on gains or profits from the investment in the Securities in order to repay interest and principal of the loan when due and payable. In that case, 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 arising from transaction costs*

In connection with the purchase, holding and disposal of the Securities, several types of incidental costs (including transaction fees and commissions) are incurred beside the purchase or sale price of the

Securities. These incidental costs may significantly reduce or even eliminate any profit from holding the Securities.

Generally, 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, Security Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs). In addition to such costs directly related to the purchase of the Securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees). Additional costs may occur if other foreign or domestic entities are involved in the custody or the execution of an order. Before investing in the Securities, potential investors should inform themselves about any additional costs incurred in connection with the purchase, holding or sale of the Securities.

*Risks with regard to determinations by the Calculation Agent*

Pursuant to the Terms and Conditions, the Calculation Agent may in its discretion determine whether certain events have occurred and make any adjustments and calculations resulting therefrom (if any), as described in the Final Terms. The Calculation Agent will make any such determination in its reasonable discretion in a commercially reasonable manner. Such determination may have an adverse effect on the value of the Securities and/or may delay the payments.

*Inflation risk*

Through the purchase of the Securities, the Security Holder is also exposed to an inflation risk. The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on a Security. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

*Risks in connection with a purchase of Securities for hedging purposes*

Any person intending to use the Securities as a hedging instrument should recognise the correlation risk. The correlation risk in this case is the risk that the estimated and the actual correlation of the Securities (i.e. the interrelation between the performance of the Securities and the hedged position) may differ. This means that the hedging position estimated to move in the opposite direction as a security may prove to be correlated with the security, and that this may lead to failure of the envisaged hedging transaction. The Securities may not be a perfect hedge to an Underlying or portfolio of which the Underlying forms a part. In addition, it may not be possible to liquidate the Securities at a level which reflects the price of the Underlying or the portfolio of which the Underlying forms a part.

Potential investors should not expect that transactions may be made at any time during the term of the Securities by which the relevant risks may be excluded or restricted; in fact, this will depend on market conditions and the relevant underlying conditions. It may be that such transactions may only be concluded at an unfavorable market price so that the Security Holder will incur a corresponding loss.

*Risks related to Taxation*

The return on the Securities may be reduced through the tax impact on an investment in the Securities. Potential purchasers 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 the Securities are transferred to or held or other jurisdictions. In some jurisdictions, no official statements, rulings and/or guidelines of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not only to rely on the tax summary contained in this document but also to ask for their own tax advisors' advice on their individual taxation with respect to the acquisition, sale or redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.

Payments on the Securities may be subject to a U.S. withholding tax, e.g., pursuant to the U.S. Foreign Account Tax Compliance Act (FATCA). Should, as a consequence of a non-compliance with certain certification, information reporting requirements with respect to its U.S. accounts or other specified requirements by the Issuer, a withholding of taxes on interest, capital or other payments under the Securities occur in connection with such withholding taxation, then neither the Issuer, nor the Paying

Agent or any other person will be obliged to pay a compensation to the Security Holder. As a consequence, the Security Holder may receive a lower amount than without any such withholding or deduction.

#### *Risks relating to fixed rate Securities*

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

#### *Risks relating to Floater Securities*

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

#### *Special risks related to reference rates*

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

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

#### *Risks due to a limitation of the interest rate to a maximum interest rate*

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

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

Generally, an investment in Securities where the principal is determined by reference to an Underlying (the "**Underlying linked-Securities**"), may entail significant risks not associated with comparable investments in conventional debt securities. The value of an Underlying-linked Security is dependent on the price of the Underlying and therefore bears risks associated with the Underlying beside risks associated with the Security itself.

On the one hand the probability of a **total loss of the invested capital** (e.g. in the case of a substantially unfavorable performance of the Underlying or of an insolvency of the Issuer) may be substantially higher than in a direct investment in the Underlying. This probability depends on how the amounts payable and/or the quantity of Underlyings to be delivered under the Securities are linked to the development of the Underlying.

On the other hand, such risks include **that the Security Holder could fully or substantially lose the capital invested**. To be able to bear potential losses, the capital invested for the purchasing of the Securities should be taken from excess own funds.

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

Potential investors should be aware that the market value of the Securities may be very volatile depending on the volatility of the Underlying.

The market value of the Securities is primarily influenced by changes in the price of the Underlying to which the Securities are linked. The price of the Underlying may depend on a number of inter-related factors, including economic, financial and political events and their general effect on capital markets and on the relevant stock exchanges. It is not possible to predict how the price of the Underlying will develop in the future.

Potential investors should note that whilst the market value of the Securities is linked to the value of the Underlying and may be negatively influenced by it, not any change may be equally influencing and may lead to disproportionate changes. The value of the Securities may drop while at the same time the price of the Underlying may increase in value. Especially for Underlyings with a high volatility this may lead to amounts payable and/or the value of Underlyings to be delivered under the Securities being significantly lower than the value of the Underlying prior to the Observation Date might have suggested.

*Risks arising from the fact that the valuation of the Underlying occurs only at a specified date or time*

The amounts payable and/or the quantity of Underlyings to be delivered under the Securities may be calculated by reference to a valuation of the Underlying on a Observation Date as specified in the Final Terms and may not consider the performance of the Underlying prior to such Observation Date. Even if the Underlying performed positively or, in the case of reverse structures, negatively up to the period prior to the Observation Date and if the value of the Underlying only decreased or, in the case of reverse structures, increased on such a Observation Date, the calculation of the amounts payable and/or the quantity of Underlyings to be delivered under the Securities only grounds on the value of the Underlying on the relevant Observation Date. Especially for Underlyings showing a high volatility this may lead to amounts payable and/or a quantity of Underlyings to be delivered being significantly lower than the value of the Underlying on the Observation Date has suggested. The positive performance of one or more components of the Underlying may be outweighed/eliminated by a negative performance of other components.

*Risks in spite of conditional minimum payment*

In cases where a conditional minimum payment is provided for in connection with the redemption, the Security Holder may lose all or a substantial portion of the amount invested if the price of the relevant Underlying falls or, in the case of a reverse structure, rises. If a conditional minimum payment is provided for, the minimum amount will not be paid, if a specific event (e.g. a Barrier Event) has occurred. Even if such an event has not yet occurred, such amount only becomes payable at maturity, and the Security Holder whose Securities are terminated or sold before maturity could incur losses, as the redemption amount or selling price of the Securities at the time of sale could be lower than the conditional minimum payment amount.

*Risks arising from missing or uncertain ongoing payments*

On the Securities, no interest payments or other ongoing payments are made, unless the applicable Final Terms do not explicitly allow for the payment of interest or Additional Amounts. However, the payment of such Additional Amounts is not guaranteed. Because of the dependence of the Additional Amount of the performance of the Underlying, it is impossible to determine the Additional Amount in

advance. Potential investors should be aware that the Additional Amount may also be zero.

*Risks arising from the impact of thresholds or limits*

Potential investors should note that, if specified in the Final Terms, certain amounts only may be payable if certain thresholds or limits (such as a Strike) have been reached in accordance with the Final Terms or if certain events have occurred which in turn depend on having reached a threshold or limit (e.g. Final Redemption Event). If the respective threshold or limit, as specified in the Final Terms, has not been reached or if the event has not occurred, the respective Security Holder is not entitled to receive the amount specified in the Final Terms. Thresholds or limits may also have a significant influence on the amounts payable and/or the quantity of Underlyings to be delivered under the Securities.

*Risks arising from the impact of Barrier Events*

The amounts payable and/or the quantity of Underlyings to be delivered under the Securities may depend significantly on whether a Barrier Event has occurred. The risk that a Barrier Event occurs depends on whether the Final Terms provide for a date-related Barrier observation or a continuous Barrier observation. The risk of the occurrence of a Barrier Event increases as the level of the underlying Barrier (which may also lie at or above the initial price of the Underlying) increases or, in the case of a reverse structure, decreases (whereas the level of the underlying Barrier may also lie at or below the initial price of the Underlying), as the length of the period increases and as the number of dates increases on which the Barrier Event may occur. The closer a Security comes to the end of its term, the higher the potential loss of the investor should the Barrier Event occur. The occurrence of a Barrier Event may also have a significant influence on the price of the Security and its volatility. If, in the case of the occurrence of a Barrier Event, the Final Terms provide for a limitation of the redemption to a Maximum Amount, the Security Holder can only participate in the recovery of the price of the Underlying up to such a Maximum Amount.

*Risks in relation to Securities with subscription period due to the specification of thresholds on the Initial Observation Date*

For Securities with subscription period the Final Terms may provide that a certain threshold (for example the Barrier Level, the Additional Amount Payment Factor, the Early Redemption Factor and the Final Redemption Factor) will be specified not before the relevant Initial Observation Date.

If the Final Terms provide for an indicative value which is in the range of two percentage of the initial price of the Underlying, the percentage finally specified may be greater or lower (in the case of reverse structures) than the indicative value. The specification will be published on the Website for Notices . In this case investors will know the actual features after the Initial Observation Date.

*Risks with respect to a Strike*

The redemption amounts payable and/or the quantity of Underlyings to be delivered under the Securities may depend significantly on the consideration of a Strike. A Strike may result in the Securities not being in economic terms similar to a direct investment in the relevant Underlying. The Strike is a threshold which at first must be reached before it comes to a favourable performance of the Underlying for the Security Holder. This may mean that the Security Holder participates in a performance of the Underlying favourable to him to a lesser extent or in such case, even suffers a loss to an increased extent.

*Risks due to a limitation of potential returns to a Maximum Amount*

Potential investors should be aware that the amounts to be payable or the quantity of Underlyings to be delivered according to the Final Terms, may be limited to the Maximum Amount, as provided for in the Final Terms. As a consequence, the potential return from the Securities is in such case, and in contrast to a direct investment in the Underlying, limited to the Maximum Amount.

*Risks in relation to reverse structures*

Potential investors should be aware that the Securities with reverse structures may be structured in such a way that their value drops if the price of the relevant Underlying rises (reverse structure).

Consequently, there is a risk of (total) loss of the invested capital if the price of the Underlying rises accordingly. In addition, the potential income from the Securities is limited, because the price of the respective Underlying can never drop by more than 100%.

*Risks in relation to a ratio*

The application of a ratio within the calculation of amounts payable and/or the quantity of Underlyings to be delivered, as specified in the Final Terms, may result in the Security being in economic terms similar to a direct investment in the relevant Underlying, but being nonetheless not fully comparable with such a direct investment, in particular because the Security Holder does not participate in the relevant performance by a 1:1 ratio, but by the proportion of the ratio (e.g. 1:10 or 1:100).

*Risks due to express structures*

Potential investors should note that, under certain circumstances, the Securities are automatically early redeemed if an Early Redemption Event (which depends on the performance of the relevant Underlying) occurs. In this case, the Security Holder is entitled to receive a certain payment in accordance with the Final Terms, but will neither participate in the future performance of the relevant Underlying nor be entitled to further payments under the Securities after this early redemption. As a result, the Security Holder bears the risk of not participating in the performance of the Underlying to the expected extent and during the expected term of the Security and consequently of receiving less than the capital invested. In the case of an early redemption of the Securities, the Security Holder also bears the reinvestment risk.

In the case of Securities with consideration of a Barrier Event, the occurrence of the Barrier Event may in certain circumstances trigger the lapse of the chance of Early Redemption. In this case, the potential investor is not entitled to payment of the Early Redemption Amount, but will participate in the performance of the relevant Underlying until the Maturity Date. As a result, the Security Holder bears the risk that the price of the Underlying performs negatively during the term of the Security and that there is a possibility of (total) loss of the invested capital, if the price of the Underlying drops accordingly.

*Risk of postponement or alternative provisions for the valuation of the Underlying*

In certain circumstances which are set out in the Final Terms, the Issuer and the Calculation Agent have broad discretion to specify (i) a consequential postponement of, or (ii) any alternative provisions for the valuation of an Underlying respectively including a determination of the value of such Underlying, each of which may have an adverse effect on the value of the Securities.

*Currency risk with respect to the Underlying*

The Underlying may be denominated in a different currency than the Specified Currency of the Securities. If the currency risk remains with the Security Holder (i.e. the Securities do not have a "quanto" element in terms of that the price of the Underlying will be converted from one currency into the currency of the Securities, as may be specified in the Final Terms) the investor may incur further losses on interest and/or principal.

*Risks in relation to adjustment events*

In the case of the occurrence of an adjustment event as specified in the Final Terms, the calculation agent, as specified in the Final Terms, is entitled to carry out adjustments according to the Final Terms in its reasonable discretion. Although these adjustments intend to retain 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 economic impact. In fact, this adjustment may also have a negative impact on the value or the future performance of the Securities.

*Risk of Market Disruptions*

If the Final Terms include provisions dealing with the occurrence of market disruptions and the calculation agent determines that a market disruption has occurred or currently exists, any consequential postponement of, or any alternative provisions for, valuation provided in such Security may have an adverse effect on its value and the point of time where a payment takes place.

*Risk of regulatory consequences to investors when investing in Underlying-linked Securities*

There may be negative regulatory and other consequences associated with the ownership by certain investors of certain Securities. It cannot be ruled out that inter alia the specific investor is 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 (i.e. if eligibility as trustee stock (*Mündelsicherheit*) is required). Each purchaser of the Securities must conduct its own investigation regarding its regulatory position in connection with the potential purchase of the Securities. The Issuer does not assume any obligation or liability whatsoever towards such a purchaser.

*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 the risks of the Issuer relating to the Securities. In such case, the Issuer or any of its affiliates may conclude transactions that correspond to the obligations of the Issuer under the Securities. Generally, such transactions are concluded prior to or on the Issue Date, but it is also possible to conclude such transactions after the Issue Date. On or prior to such a valuation date the Issuer or any of its affiliates may take the steps necessary for closing out any hedging arrangements. It cannot, however, be ruled out that the price of the Underlying of the Securities will be influenced by such transactions in individual cases. Entering into or closing out these hedging arrangements may have a negative effect on the market price of the Securities and/or on the amounts payable and/or the quantity of Underlyings to be delivered under the Securities.

*Risks arising from the Issuer's extraordinary call right*

The Issuer has the right to call the Securities at their market value extraordinarily upon the occurrence of a termination right. A termination right is given if certain adjustments in accordance with the Special Conditions are impossible or not reasonable for the Issuer and/or the Security Holders. If the market value of the Securities at the time of the extraordinary call is lower than the purchase price of the Securities, the respective Security Holder **will suffer a partial or total loss of its invested capital**. Furthermore, the Security Holder bears the risk that the expectations for an increase of the market value of the Securities will no longer be met because of such extraordinary termination.

*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 redeemed by the Issuer on certain call dates (the "**Call Dates**") as specified in the Final Terms, by giving notice to the Security Holders. 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. At the time of the exercise of the Regular Call Right, the price of the Underlying may be substantially lower than its price at the time of the purchase of the Securities by a Security Holder. From the time of the exercise of the Regular Call Right the remaining term of the Securities is limited until the respective Call Date. In this case, the Security Holders may not be able to hold the Securities until the price of the Underlying has recovered and thus **may suffer a partial or total loss of their invested capital**. As of the respective Call Date of the Securities, the Security Holders no longer have a possibility to participate in any further performance of the Underlying.

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

Security Holders may demand redemption of the Securities (the "**Redemption Right**") on certain redemption dates (the "**Redemption Dates**") as specified in the Final Terms by transmission of a duly filled redemption notice (as described in the Final Terms). At the time of the exercise of the Redemption Right, the price of the Underlying may be substantially lower than its price at the time of the purchase of the Securities by a Security Holder. From the time of the exercise of the Redemption Right the remaining term of the Securities is limited to the respective Redemption Date. In this case the Security Holders may not be able to hold the Securities until the price of the Underlying has recovered and thus **may suffer a partial or total loss of their invested capital**. As of the respective Redemption Date of the Securities, the Security Holders no longer have a possibility to participate in any further performance of the Underlying.

Furthermore, there may be a certain time lag between the time of the exercise of the Redemption Right and the next respective Observation Date. During the period of the exercise of the Redemption Right and the respective Observation Date, the price of the Underlying may decline with the consequence that the amount payable under the Securities at the Redemption Date with respect to such Observation Date will be substantially lower than the amount expected to be paid by the Security Holder at the time of the exercise of the Redemption Right. In the case of a Market Disruption on the respective Observation Date, a respective time lag could even last considerably longer.

#### *Risks in relation to physical delivery*

Certain Securities linked to a share as Underlying may provide as method of settlement at maturity either that the investor receives a payment only (the "**Cash Settlement**") or, as the case may be, that the investor receives a Cash Settlement or a delivery of shares (the "**Physical Delivery**"). In the case of a sole Cash Settlement the Securities shall be redeemed by payment of the Redemption Amount.

Upon issuance it is not clear how the Securities will be settled at the end of their term. The determination of the settlement method depends on the performance of the Underlying only. Therefore, the Security Holder is exposed to the risk that the Securities held by him are not redeemed at a monetary amount, but by delivery of shares whose aggregate value may be lower than the issue price. Therefore the investor should become familiar with the possibility of a delivery of shares prior to his investment decision.

Should the Securities be settled by delivery no rights arise from the shares until such shares are transferred to the Security Holder. The price of such shares may develop negatively in the period from the relevant Observation Date and such transfer and only the Security Holder bears the risk of such price movements. The price of the shares delivered may be lower than the current market price at the time of the transfer and the Security Holder may suffer a loss. Furthermore, upon sale of the shares delivered transaction costs may arise which may lead to or increase a possible loss. Furthermore, Security Holders should not assume that they will be able to sell the shares delivered for a specific price, in particular not for a price corresponding to, or being greater than, the capital invested for the acquisition of the Securities. The shares delivered may have a substantially lower value or no value at all. In addition, the shares delivered may be subject to selling and transfer restrictions or may not be liquid for other reasons. In addition, commissions and other transaction costs that, as the case may be, may arise upon disposal of the shares delivered may – in particular in the case of a low order value (for which higher commissions may be charged than for higher order values) – lead to a significant negative effect on the costs and therefore significantly reduce the proceeds from such shares.

Should the delivery of shares become economically or actually difficult or impossible for whatever reason, there might be provided that the Issuer has the right to pay a cash amount instead of the delivery of the respective asset.

#### **D. Risks related to the Underlying**

The Underlying may be a share or a share representing security, an index or a commodity. These Underlyings are subject to particular risks. Any full or partial realisation of the following risks may have a negative impact on the price of the Underlying and, hence, on the market value of the Securities and/or the amounts payable and/or the quantity of Underlyings to be delivered thereunder (if any). The Security Holders have no rights in or recourse against the Underlying. Furthermore, transactions made by the Issuer to hedge its obligations under the Securities may have a negative impact on the price of the Underlying and, hence, on the market value of the Securities and/or the amounts payable and/or the quantity of Underlyings to be delivered thereunder (if any).

##### **1. General risks**

#### *Risks arising from the volatility of the price of the Underlying and risk due to a short history*

The value of an Underlying or of its constituents may vary over time and may increase or decrease due to a variety of factors e.g. macroeconomic factors and speculation. Potential investors should note that an investment in the Securities may be subject to similar risks than a direct investment in the relevant Underlying.

Security Holders should note that the past performance of an Underlying or (in the case of an index) its constituents provides no indication of its future performance and that an Underlying or (in the case of an index) its constituents may only have a short operating history or may have been in existence only for a short period of time and may deliver results over the longer term lower than initially expected.

*No rights of ownership of the Underlying or its constituents*

Potential investors should be aware that the relevant Underlying or (in the case of an index) its constituents will not be held by the Issuer for the benefit of the investors in such Securities, and as such, Security Holders will not obtain any rights of ownership (such as voting rights, rights to receive dividends or other distributions or other rights) with respect to an Underlying or (in the case of an index) its constituents in relation to such Securities. Neither the Issuer nor any of its affiliates is obliged to acquire or hold an Underlying or (in the case of an index) its constituents.

*Risks associated with Underlyings subject to emerging market jurisdictions*

An Underlying or its constituents (if any) may be subject to the jurisdiction of an emerging market. Investing in Securities with such Underlyings involves further legal, political (e.g. rapid political changes) and economical (e.g. economic downturns) risks.

Countries that fall into this category are usually considered to be 'emerging' because of their developments and reforms and their economy being in the process of changing from a moderately developed country to an industrial country.

In emerging markets, expropriation, taxation equivalent to confiscation, political or social instability or diplomatic incidents may have a negative impact on an investment in the Securities. The amount of publicly available information with respect to the Underlying or any of its components may be smaller than that normally made available to Security Holders.

Transparency requirements, accounting, auditing and financial reporting standards as well as regulatory standards are in many ways less strict than standards in industrial countries.

Although emerging financial markets generally show rising volumes, some emerging financial markets have much lower trading volumes than developed markets and the securities of many companies are less liquid and their prices are subject to stronger fluctuations than those of similar companies in developed markets.

## **2. Risks related to shares as Underlying**

*Similar risks to a direct investment in shares*

The market price of Securities with shares as Underlying depends on the performance of the share. The performance of a share may be subject to factors like the dividend or distribution policy, financial prospects, market position, corporate actions, shareholder structure and risk situation of the issuer of the share, short selling activities and low market liquidity as well as to macro-economic or political influences. Accordingly, an investment in Securities with a share as Underlying may bear similar risks to a direct investment in shares. Corporate actions and events in relation to the share or the issuer of the share may result in adjustments to the Securities and have an adverse effect on the value of the Securities or even result in a termination and early redemption of the Securities. Potential adjustments due to corporate actions or events may modify the structure and/or risk profile of the Securities. Furthermore, disruptions regarding the trading of the shares may have a negative effect on the value of the Securities and the payments to be made and/or the value of Underlyings to be delivered under the Securities.

*Investors have no shareholder rights*

The Securities convey no interest in the share, including any voting rights or rights to receive dividends, interest or other distributions, as applicable, or any other rights with respect to the share as an Underlying. The Issuer and any of its affiliates may choose not to hold the Underlying or not to enter into any derivative contracts linked to the Underlying. Neither the Issuer nor any of its affiliates is restricted from selling, pledging or otherwise conveying all right, title and interest in the Underlying or any derivative contracts linked to the Underlying by virtue solely of having issued the Securities.

### *Risks related to ADRs/RDRs*

Depository receipts in the form of American Depository Receipts (ADRs) or Regional Depository Receipts (RDRs) may bear additional risks compared with risks related to shares. Depository receipts are participation certificates in a portfolio of shares normally held in the country of incorporation of the issuer of the underlying shares and represent one or more shares or a fraction of such shares. For depository receipts, the legal owner of the underlying share portfolio is the custodian bank, which is at the same time the issuing agent of the depository receipts. Depending on the jurisdiction in which the depository receipts will be issued and to which jurisdiction the custody agreement is subject, it cannot be ruled out that the respective jurisdiction does not recognise the holder of the depository receipts as the actual beneficial owner of the underlying shares. Especially in the event of insolvency of the custodian bank or foreclosure against it, it is possible that shares underlying the depository receipts are restricted or that these shares may be sold to realise their value in the case of foreclosure against the custodian bank. If that is the case, the holder of the depository receipts loses the rights to the underlying shares certified by the participation certificate and the depository receipt becomes worthless.

### **3. Risks related to indices as Underlying**

#### *Similar risks to a direct investment in index constituents*

The performance of the market value of Securities with indices as Underlying depends primarily on the performance of the index. The performance of an index depends on the performance of the constituents of the index (the "**Index Constituents**"). Changes in the performance or the price of the constituents of the index may have an effect on the index and, likewise, changes to the composition of the index or other factors may also have. Accordingly, an investment in a Security with indices as Underlying may bear similar risks to a direct investment in the Index Constituents.

#### *No influence of the Issuer on the index*

The method of calculation, determination and publication of the index (the "**Index Concept**") are carried out by the relevant index sponsor itself or together with other organisations, unless the Issuer or any affiliated entity also acts as index sponsor. The Issuer neither has influence on the index nor on the Index Concept. Generally, an index may at any time be altered, terminated or replaced by any successor index. This may result in adjustments to the Securities and have a negative effect on the value of the Securities or the amounts payable under the Securities or even result in a termination and early redemption of the Securities. Potential adjustments may modify the structure and/or risk profile of the Securities. Furthermore, disruptions regarding the maintenance or calculation of the index may occur which may have a negative effect on the value of the Securities and the payments to be made under the Securities.

If neither the Issuer nor any of its affiliates acts as index sponsor, Securities with indices as Underlying 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.

#### *Risks arising from special conflicts of interests in relation to indices as Underlying*

If the Issuer or any of its affiliates acts itself as index sponsor, index calculation agent, advisor or as a member of an index committee, or in a similar position, this may lead to conflicts of interest. In relation to such function, the Issuer or any of its affiliates may, *inter alia*, calculate the value of the index, carry out adjustments (e.g. by exercising its reasonable discretion) to the Index Concept, replace the Index Constituents and/or determine the composition and/or weighting. This conflict of interests may have a negative effect on the performance of the index, and thus on the market value of and/or the amounts payable under the Securities.

*Risks in relation to strategy indices as Underlying*

Strategy indices represent hypothetical rule-based investment strategies (i.e., no actual trading or investment activities take place) conducted by an index sponsor. As a general rule, strategy indices entitle the index sponsor to extensively exercise its discretion when calculating the index which may lead under certain circumstances to a negative performance of the index.

*Risks in relation to price indices as Underlying*

If the Underlying is a price index, dividends or other distributions paid out with respect to Index Components will not be considered when calculating the price of the index and consequently have a negative impact on the price of the index, because the index components will be traded with a discount after the pay-out of dividends or distributions. Thus, Security Holders generally do not participate from dividends or other distributions paid out or made on components contained in the index.

*Risks in relation to net return indices as Underlying*

If the Underlying is a net return index, dividends or other distributions paid out or made on the Index Components will be considered only when calculating the price of the index as net payments after deduction of an average tax rate. This tax deduction has the effect that the price of the net return index does not rise as strong as the price of a comparable total return index or performance index, for the calculation of which gross payments will be taken into account.

*Risks in relation to short indices as Underlying*

If the Underlying is a short index potential investors should be aware that this index develops in a reverse manner to its underlying prices. This means that the price of the short index generally rises when the prices of its underlying constituents drop and that the price of the short index drops when the prices of its underlying constituents rise.

*Risks in relation to leverage indices as Underlying*

If the Underlying is a leverage index potential investors should be aware that this index consists of two different components, the index to which the leverage index refers (the "**Reference Index**") and the leverage factor (the "**Leverage Factor**"). The performance of the leverage index is linked to the per cent performance per day of the Reference Index by applying the Leverage Factor. Depending on the respective Leverage Factor, the daily price of the Underlying falls or rises stronger than the price of the respective Reference Index. Therefore the Security Holder bears the risk of disproportionate loss of his invested capital.

If the leverage index has exceeded a certain threshold due to extraordinary price movements during a trading day, the leverage index may be adjusted intra-daily in accordance with the relevant Index Concept. Such adjustment may lead to a reduced participation of the leverage index in a subsequent increase in price of the Reference Index.

If the Underlying is a leverage index, Security Holders may be subject to **an increased risk of loss of the invested capital.**

*Risks in relation to distributing indices as Underlying*

If the Underlying is a distributing index, dividends or other distributions paid out or made on the Index Constituents will normally result to falling prices when calculating the price of the index which have a negative effect on the payments made under the Securities. In case of Closed End Securities, if the Underlying is a distributing index, dividends or other distributions paid out or made on the Index Constituents will be considered in the Theoretical Cash Component (as specified in the Final Terms) when calculating the price of the index. After a Dividend Observation Date (as specified in the Final Terms) dividends or other distributions accrued between two Dividend Observation Dates are paid out to the Security Holders. Security Holders should be aware that after such a Dividend Observation Date the cash component will be reset to zero and the price of the index will be reduced accordingly.

#### *Risks in relation to excess return indices as Underlying*

If the Underlying is an excess return index, the investor invests in future contracts using a Roll Over; this means that an underlying futures contract as well as following futures contracts, if applicable, will be replaced by a futures contract, which except for its later expiration date has the same contract specifications as the formerly underlying futures contract (the "**Roll Over**"). When calculating the price of an excess return index losses due to a Roll Over may arise. The rolling in the next futures contract may lead to a negative effect on the development of the price of the index. Especially differences between spot and future prices may arise. Prices of futures contracts may substantially differ from spot-prices for commodities, to which the futures contract refers, which may also have a negative impact on the performance of the price of the index.

#### *Risks in relation to country or sector related indices*

If an index reflects the performance of assets only of certain countries or sectors, this index is affected disproportionately negative in the case of an unfavourable development in such a country or industrial sector.

#### *Currency exchange risk contained in the index*

Index Components may be listed in different currencies and therefore exposed to different currency influences (this particularly applies to country or sector related indices). Furthermore, it is possible that Index Components are converted firstly from one currency to the currency which is relevant for the calculation of the index, and then converted again in order to calculate and determine the amounts payable under the Securities. In such cases, Security Holders are subject of several currency risks, which may not be obvious for a Security Holder.

#### *Adverse effect of fees on the index level*

If the index composition is adjusted in accordance with the relevant Index Concept, fees may arise that are subject of the index calculation and which reduce the level of the index. This may have a negative effect on the performance of the index, on the market value of, and the amounts payable under, the Securities. Indices which reflect certain markets or sectors may use certain derivative financial instruments. This may lead to higher fees and thus a lower performance of the index than it would have been the case with a direct investment in these markets or sectors.

#### *Risks with respect to the publication of the index composition which is not constantly updated*

Some index sponsors publish the composition of the relevant indices not entirely or only with retardation on a website or in other public media specified in the Final Terms. In this case the composition exposed might not always correspond with the current composition of the respective index used for calculating the amounts payable under the Securities. The delay may be substantial and, under certain circumstances and may last several months. In this case the calculation of the index may not be fully transparent to the Security Holders.

#### *Risks of unrecognized or new indices*

If the index used is not a recognized financial index, there may be a lower degree of transparency relating to its composition, maintenance and calculation than it would be the case for a recognized financial index, and there may in some circumstances be less information available about the index. In addition, subjective criteria may play a much greater role in the composition of the index in such cases, and there may be a greater degree of dependence on the agent responsible for the composition, maintenance and calculation of the index than would be the case for a recognized financial index. Furthermore, particular investors (e.g. Undertakings for Collective Investment in Transferable Securities (UCITS) or insurance companies) may be subject to specific administrative restrictions relating to the purchase of Securities with an index as Underlying that is not a recognized financial index, which have to be considered by these investors. Finally, the provision of indices, the contribution of input data to indices and the use of indices may from time to time be subject to regulatory requirements and restrictions which may affect the ongoing maintenance and availability of an index.

#### *Risks related to futures contracts as index components*

As far as it concerns commodities it should be noted, that their performance as a rule can only be tracked via futures contracts, i.e. standardised transactions relating to commodities (e.g. oil, wheat, sugar) – so-called commodity futures. A futures contract represents a contractual obligation to buy or sell a fixed amount of the underlying commodities on a fixed delivery date at an agreed price. Futures contracts are traded on futures exchanges and are standardised with respect to the contract amount, type and quality of the underlying, as well as to delivery location and dates (if applicable). However, futures contracts are normally traded at a discount or premium compared with the spot prices of their underlyings.

The prices of futures contracts with different delivery dates can differ, even if all other contract specifications are identical. If the prices of longer-term futures contracts are higher than the prices of the shorter-term futures contracts this is called 'contango'. If the prices of shorter-term futures contracts are higher than the prices of the longer-term futures contracts this is called 'backwardation'. If the Final Terms specify that futures contracts with different delivery dates are subject of observation, these price differences may have a negative effect on the market value of, and the amounts payable under the Securities. Prices of futures contracts may differ substantially from the spot prices of the underlying commodities. The market value of the futures contract does not always develop in the same direction or at the same rate as the spot price of the commodity.

#### *Risks with respect to a Roll-Over*

In order to trade futures contracts on an exchange, they are standardised with respect to their term (e.g. 3, 6, 9 months). Futures contracts as the Underlying of the Securities may have a different term than the Securities. In such a case, the Calculation Agent will replace the initial futures contract as well as any subsequent futures contracts by a futures contract, which has a later delivery day, but otherwise has identical contract specification as the initial futures contract (the "**Roll-Over**"). Such a Roll-Over can be repeated several times. Differences in the prices of the futures contract may be compensated by an adjustment of the participation factor. These adjustments may have a negative effect on the market value of, and the amounts payable under, the Securities.

#### **4. Risks related to commodities as Underlying**

##### *Similar risks as a direct investment in commodities*

The performance of Securities with commodities as Underlying is depending on the performance of the relevant commodities. The performance of a commodity may be subject to influences, including, among others, the risk of price influencing factors, as described below under "Risks of price influencing factors", and the risk resulting from trading in different markets, as described below under "Risks arising from the trading in various time zones and on different markets".

Normally, the performance of commodities is expressed by means of futures contracts (i.e. standardised futures transactions) on these commodities. These futures contracts only have a limited term and its price is influenced by, among others, its term and by general market factors. Furthermore, the roll over mechanism will be applied to futures contracts which means that commodity futures contracts which expire before the relevant payment day in relation to the Securities will be replaced by commodity futures contracts with a later expiry date such that the performance of the underlying commodities may not be fully replicated in the performance of the Securities or the amounts payable under the Securities.

##### *Higher risks than other asset classes*

An investment in commodities is associated with higher risks than investments in other asset classes like e.g. bonds, currencies or stocks, because prices in this asset category are subject to greater fluctuations (volatility) and markets may be less liquid than e.g. stock markets. Changes to bid and offer volumes may have a higher impact on the price and volatility. Commodity markets are also characterised by, among others, the fact that there are only a few active market participants which bears the risk of speculation and pricing inaccuracies.

*Risks arising from price influencing factors*

The following factors (which is a non-exhaustive list) may influence the commodity prices: supply and demand; speculations in the financial markets; production bottlenecks; delivery difficulties; hardly any market participants; production in emerging markets (political turmoils, economic downturns); political risks (war, terrorist actions); unfavourable weather conditions; natural disasters.

*Risks arising from the trading in various time zones and on different markets*

Commodities (e.g. oil, gas, wheat, corn, gold, silver) are traded on a global basis almost non-stop in various time zones on different specialised exchanges or markets (e.g. different futures exchanges) or directly among market participants (over the counter). This may lead to a publication of different prices for a commodity in different places. The Final Terms specify which exchange or market and which timing apply regarding the specification of the price of the relevant Underlying. The commodities may be from emerging and developing countries which are subject to very specific political and economic uncertainties. Political developments and the instability in these countries may have a negative effect on the prices of the commodities and thus also have an adverse effect on the value of the Securities. Changes to bid and offer volumes may therefore have a stronger influence of pricing and volatility.

## **RESPONSIBILITY STATEMENT**

UniCredit Bank AG having its registered office at Kardinal-Faulhaber-Straße 1, 80333 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**

The Issuer hereby consents to the use of the Base Prospectus to the extent and the conditions as set out in the Final Terms during the term of its validity pursuant to Section 9 WpPG.

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: France, Italy, Luxembourg and the Czech Republic.

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

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

**Information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

**Any further financial intermediary using the Base Prospectus shall state on its website that it uses the Base Prospectus in accordance with this consent and the conditions attached to this consent.**

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

## **DESCRIPTION OF THE ISSUER**

The description of the Issuer included in the Registration Document of UniCredit Bank AG dated 25 April 2014, the audited consolidated financial statements of HVB Group as of 31 December 2012, contained in the Annual Report HVB Group 2012, the audited consolidated financial statements of HVB Group as of 31 December 2013, contained in the Annual Report HVB Group 2013, the audited unconsolidated financial statements as of 31 December 2013, contained in the Annual Report UniCredit Bank AG (HVB) 2013, are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 190 et seq.

The unaudited, consolidated financial highlights as of 30 June 2014 are included in the Half-yearly Financial Report at 30 June 2014 of HVB Group and are shown on pages F-1 to F-52 of this Base Prospectus.

## GENERAL INFORMATION ON THE SECURITIES

### Features of the Securities

#### *General*

The Securities will be issued as non-par value notes/certificates or notes/certificates with Nominal Amount which are respectively bearer debt instruments (*Inhaberschuldverschreibungen*) pursuant to Section 793 German Civil Code (*Bürgerliches Gesetzbuch, BGB*). The method of calculating the redemption amount of the Securities and the provisions as to whether, in cases where the Underlying are shares or depository receipts, physical delivery of the Underlying is made are linked to the value of the Underlying at a certain moment.

Under this Base Prospectus, Securities of the following product types are issued:

- Discount Securities (Product Type 1)
- Bonus Securities (Product Type 2)
- Bonus Cap Securities (Product Type 3)
- Reverse Bonus Cap Securities (Product Type 4)
- Top Securities (Product Type 5)
- Closed End Securities (Product Type 6)
- Express Securities (Product Type 7)
- Express Plus Securities (Product Type 8)
- Express Securities with Additional Amount (Product Type 9)
- Reverse Convertible Securities (Product Type 10)
- Barrier Reverse Convertible Securities (Product Type 11)
- Express Barrier Reverse Convertible Securities (Product Type 12)

#### *Underlying*

The Underlying of the Securities may be, in the case of Product Types 1-5 and 7-12, either a share or an American Depository Receipt (ADR) or a Regional Depository Receipt (RDR) (respectively a "**Depository Receipt**"), an index or a commodity and, in case of Product Type 6, an index. Index may be the index described in the section "Description of indices which are composed by the Issuer or any legal entity of the same group" or another index which is not composed by the Issuer or any legal entity belonging to the same group. Further indices which are composed by the Issuer or any legal entity belonging to the same group of the Issuer may be included in the Base Prospectus as a potential Underlying of the Securities by way of a supplement pursuant to Section 16 WpPG. The Underlying is the main influencing factor on the value of the Securities.

In general, the Security Holders participate in any positive as well as in any negative performance of the Underlying during the term of the Securities, whereas in the case of Reverse Bonus Cap Securities, Security Holders benefit from a negative performance. In the case of Discount Securities, Bonus Securities, Bonus Cap Securities, Top Securities, Closed End Securities, Express Securities, Express Plus Securities, Express Securities with Additional Amount, Reverse Convertible Securities, Barrier Reverse Convertible Securities and Express Barrier Reverse Convertible Securities the following applies: If the value of the Underlying rises, the value of the Securities regularly rises. If the value of the Underlying falls, the value of the Securities regularly falls accordingly. However, in the case of Reverse Bonus Cap Securities the Security Holders participate in reverse to the performance of the Underlying. This means, if the value of the Underlying falls, the value of the Security regularly rises. If the value of the Underlying rises, the value of the Securities regularly falls.

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.**

## ***Quanto elements***

Non-Quanto Securities are Securities where the Underlying Currency is the same as the Specified Currency. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency hedging element is provided. In the case of Quanto Securities, one unit of the Underlying Currency corresponds to one unit of the Specified Currency. Compo Securities are Securities where the Underlying Currency is not the same as the Specified Currency and no currency hedging element is provided. In the case of Compo Securities, Exchange Rate movements will be taken into account when specifying the Redemption Amount. The Security Holder therefore is exposed to the full exchange rate risk upon maturity and in the case of a premature sale of the Securities, during the term of the Securities.

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

The Issuer may call the Securities and adjust the terms and conditions of the Securities.

## **Publications**

The Base Prospectus, potential supplements and the respective Final Terms are available on the website as specified in the respective Final Terms or on any successor website in accordance with Section 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 for Notices as specified in the Final Terms in accordance with Section 6 of the General Conditions.

## ***Issue Price***

Securities may be issued at an issue price which will be either specified in the Final Terms, or if the issue price has not been specified at the time of creation of the Final Terms the issue price per Security will be specified and published thereafter on a website as indicated 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. The Issue Price may contain, beside upfront and distribution fees, an expected margin for the Issuer. Generally, the margin may contain costs, which, i.a., cover the Issuer's costs for structuring the Securities, risk hedging of the Issuer and the distribution.

## ***Selling concession or other concessions***

A selling concession or other concession 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, in each case, through financial intermediaries as agreed between the Issuer and the relevant financial intermediary. The method of distribution of each tranche will be stated in the applicable Final Terms.

## ***Admission to Trading and Listing of the Securities***

Application may be made to list and trade Securities to be issued under the Programme on the markets or trading systems as set out in the Final Terms. In such a case the Final Terms set out the earliest dates (if known) on which the Securities will be admitted to trading and all the regulated markets or equivalent markets, on which, to the knowledge of the Issuer, securities of the same class of securities are already admitted to trading. However, Securities may also be issued under the Programme without being listed on any stock exchange.

### ***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***

The following details regarding the terms and conditions of the offer will be indicated in the Final Terms: (i) the country(ies) where the offer(s) to the public takes place; (ii) the conditions for the offer of the Securities; (iii) day of the first public offer; (iv) smallest transferable and/or tradable unit; (v) possibility of an early termination of the public offer; (vi) a subscription period; (vii) start of the new public offer; (viii) information about the continuance of a public offer of Securities which have already been issued; (ix) information about the increase of Securities which have already been issued.

### ***Offer during a subscription period***

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

### ***Method and time limits for delivery of the Securities***

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

## **DESCRIPTION OF THE SECURITIES**

### **Product Type 1: Discount Securities**

#### ***General***

Discount Securities are Securities where redemption on the Maturity Date depends on the Reference Price on the Final Observation Date. The price of the Discount Security at the time of issue is lower than the current price of the Underlying multiplied by either the relevant Ratio or, respectively the Ratio Factor and if applicable by applying FX Exchange Rate. For this discount, the investor participates in the performance of the Underlying only up to the Maximum Amount.

In respect of their redemption, Discount Securities may be linked to shares or depository receipts as well as indices or commodities.

For Discount Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Discount Securities with cash settlement, exclusively by payment of a Redemption Amount or
- for Discount Securities with physical delivery, by cash settlement or by physical delivery of a certain quantity of the Underlying.

Discount Securities linked to indices or commodities are always issued as Discount Securities with cash settlement.

Discount Securities may be issued as non-Quanto, Quanto or Compo Securities.

#### ***Interest***

The Securities do not bear interest.

#### ***Redemption***

For Discount Securities, redemption on the Maturity Date depends on:

- the Cap and
- R (final).

The Cap is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

The Maximum Amount or, respectively the method of its specification will be specified in the respective Final Terms

R (initial) means:

- for Discount Securities where R (initial) has already been specified, the Reference Price specified in the respective Final Terms or
- for Discount Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Discount Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Discount Securities with best-in observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Discount Securities with worst-in observation, the lowest Reference Price on the days as specified in the respective Final Terms.

R (final) means:

- for Discount Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Discount Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Discount Securities with best-out observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Discount Securities with worst-out observation, the lowest Reference Price on the days as specified in the respective Final Terms.

Redemption is made as follows:

- for Discount Securities with cash settlement, by payment of the Redemption Amount or
- for Discount Securities with physical delivery:
  - if R (final) is equal to or greater than the Cap, by payment of the Redemption Amount; or
  - if R (final) is lower than the Cap, by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

The Redemption Amount is an amount in the Specified Currency that:

- for Discount Securities with cash settlement, corresponds to R (final) multiplied by the Ratio, however, the Redemption Amount is not greater than the Maximum Amount; or
- for Discount Securities with physical delivery, corresponds to the Maximum Amount.

## **Product Type 2: Bonus Securities**

### ***General***

Bonus Securities are Securities where redemption on the Maturity Date depends on the Reference Price on the Final Observation Date. However, the payment is at least equal to a Bonus Amount, provided that no Barrier Event has occurred.

The Bonus Amount or, respectively the method of its specification will be specified in the respective Final Terms.

In respect of their redemption, Bonus Securities may be linked to shares or depository receipts as well as indices or commodities.

For Bonus Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Bonus Securities with cash settlement, exclusively by payment of a Redemption Amount or
- for Bonus Securities with physical delivery, by cash settlement or by physical delivery of a certain quantity of the Underlying.

Bonus Securities linked to indices or commodities are always issued as Bonus Securities with cash settlement.

Bonus Securities may be issued as non-Quanto, Quanto or Compo Securities.

Bonus Securities can be issued as Bonus Securities without Nominal Amount or as Bonus Securities with Nominal Amount.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (I) will be paid on the respective Additional Amount Payment Date (I). The Additional Amount (I) will be specified in the respective Final Terms.

### ***Redemption***

For Bonus Securities, redemption on the Maturity Date may depend on:

- the occurrence of a Barrier Event, and
- the Strike and
- R (final).

A Barrier Event means:

- for Bonus Securities with continuous Barrier observation, that any published price of the Underlying is equal to or lower than the Barrier during the Barrier Observation Period in the case of continuous observation or
- for Bonus Securities with date-related Barrier observation, that any Reference Price is lower than the Barrier on the respective Barrier Observation Date.

The Barrier or, respectively the method of its specification will be specified in the respective Final Terms. The Barrier may also only slightly differ from R (initial) or even correspond to R (initial). Furthermore, the Barrier may also be greater than R (initial).

The Barrier Level will be specified in the respective Final Terms.

The Strike is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

R (initial) means:

- for Bonus Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Bonus Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Bonus Securities with best-in observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Bonus Securities with worst-in observation, the lowest Reference Price on the days as specified in the respective Final Terms.

R (final) means:

- for Bonus Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Bonus Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Bonus Securities with best-out observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Bonus Securities with worst-out observation, the lowest Reference Price on the days as specified in the respective Final Terms.

If no Barrier Event has occurred, redemption is made for all Bonus Securities by payment of the Redemption Amount.

If a Barrier Event has occurred, redemption is made:

- for Bonus Securities with cash settlement by payment of the Redemption Amount or

- for Bonus Securities with physical delivery by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

The Redemption Amount is an amount in the Specified Currency that

- for Bonus Securities without Nominal Amount, corresponds to R (final) multiplied by the Ratio or, respectively multiplied by the Ratio Factor and, if applicable, by applying FX Exchange Rate or
- for Bonus Securities with Nominal Amount, corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike.

However, if no Barrier Event has occurred, the Redemption Amount is not lower than the Bonus Amount.

### **Product Type 3: Bonus Cap Securities**

#### ***General***

Bonus Cap Securities are Securities where redemption on the Maturity Date depends on the Reference Price on the Final Observation Date. The payment corresponds at least to a Bonus Amount, if no Barrier Event has occurred. However, in all cases the payment is not greater than a Maximum Amount.

The Bonus Amount and the Maximum Amount or, respectively the method of its specification will be specified in the respective Final Terms.

In respect of their redemption, Bonus Cap Securities may be linked to shares or depository receipts as well as indices or commodities.

For Bonus Cap Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Bonus Cap Securities with cash settlement, exclusively by payment of a Redemption Amount or
- for Bonus Cap Securities with physical delivery, by cash settlement or by physical delivery of a certain quantity of the Underlying.

Bonus Cap Securities linked to indices or commodities are always issued as Bonus Cap Securities with cash settlement.

Bonus Cap Securities may be issued as non-Quanto, Quanto or Compo Securities.

Bonus Cap Securities can be issued as Bonus Cap Securities without Nominal Amount or as Bonus Cap Securities with Nominal Amount, in each case with a Bonus Amount that is the same or not the same as the Maximum Amount.

#### ***Interest***

The Securities do not bear interest.

#### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (I) will be paid on the respective Additional Amount Payment Date (I). The Additional Amount (I) will be specified in the respective Final Terms.

## ***Redemption***

For Bonus Cap Securities, redemption on the Maturity Date may depend on:

- the occurrence of a Barrier Event and
- the Cap and
- the Strike and
- R (final).

A Barrier Event means:

- for Bonus Cap Securities with continuous Barrier observation, that any published price of the Underlying is equal to or lower than the Barrier during the Barrier Observation Period in the case of continuous observation or
- for Bonus Cap Securities with date-related Barrier observation, that any Reference Price is lower than the Barrier on the respective Barrier Observation Date.

The Barrier or, respectively the method of its specification will be specified in the respective Final Terms. The Barrier may also only slightly be lower than R (initial) or even correspond to R (initial). Furthermore, the Barrier may also be greater than R (initial).

The Barrier Level will be specified in the respective Final Terms.

The Cap is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

The Strike is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

R (initial) means:

- for Bonus Cap Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Bonus Cap Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Bonus Cap Securities with best-in observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Bonus Cap Securities with worst-in observation, the lowest Reference Price on the days as specified in the respective Final Terms.

R (final) means:

- for Bonus Cap Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Bonus Cap Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Bonus Cap Securities with best-out observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Bonus Cap Securities with worst-out observation, the lowest Reference Price on the days as specified in the respective Final Terms.

For Bonus Cap Securities with cash settlement, redemption is made in all cases by payment of the Redemption Amount.

For Bonus Cap Securities with physical delivery, redemption is made:

- if no Barrier Event has occurred or if a Barrier Event has occurred and R (final) is equal to or greater than the Cap, by payment of the Redemption Amount; or
- if a Barrier Event has occurred and R (final) is lower than the Cap, by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

For Bonus Cap Securities with cash settlement where the Bonus Amount is not the same as the Maximum Amount, the Redemption Amount is an amount in the Specified Currency specified as follows:

- for Bonus Cap Securities without Nominal Amount, the Redemption Amount corresponds to:
  - if no Barrier Event has occurred, R (final) multiplied by the Ratio, however, where the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount, or
  - if a Barrier Event has occurred, R (final) multiplied by the Ratio, however, where the Redemption Amount is not greater than the Maximum Amount.
- for Bonus Cap Securities with Nominal Amount, the Redemption Amount corresponds to:
  - if no Barrier Event has occurred, the Nominal Amount multiplied by R (final) and divided by the Strike, however, where the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount, or
  - if a Barrier Event has occurred, the Nominal Amount multiplied by R (final) and divided by the Strike, however, where the Redemption Amount is not greater than the Maximum Amount.

For Bonus Cap Securities with physical delivery where the Bonus Amount is not the same as the Maximum Amount, the Redemption Amount is an amount in the Specified Currency specified as follows:

- for Bonus Cap Securities without Nominal Amount, the Redemption Amount corresponds to R (final) multiplied by the Ratio or, respectively the Ratio Factor and, if applicable, by applying FX Exchange Rate, however, where the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount.
- for Bonus Cap Securities with Nominal Amount, the Redemption Amount corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike, however, where the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount.

For Bonus Cap Securities with cash settlement where the Bonus Amount is the same as the Maximum Amount, the Redemption Amount is an amount in the Specified Currency specified as follows:

- for Bonus Cap Securities without Nominal Amount, the Redemption Amount corresponds to:
  - if no Barrier Event has occurred, the Maximum Amount; or
  - if a Barrier Event has occurred, R (final) multiplied by the Ratio, however, where the Redemption Amount is not greater than the Maximum Amount.
- for Bonus Cap Securities with Nominal Amount, the Redemption Amount is equal to:
  - if no Barrier Event has occurred, the Maximum Amount; or
  - if a Barrier Event has occurred, the Nominal Amount multiplied by R (final) and divided by the Strike, however, where the Redemption Amount is not greater than the Maximum Amount.

For Bonus Cap Securities with physical delivery where the Bonus Amount is the same as the Maximum Amount, the Redemption Amount is an amount in the Specified Currency which corresponds to the Maximum Amount.

## **Product Type 4: Reverse Bonus Cap Securities**

### ***General***

Reverse Bonus Cap Securities are Securities where redemption on the Maturity Date depends on the Reference Price on the Final Observation Date and develops in the reverse direction of the value of the Reference Price. The payment corresponds at least to a Bonus Amount, if no Barrier Event has occurred. However, in all cases the payment is not greater than a Maximum Amount.

The Bonus Amount and the Maximum Amount or, respectively the method of their specification will be specified in the respective Final Terms.

In respect of their redemption, Reverse Bonus Cap Securities may be linked to shares or depository receipts as well as indices or commodities.

Reverse Bonus Cap Securities are always issued as Reverse Bonus Cap Securities with cash settlement.

Reverse Bonus Cap Securities may be issued as non-Quanto, Quanto or Compo Securities.

Reverse Bonus Cap Securities can be issued as Reverse Bonus Cap Securities without Nominal Amount or as Reverse Bonus Cap Securities with Nominal Amount, in each case with a Bonus Amount that is the same or not the same as the Maximum Amount.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (I) will be paid on the respective Additional Amount Payment Date (I). The Additional Amount (I) will be specified in the respective Final Terms.

### ***Redemption***

For Reverse Bonus Cap Securities, redemption on the Maturity Date may depend on:

- the occurrence of a Barrier Event and
- R (initial) and
- R (final).

A Barrier Event means:

- for Reverse Bonus Cap Securities with continuous Barrier observation, that any published price of the Underlying is equal to or greater than the Barrier during the Barrier Observation Period in the case of continuous observation or
- for Reverse Bonus Cap Securities with date-related Barrier observation, that any Reference Price is greater than the Barrier on the respective Barrier Observation Date.

The Barrier or, respectively the method of its specification will be specified in the respective Final Terms.

The Barrier Level will be specified in the respective Final Terms.

R (initial) means:

- for Reverse Bonus Cap Securities where R (initial) has already been specified, the Reference Price specified in the respective Final Terms or
- for Reverse Bonus Cap Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Reverse Bonus Cap Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or

- for Reverse Bonus Cap Securities with best-in observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Reverse Bonus Cap Securities with worst-in observation, the lowest Reference Price on the days as specified in the respective Final Terms.

R (final) means:

- for Reverse Bonus Cap Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Reverse Bonus Cap Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Reverse Bonus Cap Securities with best-out observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Reverse Bonus Cap Securities with worst-out observation, the lowest Reference Price on the days as specified in the respective Final Terms.

For Reverse Bonus Cap Securities where the Bonus Amount is the same as the Maximum Amount, redemption is made by payment of a Redemption Amount in the Specified Currency specified as follows:

- for Reverse Bonus Cap Securities without Nominal Amount, the Redemption Amount corresponds to:
  - if no Barrier Event has occurred, the Maximum Amount; or
  - if a Barrier Event has occurred, the Reverse Amount less the product of R (final) and the Ratio, where the Redemption Amount is not lower than zero and not greater than the Maximum Amount.
- for Reverse Bonus Cap Securities with Nominal Amount, the Redemption Amount corresponds to:
  - if no Barrier Event has occurred, the Maximum Amount; or
  - if a Barrier Event has occurred, the Nominal Amount multiplied by the difference between (1) Reverse Level and (2) R (final) divided by R (initial), where the Redemption Amount is not lower than zero and not greater than the Maximum Amount.

For Reverse Bonus Cap Securities where the Bonus Amount is not the same as the Maximum Amount, redemption is made by payment of a Redemption Amount in the Specified Currency specified as follows:

- for Reverse Bonus Cap Securities without Nominal Amount, the Redemption Amount corresponds to:
  - if no Barrier Event has occurred, the Reverse Amount less the product of R (final) and the Ratio, however, where the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount, or
  - if a Barrier Event has occurred, the Reverse Amount less the product of R (final) and the Ratio, where the Redemption Amount is not lower than zero and not greater than the Maximum Amount.
- for Reverse Bonus Cap Securities with Nominal Amount, the Redemption Amount corresponds to:
  - if no Barrier Event has occurred, the Nominal Amount multiplied by the difference between (1) the Reverse Level and (2) R (final) divided by R (initial), however, where the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount, or
  - if a Barrier Event has occurred, the Nominal Amount multiplied by the difference between (1) the Reverse Level and (2) R (final) divided by R (initial), where the Redemption Amount is not lower than zero and not greater than the Maximum Amount.

## **Product Type 5: Top Securities**

### ***General***

Top Securities are Securities where redemption on the Maturity Date depends on the Reference Price on the Final Observation Date. A Maximum Amount will be paid if R (final) is equal to or greater than R (initial). Alternatively, the Security Holder participates 1:1 in the performance of the Underlying.

The Maximum Amount will be specified in the respective Final Terms.

In respect of their redemption, Top Securities may be linked to shares or depository receipts as well as indices or commodities.

For Top Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Top Securities with cash settlement exclusively by payment of a Redemption Amount or
- for Top Securities with physical delivery by cash settlement or by physical delivery of a certain quantity of the Underlying.

Top Securities linked to indices or commodities are always issued as Top Securities with cash settlement.

Top Securities may be issued as non-Quanto, Quanto or Compo Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (I) will be paid on the respective Additional Amount Payment Date (I).

The Additional Amount (I) will be specified in the respective Final Terms.

### ***Redemption***

For Top Securities, redemption on the Maturity Date depends on:

- R (initial) and
- R (final).

R (initial) means:

- for Top Securities where R (initial) has already been specified, the Reference Price specified in the respective Final Terms or
- for Top Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Top Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Top Securities with best-in observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Top Securities with worst-in observation, the lowest Reference Price on the days as specified in the respective Final Terms.

R (final) means:

- for Top Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Top Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or

- for Top Securities with best-out observation, the greatest Reference Price on the days as specified in the respective Final Terms or
- for Top Securities with worst-out observation, the lowest Reference Price on the days as specified in the respective Final Terms.

For Top Securities with cash settlement, redemption is made in any case by payment of the Redemption Amount.

For Top Securities with physical delivery, redemption is made:

- if R (final) is equal to or greater than R (initial), by payment of the Redemption Amount; or
- if R (final) is lower than R (initial), by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

For Top Securities with cash settlement, the Redemption Amount corresponds to:

- if R (final) is equal to or greater than R (initial), the Maximum Amount, or
- if R (final) is lower than R (initial), the Nominal Amount multiplied by R (final) and divided by R (initial).

For Top Securities with physical delivery, the Redemption Amount corresponds to the Maximum Amount.

## **Product Type 6: Closed End Securities**

### ***General***

Closed End Securities are Securities where redemption on the respective Redemption Date or the respective Call Date or the Maturity Date depends on the Reference Price on the respective Observation Date.

In respect of their redemption and, in case of an distributing index as Underlying, the Dividend Amount, Closed End Securities are linked to indices.

Closed End Securities linked to indices are always issued as Closed End Securities with cash settlement.

Closed End Securities may be issued as non-Quanto, Quanto or Compo Securities.

### ***Interest***

The Closed End Securities may be interest bearing or non-interest bearing.

### ***Dividend Amount***

Security Holders of Securities that are linked to a distributing index as Underlying will receive a Dividend Amount at each Dividend Amount Payment Date. The Dividend Amount equals the Dividend Value of the Underlying for a certain Dividend Period multiplied by the Ratio.

Dividend Value and Dividend Period are specified in the respective Final Terms.

### ***Redemption***

For Closed End Securities, redemption depends on:

- whether the Redemption Right or the Regular Call Right is exercised or not and
- the Relevant Reference Price

Relevant Reference Price means

- if the Redemption Right is exercised, the Reference Price on the Observation Date immediately preceding the respective Redemption Date or
- if the Regular Call Right is exercised, the Reference Price on the Observation Date immediately preceding the respective Call Date or
- if these rights are not exercised, the Reference Price on the Observation Date immediately preceding the Maturity Date.

The Closed End Securities have a fixed term. However, they will be redeemed early if Security Holders exercise their Redemption Right or the Issuer exercises its Regular Call Right. Upon exercise of the aforementioned rights, Security Holders are entitled to the payment of the Redemption Amount at the respective Redemption Date or Call Date, as the case may be. If these rights have not been exercised, Security Holders are entitled to the payment of the Redemption Amount on the Maturity Date.

The Redemption Amount corresponds to the Relevant Reference Price multiplied by the Ratio.

The Relevant Reference Price may be reduced by a Management Fee Adjustment, a Short Selling Fee Adjustment, an Index Calculation Fee Adjustment and/or a Gap Risk Fee Adjustment.

In the case of Quanto Closed End Securities, the Relevant Reference Price will in addition be reduced by a Quanto Fee Adjustment.

The Redemption Amount will in no case be lower than zero.

## **Product Type 7: Express Securities**

### ***General***

Express Securities are Securities where redemption on the Maturity Date depends on the Reference Price on the Final Observation Date. In addition, Express Securities allow for automatic early redemption at the respective Early Redemption Amount (k) under certain circumstances (as described below).

The Early Redemption Amount (k) will be specified in the respective Final Terms.

In respect of their redemption, Express Securities may be linked to shares or depository receipts as well as indices or commodities.

For Express Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Securities with cash settlement, exclusively by payment of a Redemption Amount or
- for Securities with physical delivery, by cash settlement or by physical delivery of a certain quantity of the Underlying.

Express Securities linked to indices or commodities are always issued as Express Securities with cash settlement.

Express Securities can be issued as non-Quanto or Quanto Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (l) will be paid on the respective Additional Amount Payment Date (l).

The Additional Amount (l) will be specified in the respective Final Terms.

### ***Automatic early redemption***

If an Early Redemption Event has occurred, the Express Securities are automatically redeemed early on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k).

If in the case of Express Securities with consideration of a Barrier Event, a Barrier Event has occurred, the option of automatic early redemption lapses and the Express Security is redeemed on the Maturity Date.

For Express Securities without consideration of a Barrier Event, this restriction does not apply.

An Early Redemption Event means that the Reference Price is equal to or greater than the Early Redemption Level (k) on the respective Observation Date (k).

The Early Redemption Level (k) or, respectively the method of its specification will be specified in the respective Final Terms.

A Barrier Event means:

- for Express Securities with continuous Barrier observation that any published price of the Underlying is equal to or lower than the Barrier during the Barrier Observation Period in the case of continuous observation or
- for Express Securities with date-related Barrier observation that a Reference Price is lower than the Barrier on the respective Barrier Observation Date.

### ***Redemption on the Maturity Date***

For Express Securities, redemption on the Maturity Date depends on:

- the occurrence of the Final Redemption Event and
- the occurrence of the Barrier Event and
- the Strike and
- R (final).

Final Redemption Event means that the Reference Price is equal to or greater than the Final Redemption Level on the Final Observation Date.

The Final Redemption Level or, respectively the method of its specification will be specified in the respective Final Terms.

In respect of the occurrence of a Barrier Event, see "Barrier Event" above.

The Strike is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

R (initial) means:

- for Express Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Express Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Express Securities with best-in observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Express Securities with worst-in observation, the lowest Reference Price on the days specified in the respective Final Terms.

R (final) means:

- for Express Securities with final Reference Price observation, the Reference Price on the Final Observation Date or

- for Express Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Express Securities with best-out observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Express Securities with worst-out observation, the lowest Reference Price on the days specified in the respective Final Terms.

If no Barrier Event has occurred, redemption is made for all Express Securities by payment of the Redemption Amount in the Specified Currency, which:

- if a Final Redemption Event has occurred, corresponds to the Maximum Amount or
- if no Final Redemption Event has occurred, corresponds to the Final Redemption Amount.

The Maximum Amount and the Final Redemption Amount will be specified in the respective Final Terms.

If a Barrier Event has occurred, redemption is made:

- for Express Securities with cash settlement, by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike; the Redemption Amount will, however, not be greater than the Nominal Amount; or
- for Express Securities with physical delivery:
  - if R (final) is equal to or greater than the Strike, by payment of a Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount; or
  - if R (final) is lower than the Strike, by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

## **Product Type 8: Express Plus Securities**

### *General*

Express Plus Securities are Securities where redemption on the Maturity Date depends on the Reference Price on the Final Observation Date. In addition, Express Plus Securities allow for automatic early redemption at the respective Early Redemption Amount (k) under certain circumstances (as described below).

The Early Redemption Amount (k) will be specified in the respective Final Terms.

In respect of their redemption, Express Plus Securities may be linked to shares or depository receipts as well as indices or commodities.

For Express Plus Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Express Plus Securities with cash settlement, exclusively by payment of a Redemption Amount or
- for Express Plus Securities with physical delivery, by cash settlement or by physical delivery of a certain quantity of the Underlying.

Express Plus Securities linked to indices or commodities are always issued as Express Plus Securities with cash settlement.

Express Plus Securities can be issued as non-Quanto or Quanto Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (l) will be paid on the respective Additional Amount Payment Date (l).

The Additional Amount (l) will be specified in the respective Final Terms.

### ***Automatic early redemption***

If an Early Redemption Event has occurred, the Express Plus Securities are automatically redeemed early on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k).

If in the case of Express Plus Securities with consideration of a Barrier Event, a Barrier Event has occurred, the option of automatic early redemption lapses and the Express Plus Security is redeemed on the Maturity Date.

For Express Plus Securities without consideration of a Barrier Event, this restriction does not apply.

An Early Redemption Event means that the Reference Price is equal to or greater than the Early Redemption Level (k) on the respective Observation Date (k).

The Early Redemption Level (k) or, respectively the method of its specification will be specified in the respective Final Terms.

A Barrier Event means:

- for Express Plus Securities with continuous Barrier observation that any published price of the Underlying is equal to or lower than the Barrier during the Barrier Observation Period in the case of continuous observation or
- for Express Plus Securities with date-related Barrier observation that a Reference Price is lower than the Barrier on the respective Barrier Observation Date.

### ***Redemption on the Maturity Date***

For Express Plus Securities, redemption on the Maturity Date depends on:

- the occurrence of the Barrier Event and
- the Strike and
- R (final).

In respect of the occurrence of a Barrier Event, see "Barrier Event" above.

The Strike is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

R (initial) means:

- for Express Plus Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Express Plus Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Express Plus Securities with best-in observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Express Plus Securities with worst-in observation, the lowest Reference Price on the days specified in the respective Final Terms.

R (final) means:

- for Express Plus Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Express Plus Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Express Plus Securities with best-out observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Express Plus Securities with worst-out observation, the lowest Reference Price on the days specified in the respective Final Terms.

If no Barrier Event has occurred, redemption is made for all Express Plus Securities by payment of the Redemption Amount in the Specified Currency, which corresponds to the Maximum Amount.

The Maximum Amount will be specified in the respective Final Terms.

If a Barrier Event has occurred, redemption is made:

- for Express Plus Securities with cash settlement, by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike; the Redemption Amount will, however, not be greater than the Nominal Amount; or
- for Express Plus Securities with physical delivery:
  - if R (final) is equal to or greater than the Strike, by payment of a Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount; or
  - if R (final) is lower than the Strike, by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

## **Product Type 9: Express Securities with Additional Amount**

### ***General***

Express Securities with Additional Amount are Securities where redemption on the Maturity Date depends on the Reference Price on the Final Observation Date. In addition, Express Securities with Additional Amount allow for the payment of an Additional Amount (k) on each Additional Amount Payment Date (k), if an Additional Amount Payment Event (as described below) has occurred. In addition, Express Securities with Additional Amount allow for automatic early redemption at the respective Early Redemption Amount (k) under certain circumstances (as described below).

The Early Redemption Amount (k) will be specified in the respective Final Terms.

In respect of their redemption, Express Securities with Additional Amount may be linked to shares or depository receipts as well as indices or commodities.

For Express Securities with Additional Amount linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Express Securities with Additional Amount and with cash settlement, exclusively by payment of a Redemption Amount or
- for Express Securities with Additional Amount and with physical delivery, by cash settlement or by physical delivery of a certain quantity of the Underlying.

Express Securities with Additional Amount linked to indices or commodities are always issued as Express Securities with Additional Amount and with cash settlement.

Express Securities with Additional Amount can be issued as non-Quanto or Quanto Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

For Express Securities with Additional Amount, the payment of the Additional Amount (k) depends on the occurrence of an Additional Amount Payment Event.

Additional Amount Payment Event means that the Reference Price is equal to or greater than the relevant Additional Amount Payment Level (k) on the relevant Observation Date (k).

The Additional Amount (k) will be specified in the respective Final Terms. The Early Redemption Level or, respectively the method of its specification will be specified in the respective Final Terms.

In the case of Express Securities with Additional Amount (Memory), the following applies:

- If an Additional Amount Payment Event has occurred on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) less all Additional Amounts (k) paid on the preceding Additional Amount Payment Dates (k).
- If no Additional Amount Payment Event has occurred on an Observation Date (k), no Additional Amount (k) is paid on the respective Additional Amount Payment Date (k).

In the case of Express Securities with Additional Amount (Relax), the following applies:

- If an Additional Amount Payment Event has occurred on an Observation Date (k), the respective Additional Amount (k) is paid on the respective Additional Amount Payment Date (k).
- If no Additional Amount Payment Event has occurred on an Observation Date (k), no Additional Amount (k) is paid on the respective Additional Amount Payment Date (k).

If in the case of Express Securities with Additional Amount with consideration of a Barrier Event a Barrier Event has occurred (as described below), no payment of the Additional Amount (k) will be made on any following Additional Amount Payment Date (k).

In the case of Express Securities with Additional Amount which also an unconditional Additional Amount, the Additional Amount (l) will be paid independently from the occurrence of an Additional Amount Payment Event on the respective Additional Amount Payment Date (l).

The Additional Amount (l) will be specified in the respective Final Terms.

### ***Automatic early redemption***

If an Early Redemption Event has occurred, the Express Securities with Additional Amount are automatically redeemed early on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k).

If in the case of Express Securities with Additional Amount with consideration of a Barrier Event, a Barrier Event has occurred, the option of automatic early redemption lapses and the Express Security with Additional Amount is redeemed on the Maturity Date.

For Express Securities with Additional Amount without consideration of a Barrier Event, this restriction does not apply.

An Early Redemption Event means that the Reference Price is equal to or greater than the Early Redemption Level (k) on the respective Observation Date (k).

The Early Redemption Level or, respectively the method of its specification will be specified in the respective Final Terms.

A Barrier Event means:

- for Express Securities with Additional Amount and with continuous Barrier observation that any published price of the Underlying is equal to or lower than the Barrier during the Barrier Observation Period in the case of continuous observation or
- for Express Securities with Additional Amount and with date-related Barrier observation that a Reference Price is lower than the Barrier on the respective Barrier Observation Date.

***Redemption on the Maturity Date***

For Express Securities with Additional Amount, redemption on the Maturity Date upon automatic exercise depends on:

- the occurrence of the Barrier Event and
- the Strike and
- R (final).

In respect of the occurrence of a Barrier Event, see "Barrier Event" above.

The Strike is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

R (initial) means:

- for Express Securities with Additional Amount and with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Express Securities with Additional Amount and with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Express Securities with Additional Amount with best-in observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Express Securities with Additional Amount with worst-in observation, the lowest Reference Price on the days specified in the respective Final Terms.

R (final) means:

- for Express Securities with Additional Amount and with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Express Securities with Additional Amount and with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Express Securities with Additional Amount with best-out observation, the greatest Reference on the days specified in the respective Final Terms or
- for Express Securities with Additional Amount with worst-out observation, the lowest Reference Price on the days specified in the respective Final Terms.

If no Barrier Event has occurred, redemption is made for all Express Securities with Additional Amount by payment of a Redemption Amount in the Specified Currency, which corresponds to the Maximum Amount.

The Maximum Amount will be specified in the respective Final Terms.

If a Barrier Event has occurred, redemption is made:

- for Express Securities with Additional Amount and with cash settlement by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike; the Redemption Amount will, however, not be greater than the Nominal Amount; or
- for Express Securities with Additional Amount and with physical delivery
  - if R (final) is equal to or greater than the Strike, by payment of a Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount; or

- if R (final) is lower than the Strike, by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

## **Product Type 10: Reverse Convertible Securities**

### ***General***

Reverse Convertible Securities may bear interest during the term of the Securities. If R (final) is equal to or greater than the Strike, redemption is made by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount. If R (final) is lower than the Strike redemption depends on the Reference Price on the Final Observation Date.

In respect of their redemption, Reverse Convertible Securities may be linked to shares or depository receipts as well as indices or commodities.

For Reverse Convertible Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Securities with cash settlement exclusively by payment of a Redemption Amount or
- for Securities with physical delivery by cash settlement or by physical delivery of a certain quantity of the Underlying.

Reverse Convertible Securities linked to indices or commodities are always issued as Reverse Convertible Securities with cash settlement.

Reverse Convertible Securities can be issued as non-Quanto or Quanto Securities.

### ***Interest***

If so specified in the Final Terms, the Reverse Convertible Securities bear interest on their Aggregate Nominal Amount or on their Nominal Amount for each Interest Period at the Interest Rate (expressed in each case as a percentage per year):

- Fixed rate Reverse Convertible Securities bear interest at a fixed interest rate specified in the Final Terms.
- Reverse Convertible Securities with different interest rates for each Interest Period bear interest at the different Interest Rates specified in the Final Terms for the respective Interest Period.
- Floating rate Reverse Convertible Securities bear interest at an interest rate which corresponds to the offered rate for deposits in the Reference Currency for the Designated Maturity. The Reference Rate is determined on the Screen Page on each Interest Determination Date and specified for the relevant Interest Period. It may be specified that for the calculation of the Interest Rate a Positive Spread is added to or a Negative Spread deducted from the Reference Rate. Furthermore, it may be specified that the Reference Rate is multiplied by a Factor.

A Maximum Interest Rate may be specified for Reverse Convertible Securities. This means that, if the Interest Rate determined for an Interest Period is greater than the Maximum Interest Rate, the Interest Rate for this Interest Period is the Maximum Interest Rate.

A Minimum Interest Rate may also be specified for Reverse Convertible Securities. This means that, if the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, the Interest Rate for this Interest Period is the Minimum Interest Rate.

The respective Interest Amount to be paid is calculated by multiplying the product of the Interest Rate and the Aggregate Nominal Amount or the Nominal Amount by the Day Count Fraction. The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

The Interest Rate, the Maximum Interest Rate and the Minimum Interest Rate will be specified in the respective Final Terms.

### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (I) will be paid on the respective Additional Amount Payment Date (I).

The Additional Amount (I) will be specified in the respective Final Terms.

### ***Redemption***

For Reverse Convertible Securities, redemption on the Maturity Date depends on:

- the Strike and
- R (final).

The Strike is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

R (initial) means:

- for Reverse Convertible Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Reverse Convertible Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Reverse Convertible Securities with best-in observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Reverse Convertible Securities with worst-in observation, the lowest Reference Price on the days specified in the respective Final Terms.

R (final) means:

- for Reverse Convertible Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Reverse Convertible Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Reverse Convertible Securities with best-out observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Reverse Convertible Securities with worst-out observation, the lowest Reference Price on the days specified in the respective Final Terms.

If R (final) is equal to or greater than the Strike, redemption is made for all Reverse Convertible Securities by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount.

If R (final) is lower than the Strike, redemption is made:

- for Reverse Convertible Securities with cash settlement by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike or
- for Reverse Convertible Securities with physical delivery by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

## **Product Type 11: Barrier Reverse Convertible Securities**

### ***General***

Barrier Reverse Convertible Securities may bear interest during the term of the Securities. If no Barrier Event has occurred, redemption is made on the Maturity Date by payment of a Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount. If a Barrier Event has occurred, redemption depends on the Reference Price on the Final Observation Date.

In respect of their redemption, Barrier Reverse Convertible Securities may be linked to shares or depository receipts as well as indices or commodities.

For Barrier Reverse Convertible Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Securities with cash settlement exclusively by payment of a Redemption Amount or
- for Securities with physical delivery by cash settlement or by physical delivery of a certain quantity of the Underlying.

Barrier Reverse Convertible Securities linked to indices or commodities are always issued as Barrier Reverse Convertible Securities with cash settlement.

Barrier Reverse Convertible Securities can be issued as non-Quanto or Quanto Securities.

### ***Interest***

If so specified in the Final Terms, the Barrier Reverse Convertible Securities bear interest on their Aggregate Nominal Amount or on their Nominal Amount for each Interest Period at the Interest Rate (expressed in each case as a percentage per year):

- Fixed rate Barrier Reverse Convertible Securities bear interest at a fixed interest rate specified in the Final Terms.
- Barrier Reverse Convertible Securities with different interest rates for each Interest Period bear interest at the different Interest Rates specified in the Final Terms for the respective Interest Period.
- Floating rate Barrier Reverse Convertible Securities bear interest at an interest rate which corresponds to the offered rate for deposits in the Reference Currency for the Designated Maturity. The Reference Rate is determined on the Screen Page on each Interest Determination Date and specified for the relevant Interest Period. It may be specified that for the calculation of the Interest Rate a Positive Spread is added to or a Negative Spread deducted from the Reference Rate. Furthermore, it may be specified that the Reference Rate is multiplied by a Factor.

A Maximum Interest Rate may be specified for Barrier Reverse Convertible Securities. This means that, if the Interest Rate determined for an Interest Period is greater than the Maximum Interest Rate, the Interest Rate for this Interest Period is the Maximum Interest Rate.

A Minimum Interest Rate may also be specified for Barrier Reverse Convertible Securities. This means that, if the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, the Interest Rate for this Interest Period is the Minimum Interest Rate.

The respective Interest Amount to be paid is calculated by multiplying the product of the Interest Rate and the Aggregate Nominal Amount or the Nominal Amount by the Day Count Fraction. The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

The Interest Rate, the Maximum Interest Rate and the Minimum Interest Rate will be specified in the respective Final Terms,

### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (I) will be paid on the respective Additional Amount Payment Date (I).

The Additional Amount (I) will be specified in the respective Final Terms.

### ***Barrier Event***

A Barrier Event means:

- for Barrier Reverse Convertible Securities with continuous Barrier observation that any published price of the Underlying is equal to or lower than the Barrier during the Barrier Observation Period in the case of continuous observation or
- for Barrier Reverse Convertible Securities with date-related Barrier observation that any Reference Price is lower than the Barrier on the respective Barrier Observation Date.

### ***Redemption***

For Barrier Reverse Convertible Securities, redemption on the Maturity Date depends on:

- the occurrence of the Barrier Event and
- the Strike and
- R (final).

The Strike is:

- specified in the respective Final Terms or
- equal to a specified percentage of R (initial).

R (initial) means:

- for Barrier Reverse Convertible Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Barrier Reverse Convertible Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Barrier Reverse Convertible Securities with best-in observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Barrier Reverse Convertible Securities with worst-in observation, the lowest Reference Price on the days specified in the respective Final Terms .

R (final) means:

- for Barrier Reverse Convertible Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Barrier Reverse Convertible Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Barrier Reverse Convertible Securities with best-out observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Barrier Reverse Convertible Securities with worst-out observation, the lowest Reference Price on the days specified in the respective Final Terms.

If no Barrier Event has occurred, redemption is made for all Barrier Reverse Convertible Securities by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount.

If a Barrier Event has occurred, redemption is made:

- for Barrier Reverse Convertible Securities with cash settlement by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount multiplied by

- R (final) and divided by the Strike; the Redemption Amount will, however, not be greater than the Nominal Amount; or
- for Barrier Reverse Convertible Securities with physical delivery:
    - If R (final) is equal to or greater than the Strike, by payment of a Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount; or
    - If R (final) is lower than the Strike, by delivery of a quantity of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

## **Product Type 12: Express Barrier Reverse Convertible Securities**

### ***General***

Express Barrier Reverse Convertible Securities may bear interest during the term of the Securities. If no Barrier Event has occurred, redemption is made on the Maturity Date by payment of a Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount. If a Barrier Event has occurred, redemption depends on the Reference Price on the Final Observation Date. In addition, Express Barrier Reverse Convertible Securities allow for automatic early redemption at the Early Redemption Amount (k) under certain circumstances (as described below).

In respect of their redemption, Express Barrier Reverse Convertible Securities may be linked to shares or depository receipts as well as indices or commodities.

For Express Barrier Reverse Convertible Securities linked to shares or depository receipts, it may be specified that redemption on the Maturity Date is made

- for Securities with cash settlement, exclusively by payment of a Redemption Amount or
- for Securities with physical delivery, by cash settlement or by physical delivery of a certain quantity of the Underlying.

Express Barrier Reverse Convertible Securities linked to indices or commodities are always issued as Express Barrier Reverse Convertible Securities with cash settlement.

Express Barrier Reverse Convertible Securities can be issued as non-Quanto or Quanto Securities.

### ***Interest***

If so specified in the Final Terms, the Express Barrier Reverse Convertible Securities bear interest on their Aggregate Nominal Amount or on their Nominal Amount for each Interest Period at the Interest Rate (expressed in each case as a percentage per year):

- Fixed rate Express Barrier Reverse Convertible Securities bear interest at a fixed interest rate specified in the Final Terms.
- Express Barrier Reverse Convertible Securities with different interest rates for each Interest Period bear interest at the different Interest Rates specified in the Final Terms for the respective Interest Period.
- Floating rate Express Barrier Reverse Convertible Securities bear interest at an interest rate which corresponds to the offered rate for deposits in the Reference Currency for the Designated Maturity. The Reference Rate is determined on the Screen Page on each Interest Determination Date and specified for the relevant Interest Period. It may be specified that for the calculation of the Interest Rate a Positive Spread is added to or a Negative Spread deducted from the Reference Rate. Furthermore, it may be specified that the Reference Rate is multiplied by a Factor.

A Maximum Interest Rate may be specified for Express Barrier Reverse Convertible Securities. This means that, if the Interest Rate determined for an Interest Period is greater than the Maximum Interest Rate, the Interest Rate for this Interest Period is the Maximum Interest Rate.

A Minimum Interest Rate may also be specified for Express Barrier Reverse Convertible Securities. This means that, if the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, the Interest Rate for this Interest Period is the Minimum Interest Rate.

The respective Interest Amount to be paid is calculated by multiplying the product of the Interest Rate and the Aggregate Nominal Amount or the Nominal Amount by the Day Count Fraction. The respective Interest Amount falls due for payment on the relevant Interest Payment Date.

The Interest Rate, the Maximum Interest Rate and the Minimum Interest Rate will be specified in the respective Final Terms.

#### ***Additional Amount***

In the case of Securities with an Additional Amount, the Additional Amount (I) will be paid on the respective Additional Amount Payment Date (I).

The Additional Amount (I) will be specified in the respective Final Terms.

#### ***Barrier Event***

A Barrier Event means:

- for Express Barrier Reverse Convertible Securities with continuous Barrier observation that any published price of the Underlying is equal to or lower than the Barrier during the Barrier Observation Period in the case of continuous observation or
- for Express Barrier Reverse Convertible Securities with date-related Barrier observation that any Reference Price is lower than the Barrier on the respective Barrier Observation Date.

#### ***Automatic early redemption***

If an Early Redemption Event has occurred, the Express Barrier Reverse Convertible Securities are automatically redeemed early on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k).

If, in the case of Express Barrier Reverse Convertible Securities with consideration of a Barrier Event, a Barrier Event has occurred, the option of automatic early redemption lapses and the Express Security is redeemed on the Maturity Date.

For Express Barrier Reverse Convertible Securities without consideration of a Barrier Event, this restriction does not apply.

An Early Redemption Event means that the Reference Price is equal to or greater than the Early Redemption Level (k) on the respective Observation Date (k).

The Early Redemption Level or, respectively the method of its specification will be specified in the respective Final Terms. The Early Redemption Amount (k) corresponds to the Nominal Amount.

#### ***Redemption on the Maturity Date***

For Express Barrier Reverse Convertible Securities, redemption on the Maturity Date depends on:

- the occurrence of the Barrier Event and
- the Strike and
- R (final).

The Strike is:

- specified by the Issuer when setting up the Security or
- equal to a specified percentage of R (initial).

R (initial) means:

- for Express Barrier Reverse Convertible Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date or
- for Express Barrier Reverse Convertible Securities with initial average observation, the equally weighted average of the Reference Prices determined on the Initial Observation Dates or
- for Express Barrier Reverse Convertible Securities with best-in observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Express Barrier Reverse Convertible Securities with worst-in observation, the lowest Reference Price on the days specified in the respective Final Terms.

R (final) means:

- for Express Barrier Reverse Convertible Securities with final Reference Price observation, the Reference Price on the Final Observation Date or
- for Express Barrier Reverse Convertible Securities with final average observation, the equally weighted average of the Reference Prices determined on the Final Observation Dates or
- for Express Barrier Reverse Convertible Securities with best-out observation, the greatest Reference Price on the days specified in the respective Final Terms or
- for Express Barrier Reverse Convertible Securities with worst-out observation, the lowest Reference Price on the days specified in the respective Final Terms.

If no Barrier Event has occurred, redemption is made for all Express Barrier Reverse Convertible Securities by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount.

If a Barrier Event has occurred, redemption is made:

- for Express Barrier Reverse Convertible Securities with cash settlement by payment of the Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount multiplied by R (final) and divided by the Strike; the Redemption Amount will, however, not be greater than the Nominal Amount; or
- for Express Barrier Reverse Convertible Securities with physical delivery:
  - If R (final) is equal to or greater than the Strike, by payment of a Redemption Amount in the Specified Currency, which corresponds to the Nominal Amount; or
  - If R (final) is lower than the Strike, by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency is paid in the amount of the non-deliverable fraction of the Underlying.

## 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**"). A completed version of the Conditions describes the Terms and Conditions of the respective Tranche of Securities which are part of the relevant Global Note.

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

For each Tranche of Securities a separate document will be published, the so-called final terms (the "**Final Terms**"). The Final Terms 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.

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 Security Holder's Extraordinary Termination Right
- § 8 Issuance of additional Securities, Repurchase
- § 9 Presentation Period
- § 10 Partial Invalidity, Corrections
- § 11 Applicable Law, Place of Performance, Place of Jurisdiction
- [§ 12 Waiver Right]

### **Part B – Product and Underlying Data**

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

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

##### *Product Type 1: Discount Securities*

[§ 1 Definitions

§ 2 Interest

§ 3 Redemption

§ 4 Redemption Amount]

##### *Product Type 2: Bonus Securities*

##### *Product Type 3: Bonus Cap Securities*

##### *Product Type 4: Reverse Bonus Cap Securities*

##### *Product Type 5: Top Securities*

[§ 1 Definitions

§ 2 Interest[, Additional Amount]

§ 3 Redemption

§ 4 Redemption Amount]

##### *Product Type 6: Closed End Securities*

[§ 1 Definitions

§ 2 Interest

§ 3 Redemption[, Dividend Payment]

§ 4 Redemption Amount[, Dividend Amount]

##### *Product Type 7: Express Securities*

##### *Product Type 8: Express Plus Securities*

##### *Product Type 9: Express Securities with Additional Amount*

[§ 1 Definitions

§ 2 Interest[, Additional Amount]

§ 3 Redemption, Automatic Early Redemption

§ 4 Redemption Amount, Early Redemption Amount]

*Product Type 10: Reverse Convertible Securities*

*Product Type 11: Barrier Reverse Convertible Securities*

*Product Type 12: Express Barrier Reverse Convertible Securities*

[§ 1 Definitions

§ 2 Interest[, Additional Amount]

§ 3 Redemption[, Automatic Early Redemption]

§ 4 Redemption Amount[,Early Redemption Amount]

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

§ 5 [Redemption Right of the Security Holders, Issuer's Regular Call Right,] Issuer's Extraordinary Call Right

§ 6 Payments[, Deliveries]

§ 7 Market Disruptions

*[In the case of Securities linked to a share or a depository receipt, the following applies:]*

§ 8 Adjustments, Replacement Specification]

*[In the case of Securities linked to an index, the following applies:]*

§ 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

*[In the case of Securities linked to a commodity, the following applies:]*

§ 8 Relevant Trading Conditions, Adjustments, Replacement Reference Market]

*[In the case of Quanto Securities with physical delivery and in the case of Compo Securities, the following applies:]*

§ 9 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**

*[In the case of Securities without Nominal Amount, the following applies:*

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

*[In the case of Securities with Nominal Amount, the following applies:*

- (1) *Form:* This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as [notes] [certificates] in bearer form pursuant to these Terms and Conditions with a Nominal Amount 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>3</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 representatives of the Issuer [*In the case of an Issuing Agent, the following applies:* as well as the manual signature of a control officer of the Issuing Agent]. [*If CBL and Euroclear Bank are specified as Clearing System, the*

<sup>3</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.

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, the following applies:

- (3) *Custody:* The Global Note will be kept in custody by CBF.]

[In the case of Securities, where CBL and Euroclear Bank is specified in the Final Terms, 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 depository on behalf of both ICSDs.]

[In the case of Securities, where Euroclear France 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.]

[In the case of Securities, where "Other" 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 French Paying Agent for Euroclear France S.A. is CACEIS Bank S.A., 1-3 rue place Valhubert, 75206 Paris Cedex 13, France (the "**French 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[, French Paying Agent] or Calculation Agent being unable to continue in its function as Principal Paying Agent[, French Paying Agent] or Calculation Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent[, French 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[, French 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 French Paying Agent], the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Security Holders. The Principal Paying Agent[, the French 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, at least *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 (*verbundenen Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktengesetz*).

- (2) *Notice:* Any such substitution shall be notified in accordance with § 6 of the General Conditions.
- (3) *References:* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

## § 6

### Notices

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).

## § 7

### Security Holder's Extraordinary Termination Right

- (1) Each Security Holder shall be entitled to declare its Security due and demand immediate redemption thereof at the Termination Amount, in the event that
  - (a) the Issuer fails to duly perform any obligation arising under the Securities and such failure continues for more than 60 days after the Issuer has received notice thereof from a Security Holder, or
  - (b) the Issuer generally ceases to make payments, or
  - (c) an application is made to open insolvency proceedings or a comparable proceeding with regard to the assets of the Issuer or the Issuer offers an out-of-court settlement to avert insolvency proceedings or other similar proceedings, or
  - (d) the Issuer goes into liquidation, unless in connection with a merger, or other form of reorganization, such other or such reorganized company assumes all obligations of the Issuer in respect of the Securities.

The right to declare the Securities due shall terminate if the relevant event of default has been cured before the right is exercised.

- (2) Any notice declaring the Securities due pursuant to paragraph (1) shall be made by means of written notice by the Security Holder to be delivered to the Principal Paying Agent by hand or registered mail together with sufficiently conclusive proof that such Security Holder at the time of such notice is a holder of the relevant Securities. The Principal Paying Agent shall forward the notice without undue delay to the Issuer without further examination.
- (3) The "**Termination Amount**" per Security shall be the reasonable market value of the Securities as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days after receipt of the notice.

## § 8

### 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.

## § 9

### Presentation Period

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

## § 10

### 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.

## § 11

### **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.

## [§ 12

### **Waiver Right**

*Waiver Right:* Each Security Holder has the right to waive to the automatic exercise of the exercise right of the Securities held by it (subject as set out below). In this case, a duly completed waiver notice (a "**Waiver Notice**") must be delivered by facsimile to the Issuer prior to 10.00 a.m., Munich local time, on the Final Observation Date at the facsimile number set out in the section of the Base Prospectus titled Conditions of the Securities under "Form of Waiver Notice". The Security Holder must deliver the completed Waiver Notice to its depository bank which will be in charge of sending it by facsimile to the Issuer.

In the event that a Security Holder does not perform its obligations and so deliver, where applicable, a duly completed Waiver Notice in accordance with the provisions hereof, such Securities shall be exercised automatically and shall be repaid in the manner set out in the Terms and Conditions of these Securities, and the Issuer's obligations in respect of such Securities shall be discharged and no further liability in respect thereof shall attach to the Issuer.

The number of Securities specified in the Waiver Notice must be a multiple of the minimum exercise amount, otherwise such number of Securities so specified shall be rounded down to the preceding multiple of the minimum exercise amount and the Waiver Notice shall not be valid in respect of the Securities exceeding such rounded number of Securities.

The Issuer will, in its reasonable discretion (§ 315 BGB), determine whether the above conditions are satisfied and its determination will be final, conclusive and binding on the Issuer and on the Security Holder.

The Waiver Notice is irrevocable.

Neither the Principal Paying Agent nor the Issuer shall apply any charge for the renouncement to the exercise of the Securities. Any other taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties which may arise in connection with the renouncement of any Securities are payable by the Security Holders.]

**Part B – Product and Underlying Data**

**PART B – PRODUCT AND UNDERLYING DATA**

(the "Product and Underlying Data")

**§ 1**

**Product Data**

*[Insert the following product data in alphabetical or different order and/or as a table<sup>4</sup> (particularly in the case of multi-series-issues):*

**[Additional Amount (k): [Insert]][Additional Amount (l): [Insert]]**

**[Additional Amount Payment Date (k): [Insert]]**

**[Additional Amount Payment Date (l): [Insert]]**

**[Additional Amount Payment Factor (k): [Insert] [[maximum] [minimum] [Insert]%**  
**[between [Insert]% and [Insert]% [(indicative at [Insert]%)]]**

**[Additional Amount Payment Level (k): [Insert]]**

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

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

**[Barrier: [Insert]]**

**[Barrier Level: [Insert] [[maximum] [minimum] [Insert]%** [between [Insert]% and [Insert]%

**[(indicative at [Insert]%)]]**

**[Barrier Observation Date[s]: [Insert]]**

**[Bonus Amount: [Insert]]**

**[Bonus Level: [Insert]]**

**[Cap: [Insert]]**

**[Cap Level: [Insert]]**

**[Designated Maturity: [Insert]]**

**[Early Maturity Date (k): [Insert]]**

**[Early Redemption Amount [(k): [Insert]]**

**[Early Redemption Factor (k): [Insert] [[maximum] [minimum] [Insert]%** [between

**[Insert]% and [Insert]% [(indicative at [Insert]%)]]**

**[Early Redemption Level (k): [Insert]]**

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

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<sup>4</sup> Several consecutively numbered tables may be provided in the Final Terms depending on the product type.

**[Factor: [Insert]]**  
**Final Observation Date[s]: [Insert]**  
**[Final Redemption Amount: [Insert]]**  
**[Final Redemption Factor: [Insert] [[maximum] [minimum] [Insert]%] [between [Insert]% and [Insert]% [(indicative at [Insert]%)]]**  
**[Final Redemption Level: [Insert]]**  
**[First Call Date: [Insert]]**  
**[First Day of the Barrier Observation Period: [Insert]]**  
**[First Day of the Best-out Period: [Insert]]**  
**[First Day of the Worst-out Period: [Insert]]**  
**[First Redemption Date: [Insert]]**  
**First Trade Date: [Insert]**  
**[Fixing Sponsor: [Insert]]**  
**[FX Screen Page: [Insert]]**  
**[FX Observation Date (final): [Insert]]**  
**[FX Observation Date (initial): [Insert]]**  
**[FX Screen Page: [Insert]]**  
**[Gap Risk Fee in %: [Insert]]**  
**[Index Calculation Fee in %: [Insert]]**  
**[Initial Observation Date[s]: [Insert]]**  
**[Interest Commencement Date: [Insert]]**  
**[Interest End Date: [Insert]]**  
**[Interest Payment Date[s]: [Insert]]**  
**[Interest Rate: [Insert]]**  
**ISIN: [Insert]**  
**[Issue Date: [Insert]]**  
**[Issue Price: [Insert]]<sup>5</sup>**  
**Issue Volume of Series [in units]: [Insert]**  
**Issue Volume of Tranche [in units]: [Insert]**  
**[Issuing Agent: [Insert name and address]]**  
**[Last Day of the Barrier Observation Period: [Insert]]**  
**[Last Day of the Best-in Period: [Insert]]**  
**[Last Day of the Worst-in Period: [Insert]]**  
**[Management Fee in %: [Insert]]**  
**[Maturity Date: [Insert]]**

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<sup>5</sup> If the Issue Price was not specified at the time of the creation of the Final Terms, the method for the price specification and the procedure for its publication shall be defined in *Part A – General Information* of the Final Terms.

**[Maximum Amount:** *[Insert]*]

**[Maximum Gap Risk Fee in %:** *[Insert]*]

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

**[Maximum Quanto Fee in %:** *[Insert]*]

**[Maximum Short Selling Fee in %:** *[Insert]*]

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

**[Mnemonic Code]:** *[Insert]*

**[Negative Spread:** *[Insert]*]

**[Nominal Amount:** *[Insert]*]

**[Observation Date (k):** *[Insert]*]

**[Positive Spread:** *[Insert]*]

**[Quanto Fee in %:** *[Insert]*]

**[Ratio:** *[Insert]*]

**[Ratio Factor:** *[Insert]*]

**[R (initial):** *[Insert]*]

**[Record Date:** *[Insert]*]

**[Reference Currency:** *[Insert]*]

**Reference Price:** *[Insert]*

**[Reference Rate Financial Centre:** *[Insert]*]

**[Reverse Amount:** *[Insert]*]

**[Reverse Level:** *[Insert]*]

**Reuters:** *[Insert]*

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

**Series Number:** *[einfügen]*

**[Short Selling Fee in %:** *[Insert]*]

**Specified Currency:** *[Insert]*

**[Strike:** *[Insert]*]

**[Strike Level:** *[Insert]*]

**[Trading Code:** *[Insert]*]

**Tranche Number:** *[Insert]*

**Underlying:** *[Insert]*

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

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

**WKN:** *[Insert]*

§ 2

**Underlying Data**

*[In the case of Securities linked to a share or a depository receipt as Underlying, the following applies:*

**[Table 2.1:]**

<b>Underlying</b>	<b>Underlying Currency</b>	<b>[WKN]</b>	<b>[ISIN]</b>	<b>[Reuters]</b>	<b>[Bloomberg]</b>	<b>Relevant Exchange</b>	<b>Website</b>
<i>[Insert name of Underlying]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert Bloomberg ticker]</i>	<i>[Insert]</i>	<i>[Insert]</i>

For further information regarding the past and future performance of the Underlying and its volatility, please refer to the Website as specified in the table (or any successor page).]

*[In the case of Securities linked to an index as Underlying, the following applies:*

**[Table 2.1:]**

<b>Underlying</b>	<b>[Index Type]</b>	<b>[Factor]</b>	<b>[Factor Type]</b>	<b>Underlying Currency</b>	<b>[WKN]</b>	<b>[ISIN]</b>	<b>[Reuters]</b>	<b>[Bloomberg]</b>	<b>Index Sponsor</b>	<b>Index Calculation Agent</b>	<b>Website</b>
<i>[Insert name of Underlying]</i>	<i>[Price Return]</i> <i>[Net Return]</i> <i>[Total Return]</i> <i>[Excess Return]</i> <i>[Distributing Index]</i>	<i>[Insert]</i>	<i>[long]</i> <i>[short]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert Bloomberg ticker]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>

For further information regarding the past and future performance of the Underlying and its volatility, please refer to the Website as specified in the table (or any successor page).]

*[In the case of Securities linked to a commodity as Underlying, the following applies:*

**[Table 2.1:]**

<b>Underlying</b>	<b>Underlying Currency</b>	<b>[WKN]</b>	<b>[ISIN]</b>	<b>[Reuters]</b>	<b>[Bloomberg]</b>	<b>Reference Market</b>	<b>Website</b>
<i>[Insert name of Underlying]</i>	<i>[Insert ]</i>	<i>[Insert]</i>	<i>[Insert ISIN]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>

For further information regarding the past and future performance of the Underlying and its volatility, please refer to the Website as specified in the table (or any successor page).]

*Part C – Special Conditions of the Securities*

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

(the "Special Conditions")

[Special Conditions that apply for particular product types:

*Product Type 1: Discount Securities*

[In the case of Discount Securities, the following applies:

**§ 1**

**Definitions**

"**Adjustment Event**" means [each of the following events]:

[In the case of a share or a depository receipt as Underlying, the following applies:

- (a) each measure taken by the company that has issued the Underlying or by a third party, which would – due to a change in the legal and economic position, in particular a change in the company's fixed assets and capital – in the reasonable discretion (§ 315 BGB) of the Calculation Agent, affect the Underlying not only immaterially (in particular capital increase against cash contribution, issuance of securities with options or conversion rights into shares, capital increase with company funds, distribution of special dividends, share splits, merger, liquidation, nationalisation);
- (b) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (c) an adjustment performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying, or
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.]

[In the case of an index as Underlying, the following applies:

- (a) changes in the relevant Index Concept or the calculation of the Underlying, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (b) the calculation or publication of the Underlying is finally discontinued, or replaced by another index (the "**Index Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Underlying as basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities; likewise the Issuer is not responsible for the termination of the license to use the Underlying due to an unacceptable increase in license fees (a "**License Termination Event**");
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.]

[In the case of a commodity as Underlying, the following applies:

any changes in the Relevant Trading Conditions of the Underlying that lead to a situation where, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, as a result of the change, the changed trading conditions are no longer economically equivalent to the Relevant Trading Conditions prior to the change.]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing

System [and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) (the "**TARGET2**") is open for business] [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 Date**" means each day on which the Reference Price is published by the [Relevant Exchange] [Index Sponsor or the Index Calculation Agent, as the case may be] [Reference Market].

"**Call Event**" means [Share Call Event] [Index Call Event] [Commodity Call Event] [or FX Call Event].

["**Cap**" means [the Cap as specified [in the column "Cap" in Table [●]] in § 1 of the Product and Underlying Data.] [Cap Level x R (initial).]

["**Cap Level**" means the Cap Level as specified [in the column "Cap Level" in Table [●]] in § 1 of the Product and Underlying Data.]

"**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 but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion (§ 315 BGB) of the Issuer

- (a) the holding, acquisition or sale of the Underlying or 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),

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

["**Clearance System**" means the principal domestic clearance system customarily used for settling trades [with respect to] [in the securities that form the basis of] the Underlying as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

["**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which such Clearance System is open for the acceptance and execution of settlement instructions.]

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

["**Commodity Call Event**" means each of the following:

- (a) 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;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Reference Market is available or could be determined;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];

(d) the Underlying is no longer calculated or published in the Underlying Currency.]

**"Determining Futures Exchange"** means the futures exchange, on which respective derivatives of the Underlying [or – if derivatives on the Underlying are not traded – its components] (the **"Derivatives"**) are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying [or to its components] at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the **"Substitute Futures Exchange"**). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.

**"Expiry Date"** means the Expiry Date as specified [in the column "Expiry Date" in Table [●]] in § 1 of the Product and Underlying Data.]

**"First Day of the [Best] [Worst]-out Period"** means the First Day of the [Best] [Worst]-out Period as specified [in the column "First Day of the [Best] [Worst]-out Period" in Table [●]] 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.

*[In the case of Compo Securities or in the case of Quanto Securities with physical delivery, the following applies:]*

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

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

**"FX Calculation Date"** means each day on which FX is published by the Fixing Sponsor.

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

- (a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent 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;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX) the reliable determination of FX is impossible or impracticable.

**"FX Exchange Rate"** means the exchange rate for the conversion of [the Specified Currency into the Underlying Currency] [the Underlying Currency into the Specified Currency].

**"FX (final)"** means FX on the FX Observation Date (final).

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

- (a) the failure of the Fixing Sponsor to publish the FX;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation of such exchange rate;
- (c) any other events with commercial effects which are similar to the events listed above;

to the extent that the above-mentioned events are material in the reasonable discretion (§ 315 BGB) of the Calculation Agent.

**"FX Observation Date (final)"** means the FX Observation Date (final) as specified [in the column "FX Observation Date (final)" in Table [●]] in § 1 of the Product and Underlying Data.

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

**["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 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, or

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

under conditions which are economically substantially equivalent to those on the First Trade 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 First Trade Date in order to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion of the Issuer (§ 315 BGB) are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, 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 Calculation Agent"** means the Index Calculation Agent as specified [in the column "Index Calculation Agent" in Table 2.1] in § 2 of the Product and Underlying Data.

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

(a) 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;

(b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Underlying is available;

(c) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;

(d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];

(e) the Underlying is no longer calculated or published in the Underlying Currency.

**"Index Sponsor"** means the Index Sponsor as specified [in the column "Index Sponsor" in Table 2.1] in § 2 of the Product and Underlying Data.]

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

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

**["Last Day of the [Best] [Worst]-in Period"** means the Last Day of the [Best] [Worst]-in Period as specified in § 1 of the Product and Underlying Data.]

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

[In the case of a share or a depository receipt as Underlying, the following applies:]

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of an index as Underlying, the following applies:]

- (a) in general the suspension or restriction of trading on the exchanges or the markets on which the securities that form the basis of the Underlying are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the Underlying are listed or traded;
- (b) in relation to individual securities which form the basis of the Underlying, the suspension or restriction of trading on the exchanges or on the markets on which such securities are traded or on the respective futures exchange or the markets on which derivatives of such securities are traded;
- (c) in relation to individual Derivatives of the Underlying, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;
- (d) the suspension of or failure or the non-publication of the calculation of the Underlying as a result of a decision by the Index Sponsor or the Index Calculation Agent;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price, which is relevant for the Securities, and continues at the point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of a commodity as Underlying, the following applies:]

- (a) the suspension or the restriction of trading or the price determination of the Underlying on the Reference Market or
- (b) the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange

to the extent that such Market Disruption Event is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Reference Market or, as the case may be, the Determining Futures Exchange shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Reference Market or, as the case may be, the Determining Futures Exchange.]

**"Maturity Date"** means the Maturity Date as specified [in the column "Maturity Date" in Table [●]] in § 1 of the Product and Underlying Data.

**["Maximum Amount"** means [the Maximum Amount as specified [in the column "Maximum Amount" in Table [●]] in § 1 of the Product and Underlying Data.] [Cap x Ratio [x FX (final)]

[/ FX (final)].]

**"Observation Date"** means each of the following Observation Dates:

**["Initial Observation Date"** means [the Initial Observation Date] [each of the Initial Observation Dates] as specified [in the column "Initial Observation Date[s]" in Table [●]] in § 1 of the Product and Underlying Data. If [the] [an] Initial Observation Date is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date shall be the [respective] Initial Observation Date.]

**"Final Observation Date"** means [the Final Observation Date] [each of the Final Observation Dates] as specified [in the column "Final Observation Date[s]" in Table [●]] in § 1 of the Product and Underlying Data. If [the] [a] Final Observation Date is not a Calculation Date the immediately following Banking Day which is a Calculation Date shall be the [respective] Final Observation Date. [If the last Final Observation Date is not a Calculation Date, the Maturity Date will be postponed accordingly.] [The Maturity Date will be postponed accordingly.] Interest shall not be payable due to such postponement.

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

*[In the case of Securities with final Reference Price observation, the following applies:*

**"R (final)"** means the Reference Price on the Final Observation Date.]

*[In the case of Securities with final average observation, the following applies:*

**"R (final)"** means the equally weighted average of the Reference Prices specified on the Final Observation Dates.]

*[In the case of Securities with [best] [worst]-out observation, the following applies:*

**"R (final)"** means the [highest] [lowest] Reference Price on [each of the Final Observation Dates] [each [Insert relevant date(s)] between the First Day of the [Best] [Worst]-out Period (including) and the Final Observation Date (including).]]

*[In the case of Securities where R (initial) has already been specified, the following applies:*

**"R (initial)"** means R (initial) as specified [in the column "R (initial)" in Table [●]] in § 1 of the Product and Underlying Data.]

*[In the case of Securities with initial Reference Price observation, the following applies:*

**"R (initial)"** means the Reference Price on the Initial Observation Date.]

*[In the case of Securities with initial average observation, the following applies:*

**"R (initial)"** means the equally weighted average of the Reference Prices specified on the Initial Observation Dates.]

*[In the case of Securities with [best] [worst]-in observation, the following applies:*

**"R (initial)"** means the [highest] [lowest] Reference Price on [each of the Initial Observation Dates] [each [Insert relevant date(s)] between the Initial Observation Date (including) and the Last Day of the [Best] [Worst]-in Period (including).]

**["Ratio"** means the Ratio [as specified [in the column "Ratio" in Table [●]] in § 1 of the Product and Underlying Data.] [which is calculated by the Calculation Agent as follows:

Ratio = [Ratio Factor [x FX (final)]] [/ FX (final)].

[The Ratio shall be rounded up or down to six decimals, with 0.000005 being rounded upwards.]]

**["Ratio Factor"** means the Ratio Factor as specified [in the column "Ratio Factor" in Table [●]] in § 1 of the Product and Underlying Data.]

**"Redemption Amount"** means the Redemption Amount as calculated or, respectively,

specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

["**Reference Market**"] means the Reference Market as specified [in the column "Reference Market" in Table 2.1] in § 2 of the Product and Underlying Data.]

"**Reference Price**" means the Reference Price of the Underlying as specified [in the column "Reference Price" in Table [●]] in § 1 of the Product and Underlying Data.

["**Relevant Exchange**"] means the Relevant Exchange [as specified [in the column "Relevant Exchange" in Table 2.1] in § 2 of the Product and Underlying Data] [, on which the components of the Underlying are traded, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such components' liquidity].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation [of the components] of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

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

["**Settlement Cycle**"] means the period of Clearance System Business Days following a transaction on the Relevant Exchange in [the securities that form the basis of] the Underlying, during which period settlement will customarily take place according to the rules of such Relevant Exchange.]

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

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders;
- (b) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
- (c) the quotation of the Underlying at the Relevant Exchange no longer occurs in the Underlying Currency;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s].]

"**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).

"**Underlying**" means the Underlying as specified [in the column "Underlying" in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the column "Underlying Currency" in Table 2.1] in § 2 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:* The Securities do not bear interest.

## § 3

### Redemption

[In the case of Securities with cash settlement, the following applies:

*Redemption:* The Securities shall be redeemed by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.]

[In the case of Securities with physical delivery, the following applies:

*Redemption:* The Securities shall be redeemed either

- (i) if R (final) is equal to or greater than the Cap by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if R (final) is lower than the Cap by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency will be paid in the amount of the value of the non-deliverable fraction of the Underlying (the "**Supplemental Cash Amount**") which is calculated from the Reference Price on the Final Observation Date multiplied by the non-deliverable fraction of the Underlying [and divided by FX (final)] [and multiplied by FX (final)].]

## § 4

### Redemption Amount

*Redemption Amount:* The "**Redemption Amount**" corresponds to an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:

[In the case of Securities with cash settlement, the following applies:

The Redemption Amount corresponds to  $R \text{ (final)} \times \text{Ratio}$ .

However, the Redemption Amount is not greater than the Maximum Amount.]

[In the case of Securities with physical delivery, the following applies:

The Redemption Amount corresponds to the Maximum Amount.]

[In the case of Quanto Securities, the following applies:

For the calculation of the Redemption Amount one unit of the Underlying Currency is equal to one unit of the Specified Currency.]]

*Product Type 2: Bonus Securities*

*Product Type 3: Bonus Cap Securities*

*Product Type 4: Reverse Bonus Cap Securities*

*Product Type 5: Top Securities*

[In the case of Bonus [Cap], Reverse Bonus Cap and Top Securities, the following applies:

## § 1

### Definitions

["**Additional Amount (1)**"] means the Additional Amount (1) as specified [in the column "Additional Amount (1)" in Table [●]] in § 1 of the Product and Underlying Data.]

["**Additional Amount Payment Date (1)**"] means the Additional Amount Payment Date (1) as specified [in the column "Additional Amount Payment Date (1)" in Table [●]] in § 1 of the Product and Underlying Data.]

"**Adjustment Event**" means [each of the following events]:

[In the case of a share or a depository receipt as Underlying, the following applies:

- (a) each measure taken by the company that has issued the Underlying or by a third party, which would – due to a change in the legal and economic position, in particular a change in the company's fixed assets and capital – in the reasonable discretion (§ 315 BGB) of the Calculation Agent, affect the Underlying not only immaterially (in particular capital increase against cash contribution, issuance of securities with options or conversion rights into shares, capital increase with company funds, distribution of special dividends, share splits, merger, liquidation, nationalisation);
- (b) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (c) an adjustment performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying, or
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.]

[In the case of an index as Underlying, the following applies:

- (a) changes in the relevant Index Concept or the calculation of the Underlying, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (b) the calculation or publication of the Underlying is finally discontinued, or replaced by another index (the "**Index Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Underlying as basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities; likewise the Issuer is not responsible for the termination of the license to use the Underlying due to an unacceptable increase in license fees (a "**License Termination Event**");
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.]

[In the case of a commodity as Underlying, the following applies:

any changes in the Relevant Trading Conditions of the Underlying that lead to a situation where, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, as a result of the

change, the changed trading conditions are no longer economically equivalent to the Relevant Trading Conditions prior to the change.]

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System [and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) (the **"TARGET2"**) is open for business] [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.]

*[In the case of Bonus [Cap] and Reverse Bonus Cap Securities, the following applies:*

**"Barrier"** means [the Barrier as specified [in the column "Barrier" in Table [●]] in § 1 of the Product and Underlying Data] [Barrier Level x R (initial)].]

*[In the case of Securities with continuous Barrier observation, the following applies:*

**"Barrier Event"** means that any price of the Underlying as published by the [Relevant Exchange] [Index Sponsor or Index Calculation Agent] [Reference Market] with continuous observation during the Barrier Observation Period is equal to [or lower] [or greater] than the Barrier.]

*[In the case of Securities with date-related Barrier observation, the following applies:*

**"Barrier Event"** means that any Reference Price on the respective Barrier Observation Date [is lower] [is greater] than the Barrier.]

*[In the case of Securities where the Barrier is still to be specified, the following applies:*

**"Barrier Level"** means the Barrier Level as specified [in the column "Barrier Level" in Table [●]] in § 1 of the Product and Underlying Data. [[This is an indicative value.] The final specification will be made by the Issuer on the [last] Initial Observation Date and will be published by notification pursuant to § 6 of the General Conditions within [five] [●] Banking Days.]]

*[In the case of Securities with continuous Barrier observation, the following applies:*

**"Barrier Observation Period"** means each Calculation Date from the First Day of the Barrier Observation Period (including) to the Last Day of the Barrier Observation Period (including).]

*[In the case of Bonus [Cap] and Reverse Bonus Cap Securities, the following applies:*

**"Bonus Amount"** means [the Bonus Amount as specified [in the column "Bonus Amount" in Table [●]] in § 1 of the Product and Underlying Data.] [[(Reverse Level – Bonus Level)] [Bonus Level] [x R (initial)] x Ratio Factor [/ FX (final)] [x FX (final)].] [Nominal Amount x [Bonus Level] [(Reverse Level – Bonus Level)] [x FX (initial) / FX (final)] [x FX (final) / FX (initial)].]

**"Bonus Level"** means the Bonus Level as specified [in the column "Bonus Level" in Table [●]] in § 1 of the Product and Underlying Data.]

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

**"Calculation Date"** means each day on which the Reference Price is published by the [Relevant Exchange] [Index Sponsor or the Index Calculation Agent, as the case may be] [Reference Market].

**"Call Event"** means [Share Call Event] [Index Call Event] [Commodity Call Event] [or FX Call Event].

*[In the case of [Reverse] Bonus Cap Securities, the following applies:*

**"Cap"** means [the Cap as specified [in the column "Cap" in Table [●]] in § 1 of the Product and Underlying Data.] [Cap Level x R (initial).]

[In the case of [Reverse] Bonus Cap Securities with Nominal Amount, the following applies:

**"Cap Level"** means the Cap Level as specified [in the column "Cap Level" in Table [●]] in § 1 of the Product and Underlying Data.]

**"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 but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion (§ 315 BGB) of the Issuer

- (a) the holding, acquisition or sale of the Underlying or 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),

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

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades [with respect to] [in the securities that form the basis of] the Underlying as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which such Clearance System is open for the acceptance and execution of settlement instructions.]

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

**"Commodity Call Event"** means each of the following:

- (a) 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;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Reference Market is available or could be determined;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];
- (d) the Underlying is no longer calculated or published in the Underlying Currency.]

**"Determining Futures Exchange"** means the futures exchange, on which respective derivatives of the Underlying [or – if derivatives on the Underlying are not traded – its components] (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying [or to its components] at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.

["**Expiry Date**"] means the Expiry Date as specified [in the column "Expiry Date" in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with continuous Barrier observation, the following applies:]

"**First Day of the Barrier Observation Period**" means the First Day of the Barrier Observation Period as specified in § 1 of the Product and Underlying Data.]

["**First Day of the [Best] [Worst]-out Period**"] means the First Day of the [Best] [Worst]-out Period as specified [in the column "First Day of the [Best] [Worst]-out Period" in Table [●]] 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.

[In the case of Compo Securities or in the case of Quanto Securities with physical delivery, the following applies:]

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

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

"**FX Calculation Date**" means each day on which FX is published by the Fixing Sponsor.

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

- (a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent 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;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX) the reliable determination of FX is impossible or impracticable.

"**FX Exchange Rate**" means the exchange rate for the conversion of [the Specified Currency into the Underlying Currency] [the Underlying Currency into the Specified Currency].

"**FX (final)**" means FX on the FX Observation Date (final).

"**FX (initial)**" means FX on the FX Observation Date (initial).

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

- (a) the failure of the Fixing Sponsor to publish the FX;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation of such exchange rate;
- (c) any other events with commercial effects which are similar to the events listed above;

to the extent that the above-mentioned events are material in the reasonable discretion (§ 315 BGB) of the Calculation Agent.

"**FX Observation Date (initial)**" means the FX Calculation Date immediately preceding the Initial Observation Date.

"**FX Observation Date (final)**" means the FX Observation Date (final) as specified [in the column "FX Observation Date (final)" in Table [●]] in § 1 of the Product and Underlying Data.

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

**["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 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, or
  - (b) realise, reclaim or pass on proceeds from such transactions or assets,
- under conditions which are economically substantially equivalent to those on the First Trade 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 First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion of the Issuer (§ 315 BGB) are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, 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 Calculation Agent"** means the Index Calculation Agent as specified [in the column "Index Calculation Agent" in Table 2.1] in § 2 of the Product and Underlying Data.

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

- (a) 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;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Underlying is available;
- (c) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];]
- (e) the Underlying is no longer calculated or published in the Underlying Currency.

**"Index Sponsor"** means the Index Sponsor as specified [in the column "Index Sponsor" in Table 2.1] in § 2 of the Product and Underlying Data.]

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

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

*[In the case of Securities with continuous Barrier observation, the following applies:*

**"Last Day of the Barrier Observation Period"** means the Last Day of the Barrier Observation Period as specified [in the column "Last Day of the Barrier Observation Period" in Table [●]] in § 1 of the Product and Underlying Data.]

**["Last Day of the [Best] [Worst]-in Period"** means the Last Day of the [Best] [Worst]-in Period as specified in § 1 of the Product and Underlying Data.]

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

*[In the case of a share or a depository receipt as Underlying, the following applies:*

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;

- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of an index as Underlying, the following applies:

- (a) in general the suspension or restriction of trading on the exchanges or the markets on which the securities that form the basis of the Underlying are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the Underlying are listed or traded;
- (b) in relation to individual securities which form the basis of the Underlying, the suspension or restriction of trading on the exchanges or on the markets on which such securities are traded or on the respective futures exchange or the markets on which derivatives of such securities are traded;
- (c) in relation to individual Derivatives of the Underlying, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;
- (d) the suspension of or failure or the non-publication of the calculation of the Underlying as a result of a decision by the Index Sponsor or the Index Calculation Agent;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price, which is relevant for the Securities, and continues at the point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of a commodity as Underlying, the following applies:

- (a) the suspension or the restriction of trading or the price determination of the Underlying on the Reference Market or
- (b) the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange

to the extent that such Market Disruption Event is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Reference Market or, as the case may be, the Determining Futures Exchange shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Reference Market or, as the case may be, the Determining Futures Exchange.]

"**Maturity Date**" means the Maturity Date as specified [in the column "Maturity Date" in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of [Reverse] Bonus Cap and Top Securities, the following applies:

"**Maximum Amount**" means [the Maximum Amount as specified [in the column "Maximum Amount" in Table [●]] in § 1 of the Product and Underlying Data.] [[Cap] [Reverse Amount - Cap] x Ratio Factor] [/ FX (final)] [x FX (final)].] [Nominal Amount x [Reverse Level - Cap Level] [Cap Level] [x FX (initial) / FX (final)] [x FX (final) / FX (initial)].]

*[In the case of Securities with a Nominal Amount, the following applies:*

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

"**Observation Date**" means each of the following Observation Dates:

["**Barrier Observation Date**" means each of the Barrier Observation Dates as specified [in the column "Barrier Observation Dates" in Table [●]] in § 1 of the Product and Underlying Data. If a Barrier Observation Date is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date shall be the respective Barrier Observation Date.]

["**Initial Observation Date**" means [the Initial Observation Date] [each of the Initial Observation Dates] as specified [in the column "Initial Observation Date[s]" in Table [●]] in § 1 of the Product and Underlying Data. If [the] [an] Initial Observation Date is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date shall be the [respective] Initial Observation Date.]

"**Final Observation Date**" means [the Final Observation Date] [each of the Final Observation Dates] as specified [in the column "Final Observation Date[s]" in Table [●]] in § 1 of the Product and Underlying Data. If [the] [a] Final Observation Date is not a Calculation Date the immediately following Banking Day which is a Calculation Date shall be the [respective] Final Observation Date. [If the last Final Observation Date is not a Calculation Date, the Maturity Date will be postponed accordingly.] [The Maturity Date will be postponed accordingly.] Interest shall not be payable due to such postponement.

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

*[In the case of Securities with final Reference Price observation, the following applies:*

"**R (final)**" means the Reference Price on the Final Observation Date.]

*[In the case of Securities with final average observation, the following applies:*

"**R (final)**" means the equally weighted average of the Reference Prices specified on the Final Observation Dates.]

*[In the case of Securities with [best] [worst]-out observation, the following applies:*

"**R (final)**" means the [highest] [lowest] Reference Price on [each of the Final Observation Dates] [each [Insert relevant date(s)] between the First Day of the [Best] [Worst]-out Period (including) and the Final Observation Date (including).]]

*[In the case of Securities with initial Reference Price observation, the following applies:*

"**R (initial)**" means R (initial) as specified [in the column "R (initial)" in Table [●]] in § 1 of the Product and Underlying Data.]

*[In the case of Securities with initial Reference Price observation, the following applies:*

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

*[In the case of Securities with initial average observation, the following applies:*

"**R (initial)**" means the equally weighted average of the Reference Prices specified on the Initial Observation Dates.]

*[In the case of Securities with [best] [worst]-in observation, the following applies:*

"**R (initial)**" means the [highest] [lowest] Reference Price on [each of the Initial Observation Dates] [each [Insert relevant date(s)] between the Initial Observation Date (including) and the Last Day of the [Best] [Worst]-in Period (including).]]

["**Ratio**" means the Ratio [as specified [in the column "Ratio" in Table [●]] in § 1 of the Product and Underlying Data.] [which is calculated by the Calculation Agent as follows:

[Ratio = [Nominal Amount x FX (final) / Strike] [Nominal Amount / (Strike x FX (final))] [Nominal Amount / Strike [x FX (initial)] [/ FX (initial)]]]

[Ratio = [Ratio Factor [x FX (final)] [/FX (final)]]

[The Ratio shall be rounded up or down to six decimals, with 0.0000005 being rounded upwards].]

["**Ratio Factor**" means the Ratio Factor as specified in the column "Ratio Factor" in Table [●]] in § 1 of the Product and Underlying Data.]

["**Record Date**" means the Record Date as specified [in the column "Record Date" in Table [●]] in § 1 of the Product and Underlying Data.]

"**Redemption Amount**" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

["**Reference Market**" means the Reference Market as specified [in the column "Reference Market" in Table 2.1] in § 2 of the Product and Underlying Data.]

"**Reference Price**" means the Reference Price of the Underlying as specified [in the column "Reference Price" in Table [●]] in § 1 of the Product and Underlying Data.

["**Relevant Exchange**" means the Relevant Exchange [as specified [in the column "Relevant Exchange" in Table 2.1] in § 2 of the Product and Underlying Data] [, on which the components of the Underlying are traded, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such components' liquidity].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation [of the components] of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

[In the case of Reverse Bonus Cap Securities, the following applies:

"**Reverse Amount**" means [the Reverse Amount as specified [in the column "Reverse Amount" in Table [●]] in § 1 of the Product and Underlying Data.] [Reverse Level [x R initial]] x Ratio Factor [/ FX (final)] [x FX (final).]]]

["**Reverse Level**" means the Reverse Level as specified [in the column "Reverse Level" in Table [●]] in § 1 of the Product and Underlying Data.]

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

["**Settlement Cycle**" means the period of Clearance System Business Days following a transaction on the Relevant Exchange in [the securities that form the basis of ] the Underlying, during which period settlement will customarily take place according to the rules of such Relevant Exchange.]

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

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders;
- (b) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
- (c) the quotation of the Underlying at the Relevant Exchange no longer occurs in the Underlying Currency;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging]

occur[s].]

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

[In the case of Bonus [Cap] Securities with Nominal Amount, the following applies:

"**Strike**" means [the Strike as specified [in the column "Strike" in Table [●]] in § 1 of the Product and Underlying Data] [Strike Level x R (initial)].]

"**Strike Level**" means the Strike Level as specified [in the column "Strike Level" in Table [●]] 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).

"**Underlying**" means the Underlying as specified [in the column "Underlying" in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the column "Underlying Currency" in Table 2.1] in § 2 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[, Additional Amount]

[(1)] *Interest:* The Securities do not bear interest.

[In the case of Securities with an unconditional Additional Amount, the following applies:

(2) *Additional Amount:* The respective Additional Amount (1) will be paid on the respective Additional Amount Payment Date (1) pursuant to the provisions of § 6 of the Special Conditions.]

## § 3

### Redemption

[In the case of Securities with cash settlement, the following applies:

*Redemption:* The Securities shall be redeemed by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.]

[In the case of Bonus Securities with physical delivery, the following applies:

*Redemption:* The Securities shall be redeemed either

- (i) if no Barrier Event has occurred by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if a Barrier Event has occurred by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency will be paid in the amount of the value of the non-deliverable fraction of the Underlying (the "**Supplemental Cash Amount**") which is calculated from the Reference Price on the Final Observation Date multiplied by the non-deliverable fraction of the Underlying [and divided by FX (final)] [and multiplied by FX (final)].]

[In the case of Bonus Cap Securities with physical delivery, the following applies:

*Redemption:* The Securities shall be redeemed either

- (i) if no Barrier Event has occurred or if a Barrier Event has occurred and R (final) is equal to or greater than the Cap by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if a Barrier Event has occurred and if R (final) is lower than the Cap by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency will be paid in the amount of the value of the non-deliverable fraction of the Underlying (the "**Supplemental Cash Amount**") which is calculated from the Reference Price on the Final Observation Date multiplied by the non-deliverable fraction of the Underlying [and divided by FX (final)] [and multiplied by FX (final)].]

[In the case of Top Securities with physical delivery, the following applies:

*Redemption:* The Securities shall be redeemed either

- (i) if R (final) is equal to or greater than R (initial) by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if R (final) is lower than R (initial) by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency will be paid in the amount of the value of the non-deliverable fraction of the Underlying (the "**Supplemental Cash Amount**") which is calculated from the Reference Price on the Final Observation Date multiplied by the non-deliverable fraction of the Underlying [and divided by FX (final)] [and multiplied by FX (final)].]

## § 4

### Redemption Amount

*Redemption Amount:* The "**Redemption Amount**" corresponds to an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:

**[Product Type 2: Bonus Securities**

[In the case of Bonus Securities without Nominal Amount with cash settlement, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to R (final) x Ratio. However, in this case, the Redemption Amount is not lower than the Bonus Amount.
- If a Barrier Event has occurred the Redemption Amount corresponds to R (final) x Ratio.]

[In the case of Bonus Securities with Nominal Amount with cash settlement, the following applies:

- If no Barrier Event has occurred the Redemption Amount is specified according to the following formula:  
$$\text{Redemption Amount} = \text{Nominal Amount} \times \text{R (final)} / \text{Strike} / [\text{x FX (initial)} / \text{FX (final)}] [\text{x FX (final)} / \text{FX (initial)}].$$

However, in this case, the Redemption Amount is not lower than the Bonus Amount.
- If a Barrier Event has occurred the Redemption Amount is specified according to the following formula:  
$$\text{Redemption Amount} = \text{Nominal Amount} \times \text{R (final)} / \text{Strike} [\text{x FX (initial)} / \text{FX (final)}] [\text{x FX (final)} / \text{FX (initial)}]$$

[In the case of Bonus Securities without Nominal Amount with physical delivery, the following applies:

The Redemption Amount corresponds to  $R \text{ (final)} \times [\text{Ratio}] [\text{Ratio Factor } [x \text{ FX (final)}] [/ \text{ FX (final)}]]$

However, the Redemption Amount is not lower than the Bonus Amount.]

[In the case of Bonus Securities with Nominal Amount with physical delivery, the following applies:

The Redemption Amount is specified according to the following formula:

$\text{Redemption Amount} = \text{Nominal Amount} \times R \text{ (final)} / \text{Strike } [x \text{ FX (initial)} / \text{FX (final)}] [x \text{ FX (final)} / \text{FX (initial)}]$

However, the Redemption Amount is not lower than the Bonus Amount.]]

**[Product Type 3: Bonus Cap Securities**

[In the case of Bonus Cap Securities without Nominal Amount with cash settlement where the Bonus Amount is the same as the Maximum Amount, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If a Barrier Event has occurred the Redemption Amount corresponds to  $R \text{ (final)} \times \text{Ratio}$ .  
However, in this case, the Redemption Amount is not greater than the Maximum Amount.]

[In the case of Bonus Cap Securities with Nominal Amount with cash settlement where the Bonus Amount is the same as the Maximum Amount, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If a Barrier Event has occurred the Redemption Amount is specified according to the following formula:  
 $\text{Redemption Amount} = \text{Nominal Amount} \times R \text{ (final)} / \text{Strike } [x \text{ FX (initial)} / \text{FX (final)}] [x \text{ FX (final)} / \text{FX (initial)}]$ .  
However, in this case, the Redemption Amount is not greater than the Maximum Amount.]

[In the case of Bonus Cap Securities without Nominal Amount with cash settlement where the Bonus Amount is not the same as the Maximum Amount, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to  $R \text{ (final)} \times \text{Ratio}$ .  
However, in this case, the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount.
- If a Barrier Event has occurred the Redemption Amount corresponds to  $R \text{ (final)} \times \text{Ratio}$ .  
However, in this case, the Redemption Amount is not greater than the Maximum Amount.]

[In the case of Bonus Cap Securities with Nominal Amount with cash settlement where the Bonus Amount is not the same as the Maximum Amount, the following applies:

- If no Barrier Event has occurred the Redemption Amount is specified according to the following formula:  
 $\text{Redemption Amount} = \text{Nominal Amount} \times R \text{ (final)} / \text{Strike } [x \text{ FX (initial)} / \text{FX (final)}] [x \text{ FX (final)} / \text{FX (initial)}]$ .  
However, in this case, the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount.
- If a Barrier Event has occurred the Redemption Amount is specified according to the following formula:

Redemption Amount = Nominal Amount x R (final) / Strike [x FX (initial) / FX (final)] [x FX (final) / FX (initial)].

However, in this case, the Redemption Amount is not greater than the Maximum Amount.]

[In the case of Bonus Cap Securities with physical delivery where the Bonus Amount is the same as the Maximum Amount, the following applies:

The Redemption Amount corresponds to the Maximum Amount.]

[In the case of Bonus Cap Securities without Nominal Amount with physical delivery where the Bonus Amount is not the same as the Maximum Amount, the following applies:

The Redemption Amount corresponds to R (final) x [Ratio] [Ratio Factor [x FX (final)] [/ FX (final)]].

However, the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount.]

[In the case of Bonus Cap Securities with Nominal Amount with physical delivery where the Bonus Amount is not the same as the Maximum Amount, the following applies:

The Redemption Amount is specified according to the following formula:

Redemption Amount = Nominal Amount x R (final) / Strike [x FX (initial) / FX (final)] [x FX (final) / FX (initial)]

However, the Redemption Amount is not lower than the Bonus Amount and not greater than the Maximum Amount.]]

#### **[Product Type 4: Reverse Bonus Cap Securities**

[In the case of Reverse Bonus Cap Securities without Nominal Amount where the Bonus Amount is the same as the Maximum Amount, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If a Barrier Event has occurred the Redemption Amount is specified according to the following formula:

Redemption Amount = Reverse Amount - R (final) x Ratio

However, the Redemption Amount is not lower than zero and not greater than the Maximum Amount.]

[In the case of Reverse Bonus Cap Securities with Nominal Amount where the Bonus Amount is the same as the Maximum Amount, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If a Barrier Event has occurred the Redemption Amount is specified according to the following formula:

Redemption Amount = Nominal Amount x (Reverse Level - R (final) / R (initial)) [x FX (initial) / FX (final)] [x FX (final) / FX (initial)]

However, the Redemption Amount is not lower than zero and not greater than the Maximum Amount.]

[In the case of Reverse Bonus Cap Securities without Nominal Amount where the Bonus Amount is not the same as the Maximum Amount, the following applies:

Redemption Amount = Reverse Amount - R (final) x Ratio

- If no Barrier Event has occurred the Redemption Amount, however, is not lower than the Bonus Amount and not greater than the Maximum Amount.

- If a Barrier Event has occurred the Redemption Amount, however, is not greater than the Maximum Amount.

However, the Redemption Amount is not lower than zero in either case.]

[In the case of Reverse Bonus Cap Securities with Nominal Amount where the Bonus Amount is not the same as the Maximum Amount, the following applies:

Redemption Amount = Nominal Amount x (Reverse Level - R (final) / R (initial)) [x FX (initial) / FX (final)] [x FX (final) / FX (initial)].

- If no Barrier Event has occurred the Redemption Amount, however, is not lower than the Bonus Amount and not greater than the Maximum Amount.
- If a Barrier Event has occurred the Redemption Amount, however, is not greater than the Maximum Amount.

However, the Redemption Amount is not lower than zero in either case.]

**[Product Type 5: Top Securities**

**[In the case of Top Securities with cash settlement, the following applies:**

- If R (final) is equal to or greater than R (initial), the Redemption Amount corresponds to the Maximum Amount.
- If R (final) is lower than R (initial), the Redemption Amount is specified according to the following formula:

Redemption Amount = Nominal Amount x R (final) / R (initial) [x FX (initial) / FX (final)] [x FX (final) / FX (initial)]

**[In the case of Top Securities with physical delivery, the following applies:**

The Redemption Amount corresponds to the Maximum Amount.]]

**[In the case of Quanto Securities without Nominal Amount, the following applies:**

For the purposes of the calculation of the Redemption Amount one unit of the Underlying Currency corresponds to one unit of the Specified Currency.]

## ***Product Type 6: Closed End Securities***

[In the case of Closed End Securities linked to an index, the following applies:]

### **§ 1**

#### **Definitions**

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

- (a) changes in the relevant Index Concept or the calculation of the Underlying, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (b) the calculation or publication of the Underlying is finally discontinued, or replaced by another index (the "**Index Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Underlying as basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities; likewise the Issuer is not responsible for the termination of the license to use the Underlying due to an unacceptable increase in license fees (a "**License Termination Event**");
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System [and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) (the "**TARGET2**") is open for business] [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 Date**" means each day on which the Reference Price is published by the Index Sponsor or the Index Calculation Agent, as the case may be.

"**Call Date**" means the Call Date as defined in § 5 (2) of the Special Conditions.

"**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 but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion (§ 315 BGB) of the Issuer

- (a) the holding, acquisition or sale of the Underlying or 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),

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

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades in the securities that form the basis of the Underlying as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which such Clearance System is open for the acceptance and execution of settlement instructions.

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

**"Determining Futures Exchange"** means the futures exchange, on which respective derivatives of the Underlying or – if derivatives on the Underlying are not traded – its components (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying or to its components at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.

*In the case of Securities linked to an index as Underlying, for which "Distributing Index" is specified in the column "Index Type" of the relevant table in § 2 of Part B – Product and Underlying Data, the following applies:*

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

- (a) the non-calculation of the Theoretical Cash Component by the Index Calculation Agent for a Dividend Observation Date (k) (with k = 1, 2, ...);
- (b) the Theoretical Cash Component is neither published nor provided to the Calculation Agent by neither the Index Calculation Agent nor by the Index Sponsor.

**"Dividend Amount (k)"** (with k = 1, 2, ...) means the respective Dividend Amount (k) as calculated by the Calculation Agent pursuant to § 3 of the Special Conditions

**"Dividend Amount Payment Date (k)"** (with k = 1, 2, ...) is five Banking Days after the respective Dividend Observation Date (k) (with k = 1, 2, ...).

**"Dividend Observation Date (k)"** (with k = 0, 1, 2, ...) means the second last Calculation Date of the months [*Insert month(s)*] of each year, where k = 1 is the Dividend Observation Date immediately following the First Trade Date.

**"Dividend Period (k)"** means each calendar day from the Dividend Observation Date (k-1) (with k = 1, 2, ...) (excluding) to the Dividend Observation Date (k) (with k = 1, 2, ...) (including).

The **"Dividend Value (k)"** (with k = 1, 2, ...) will be determined for the respective Dividend Period (k) (with k = 1, 2, ...) as the value of the theoretical cash component of the Underlying (the "**Theoretical Cash Component**") as calculated by the Index Calculation Agent on the respective Dividend Observation Date (k) (with k = 1, 2, ...) and published on the Issuer's website [*Insert website*] (or any successor website) with the respective product information. The Theoretical Cash Component reflects the sum of the net dividend payments of the components of the Underlying during the relevant Dividend Period (k) (with k = 1, 2, ...) as determined by the Index Calculation Agent and accrued interest on a daily basis at the currently valid EONIA-rate (Euro OverNight Index Average rate). After each Dividend

Observation Date (k) (with k = 1, 2, ...), the Theoretical Cash Component will be reset to zero and newly calculated. The method of calculating the Theoretical Cash Component by the Index Calculation Agent including the calculation of the net dividend payments will be available on the website of the Index Calculation Agent [*Insert website*] (or any successor website).]

["**Expiry Date**" means the Expiry Date as specified [in the column "Expiry Date" in Table [●]] 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 Redemption Date**" means the First Redemption 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.

[In the case of Compo Securities, the following applies:

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

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

"**FX Calculation Date**" means each day on which FX is published by the Fixing Sponsor.

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

- (a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent 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;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX) the reliable determination of FX is impossible or impracticable.

"**FX Exchange Rate**" means the exchange rate for the conversion of [the Specified Currency into the Underlying Currency] [the Underlying Currency into the Specified Currency].

"**FX (final)**" means FX on the FX Observation Date.

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

- (a) the failure of the Fixing Sponsor to publish the FX;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation of such exchange rate;
- (c) any other events with commercial effects which are similar to the events listed above;

to the extent that the above-mentioned events are material in the reasonable discretion (§ 315 BGB) of the Calculation Agent.

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

"**FX Observation Date**" means the FX Calculation Date immediately following the respective **Observation Date**.]

["**Gap Risk Fee**" means the Gap Risk Fee as specified in the column "Gap Risk Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

The Calculation Agent will, in the case of not only immaterial changes in the market conditions for gap risks (such as changes in the index, changes in costs for gap risk hedging transactions), adjust the Gap Risk Fee to such changed market conditions. The extent of the adjustment is determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) based on the extent of the changes in the relevant market conditions. The Gap Risk Fee shall not exceed the Maximum Gap Risk Fee (including). If the adjustment to changed market conditions would, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, lead to a Gap Risk Fee lying above the Maximum Gap Risk Fee, the Issuer shall be entitled to terminate the Securities pursuant to § 5 (3) of the Special Conditions at the Cancellation Amount. The Issuer will provide notice of such adjustment or termination pursuant to § 6 of the General Conditions.

"**Gap Risk Fee (t)**" means the Gap Risk Fee applicable on the relevant calendar day (t).

"**Gap Risk Fee Adjustment**" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Observation Date for each calendar day (t) within the period from the First Trade Date (excluding) to the respective Observation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Gap Risk Fee (t)}}{365.25}$$

Where:

"**n**" means the number of calendar days (t) from the First Trading Date (including) to the relevant Observation Date (including).

"**Reference Price (t-1)**" means the Reference Price which is published one Calculation Date prior to the calendar day (t).]

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

under conditions which are economically substantially equivalent to those on the First Trade 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 First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion of the Issuer (§ 315 BGB) are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, 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 Calculation Agent**" means the Index Calculation Agent as specified [in the column "Index Calculation Agent" in Table 2.1] in § 2 of the Product and Underlying Data.

["**Index Calculation Fee**" means the Index Calculation Fee as specified in the column "Index Calculation Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

[The Calculation Agent may reduce but not increase the Index Calculation Fee at any time during the term of the Securities. Such reduction shall be notified pursuant to § 6 of the General Conditions.]

**"Index Calculation Fee (t)"** means the Index Calculation Fee applicable on the relevant calendar day (t).

**"Index Calculation Fee Adjustment"** means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Observation Date for each calendar day (t) within the period from the First Trade Date (excluding) to the respective Observation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price}(t-1) \times \frac{\text{Index Calculation Fee}(t)}{365.25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Data (including) to the relevant Observation Date (including).

**"Reference Price (t-1)"** means the Reference Price which is published one Calculation Date prior to the calendar day (t).

The Index Calculation Fee is charged in favour of the Index Sponsor or the Calculation Agent, as the case may be.]

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

- (a) 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;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Underlying is available;
- (c) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];]
- (e) the Underlying is no longer calculated or published in the Underlying Currency.

**"Index Sponsor"** means the Index Sponsor as specified [in the column "Index Sponsor" in Table 2.1] in § 2 of the Product and Underlying Data.

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

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

**["Management Fee"** means the Management Fee as specified in the column "Management Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

[The Calculation Agent may reduce but not increase the Management Fee at any time during the term of the Securities. Such reduction shall be notified pursuant to § 6 of the General Conditions.]

**"Management Fee (t)"** means the Management Fee applicable on the relevant calendar day (t).

**"Management Fee Adjustment"** means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Observation Date for each calendar day (t) within the period from the First Trade Date (excluding) to the respective Observation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price}(t-1) \times \frac{\text{Management Fee}(t)}{365.25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Data (including) to the

relevant Observation Date (including).

**"Reference Price (t-1)"** means the Reference Price which is published one Calculation Date prior to the calendar day (t).]

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

- (a) in general the suspension or restriction of trading on the exchanges or the markets on which the securities that form the basis of the Underlying are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the Underlying are listed or traded;
- (b) in relation to individual securities which form the basis of the Underlying, the suspension or restriction of trading on the exchanges or on the markets on which such securities are traded or on the respective futures exchange or the markets on which derivatives of such securities are traded;
- (c) in relation to individual Derivatives of the Underlying, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;
- (d) the suspension of or failure or the non-publication of the calculation of the Underlying as a result of a decision by the Index Sponsor or the Index Calculation Agent;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price, which is relevant for the Securities, and continues at the point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.

**"Maturity Date"** means the Maturity Date as specified [in the column "Maturity Date" in Table [●]] in § 1 of the Product and Underlying Data.

**"Maximum Gap Risk Fee"** means the Maximum Gap Risk Fee as specified [in the column "Maximum Gap Risk Fee in %" in Table [●]] in § 1 of the Product and Underlying Data.]

**"Maximum Quanto Fee"** means the Maximum Quanto Fee as specified [in the column "Maximum Quanto Fee in %" in Table [●]] in § 1 of the Product and Underlying Data.]

**"Maximum Short Selling Fee"** means the Maximum Short Selling Fee as specified [in the column "Maximum Short Selling Fee in %" in Table [●]] 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.

**"Quanto Element"** means the conversion of the Redemption Amount from the Underlying Currency into the Specified Currency with a conversion factor of 1:1.

**"Quanto Fee"** means the Quanto Fee as specified [in the column "Quanto Fee in %" in Table [●]] in § 1 of the Product and Underlying Data.

The Calculation Agent will, in the case of not only immaterial changes in the market conditions for currency exchange rate protection transactions (e.g. difference in interest rates between the Underlying Currency and the Specified Currency, the volatility of the Underlying, the volatility of the currency exchange rate between the Underlying Currency and the Specified Currency, the correlation between the Underlying and the Underlying Currency, and such other factors), adjust the Quanto Fee to such changed market conditions. The extent of the adjustment is determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) based on the extent of the changes in the relevant market conditions. The Quanto Fee shall not exceed the Maximum Quanto Fee (including). If the adjustment to changed market conditions would, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, lead to a

Quanto Fee lying above the Maximum Quanto Fee, the Issuer shall be entitled to terminate the Securities pursuant to § 5 (3) of the Special Conditions at the Cancellation Amount. The Issuer will provide notice of such adjustment or termination pursuant to § 6 of the General Conditions.

"**Quanto Fee (t)**" means the Quanto Fee applicable on the relevant calendar day (t).

"**Quanto Fee Adjustment**" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Observation Date for each calendar day (t) within the period from the First Trade Date (excluding) to the respective Observation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Quanto Fee (t)}}{365.25}$$

Where:

"**n**" means the number of calendar days (t) from the First Trading Date (including) to the relevant Observation Date (including).

"**Reference Price (t-1)**" means the Reference Price which is published one Calculation Date prior to the calendar day (t).]

"**Ratio**" means the Ratio as specified [in the column "Ratio" in Table [●]] in § 1 of the Product and Underlying Data.

"**Redemption Amount**" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Redemption Date**" means the Redemption Date as defined in § 5 (1) of the Special Conditions.

"**Redemption Right**" means the Redemption Right as defined in § 5 (1) of the Special Conditions.

"**Reference Price**" means the Reference Price of the Underlying as specified [in the column "Reference Price" in Table [●]] in § 1 of the Product and Underlying Data.

"**Regular Call Right**" means the Regular Call Right as defined in § 5 (2) of the Special Conditions.

"**Relevant Exchange**" means the Relevant Exchange, on which the components of the Underlying are traded, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such components' liquidity.

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation of the components of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.

"**Relevant Reference Price**" means the Reference Price on the respective Observation Date.

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

"**Settlement Cycle**" means the period of Clearance System Business Days following a transaction on the Relevant Exchange in the securities that form the basis of the Underlying, during which period settlement will customarily take place according to the rules of such Relevant Exchange.

"**Short Selling Fee**" means the Short Selling Fee as specified in the column "Short Selling Fee in %" in Table [●]] in § 1 of the Product and Underlying Data.

The Calculation Agent will, in the case of not only immaterial changes in the market conditions for short sales (such as changes in taxation with regard to dividend payments, changes in lending fees for the securities contained in the index, changes in the index, change in hedging costs), adjust the Short Selling Fee to such changed market conditions. The extent of the adjustment is determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) based on the extent of the changes in the relevant market conditions. The Short Selling Fee shall not exceed the Maximum Short Selling Fee (including). If the adjustment to changed market conditions would, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, lead to a Short Selling Fee lying above the Maximum Short Selling Fee, the Issuer shall be entitled to terminate the Securities pursuant to § 5 (3) of the Special Conditions at the Cancellation Amount. The Issuer will provide notice of such adjustment or termination pursuant to § 6 of the General Conditions.

**"Short Selling Fee (t)"** means the Short Selling Fee applicable on the relevant calendar day (t).

**"Short Selling Fee Adjustment"** means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Observation Date for each calendar day (t) within the period from the First Trade Date (excluding) to the respective Observation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Short Selling Fee (t)}}{365.25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Date (including) to the relevant Observation Date (including).

**"Reference Price (t-1)"** means the Reference Price which is published one Calculation Date prior to the calendar day (t).]

**"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).

**"Underlying"** means the Underlying as specified [in the column "Underlying" in Table [●]] in § 1 of the Product and Underlying Data.

**"Underlying Currency"** means the Underlying Currency as specified [in the column "Underlying Currency" in Table 2.1] in § 2 of the Product and Underlying Data.

**"Observation Date"** means the [Insert number] Banking Day prior to each Redemption Date and each Call Date and the Maturity Date. If such day is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date, shall be the respective Observation Date. The respective Redemption Date or the respective Call Date or the Maturity Date will be postponed accordingly. Interest shall not be payable due to such postponement.

**"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 non-interest bearing Securities, the following applies:*

*Interest: The Securities do not bear interest.]*

[In the case of interest bearing Securities, the following applies:

- (1) *Interest:* The Security Holders may demand payment of the Interest Amount at each Interest Payment Date.

"**Interest Payment Date**" means each day which falls [Insert relevant period] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the [Insert relevant date]. The final Interest Payment Date shall be the Redemption Date in relation to which the respective Security Holder exercises its Redemption Right or the Call Date in relation to which the Issuer exercises its Regular Call Right or the Maturity Date, as the case may be.

["**Record Date**" means [Insert Record Date].]

- (2) *Interest Amount:* The "**Interest Amount**" will be calculated by the Calculation Agent, by multiplying the Coupon with the Day Count Fraction.

"**Coupon**" means [Insert Coupon].

"**Day Count Fraction**" means, in respect of the calculation of the Interest Amount on any Security for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

The Interest Amount shall be payable in arrear pursuant to the provisions in § 6 of the Special Conditions.]

### § 3

#### **Redemption[, Dividend Payment]**

- (1) *Redemption:* The Securities shall be redeemed by payment of the Redemption Amount on the respective Redemption Date or the respective Call Date or the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

[In the case of Securities linked to an index as Underlying, for which "Distributing Index" is specified in the column "Index Type" of the relevant table in § 2 of Part B – Product and Underlying Data, the following applies:

- (2) *Dividend payment:* The Security Holders shall be entitled to receive payment of the respective Dividend Amount (k) (with k = 1, 2, ...) per Security at each Dividend Amount Payment Date (k) (with k = 1, 2, ...).

The right to receive payment of Dividend Amounts ceases for a Security Holder after expiration of the Dividend Period (k) (with k = 1, 2, ...) immediately preceding the Observation Date in relation to which he exercises his Redemption Right, or in relation to which the Issuer exercises its Regular Call Right, as the case may be.

The respective Dividend Amount (k) (with k = 1, 2, ...) shall be paid pursuant to the provisions of § 6 of the Special Conditions.]

### § 4

#### **Redemption Amount[, Dividend Amount]**

- [(1)] *Redemption Amount:* The Redemption Amount corresponds to an amount in the Specified Currency, calculated or specified by the Calculation Agent as follows:

Redemption Amount = max(Relevant Reference Price [- Quanto Fee Adjustment] [- Management Fee Adjustment] [- Short Selling Fee Adjustment] [- Index Calculation Fee Adjustment] [- Gap Risk Fee Adjustment]; 0) x Ratio [/ FX (final)] [x FX (final)]

For the calculation of the Redemption Amount one index point corresponds to one unit of the Underlying Currency (e.g. EUR 1.- for Euro or USD 1.- for US-Dollar).

The method of calculation or, respectively, specification of the Redemption Amount is subject to adjustments and market disruptions pursuant to § 7[,] [and] § 8 [and § 9] of the Special Conditions.

[In the case of Securities linked to an index as Underlying, for which “Distributing Index” is specified in the column “Index Type” of the relevant table in § 2 of Part B – Product and Underlying Data, the following applies:

- (2) *Dividend Amount:* The Dividend Amount (k) (with k = 1, 2, ...) corresponds to an amount in the Specified Currency, which is calculated by the Calculation Agent at the respective Dividend Observation Date (k) (with k = 1, 2, ...) as follows:

Dividend Amount (k) = Dividend Value (k) x Ratio

For the calculation of the Dividend Amount one index point corresponds to one unit of the Underlying Currency (e.g. EUR 1.- for Euro or USD 1.- for US-Dollar).

The method of calculation of the Dividend Amount is subject to adjustments and market disruptions pursuant to § 7 [,] [and] § 8 [and § 9] of the Special Conditions.]

**Product Type 7: Express Securities**

**Product Type 8: Express Plus Securities**

**Product Type 9: Express Securities with Additional Amount**

[In the case of Express [Plus] Securities and Express Securities with Additional Amount, the following applies:

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**Definitions**

["**Additional Amount (k)**"] means the Additional Amount (k) as specified [in the column "Additional Amount (k)" in Table [●]] in § 1 of the Product and Underlying Data.]

["**Additional Amount (l)**"] means the Additional Amount (l) as specified [in the column "Additional Amount (l)" in Table [●]] in § 1 of the Product and Underlying Data.]

["**Additional Amount Payment Date (k)**"] means the respective Additional Amount Payment Date (k) as specified [in the column "Additional Amount Payment Date (k)" in Table [●]] in § 1 of the Product and Underlying Data.]

["**Additional Amount Payment Date (l)**"] means the Additional Amount Payment Date (l) as specified [in the column "Additional Amount Payment Date (l)" in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Express Securities with Additional Amount, the following applies:

"**Additional Amount Payment Event**" means that the Reference Price is equal to or greater than the respective Additional Amount Payment Level (k) on the respective Observation Date (k).

"**Additional Amount Payment Level (k)**" means [the respective Additional Amount Payment Level (k) as specified [in the column "Additional Amount Payment Level (k)" in Table [●]] in § 1 of the Product and Underlying Data.] [the respective Additional Amount Payment Level (k) multiplied by R (initial).]

["**Additional Amount Payment Factor (k)**"] means the respective Additional Amount Payment Factor (k) as specified [in the column "Additional Amount Payment Factor (k)" in Table [●]] in § 1 of the Product and Underlying Data. [[This is an indicative value.] The final specification will be made by the Issuer on the [last] Initial Observation Date and will be published by notification pursuant to § 6 of the General Conditions within [five] [●] Banking Days.]]

"**Adjustment Event**" means [each of the following events]:

[In the case of a share or a depository receipt as Underlying, the following applies:

- (a) each measure taken by the company that has issued the Underlying or by a third party, which would – due to a change in the legal and economic position, in particular a change in the company's fixed assets and capital – in the reasonable discretion (§ 315 BGB) of the Calculation Agent, affect the Underlying not only immaterially (in particular capital increase against cash contribution, issuance of securities with options or conversion rights into shares, capital increase with company funds, distribution of special dividends, share splits, merger, liquidation, nationalisation);
- (b) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (c) an adjustment performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying, or
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.]

[In the case of an index as Underlying, the following applies:

- (a) changes in the relevant Index Concept or the calculation of the Underlying, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (b) the calculation or publication of the Underlying is finally discontinued, or replaced by another index (the "**Index Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Underlying as basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities; likewise the Issuer is not responsible for the termination of the license to use the Underlying due to an unacceptable increase in license fees (a "**License Termination Event**");
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.]

[In the case of a commodity as Underlying, the following applies:

any changes in the Relevant Trading Conditions of the Underlying that lead to a situation where, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, as a result of the change, the changed trading conditions are no longer economically equivalent to the Relevant Trading Conditions prior to the change.]

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System [and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) (the "**TARGET2**") is open for business] [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.]

**"Barrier"** means [the Barrier as specified [in the column "Barrier" in Table [●]] in § 1 of the Product and Underlying Data] [Barrier Level x R (initial)].

[In the case of Securities with continuous Barrier observation, the following applies:

**"Barrier Event"** means that any price of the Underlying as published by the [Relevant Exchange] [Index Sponsor or Index Calculation Agent] [Reference Market] with continuous observation during the Barrier Observation Period is equal to [or lower] than the Barrier.]

[In the case of Securities with date-related Barrier observation, the following applies:

**"Barrier Event"** means that any Reference Price on the respective Barrier Observation Date is lower than the Barrier.]

[In the case of Securities where the Barrier is still to be specified, the following applies:

**"Barrier Level"** means the Barrier Level as specified [in the column "Barrier Level" in Table [●]] in § 1 of the Product and Underlying Data. [[This is an indicative value.] The final specification will be made by the Issuer on the [last] Initial Observation Date and will be published by notification pursuant to § 6 of the General Conditions within [five] [●] Banking Days.]]

[In the case of Securities with continuous Barrier observation, the following applies:

**"Barrier Observation Period"** means each Calculation Date from the First Day of the Barrier Observation Period (including) to the Last Day of the Barrier Observation Period (including).]

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

**"Calculation Date"** means each day on which the Reference Price is published by the

[Relevant Exchange] [Index Sponsor or the Index Calculation Agent, as the case may be] [Reference Market].

"**Call Event**" means [Share Call Event] [Index Call Event] [Commodity 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 but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion (§ 315 BGB) of the Issuer

- (a) the holding, acquisition or sale of the Underlying or 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),

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

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades [with respect to] [in the securities that form the basis of] the Underlying as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which such Clearance System is open for the acceptance and execution of settlement instructions.]

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

"**Commodity Call Event**" means each of the following:

- (a) 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;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Reference Market is available or could be determined;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];
- (d) the Underlying is no longer calculated or published in the Underlying Currency.]

"**Determining Futures Exchange**" means the futures exchange, on which respective derivatives of the Underlying [or – if derivatives on the Underlying are not traded – its components] (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying [or to its components] at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.

**"Early Maturity Date (k)"** means the "Early Maturity Date (k)" as specified [in the column "Early Maturity Date (k)" in Table [●]] in § 1 of the Product and Underlying Data.

**"Early Redemption Amount (k)"** means the "Early Redemption Amount (k)" as calculated or, respectively specified by the Calculation Agent pursuant to § 4 (2) of the Special Conditions.

**"Early Redemption Event"** means that the Reference Price is equal to or greater than the Early Redemption Level (k) on the respective Observation Date (k).

**"Early Redemption Level (k)"** means the ["Early Redemption Level (k)" as specified [in the column "Early Redemption Level (k)" in Table [●]] in § 1 of the Product and Underlying Data] [Early Redemption Factor (k) x R (initial)].

**"Early Redemption Factor (k)"** means the "Early Redemption Factor (k)" as specified in the column "Early Redemption Factor (k)" in Table [●] in § 1 of the Product and Underlying Data. [[This is an indicative value.] The final specification will be made by the Issuer on the [last] Initial Observation Date and will be published by notification pursuant to § 6 of the General Conditions within [five] [●] Banking Days.]]

**"Expiry Date"** means the Expiry Date as specified [in the column "Expiry Date" in Table [●]] in § 1 of the Product and Underlying Data.]

*[In the case of Express Securities, the following applies:*

**"Final Redemption Amount"** means the Final Redemption Amount as specified [in the column "Final Redemption Amount" in Table [●]] in § 1 of the Product and Underlying Data.

**"Final Redemption Event"** means that the Reference Price is equal to or greater than the Final Redemption Level on the Final Observation Date.

**"Final Redemption Factor"** means the Final Redemption Factor as specified [in the column "Final Redemption Factor" in Table [●]] in § 1 of the Product and Underlying Data. [[This is an indicative value.] The final specification will be made by the Issuer on the [last] Initial Observation Date and will be published by notification pursuant to § 6 of the General Conditions within [five] [●] Banking Days.]]

**"Final Redemption Level"** means the [Final Redemption Level as specified [in the column "Final Redemption Level" in Table [●]] in § 1 of the Product and Underlying Data] [Final Redemption Factor x R (initial)].]

*[In the case of Securities with continuous Barrier observation, the following applies:*

**"First Day of the Barrier Observation Period"** means the First Day of the Barrier Observation Period as specified in § 1 of the Product and Underlying Data.]

**"First Day of the [Best] [Worst]-out Period"** means the First Day of the [Best] [Worst]-out Period as specified [in the column "First Day of the [Best] [Worst]-out Period" in Table [●]] 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.

*[In the case of Quanto Securities with physical delivery, the following applies:*

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

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

**"FX Calculation Date"** means each day on which FX is published by the Fixing Sponsor.

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

- (a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent 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;

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

**"FX Exchange Rate"** means the exchange rate for the conversion of [the Specified Currency into the Underlying Currency] [the Underlying Currency into the Specified Currency].

**"FX (final)"** means FX on the FX Observation Date (final).

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

- (a) the failure of the Fixing Sponsor to publish the FX;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation of such exchange rate;
- (c) any other events with commercial effects which are similar to the events listed above;

to the extent that the above-mentioned events are material in the reasonable discretion (§ 315 BGB) of the Calculation Agent.

**"FX Observation Date (final)"** means the FX Observation Date (final) as specified [in the column "FX Observation Date (final)" in Table [●]] in § 1 of the Product and Underlying Data.

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

**["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 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, or

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

under conditions which are economically substantially equivalent to those on the First Trade 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 First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion of the Issuer (§ 315 BGB) are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, 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 Calculation Agent"** means the Index Calculation Agent as specified [in the column "Index Calculation Agent" in Table 2.1] in § 2 of the Product and Underlying Data.

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

- (a) 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;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable

Replacement Underlying is available;

- (c) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];]
- (e) the Underlying is no longer calculated or published in the Underlying Currency.

"**Index Sponsor**" means the Index Sponsor as specified [in the column "Index Sponsor" in Table 2.1] in § 2 of the Product and Underlying Data.]

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

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

[In the case of Securities with continuous Barrier observation, the following applies:

"**Last Day of the Barrier Observation Period**" means the Last Day of the Barrier Observation Period as specified [in the column "Last Day of the Barrier Observation Period" in Table [●]] in § 1 of the Product and Underlying Data.]

"**Last Day of the [Best] [Worst]-in Period**" means the Last Day of the [Best] [Worst]-in Period as specified in § 1 of the Product and Underlying Data.]

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

[In the case of a share or a depository receipt as Underlying, the following applies:

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of an index as Underlying, the following applies:

- (a) in general the suspension or restriction of trading on the exchanges or the markets on which the securities that form the basis of the Underlying are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the Underlying are listed or traded;
- (b) in relation to individual securities which form the basis of the Underlying, the suspension or restriction of trading on the exchanges or on the markets on which such securities are traded or on the respective futures exchange or the markets on which derivatives of such securities are traded;
- (c) in relation to individual Derivatives of the Underlying, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;
- (d) the suspension of or failure or the non-publication of the calculation of the Underlying as a result of a decision by the Index Sponsor or the Index Calculation Agent;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price, which is relevant for the Securities, and continues at the

point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of a commodity as Underlying, the following applies:

- (a) the suspension or the restriction of trading or the price determination of the Underlying on the Reference Market or
- (b) the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange

to the extent that such Market Disruption Event is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Reference Market or, as the case may be, the Determining Futures Exchange shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Reference Market or, as the case may be, the Determining Futures Exchange.]

**"Maturity Date"** means the Maturity Date as specified [in the column "Maturity Date" in Table [●]] in § 1 of the Product and Underlying Data.

**["Maximum Amount"** means the Maximum Amount as specified [in the column "Maximum Amount" in Table [●]] in § 1 of the Product and Underlying Data.]

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

**"Observation Date"** means each of the following Observation Dates:

**["Barrier Observation Date"** means each of the Barrier Observation Dates as specified [in the column "Barrier Observation Dates" in Table [●]] in § 1 of the Product and Underlying Data. If a Barrier Observation Date is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date shall be the respective Barrier Observation Date.]

**["Initial Observation Date"** means [the Initial Observation Date] [each of the Initial Observation Dates] as specified [in the column "Initial Observation Date[s]" in Table [●]] in § 1 of the Product and Underlying Data. If [the] [an] Initial Observation Date is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date shall be the [respective] Initial Observation Date.]

**"Final Observation Date"** means [the Final Observation Date] [each of the Final Observation Dates] as specified [in the column "Final Observation Date[s]" in Table [●]] in § 1 of the Product and Underlying Data. If [the] [a] Final Observation Date is not a Calculation Date the immediately following Banking Day which is a Calculation Date shall be the [respective] Final Observation Date. [If the last Final Observation Date is not a Calculation Date, the Maturity Date will be postponed accordingly.] [The Maturity Date will be postponed accordingly.] Interest shall not be payable due to such postponement.

**"Observation Date (k)"** means the "Observation Date (k)" as specified [in the column "Observation Date (k)" in Table [●]] in § 1 of the Product and Underlying Data. If an Observation Date (k) is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date shall be the respective Observation Date (k). The respective Early Redemption Date will be postponed accordingly. Interest shall not be payable due to such postponement.

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

[In the case of Securities with final Reference Price observation, the following applies:

"**R (final)**" means the Reference Price on the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**R (final)**" means the equally weighted average of the Reference Prices specified on the Final Observation Dates.]

[In the case of Securities with [best] [worst]-out observation, the following applies:

"**R (final)**" means the [highest] [lowest] Reference Price on [each of the Final Observation Dates] [each [Insert relevant date(s)] between the First Day of the [Best] [Worst]-out Period (including) and the Final Observation Date (including).]]

[In the case of Securities with initial Reference Price observation, the following applies:

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with initial average observation, the following applies:

"**R (initial)**" means the equally weighted average of the Reference Prices specified on the Initial Observation Dates.]

[In the case of Securities with [best] [worst]-in observation, the following applies:

"**R (initial)**" means the [highest] [lowest] Reference Price on [each of the Initial Observation Dates] [each [Insert relevant date(s)] between the Initial Observation Date (including) and the Last Day of the [Best] [Worst]-in Period (including)].]

[In the case of Securities with physical delivery, the following applies:

"**Ratio**" means the Ratio [as specified [in the column "Ratio" in Table [●]] in § 1 of the Product and Underlying Data.] [which is calculated by the Calculation Agent as follows:

Ratio = [Nominal Amount [x FX (final)] / Strike] [Nominal Amount / (Strike [x FX (final)])].

The Ratio shall be rounded up or down to six decimals, with 0.0000005 being rounded upwards].]

["**Record Date**" means the Record Date as specified [in the column "Record Date" in Table [●]] in § 1 of the Product and Underlying Data.]

"**Redemption Amount**" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

["**Reference Market**" means the Reference Market as specified [in the column "Reference Market" in Table 2.1] in § 2 of the Product and Underlying Data.]

"**Reference Price**" means the Reference Price of the Underlying as specified [in the column "Reference Price" in Table [●]] in § 1 of the Product and Underlying Data.

["**Relevant Exchange**" means the Relevant Exchange [as specified [in the column "Relevant Exchange" in Table 2.1] in § 2 of the Product and Underlying Data] [, on which the components of the Underlying are traded, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such components' liquidity].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation [of the components] of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

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

["**Settlement Cycle**" means the period of Clearance System Business Days following a transaction on the Relevant Exchange in [the securities that form the basis of ] the Underlying, during which period settlement will customarily take place according to the rules of such Relevant Exchange.]

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

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders;
- (b) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
- (c) the quotation of the Underlying at the Relevant Exchange no longer occurs in the Underlying Currency;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s].]

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

"**Strike**" means [the Strike as specified [in the column "Strike" in Table [●]] in § 1 of the Product and Underlying Data] [Strike Level x R (initial)].

["**Strike Level**" means the Strike Level as specified [in the column "Strike Level" in Table [●]] 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).

"**Underlying**" means the Underlying as specified [in the column "Underlying" in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the column "Underlying Currency" in Table 2.1] in § 2 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[, Additional Amount]

[(1)] *Interest:* The Securities do not bear interest.

[In the case of Express Securities with Additional Amount (Memory), the following applies:

- (2) *Additional Amount:* If an Additional Amount Payment Event has occurred on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions less all Additional Amounts (k) paid on the preceding Additional Amount Payment Dates (k).

If no Additional Amount Payment Event has occurred on this respective Observation Date (k), no respective Additional Amount (k) will be paid on a respective Additional Amount Payment Date (k).]

[In the case of Express Securities with Additional Amount (Relax), the following applies:

- (2) *Additional Amount:* If an Additional Amount Payment Event has occurred [and if no Barrier Event has occurred] on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6

of the Special Conditions.

If no Additional Amount Payment Event has occurred on an Observation Date (k), no respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).

[If a Barrier Event has occurred, no payment of the Additional Amount (k) will be made on any following Additional Amount Payment Date (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:

[(2)] [(3)] *Additional Amount:* The respective Additional Amount (l) will be paid [moreover] on the respective Additional Amount Payment Date (l) pursuant to the provisions of § 6 of the Special Conditions.]

### § 3

#### **Redemption, Automatic Early Redemption**

[In the case of Securities with cash settlement, the following applies:

(1) *Redemption:* The Securities shall be redeemed by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.]

[In the case of Securities with physical delivery, the following applies:

- (1) *Redemption:* The Securities shall be redeemed either
- (i) if no Barrier Event has occurred or if a Barrier Event has occurred and R (final) is equal to or greater than the Strike by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
  - (ii) if a Barrier Event has occurred and if R (final) is lower than the Strike by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency will be paid in the amount of the value of the non-deliverable fraction of the Underlying (the "**Supplemental Cash Amount**") which is calculated from the Reference Price on the Final Observation Date multiplied by the non-deliverable fraction of the Underlying [and divided by FX (final)] [and multiplied by FX (final)].
- (2) *Automatic early redemption:* If an Early Redemption Event has occurred [and no Barrier Event] the Securities will be automatically early redeemed on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k) on the respective Early Maturity Date (k) pursuant to the provisions of § 6 of the Special Conditions.

### § 4

#### **Redemption Amount, Early Redemption Amount**

(1) *Redemption Amount:* The "**Redemption Amount**" corresponds to an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:

[Product Type 7: Express Securities

[In the case of Express Securities with cash settlement, the following applies:

- If a Final Redemption Event and no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If no Final Redemption Event and no Barrier Event has occurred the Redemption Amount corresponds to the Final Redemption Amount.
- If a Barrier Event has occurred, the Redemption Amount is specified according to the following formula:

Redemption Amount = Nominal Amount x R (final) / Strike

However, the Redemption Amount in this case is not greater than the Nominal Amount.]

[In the case of Express Securities with physical delivery, the following applies:

- If a Final Redemption Event and no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If no Final Redemption Event and no Barrier Event has occurred the Redemption Amount corresponds to the Final Redemption Amount.
- If a Barrier Event has occurred and if R (final) is equal to or greater than the Strike, the Redemption Amount corresponds to the Nominal Amount.]]

**[Product Type 8: Express Plus Securities**

[In the case of Express Plus Securities with cash settlement, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If a Barrier Event has occurred, the Redemption Amount is specified according to the following formula:

$$\text{Redemption Amount} = \text{Nominal Amount} \times R (\text{final}) / \text{Strike}$$

However, the Redemption Amount in this case is not greater than the Nominal Amount.]

[In the case of Express Plus Securities with physical delivery, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If a Barrier Event has occurred and if R (final) is equal to or greater than the Strike, the Redemption Amount corresponds to the Nominal Amount.]]

**[Product Type 9: Express Securities with Additional Amount**

[In the case of Express Securities with Additional Amount with cash settlement, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If a Barrier Event has occurred, the Redemption Amount is specified according to the following formula:

$$\text{Redemption Amount} = \text{Nominal Amount} \times R (\text{final}) / \text{Strike}$$

However, the Redemption Amount in this case is not greater than the Nominal Amount.]

[In the case of Express Securities with Additional Amount with physical delivery, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Maximum Amount.
- If a Barrier Event has occurred and if R (final) is equal to or greater than the Strike, the Redemption Amount corresponds to the Nominal Amount.]]

- (2) *Early Redemption Amount:* The Early Redemption Amount (k) for an Early Maturity Date (k) is specified [in the column "Early Redemption Amount (k)" in Table [●]] in § 1 of the Product and Underlying Data.

**Product Type 10: Reverse Convertible Securities**

**Product Type 11: Barrier Reverse Convertible Securities**

**Product Type 12: Express Barrier Reverse Convertible Securities**

[In the case of [[Express] Barrier] Reverse Convertible Securities, the following applies:

**§ 1**

**Definitions**

**["Additional Amount (I)"]** means the Additional Amount (I) as specified [in the column "Additional Amount (I)" in Table [●]] in § 1 of the Product and Underlying Data.]

**["Additional Amount Payment Date (I)"]** means the Additional Amount Payment Date (I) as specified [in the column "Additional Amount Payment Date (I)" in Table [●]] in § 1 of the Product and Underlying Data.]

**"Adjustment Event"** means [each of the following events]:

[In the case of a share or a depository receipt as Underlying, the following applies:

- (a) each measure taken by the company that has issued the Underlying or by a third party, which would – due to a change in the legal and economic position, in particular a change in the company's fixed assets and capital – in the reasonable discretion (§ 315 BGB) of the Calculation Agent, affect the Underlying not only immaterially (in particular capital increase against cash contribution, issuance of securities with options or conversion rights into shares, capital increase with company funds, distribution of special dividends, share splits, merger, liquidation, nationalisation);
- (b) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (c) an adjustment performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying, or
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.]

[In the case of an index as Underlying, the following applies:

- (a) changes in the relevant Index Concept or the calculation of the Underlying, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (b) the calculation or publication of the Underlying is finally discontinued, or replaced by another index (the "**Index Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Underlying as basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities; likewise the Issuer is not responsible for the termination of the license to use the Underlying due to an unacceptable increase in license fees (a "**License Termination Event**");
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying.]

[In the case of a commodity as Underlying, the following applies:

any changes in the Relevant Trading Conditions of the Underlying that lead to a situation where, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, as a result of the

change, the changed trading conditions are no longer economically equivalent to the Relevant Trading Conditions prior to the change.]

**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified [in the column "Aggregate Nominal Amount of the Series" in Table [●]] 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 (TARGET2) (the "TARGET2") is open for business] [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.]

[In the case of [Express] Barrier Reverse Convertible Securities, the following applies:

**"Barrier"** means [the Barrier as specified [in the column "Barrier" in Table [●]] in § 1 of the Product and Underlying Data] [Barrier Level x R (initial).]]

[In the case of [Express] Barrier Reverse Convertible Securities with continuous Barrier observation, the following applies:

**"Barrier Event"** means that any price of the Underlying as published by the [Relevant Exchange] [Index Sponsor or Index Calculation Agent] [Reference Market] with continuous observation during the Barrier Observation Period is equal to [or lower] than the Barrier.]

[In the case of [Express] Barrier Reverse Convertible Securities with date-related Barrier observation, the following applies:

**"Barrier Event"** means that any Reference Price on any Barrier Observation Date is lower than the Barrier.]

[In the case of [Express] Barrier Reverse Convertible Securities where the Barrier is still to be specified, the following applies:

**"Barrier Level"** means the Barrier Level as specified [in the column "Barrier Level" in Table [●]] in § 1 of the Product and Underlying Data. [[This is an indicative value.] The final specification will be made by the Issuer on the [last] Initial Observation Date and will be published by notification pursuant to § 6 of the General Conditions within [five] [●] Banking Days.]]

[In the case of [Express] Barrier Reverse Convertible Securities with continuous Barrier observation, the following applies:

**"Barrier Observation Period"** means each Calculation Date from the First Day of the Barrier Observation Period (including) to the Last Day of the Barrier Observation Period (including).]

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

**"Calculation Date"** means each day on which the Reference Price is published by the [Relevant Exchange] [Index Sponsor or the Index Calculation Agent, as the case may be] [Reference Market].

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

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

**"Call Event"** means [Share Call Event] [Index Call Event] [Commodity 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 but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion (§ 315 BGB) of the Issuer

- (a) the holding, acquisition or sale of the Underlying or 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),

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

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades [with respect to] [in the securities that form the basis of] the Underlying as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which such Clearance System is open for the acceptance and execution of settlement instructions.][

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

**"Commodity Call Event"** means each of the following:

- (a) 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;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Reference Market is available or could be determined;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];
- (d) the Underlying is no longer calculated or published in the Underlying Currency.]

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

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

**"Determining Futures Exchange"** means the futures exchange, on which respective derivatives of the Underlying [or – if derivatives on the Underlying are not traded – its components] (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying [or to its components] at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.

*[In the case of Express Barrier Reverse Convertible Securities, the following applies:*

**"Early Maturity Date (k)"** means the "Early Maturity Date (k)" as specified [in the column "Early Maturity Date (k)" in Table [●]] in § 1 of the Product and Underlying Data.

**"Early Redemption Amount k"** means the "Early Redemption Amount k" as calculated or, respectively specified by the Calculation Agent pursuant to § 4 (2) of the Special Conditions.

**"Early Redemption Event"** means that the Reference Price is equal to or greater than the Early Redemption Level (k) on the respective Observation Date (k).

**["Early Redemption Factor (k)"]** means the "Early Redemption Factor (k)" as specified [in the column "Early Redemption Factor (k)" in Table [●]] in § 1 of the Product and Underlying Data. [[This is an indicative value.] The final specification will be made by the Issuer on the [last] Initial Observation Date and will be published by notification pursuant to § 6 of the General Conditions within [five] [●] Banking Days.]

**"Early Redemption Level (k)"** means the ["Early Redemption Level (k)"] as specified [in the column "Early Redemption Level (k)" in Table [●]] in § 1 of the Product and Underlying Data [Early Redemption Factor (k) x R (initial)].]

[In the case of floating rate Securities with EURIBOR as Reference Rate, the following applies:

**"Eurozone"** means the countries and territories listed in the Annex of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, in its current version.]

**["Expiry Date"]** means the Expiry Date as specified [in the column "Expiry Date" in Table [●]] in § 1 of the Product and Underlying Data.]

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

[In the case of [Express] Barrier Reverse Convertible Securities with continuous Barrier observation, the following applies:

**"First Day of the Barrier Observation Period"** means the First Day of the Barrier Observation Period as specified in § 1 of the Product and Underlying Data.]

**["First Day of the [Best] [Worst]-out Period"]** means the First Day of the [Best] [Worst]-out Period as specified [in the column "First Day of the [Best] [Worst]-out Period" in Table [●]] 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.

[In the case of Quanto Securities with physical delivery, the following applies:

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

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

**"FX Calculation Date"** means each day on which FX is published by the Fixing Sponsor.

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

- (a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent 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;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX) the reliable determination of FX is impossible or impracticable.

**"FX Exchange Rate"** means the exchange rate for the conversion of [the Specified Currency into the Underlying Currency] [the Underlying Currency into the Specified Currency].

**"FX (final)"** means FX on the FX Observation Date (final).

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

- (a) the failure of the Fixing Sponsor to publish the FX;
  - (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation of such exchange rate;
  - (c) any other events with commercial effects which are similar to the events listed above;
- to the extent that the above-mentioned events are material in the reasonable discretion (§ 315 BGB) of the Calculation Agent.

**"FX Observation Date (final)"** means the FX Observation Date (final) as specified [in the column "FX Observation Date (final)" in Table [●]] in § 1 of the Product and Underlying Data.

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

**["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 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, or
  - (b) realise, reclaim or pass on proceeds from such transactions or assets,
- under conditions which are economically substantially equivalent to those on the First Trade 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 First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion of the Issuer (§ 315 BGB) are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, 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 Calculation Agent"** means the Index Calculation Agent as specified [in the column "Index Calculation Agent" in Table 2.1] in § 2 of the Product and Underlying Data.

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

- (a) 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;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Underlying is available;
- (c) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];]
- (e) the Underlying is no longer calculated or published in the Underlying Currency.

**"Index Sponsor"** means the Index Sponsor as specified [in the column "Index Sponsor" in Table 2.1] in § 2 of the Product and Underlying Data.]

**"Interest Amount"** means the Interest Amount as specified in § 2 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]* [TARGET] [London] Banking Day prior to the [beginning] [end] of the respective Interest Period. **["[TARGET] [London] Banking Day"** means a day on which [TARGET2 is operational] [on which commercial banks in [London] *[Insert]* are open for business (including dealings in foreign exchange and foreign currency).]

**"Interest End Date"** means the Interest End Date as specified [in the column "Interest End Date" in Table [●]] in § 1 of the Product and Underlying Data *[In the case of Express Barrier Reverse Convertible Securities, the following applies;*, however, at the latest the Early Maturity Date (k) on which the Securities will be automatically early redeemed].

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

**"Interest Payment Date"** means *[Insert date and month]* of each year.]

**["Interest Payment Date"** means [the Interest Payment Date] [each Interest Payment Date] as specified in § 1 of the Product and Underlying Data. Interest Payment Dates are subject to postponements pursuant to the Terms and Conditions of these Securities.]

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

**"Interest Period"** means each period from an Interest Payment Date (including) to the immediately following Interest Payment Date (excluding).]

**["Interest Period"** means the [respective] 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 shall end on the] Interest End Date (excluding).]

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

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

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

*[In the case of Securities with continuous Barrier observation, the following applies:*

**"Last Day of the Barrier Observation Period"** means the Last Day of the Barrier Observation Period as specified [in the column "Last Day of the Barrier Observation Period" in Table [●]] in § 1 of the Product and Underlying Data.]

**["Last Day of the [Best] [Worst]-in Period"** means the Last Day of the [Best] [Worst]-in Period as specified in § 1 of the Product and Underlying Data.]

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

*[In the case of a share or a depository receipt as Underlying, the following applies:*

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of an index as Underlying, the following applies:

- (a) in general the suspension or restriction of trading on the exchanges or the markets on which the securities that form the basis of the Underlying are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the Underlying are listed or traded;
- (b) in relation to individual securities which form the basis of the Underlying, the suspension or restriction of trading on the exchanges or on the markets on which such securities are traded or on the respective futures exchange or the markets on which derivatives of such securities are traded;
- (c) in relation to individual Derivatives of the Underlying, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;
- (d) the suspension of or failure or the non-publication of the calculation of the Underlying as a result of a decision by the Index Sponsor or the Index Calculation Agent;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price, which is relevant for the Securities, and continues at the point of time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of a commodity as Underlying, the following applies:

- (a) the suspension or the restriction of trading or the price determination of the Underlying on the Reference Market or
- (b) the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange

to the extent that such Market Disruption Event is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Reference Market or, as the case may be, the Determining Futures Exchange shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Reference Market or, as the case may be, the Determining Futures Exchange.]

**"Maturity Date"** means the Maturity Date as specified [in the column "Maturity Date" in Table [●]] in § 1 of the Product and Underlying Data.

**["Maximum Interest Rate"** means the Maximum Interest Rate as specified [in the column "Maximum Interest Rate" in Table [●]] in § 1 of the Product and Underlying Data.]

**["Minimum Interest Rate"** means the Minimum Interest Rate as specified [in the column "Minimum Interest Rate" in Table [●]] in § 1 of the Product and Underlying Data.]

**["Negative Spread"** means the Negative Spread 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.

**"Observation Date"** means each of the following Observation Dates:

[In the case of [Express] Barrier Reverse Convertible Securities with date-related Barrier observation, the following applies:

**"Barrier Observation Date"** means each of the Barrier Observation Dates as specified [in the column "Barrier Observation Dates" in Table [●]] in § 1 of the Product and Underlying Data. If a Barrier Observation Date is not a Calculation Date, the

immediately following Banking Day, which is a Calculation Date shall be the respective Barrier Observation Date.]

**"Initial Observation Date"** means [the Initial Observation Date] [each of the Initial Observation Dates] as specified [in the column "Initial Observation Date[s]" in Table [●]] in § 1 of the Product and Underlying Data. If [the] [an] Initial Observation Date is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date shall be the [respective] Initial Observation Date.

**"Final Observation Date"** means [the Final Observation Date] [each of the Final Observation Dates] as specified [in the column "Final Observation Date[s]" in Table [●]] in § 1 of the Product and Underlying Data. If [the] [a] Final Observation Date is not a Calculation Date the immediately following Banking Day which is a Calculation Date shall be the [respective] Final Observation Date. [If the last Final Observation Date is not a Calculation Date, the Maturity Date will be postponed accordingly.] [The Maturity Date will be postponed accordingly.] Interest shall not be payable due to such postponement.

*[In the case of Express Barrier Reverse Convertible Securities, the following applies:]*

**"Observation Date (k)"** means the "Observation Date (k)" as specified [in the column "Observation Date (k)" in Table [●]] in § 1 of the Product and Underlying Data. If an Observation Date (k) is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date shall be the respective Observation Date (k). The respective Early Redemption Date will be postponed accordingly. Interest shall not be payable due to such postponement.]

**"Positive Spread"** means the Positive Spread 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.

*[In the case of Securities with final Reference Price observation, the following applies:]*

**"R (final)"** means the Reference Price on the Final Observation Date.]

*[In the case of Securities with final average observation, the following applies:]*

**"R (final)"** means the equally weighted average of the Reference Prices specified on the Final Observation Dates.]

*[In the case of Securities with [best] [worst]-out observation, the following applies:]*

**"R (final)"** means the [highest] [lowest] Reference Price on [each of the Final Observation Dates] [each [Insert relevant date(s)] between the First Day of the [Best] [Worst]-out Period (including) and the Final Observation Date (including).]]

*[In the case of Securities with initial Reference Price observation, the following applies:]*

**"R (initial)"** means the Reference Price on the Initial Observation Date.]

*[In the case of Securities with initial average observation, the following applies:]*

**"R (initial)"** means the equally weighted average of the Reference Prices specified on the Initial Observation Dates.]

*[In the case of Securities with [best] [worst]-in observation, the following applies:]*

**"R (initial)"** means the [highest] [lowest] Reference Price on [each of the Initial Observation Dates] [each [Insert relevant date(s)] between the Initial Observation Date (including) and the Last Day of the [Best] [Worst]-in Period (including).]]

*[In the case of Securities with physical delivery, the following applies:]*

**"Ratio"** means the Ratio [as specified [in the column "Ratio" in Table [●]] in § 1 of the Product and Underlying Data.] [which is calculated by the Calculation Agent as follows:

Ratio = [Nominal Amount [x FX (final)] / Strike] [Nominal Amount / (Strike [x FX (final)])].

The Ratio shall be rounded up or down to six decimals, with 0.0000005 being rounded upwards.]

["**Record Date**" means the Record Date as specified [in the column "Record Date" in Table [●]] in § 1 of the Product and Underlying Data.]

"**Redemption Amount**" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

["**Reference Banks**" means [[four] *[Insert]* major banks in the [Eurozone] [London] *[Insert]* interbank market, which will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) [five [●] leading swap trader in the interbank market] *[Insert other definition for Reference Banks if applicable].]*

["**Reference Market**" means the Reference Market as specified [in the column "Reference Market" in Table 2.1] in § 2 of the Product and Underlying Data.]

"**Reference Price**" means the Reference Price of the Underlying as specified [in the column "Reference Price" in Table [●]] in § 1 of the Product and Underlying Data.

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

["**Reference Rate Financial Centre**" means the Reference Rate Financial Centre as specified [in the column "Reference Currency" in Table [●]] in § 1 of the Product and Underlying Data.]

"**Reference Currency**" means the Reference Currency as specified [in the column "Reference Currency" in Table [●]] in § 1 of the Product and Underlying Data.]

["**Relevant Exchange**" means the Relevant Exchange [as specified [in the column "Relevant Exchange" in Table 2.1] in § 2 of the Product and Underlying Data] [, on which the components of the Underlying are traded, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such components' liquidity].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation [of the components] of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

*[In the case of floating rate Securities, the following applies:*

"**Screen Page**" means the Screen Page and, if applicable, the respective heading, as specified in § 1 of the Product and Underlying Data. Should this page be replaced or the respective service cease to be available, the Calculation Agent will, in its reasonable discretion (§ 315 BGB), determine another Screen Page displaying the Reference Rate. Such new Screen Page shall be notified pursuant to § 6 of the General Conditions.]

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

["**Settlement Cycle**" means the period of Clearance System Business Days following a transaction on the Relevant Exchange in [the securities that form the basis of] the Underlying, during which period settlement will customarily take place according to the rules of such Relevant Exchange.]

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

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders;
- (b) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant

Exchange could be determined;

- (c) the quotation of the Underlying at the Relevant Exchange no longer occurs in the Underlying Currency;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s].]

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

"**Strike**" means [the Strike as specified [in the column "Strike" in Table [●]] in § 1 of the Product and Underlying Data] [Strike Level x R (initial)].

["**Strike Level**" means the Strike Level as specified [in the column "Strike Level" in Table [●]] 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).

"**Underlying**" means the Underlying as specified [in the column "Underlying" in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the column "Underlying Currency" in Table 2.1] in § 2 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[, Additional Amount]

[(1) *Interest*: The Securities shall bear interest on their [Aggregate Nominal Amount] [Nominal Amount] from the Interest Commencement Date until the Interest End Date at the Interest Rate.]

[(1) *Interest*: The Securities shall bear interest on their [Aggregate Nominal Amount] [Nominal Amount] for [the] [each] Interest Period at the Interest Rate.]

[In the case of fixed rate Securities, the following applies:

(2) *Interest Rate*: "**Interest Rate**" means the Interest Rate [as specified [in the column "Interest Rate" in Table [●]] in § 1 of the Product and Underlying Data.] [which is specified for the respective Interest Period in § 1 of the Product and Underlying Data.]

[In the case of floating rate Securities, the following applies:

(2) *Interest Rate*: "**Interest Rate**" means the Reference Rate for the Designated Maturity as displayed on the respective Interest Determination Date on the Screen Page[, ] [multiplied by the Factor] [[and] [plus] [minus] the [Positive Spread] [Negative Spread]].]

[In the case of Securities with a Maximum Interest Rate, the following applies:

If the Interest Rate calculated for an Interest Period pursuant to the aforementioned provisions is greater than the Maximum Interest Rate, the Interest Rate for this Interest Period shall be the Maximum Interest Rate.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

If the Interest Rate calculated for an Interest Period pursuant to the aforementioned provisions is lower than the Minimum Interest Rate, the Interest Rate for this Interest Period shall be the Minimum Interest Rate.]

- (3) *Interest Amount:* The [respective] "**Interest Amount**" will be calculated by multiplying the product of the Interest Rate and the [Aggregate Nominal Amount] [Nominal Amount] with the Day Count Fraction.

The [respective] Interest Rate will be due for payment on the respective Interest Payment Date pursuant to the provisions of § 6 of the Special Conditions.

- (4) *Day Count Fraction:* "**Day Count Fraction**" is with respect to the calculation of the Interest Amount for an Interest Period:

[In the case of Securities where "30/360", "360/360" or "Bond Basis" pursuant to ISDA 2000 is applicable, the following applies:

the number of days in the Interest Period divided by 360, the number of days to be calculated on the basis of a year with 360 days and with 12 30-day months (unless (A) the last day of the Interest Period is the 31 day of a month and the first day of the Interest Period is a day other than the 30th or the 31th 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 (B) 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 Securities where "30/360", "360/360" or "Bond Basis" pursuant to ISDA 2006 is applicable, the following applies:

the number of days in the Interest Period 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 number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as number, in which the day immediately following the last day of 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 of 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 of 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 Securities where "Act/360" is applicable, the following applies:

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

[In the case of Securities where "Act/Act" (ISDA) is applicable, the following applies:

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

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

- (4) "**Day Count Fraction**" means in respect of the calculation of an Interest Amount for a Calculation Period:

[(i) if the Calculation Period is equal to or shorter than the Interest Period during which it falls:] the number of days in the Calculation Period divided by [the product of (1) the

number of days in the Interest Period [and (2) the number of Interest Periods normally ending in any year]].]

- [[ii) if the Calculation Period is longer than one Interest Period:] the sum of
  - (A) the number of days in such Calculation Period falling in the Interest Period in which it 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 any year], and
  - (B) the number of days in such Calculation 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 ending in any year]].]

[In the case of floating rate Securities with EURIBOR as Reference Rate, the following applies:

- (5) *Reference Rate:* "**Reference Rate**" means the offer rate (expressed as per cent. per annum) for deposits in Euros for the respective Designated Maturity which appears on the Screen Page as of 11:00 a.m., Brussels time, on the respective Interest Determination Date.

If the Screen Page is not available at the mentioned time, or if such offer rate does not appear on the Screen Page, the Calculation Agent will request each of the Reference Banks to provide its rate at which deposits in Euros are offered at approximately 11:00 a.m., Brussels time, on the respective Interest Determination Date to prime banks in the Eurozone interbank market for the respective Designated Maturity in a representative amount.

If at least two of the Reference Banks provide the Calculation Agent with such quotations, the Reference Rate will be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such quotations.

If on an Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such quotations, the respective Reference Rate will be the arithmetic mean (rounded as described above) of the rates quoted by major banks in the Eurozone, determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), at approximately 11:00 a.m., Brussels time, on that Interest Determination Date for loans in Euro to leading European banks for the respective Designated Maturity and in a representative amount.]

[In the case of floating rate Securities with LIBOR as Reference Rate, the following applies:

- (5) *Reference Rate:* "**Reference Rate**" means the offer rate (expressed as per cent. per annum) for deposits in the Reference Currency for the respective Designated Maturity which appears on the Screen Page as of 11:00 a.m., London time, on the respective Interest Determination Date.

If the Screen Page is not available at the mentioned time, or if such offer rate does not appear on the Screen Page, the Calculation Agent will request the principal London offices of each Reference Banks to provide its rate at which deposits in the Reference Currency are offered at approximately 11:00 a.m., London time, on the respective Interest Determination Date to prime banks in the London interbank market for the respective Designated Maturity in a representative amount.

If at least two of the Reference Banks provide the Calculation Agent with such quotations, the Reference Rate will be the arithmetic mean (rounded if necessary to the nearest hundred thousandth of a percentage point, with 0.000005 being rounded upwards) of such quotations.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such quotations, the respective Reference Rate will be the arithmetic mean (rounded as described above) of the rates quoted by major banks in the Reference Rate Financial Centre, determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), at approximately 11:00 a.m., local time at the Reference Rate Financial Centre, on that Interest Determination Date for loans in the Reference Currency to leading European banks for the respective Designated Maturity and in a representative amount.]

- [(6) *Notice:* The Calculation Agent will make all specifications and calculations, for which are provided in this § 2, and will notify the Issuer without undue delay, who will notify the

Security Holders and any exchange, on which the Securities are listed and whose provisions require a notification to the exchange, for the respective Interest Period pursuant to § 6 of the General Conditions of the Securities.]]

[[ (1) *Interest:* The Securities do not bear interest.

[In the case of Securities with an unconditional Additional Amount, the following applies:

(2) *Additional Amount:* The respective Additional Amount (1) will be paid on the respective Additional Amount Payment Date (1) pursuant to the provisions of § 6 of the Special Conditions.]]

### § 3

#### **Redemption[, Automatic Early Redemption]**

[In the case of Securities with cash settlement, the following applies:

(1) *Redemption:* The Securities shall be redeemed by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.]

[In the case of Reverse Convertible Securities with physical delivery, the following applies:

*Redemption:* The Securities shall be redeemed either

- (i) if R (final) is equal to or greater than the Strike, by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if R (final) is lower than the Strike, by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency will be paid in the amount of the value of the non-deliverable fraction of the Underlying (the "**Supplemental Cash Amount**") which is calculated from the Reference Price on the Final Observation Date multiplied by the non-deliverable fraction of the Underlying [and divided by FX (final)] [and multiplied by FX (final)].]

[In the case of Barrier Reverse Convertible Securities with physical delivery, the following applies:

*Redemption:* The Securities shall be redeemed either

- (i) if no Barrier Event has occurred or if a Barrier Event has occurred and R (final) is equal to or greater than the Strike by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if a Barrier Event has occurred and if R (final) is lower than the Strike by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency will be paid in the amount of the value of the non-deliverable fraction of the Underlying (the "**Supplemental Cash Amount**") which is calculated from the Reference Price on the Final Observation Date multiplied by the non-deliverable fraction of the Underlying [and divided by FX (final)] [and multiplied by FX (final)].]

[In the case of Express Barrier Reverse Convertible Securities with physical delivery, the following applies:

(1) *Redemption:* The Securities shall be redeemed either

- (i) if no Barrier Event has occurred or if a Barrier Event has occurred and R (final) is equal to or greater than the Strike by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if a Barrier Event has occurred and if R (final) is lower than the Strike by delivery of the Underlying in a quantity expressed by the Ratio per Security. If the Ratio leads to a non-deliverable fraction of the Underlying, a cash amount expressed in the Specified Currency will be paid in the amount of the value of the non-deliverable fraction of the

Underlying (the "**Supplemental Cash Amount**") which is calculated from the Reference Price on the Final Observation Date multiplied by the non-deliverable fraction of the Underlying [and divided by FX (final)] [and multiplied by FX (final)].

[In the case of Express Barrier Reverse Convertible Securities, the following applies:

- (2) *Automatic early redemption:* If an Early Redemption Event has occurred [and no Barrier Event] the Securities will be automatically early redeemed on the immediately following Early Maturity Date (k) by payment of the respective Early Redemption Amount (k) on the respective Early Maturity Date (k) pursuant to the provisions of § 6 of the Special Conditions.]

#### § 4

#### **Redemption Amount[, Early Redemption Amount]**

- [(1) *Redemption Amount:* The "**Redemption Amount**" corresponds to an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:

#### **[Product Type 10: Reverse Convertible Securities**

[In the case of Reverse Convertible Securities with cash settlement, the following applies:

- If R (final) is equal to or greater than the Strike, the Redemption Amount corresponds to the Nominal Amount.
- If R (final) is lower than the Strike, the Redemption Amount is specified according to the following formula:

$$\text{Redemption Amount} = \text{Nominal Amount} \times R (\text{final}) / \text{Strike}]$$

[In the case of Reverse Convertible Securities with physical delivery, the following applies:

The Redemption Amount corresponds to the Nominal Amount.]]

#### **[Product Type 11: Barrier Reverse Convertible Securities**

[In the case of Barrier Reverse Convertible Securities with cash settlement, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Nominal Amount.
- If a Barrier Event has occurred, the Redemption Amount is specified according to the following formula:

$$\text{Redemption Amount} = \text{Nominal Amount} \times R (\text{final}) / \text{Strike}$$

However, the Redemption Amount is not greater than the Nominal Amount.]

[In the case of Barrier Reverse Convertible Securities with physical delivery, the following applies:

The Redemption Amount corresponds to the Nominal Amount.]]

#### **[Product Type 12: Express Barrier Reverse Convertible Securities**

[In the case of Express Barrier Reverse Convertible Securities with cash settlement, the following applies:

- If no Barrier Event has occurred the Redemption Amount corresponds to the Nominal Amount.
- If a Barrier Event has occurred, the Redemption Amount is specified according to the following formula:

$$\text{Redemption Amount} = \text{Nominal Amount} \times R (\text{final}) / \text{Strike}$$

However, the Redemption Amount is not greater than the Nominal Amount.]

[In the case of Express Barrier Reverse Convertible Securities with physical delivery, the following applies:

The Redemption Amount corresponds to the Nominal Amount.]

- (2) *Early Redemption Amount:* The Early Redemption Amount (k) corresponds to the Nominal Amount.]]

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

**§ 5**

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

[In the case of Closed End Securities, the following applies:]

- (1) *Redemption Right of the Security Holders:* Each Security Holder may demand redemption of the Securities pursuant to the provisions of § 4 (1) of the Special Conditions 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**") at the last Banking Day of the month of [Insert month(s)] of each year starting on the First Redemption Date until the Maturity Date (excluding) (each such date a "**Redemption Date**").

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.

- (2) *Issuer's Regular Call Right:* The Issuer may at the last Banking Day of the month of [Insert month(s)] of each year starting on the First Call Date until the Maturity Date (excluding) (each such date a "**Call Date**") call the Securities completely but not partially (the "**Regular Call Right**") and redeem them pursuant to § 4 (1) of the Special Conditions.

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 last Redemption Date immediately preceding the Call Date.]

[In the case of Securities with Issuer's Extraordinary Call Right, the following applies:]

- [(3)] *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. 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 reasonable market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days before the extraordinary call becomes effective.

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 § 6 of the Special Conditions.]

[In the case of Securities with Issuer's Extraordinary Call Right, the following applies:

**(intentionally omitted)]**

**§ 6**

**Payments[, Deliveries]**

[In the case of Securities where the Specified Currency is the Euro, the following applies:

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

[In the case of Securities where the Specified Currency is not Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be 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 physical delivery, the following applies:

- (5) *Delivery:* The Delivery of the Underlying and the payment of a Supplemental Cash Amount shall be made within five Banking Days after the Maturity Date (the "**Delivery Period**") to the Clearing System for credit to the accounts of the relevant depository banks of the Security Holders. All costs, incl. possible custody fees, exchange turnover taxes, stamp taxes, transaction fees, other taxes or levies (together the "**Delivery Costs**"), incurred as a result of the delivery of the Underlying, shall be borne by the respective Security Holder. Subject to the provisions of these Terms and Conditions, the Underlying shall be delivered at the Security Holder's own risk. If the Maturity Date of a delivery or payment is not a Banking Day, such delivery or payment shall be made on the next following Banking Day. Such delay will not constitute any entitlement to interest or other payments. The Issuer shall not be obliged to forward to the Security Holders any notifications or documents of the issuer of the Underlying that were provided to the Issuer prior to such delivery of the Underlying, even if such notifications or other documents refer to events that occurred after delivery of the Underlying. During the Delivery Period the Issuer shall not be obliged to exercise any rights under the Underlying. The Issuer shall be entitled to claim in an Underlying that exist prior to or on the Maturity Date, provided that the day, on which the Underlying is traded for the first time on the Relevant Exchange "ex" of such claim, falls on or prior to such Maturity Date.
- (6) *Transaction Disturbance:* If, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, an event outside of the Issuer's control, which results in the Issuer not being able to deliver the Underlying pursuant to the Terms and Conditions of these Securities (a "**Transaction Disturbance**") and this Transaction Disturbance has occurred prior to delivery of the Underlying and continues to exist on the Maturity Date, then the first day of the Delivery Period shall be postponed to the next Banking Day, on which no Transaction Disturbance exists. The Security Holders shall be notified accordingly pursuant to § 6 of the General Conditions. The Security Holders shall not be entitled to interest payment or other

amounts, if a delay in the delivery of the Underlying occurs in accordance with this paragraph. The Issuer shall not be liable in this respect. In the event of a Transaction Disturbance, the Securities may, in the reasonable discretion (§ 315 BGB) of the Issuer and the Calculation Agent be redeemed at the Cash Value of the Redemption Price. The "**Cash Value of the Redemption Price**" is an amount determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) on the basis of the stock exchange or market price of the Underlying on the Final Observation Date or, should such stock exchange or market prices not be available, the volume weighted average of the stock exchange or market prices in a representative period or, should such volume weighted average not be available, an amount determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

[In the case of interest bearing Securities with a temporary Global Note, which are exchanged by a permanent Global Note, the following applies:

([5][7]) Payments of interest on the Securities represented by a Temporary Global Note shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruptions

(1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

[If a Market Disruption Event occurs on a FX Observation Date, the respective FX Observation 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 Observation Date [or FX Observation Date, as the case may be] 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 [Insert number of Banking Days] consecutive Banking Days the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Reference Price required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of following Banking Day] Banking Day, taking into account the economic position of the Security Holders.

If within these [Insert number of Banking Days] Banking Days traded Derivatives of the Underlying expire and are settled on the Determining Futures Exchange, the settlement price established by the Determining Futures Exchange for the there traded Derivatives will be taken into account in order to conduct the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. In that case, the expiration date for those Derivatives is the respective Observation Date.

Should the FX Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective FX. The FX required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of following Banking Day] Banking Day, taking into account the economic position of the Security Holders.]

[In the case of Closed End Securities linked to an index as Underlying, for which “Distributing Index” is specified in the column “Index Type” of the relevant table in § 2 of Part B – Product and Underlying Data, the following applies:

- (3) *Dividend Market Disruption:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Dividend Market Disruption Event occurs on a Dividend Observation Date, the respective Dividend Observation Date will be postponed to the next following Calculation Date on which the Dividend Market Disruption Event no longer exists.

Should the Dividend Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Theoretical Cash Component for the respective Dividend Observation Date. The Theoretical Cash Component required for the calculation of the Dividend Amount shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of following Banking Day] Banking Day, taking into account the economic position of the Security Holders.

Any Payment Date relating to such Dividend Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of a share or a depository receipt as Underlying, the following applies:

## § 8

### Adjustments, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities (in particular the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Calculation Agent) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions of these Securities in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. Any adjustment will be performed taking into consideration any adjustments made by the Determining Futures Exchange to the there traded Derivatives linked to the Underlying, and the remaining term of the Securities as well as the latest available price of the Underlying. If the Calculation Agent determines that, pursuant to the rules of the Determining Futures Exchange, no adjustments were made to the Derivatives linked to the Underlying, the Terms and Conditions of these Securities regularly remain unchanged. The exercised adjustments and the date of the first application shall be notified pursuant to § 6 of the General Conditions.
- (2) *Replacement Specification:* If a price of the Underlying published by the Relevant Exchange pursuant to the Terms and Conditions of these Securities will subsequently be corrected and the correction (the "**Corrected Value**") will be published by the Relevant Exchange after the original publication, but still within one Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall again specify and publish the respective value by using the Corrected Value (the "**Replacement Specification**") pursuant to § 6 of the General Conditions.]

[In the case of an index as Underlying, the following applies:

## § 8

### Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification

- (1) *Index Concept:* The basis for the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall be the Underlying with its provisions currently applicable, as developed and maintained by the Index Sponsor, as well as the respective method of calculation, determination, and publication of the price of the Underlying (the "**Index Concept**") applied by the Index Sponsor. This shall also apply 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 below provisions.

- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities (in particular the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Calculation Agent) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions of these Securities in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. Any adjustment will be performed taking into consideration any adjustments made by the Determining Futures Exchange to the there traded Derivatives linked to the Underlying, and the remaining term of the Securities as well as the latest available price of the Underlying. If the Calculation Agent determines that, pursuant to the rules of the Determining Futures Exchange, no adjustments were made to the Derivatives linked to the Underlying, the Terms and Conditions of these Securities regularly remain unchanged. The exercised adjustments and the date of the first application shall be notified according to § 6 of the General Conditions.
- (3) *Replacement Underlying:* In cases of an Index Replacement Event or a License Termination Event, the adjustment pursuant to paragraph (2) is usually made by the Calculation Agent in its reasonable discretion (§ 315 BGB) determining, which index should be used in the future as Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to the Terms and Conditions of these Securities (in particular to the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to the Terms and Conditions of these Securities in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made as well as the time of its first application will be published in accordance with § 6 of the General Conditions. From the first application of the Replacement Underlying on, any reference to the replaced Underlying in the Terms and Conditions of these Securities shall be deemed to refer to the Replacement Underlying.
- (4) *New Index Sponsor and New Index Calculation Agent:* If the Underlying is no longer determined by the Index Sponsor but rather by another person, company or institution (the "**New Index Sponsor**"), then all calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the replaced Index Sponsor in the Terms and Conditions of these Securities shall be deemed to refer to the New Index Sponsor. If the Underlying is no longer calculated by the Index Calculation Agent but rather by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the replaced Index Calculation Agent in the Terms and Conditions of these Securities shall be deemed to refer to the New Index Calculation Agent.
- (5) *Replacement Specification:* If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to the Terms and Conditions of these Securities will subsequently be corrected and the correction (the "**Corrected Value**") will be published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication, but still within one Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall again specify and publish pursuant to § 6 of the General Conditions the relevant value by using the Corrected Value (the "**Replacement Specification**").]

[In the case of a commodity as Underlying, the following applies:

§ 8

**Relevant Trading Conditions, Adjustments, Replacement Reference Market**

- (1) *Relevant Trading Conditions:* The basis for the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall be the Underlying taking in consideration
  - (a) the method of price determination,
  - (b) the trading conditions (in particular in terms of the quality, the quantity and the currency of trading) and
  - (c) other value determining factors,applicable on the Reference Market in respect of the Underlying (together the "**Relevant Trading Conditions**"), unless otherwise provided in below provisions.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities (in particular the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Calculation Agent) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions of these Securities in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. Any adjustment will be performed taking into consideration any adjustments made by the Determining Futures Exchange to the there traded Derivatives linked to the Underlying, and the remaining term of the Securities as well as the latest available price of the Underlying. If the Calculation Agent determines that, pursuant to the rules of the Determining Futures Exchange, no adjustments were made to the Derivatives linked to the Underlying, the Terms and Conditions of these Securities regularly remain unchanged. The exercised adjustments and the date of the first application shall be notified according to § 6 of the General Conditions.
- (3) *Replacement Reference Market:* In the event of
  - (a) a final discontinuation of the trading in the Underlying at the Reference Market,
  - (b) a material change of the market conditions at the Reference Market or
  - (c) a material limitation of the liquidity of the Underlying at the Reference Market,with the trading in the same commodity being continued on another market without restrictions, the Calculation Agent in its reasonable discretion (§ 315 BGB) shall determine that such other market will be used in the future as Reference Market (the "**Replacement Reference Market**"). If necessary, the Calculation Agent will make further adjustments to the Terms and Conditions of these Securities (in particular to the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to the Terms and Conditions of these Securities in order to account for any difference in the method of price determination and the trading conditions applicable to the Underlying on the Replacement Reference Market (in particular in terms of the quality, the quantity and the currency of trading) (together the "**New Relevant Trading Conditions**"), as compared to the original Relevant Trading Conditions. The Replacement Reference Market and the performed adjustments and the time that it is first applied will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Reference Market, any reference to the replaced Reference Market in the Terms and Conditions of these Securities shall be deemed to refer to the Replacement Reference Market.]

[In the case of Quanto Securities with physical delivery and in the case of Compo Securities, the following applies:

§ 9

**New Fixing Sponsor, Replacement Exchange Rate**

- (1) *New Fixing Sponsor:* In the event that the FX Exchange Rate is no longer determined and published by the Fixing Sponsor, the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall occur on the basis of the determinations and publications by another person, company or institution which shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (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 in the Terms and Conditions of these Securities shall be deemed to refer to the New Fixing Sponsor.
- (2) *Replacement Exchange Rate:* In the event that the FX Exchange Rate 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 a FX exchange rate 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 in the Terms and Conditions of these Securities shall be deemed to refer to the Replacement Exchange Rate.]

**DESCRIPTION OF INDICES COMPOSED BY THE ISSUER OR BY ANY LEGAL ENTITY BELONGING TO THE SAME GROUP**

The description of indices composed by the Issuer or by any legal entity belonging to the same group included in the base prospectus of UniCredit Bank AG dated 21 February 2014 for the issuance of Worst-of Bonus Securities, Worst-of Express Securities and Worst-of Express Cash Collect Securities is hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 190 et seq.

## FORM OF WAIVER NOTICE

The form of Waiver Notice is applicable for Securities which shall be admitted to trading on an Italian regulated or unregulated market:

### FORM OF WAIVER OF EXERCISE

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(Name of Securities and ISIN)

To: **UniCredit Bank AG**

Facsimile: + 39 02 49535357

Failure properly to complete this waiver of exercise or to submit a substantially similar form of waiver of exercise shall result in the waiver of exercise being treated as null and void.

#### PLEASE USE BLOCK CAPITALS

##### 1. Details of Holder(s) of the Securities

Name:

Address:

Facsimile:

Telephone:

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##### 2. Details of Tranche of Securities

The Tranche of Securities to which this waiver of exercise relates:

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##### 3. Waiver of Automatic Exercise

I/We, being the holder of the Securities referred to below forming part of the above Tranche of Securities, hereby waive the automatic exercise of such Securities in accordance with the Conditions thereof.

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##### 4. Number of Securities

The number of Securities is as follows:

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##### 5. Dated

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##### 6. Signed

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## FORM OF FINAL TERMS

### Final Terms

dated [●]

UniCredit Bank AG

Issue of [*Insert title of the Securities*]

(the "**Securities**")

under the

**Euro 50,000,000,000**

**Debt Issuance Programme of**  
**UniCredit Bank AG**

*These final terms (the "**Final Terms**") have been prepared for the purposes of Article 5 para. 4 of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**") in connection with Section 6 para. 3 of the German Securities Prospectus Act, as amended (Wertpapierprospektgesetz, the "**WpPG**"). In order to get the full information the Final Terms are to be read together with the information contained in (a) the base prospectus of UniCredit Bank AG (the "**Issuer**") dated 12 August 2014 for the issuance of Securities with single-underlying (without capital protection) (the "**Base Prospectus**"), (b) any supplements to this Base Prospectus according to Section 16 WpPG (the "**Supplements**") and (c) the registration document of the Issuer dated 25 April 2014 (the "**Registration Document**"), whose information is incorporated herein by reference.*

*The Base Prospectus, any Supplements and these Final Terms are available on [*Insert website[s]*] or any successor website thereof in accordance with Section 14 WpPG.*

*[In case of Securities offered or admitted to trading for the first time before the date of the Base Prospectus (including the increase of these Securities) 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 [29 August 2013 for the issuance of Reverse Convertible Securities and Express Securities], as amended by the Supplement dated 1 October 2013]] [26 November 2013 for the issuance of Discount Securities, Bonus Securities and Closed End Securities] which are incorporated by reference into the Base Prospectus.]*

*An issue specific summary is annexed to these Final Terms.*

## SECTION A – GENERAL INFORMATION

### Issue date and issue price:

[*Insert issue date*]<sup>6</sup>

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

[*Insert issue price*]<sup>7</sup>

[The issue price per Security is specified in § 1 of the Product and Underlying Data.]

[The issue price per Security will be specified on [*Insert date*]. 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

<sup>6</sup> In the case of multi series issuances the issue dates of each series may be included in tabular form.

<sup>7</sup> In the case of multi series issuances the issue prices of each series may be included in tabular form.

will be traded] [on [*Insert website*] (or any successor website)] after its specification.]

**Selling concession:**

[Not applicable] [*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:**

[Discount Securities]

[Bonus Securities]

[Bonus Cap Securities]

[Reverse Bonus Cap Securities]

[Top Securities]

[Closed End Securities]

[Express Securities]

[Express Plus Securities]

[Express Securities with Additional Amount]

[Reverse Convertible Securities]

[Barrier Reverse Convertible Securities]

[Express Barrier Reverse Convertible 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)*].]

[In the case of Securities that are listed with [*Insert relevant regulated or unregulated 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 unregulated 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 unregulated 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 equivalent markets*]]

[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.]

**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 France, Italy, Luxembourg and the Czech Republic 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 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 [France][,] [and] [Italy][,] [and] [Luxembourg] [,] [and] [Czech Republic].]

[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 an organised market.]

[Application to listing [has been] [will be] made as of *[Insert expected date]* on the following markets: *[Insert relevant market(s)]*.]

### **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]*] [for a period of twelve (12) months after *[Insert the date on which the Final Terms have been filed with the BaFin]*] [during the period the Base Prospectus is valid pursuant to Section 9 WpPG]]. General consent for the subsequent resale or final placement of Securities by the financial intermediary[y][ies] is given in relation to [France][,] [and] [Italy][,] [and] [Luxembourg][,] [and] [the Czech Republic].]

*[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 intermediary[y][ies] is given in relation to [France][,] [and] [Italy][,] [and] [Luxembourg][,] [and] [the Czech Republic] 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.]

Besides, the consent is not subject to any other conditions.]

[Not applicable. No consent is given.]

### **US Selling Restrictions:**

[TEFRA C]

[TEFRA D]

[Neither TEFRA C nor TEFRA D]<sup>8</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 (an) unregulated market(s)]; [moreover] [[T][t]he [Insert relevant regulated or (an) unregulated 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.]

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<sup>8</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).

**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]  
[certificates]

Global Note: [The Securities are represented by a permanent global note without interest coupons]  
[The Securities are initially represented by a temporary global note without interest coupons which will be exchangeable for a permanent global note without interest coupons]

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]*

French Paying Agent: [applicable] [not applicable]

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

Custody: [CBF]  
[CBL and Euroclear Bank]  
[Euroclear France]  
*[Other]*

**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

## TAXATION

The Issuer does not assume any responsibility for the withholding of taxes at the source.

### Germany

*This Base Prospectus contains a general discussion of certain German tax consequences of the acquisition, the holding and the sale, as well as the assignment or redemption of Securities. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

*With regard to certain types of Securities, neither official statements of the tax authorities nor court decisions exist, and it is not clear how these Securities will be treated. Furthermore, there is often no consistent view in legal literature about the tax treatment of instruments like the Securities, and it is neither intended nor possible to mention all different views in the following section. Where reference is made to statements of the tax authorities, it should be noted that the tax authorities may change their view even with retroactive effect and that the tax courts are not bound by circulars of the tax authorities and, therefore, may take a different view. Even if court decisions exist with regard to certain types of securities, it is not certain that the same reasoning will apply to the Securities due to certain peculiarities of such Securities. Furthermore, the tax authorities may restrict the application of judgements of tax courts to the individual case with regard to which the judgement was rendered.*

*Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the acquisition, holding and the sale, as well as the assignment or redemption of Securities, also regarding the effect of any state or local taxes, under the tax laws of Germany and each country of which they are tax residents. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective Security Holders.*

### German Tax Residents

#### Private Investors

#### Interest Income and Capital Gains

Interest payable on the Securities to persons tax resident in Germany (i.e. persons whose residence or habitual abode is located in Germany) and holding the Securities as private assets ("**Private Investors**") should qualify as income from capital investments (*Einkünfte aus Kapitalvermögen*) according to Sec. 20 para. 1 German Income Tax Act (*Einkommensteuergesetz*) and should, in general, be taxed at a separate tax rate of 25 % (*Kapitalertragsteuer*), in the following also referred to as "**Withholding Tax**") plus 5.5 % (total of 26.375 %). solidarity surcharge thereon and, if applicable, church tax. Capital gains from the sale, assignment or redemption of the Securities, including interest having accrued up to the disposition of a Security and credited separately ("**Accrued Interest**", *Stückzinsen*, if any) should qualify – irrespective of any holding period – as income from capital investment pursuant to Sec. 20 para. 2 German Income Tax Act and should also be taxed with Withholding Tax (26.375 %, incl. solidarity surcharge thereon) and, if applicable, church tax. If the Securities are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than being sold, such transaction is generally treated like a sale and having the same tax consequences. In order to determine the capital gains or capital losses, respectively, from such assignment, redemption, repayment or contribution the following tax consequences outlined for capital gains from the sale apply accordingly.

Capital gains are determined by the differential amount between the sale price (after the deduction of expenses directly and functionally related to the sale) and the acquisition costs of the Securities. In case the Securities are issued in a currency other than Euro the sale price and the acquisition costs have to be converted into Euro on basis of the foreign exchange rates prevailing on the acquisition date and the sale date, respectively.

Except for expenses directly and functionally related to the sale, expenses related to interest payments or capital gains under the Securities (other than such expenses directly and functionally related to the sale) are not deductible except for a standard lump sum (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples or registered civil partnerships (*eingetragene Lebenspartnerschaft*) filing jointly).

Due to the Withholding Tax regime losses from the sale of the Securities can only be set-off against other income from capital investments including capital gains. If a set-off is not possible in the assessment period in which the losses have been realised, such losses can only be carried forward into future assessment periods and can be set-off against income from capital investments including capital gains generated in these future assessment periods.

Furthermore, the German Federal Ministry of Finance (*Bundesfinanzministerium*) takes the view in its decree dated 9 October 2012 (IV C 1 – S 2252/10/10013 BStBl. I 2012 p. 953, hereinafter referred to as "**Decree**") that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, not be treated as a sale to the extent it is not considered a hidden contribution in a corporation. As a result losses suffered from such bad debt loss or waiver are not deductible for tax purposes. In this regard, it is not certain whether the position of the tax authorities may affect securities (*Wertpapiere*) which are linked to a reference value in case such value decreases. In addition, the Decree does not assume a sale (or similar transaction in case no payment occurs at final maturity) on capital claims with several payment dates, if on maturity or, due to the fact that a certain range is exceeded, no payment is made.

Furthermore, restrictions with respect to the claiming of losses may also apply if certain types of Securities would have to be qualified as derivative transactions and expire worthless. Moreover, according to the Decree the German Federal Ministry of Finance takes the view that a disposal (*Veräußerung*) (and, as a consequence, a tax loss resulting from such disposal) shall not be recognized if the sale price does not exceed the actual transaction cost.

#### Withholding Tax

If the Securities are held in custody with or administrated by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank (the "**Disbursing Agent**"), the Withholding Tax at a rate of 26.375 % (incl. 5.5 % solidarity surcharge thereon and, if applicable, church tax) will be withheld by the Disbursing Agent on interest payments and the excess of the proceeds from the sale (after the deduction of expenses incurred directly and functionally in connection with the sale) over the acquisition costs for the Securities.

To the extent the investor is subject to church tax, such church tax is levied as surcharge on the Withholding Tax. In this connection Withholding Tax reduces of 25% of the church tax applicable on the taxable income on capital investments. Until 2014 the Disbursing Agent only deducts church tax upon written application of the investor. If the investor does not apply for such church tax deduction, he is assessed with his income on capital investments in order to be able to levy church tax. Starting 2015 the deduction of church tax generally will happen on basis of an annual automatic data exchange of the religious confession between the banks and the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) (initial data exchange in 2014), i.e. without application of the taxpayer. Investors subject to church tax do have the possibility to object such data exchange on the religious confession by official form directed to the German Federal Central Tax Office (declaration on restricting note – "*Erklärung zum Sperrvermerk*"). In the latter case church tax will be levied by way of assessment.

In general, no Withholding Tax will be levied if the Security Holder filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of EUR 801 (EUR 1,602 for married couples and registered civil partnerships filing jointly)) to the extent the income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no Withholding Tax will be deducted if the Security Holder submitted a valid certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office to the Disbursing Agent.

The Issuer is, in general, not obliged to levy German withholding tax in respect of payment on the Securities.

The Disbursing Agent will provide for the set-off of losses with current income from capital investments including capital gains from other securities. If a set-off is not possible due to the absence of sufficient current income from capital investments derived through the same Disbursing Agent the Security Holder may file an application with the Disbursing Agent until 15 December of the current fiscal year for a certification of losses in order to set-off such losses with income from capital investments derived through other institutions in the holder's personal income tax return, instead of having a loss carried forward into the following year. If custody has changed since the acquisition and the data relating to the acquisition is not proved as required by Sec. 43a para. 2 German Income Tax Act or not relevant, the Withholding Tax rate of 25 % (plus 5.5 % solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30 % of the proceeds from the sale of the Securities. In the course of the tax withholding provided for by the Disbursing Agent foreign taxes may be credited in accordance with the German Income Tax Act. Taxes withheld on the basis of the EU Savings Directive (for further details see below "EU Savings Directive") may be credited in the course of the tax assessment procedure.

For Private Investors the Withholding Tax withheld and paid to the tax office is, in general, definitive. Exceptions apply if and to the extent the actual income from capital investments exceeds the amount determined as the basis for the withholding of the Withholding Tax by the Disbursing Agent. In such a case, the exceeding amount of income from capital investments must be included in the Private Investor's income tax return and will be subject to the Withholding Tax in the course of the assessment procedure. According to the Decree of the German Federal Ministry of Finance, however, any exceeding amount of not more than EUR 500 per assessment period will not be subject to assessment due to equity reasons, provided that no further reasons for an assessment according to Sec. 32d para. 3 German Income Tax Act exist. Furthermore, Private Investors may request that their total income from capital investments becomes subject to taxation at their personal progressive tax rate together with their other income rather than the Withholding Tax rate, if this results in a lower tax liability. In order to prove such income from capital investments and the withheld Withholding Tax thereon the Private Investor may request a respective certificate in officially required form from the Disbursing Agent.

Investment income not having been subject to the withholding of the Withholding Tax (e.g. since there is no Disbursing Agent) must be included into the personal income tax return and will be subject to the Withholding Tax rate of 25 % (plus 5.5 % solidarity surcharge thereon and, if applicable, church tax), unless the investor requests the income from capital investments to be subject to taxation at the lower personal, progressive income tax rate.

In the course of the assessment procedure withholding tax in accordance with the German Interest Information Regulation (*Zinsinformationsverordnung*) levied on the basis of the EU Savings Directive (for further details see below "EU Savings Directive") and foreign taxes on investment income may be credited to the income tax in accordance with the German Income Tax Act.

#### *Investors holding the Securities as business assets ("Business Investors")*

Interest and capital gains, including Accrued Interest, if any, from the sale, assignment or redemption of the Securities payable under the Securities to persons tax resident in Germany (i.e. Business Investors whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) holding the Securities as business assets ("**Business investors**") are subject to income tax at the applicable personal progressive income tax rate or, in case of corporate entities, to corporate income tax at a uniform tax rate of 15 %. (in each case plus solidarity surcharge at a rate of 5.5 % on the tax payable; and plus church tax, if applicable, in case payments of interest on the Securities to Business Investors are subject to income tax). Such interest payments and capital gains may also be subject to trade tax if the Securities form part of the property of a German trade or business. Losses from the sale, assignment or redemption of the Securities are generally recognized for tax purposes; this may be different if certain (e.g. index linked) Securities would have to be qualified as derivative transactions.

Domestic withholding tax including solidarity surcharge thereon, if any, is credited upon presentation of the respective tax statement as a prepayment against the Business Investor's corporate or personal

income tax liability and solidarity surcharge in the course of the tax assessment procedure, i.e. the withholding tax is not definitive. Any potential surplus will be refunded. However, in general and subject to further requirements no withholding deduction will apply on capital gains from the sale of the Securities and certain other income if (i) the Securities are held by a corporation, association or estate in terms of Sec. 43 para. 2 sentence 3 no. 1 German Income Tax Act or (ii) the proceeds from the Securities qualify as income of a domestic business and the investor notifies the Disbursing Agent by use of the required official form according to Sec. 43 para. 2 sentence 3 no. 2 German Income Tax Act (*Erklärung zur Freistellung vom Kapitalertragsteuerabzug*).

Withholding tax levied on the basis of the EU Savings Directive (for further details see below "EU Savings Directive") may be credited in accordance with the German Interest Information Regulation and foreign taxes may be credited in accordance with the German Income Tax Act. Alternatively, foreign taxes may also be deducted from the tax base for German income tax purposes.

### ***Non-tax residents***

In case of non-tax residents (i.e., persons who are not tax resident in Germany), interest payable on the Securities and capital gains, including Accrued Interest, if any, are, in general, only subject to German taxation, if (i) the Securities form part of the business assets of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Security Holder; or (ii) the interest income otherwise constitutes limited liable income from a German source or (iii) certain formal requirements are not fulfilled. In the cases (i), (ii) and (iii) a tax regime similar to that explained above under "Tax Residents" applies.

Subject to certain exceptions, non-residents of Germany are exempt from German Withholding Tax and solidarity surcharge thereon, even if the Securities are held in custody with a Disbursing Agent. However, in case the income from capital investments is subject to German taxation as set forth in the preceding paragraph and Securities are held in a custodial account with a Disbursing Agent Withholding Tax is levied as explained above under "Tax Residents".

The withholding tax may be refunded or reduced based on an applicable tax treaty or German national tax law.

### ***German Investment Tax Act***

The German AIFM-Steueranpassungsgesetz came into force on 23 December 2013. It serves the purpose of adjusting the German Investment tax Act to the Capital Investment Code (*Kapitalanlagegesetzbuch*) which has been adopted in order to transpose the AIFM Directive into German law. However, please note that the German Investment Tax Act now contains a separate definition of investment fund and investment company (*Investitionsgesellschaft*). If the Securities would fall within this definition, different tax consequences than the ones described above may arise.

### ***Inheritance and Gift Tax***

In case of a gratuitous, inheritance or gift taxes with respect to a Security will arise under the laws of Germany, if, in the case of inheritance tax, the decedent or the beneficiary, or, in the case of gift tax, the donor or the donee, is a tax resident of Germany or such Security is attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Special rules apply to certain German expatriates. With decision dated 27 September 2012 the German Federal Financial Court (*Bundesfinanzhof*) requested from the German Federal Constitutional Court (*Bundesverfassungsgericht*) (File Number 1 BvL 21/12) a decision whether the German Inheritance and Gift Tax is in accordance with the German Constitution. Based on this, the tax authorities decided to only preliminarily assess inheritance and gift taxes until a final decision is made by the German Federal Constitutional Court.

### ***Other Taxes***

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery, execution or conversion of the Securities. Currently, net assets tax is not levied in Germany. On European level there are plans on introduction a European financial transaction tax in certain member states of the European Union. It is expected that Germany will be among them.

According to the current discussion, such financial transaction tax would be levied on the acquisition and transfer of the Securities.

### ***Adoption of the EU directive on taxation of savings income***

Council's Directive 2003/48/EC (for further details see part "EU Savings Directive" hereinafter) has been adopted into national law in Germany in 2004 by the Interest Information Regulation (*Zinsinformationsverordnung*). Since 1 January 2005 Germany reports all interest payments in relation to the Securities and all comparable income in relation to the Securities to the home member state or the member state of the beneficial owner if the Securities are kept in custody at the Disbursing Agent.

### **Luxembourg**

*The following is a general description of the Luxembourg withholding taxation relating to the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Luxembourg or elsewhere. Prospective purchasers of the Securities should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Securities.*

### ***Withholding Tax and Self-applied Tax***

Under Luxembourg tax laws currently in effect, payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Securities can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, with the possible exception of payments made to (or under certain circumstances to the benefit of) individual Security Holders and certain so called "residual entities" (within the meaning of the European Union Savings Directive (Council Directive 2003/48/EC – the "**EU Savings Directive**").

### ***Luxembourg non-residents***

Under the Luxembourg laws of 21 June 2005, as amended (the "**EUSD Laws**") implementing the EU Savings Directive and several agreements concluded with certain dependent or associated territories (the "**Territories**"), in the event of the Issuer appointing a paying agent in Luxembourg (within the meaning of the EUSD Laws) the latter is required to withhold tax on interest and other similar income (including reimbursement premium received at maturity or Redemption Date) paid to certain non-Luxembourg resident investors (individuals and certain types of entities called "residual entities") resident or established in another Member State of the European Union or in some of the Territories, unless the beneficiary of the interest payment elects for an exchange of information, or in case of an individual beneficiary, for a tax certificate procedure. For the application of the EUSD Laws, residual entities are defined as entities established in a Member State of the European Union or in certain Territories, which are not legal persons, whose profits are not taxed under the general arrangements for business taxation and that are not, and have not opted to be treated as UCITS (recognized in accordance with Council Directive 85/611/EEC, as amended or restated) or a similar collective investment fund).

As a general rule, instruments whose return is exclusively linked to profits derived from certain underlying investments such as commodities or indices are generally out of the scope of the EU Savings Directive. However, to the extent Securities bear a fixed interest component, this interest may fall within the scope of the EU Savings Directive.

The withholding tax rate is currently 35%. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent. The withholding tax system will apply only during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg government has announced its intention to abandon the withholding tax system and opt for the automatic exchange of information as from 1 January 2015. The necessary amending laws and regulations will need to be passed before that date.

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented amend or broaden the scope of the requirements described above.

### ***Luxembourg residents***

The Luxembourg law of 23 December 2005, as amended, (the "**Law**"), has introduced a 10% withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the EUSD Laws).

Under the Law, the 10% Luxembourg withholding tax is levied on interest or similar income payments made by Luxembourg paying agents to (or under certain circumstances to the benefit of) an individual beneficial owner who is resident in Luxembourg. The responsibility for the withholding tax will be assumed by the Luxembourg paying agent.

In addition, pursuant to the Law, Luxembourg resident individuals, acting in the context of the management of their private wealth, who are beneficial owners of interest payments made by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive on the taxation of savings income, can opt to self-declare and pay a 10% levy. The option for the 10% levy must cover all interest payments made by paying agents to the Luxembourg resident beneficial owners during the entire civil year.

The 10% withholding tax as described above or the 10% levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

### ***US Tax Withholding and Reporting under FATCA***

On 27 February 2014, Luxembourg and the United States have agreed on the substance of the future intergovernmental agreement.

### ***Italian Republic***

*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, 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.*

*The following summary is rendered based upon the laws in force in Italy as of the date of this Base Prospectus.*

## ***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 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; 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 (as defined below), 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% or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "**IRPEF**"), at progressive rates, 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 3.5% (regions may vary the rate up to 0.92%).

Italian Resident Undertaking 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 collective investment funds and SICAVs are considered as a taxable person for IRES purposes, though the income realised (with only few exceptions) is exempt from taxation.

Starting from 1 January 2001, Italian resident pension funds are subject to an 11% 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. Please note that for financial year 2014 only the tax rate of the Pension Fund Tax has been increased to 11.5%.

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 similari 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, not obtained within the exercise of entrepreneurial activities, realised by persons resident in Italy and individuals equivalent to residents as defined in the Decree No. 461, arising out of 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 out of 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.

### ***Capital Gains Tax***

Any capital gains realised upon the sale for consideration or redemption of the Securities will be treated for the purpose of corporate income tax and of individual income tax 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, if 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.

### ***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 upon the sale for consideration or redemption of the Securities would be subject to an "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. Capital losses realised before 1 January 2012 can be carried forward to offset capital gains for an overall amount of 48.08% of the relevant capital losses. Capital losses realised between 1 January 2012 and 30 June 2014 can be carried forward to offset capital gains for an overall amount of 76.92% of the relevant capital losses.

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. Under the Managed Portfolio regime, the Security Holder is not required to declare capital gains in its annual tax declaration and remains anonymous. Capital losses realised before 1 January 2012 can be

carried forward to offset capital gains for an overall amount of 48.08% of the relevant capital losses. Capital losses realised between 1 January 2012 and 30 June 2014 can be carried forward to offset capital gains for an overall amount of 76.92% of the relevant capital losses.

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 intermediary. Under the Asset Management regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management regime, the Security Holder is not required to report capital gains realised in its annual tax declaration and remains anonymous. Depreciation of the management assets accrued before 1 January 2012 can be carried forward to offset increase in value for an overall amount of 48.08% of the relevant depreciation. Depreciation of the management assets accrued between 1 January 2012 and 30 June 2014 can be carried forward to offset increase in value for an overall amount of 76.92% of the relevant depreciation.

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.

#### *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 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 beneficial owners 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 they are 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". If non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected fall under the Managed Portfolio regime or the Asset Management regime, exemption from Italian capital gains tax will apply on the condition that they file an appropriate self-declaration within the relevant time limit with the authorised financial intermediary stating that they are resident in a country which allows an adequate exchange of information. Pursuant to Article 5, paragraph 5 of Decree No. 461 and Article 6, paragraph 1, of Decree No. 239, such exemption could apply also to non-Italian residents who are (a) international bodies and organizations established in accordance with international agreements ratified in Italy; (b) foreign institutional investors, even though not subject to income tax or to other similar taxes, established in countries which allow an adequate exchange of information with Italy and (c) Central Banks or entities also authorised to manage official reserves of a State. (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 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; in this case, if non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected fall under the Managed Portfolio regime or the Asset Management regime, exemption from Italian capital gains tax will apply on the condition that they file the appropriate documents within the relevant time limit

with the authorised financial intermediary which include, inter alia, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

### ***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 mentioned above does not apply to payments made to a non-Italian resident Security Holder and to an Italian resident Security Holder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding 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 if the value exceeds 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 if the value exceeds 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 if the value of the transaction exceeds 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 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 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.

### **France**

*The following is a general description of certain French withholding tax consequences relating to the Securities. It does not purport to be a description of general French tax considerations relating to the Securities. Prospective investors are advised to consult their own professional advisors to obtain information about the tax consequences of the acquisition, ownership, disposition or redemption of the Securities. Only personal advisors are in a position to adequately take into account special tax aspects of the particular Securities in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor. This summary is based on French law as in force as of the date of this Base Prospectus. The laws and their interpretation by the tax authorities may change and such changes may have retroactive effect.*

### ***Withholding tax***

Income paid or accrued on the Securities, to the extent such Securities are not issued by an Issuer incorporated in France or otherwise acting through a French permanent establishment, is not, in principle, mandatorily subject to withholding tax in France.

However, according to articles 125 A and 125 D of the French Tax Code ("**FTC**"), French resident individuals taxpayers receiving interest on debt instruments from France or from abroad, such as the Securities, are subject to a non-definitive withholding tax ("*prélèvement à la source obligatoire non libératoire de l'impôt sur le revenu*") at the rate of 24% (plus social contributions at the aggregate rate of 15.5%). The 24% levy is a prepayment of income tax; it is credited against the individual income tax due and is reimbursed if it exceeds the individual income tax due. If the paying agent of the interest is located in France, such paying agent must file the related tax return and perform the payment of the levy (article 125 A, I of the FTC). If the paying agent is not located in France, the filing and the payment of the levy is to be made by the beneficial owner of the interest. In the case the paying agent is located in a European Union Member State, Iceland, Norway or Liechtenstein, the filing and the payment of the levy may be performed by the paying agent located in such State on demand of the beneficial owner (article 125 D, IV of the FTC).

### ***Other tax considerations***

Concerning prospective purchasers of Securities who are French resident for tax purposes or who would hold Securities through a permanent establishment or a fixed base in France, please note that transactions involving the Securities, including any purchase or disposal of, or other dealings in the Securities and any transaction involved in the exercise and settlement of the Securities, may have French tax consequences.

The tax consequences regarding notably interest, premium on redemption, any other proceeds from the Securities and capital gains, as the case may be, may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals) and on the specific terms and conditions of the relevant Securities.

### *Savings Directive and tax information exchange*

The Savings Directive has been implemented into French law under article 242 ter of the FTC and articles 49 I ter to 49 I sexies of Annex III to the FTC, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner. Similar obligations may apply as a result of the implementation of other tax information exchange mechanisms such as FATCA or the OECD standard of information exchange.

### **Czech Republic**

The information set out below is of a general nature and relates only to certain principal Czech withholding tax considerations. Accordingly, it does not deal with any other Czech tax consequences of acquiring, holding or disposing of Securities, which may be relevant to a decision to purchase Securities, and is not intended to be, nor should it be regarded as, legal or tax advice. Prospective holders of Securities should seek, in the light of their individual situation, their own professional advice as to the consequences of acquiring, holding or disposing of Securities in all relevant jurisdictions. The information is based on the tax laws of the Czech Republic as in effect on the date of this Base Prospectus and their prevailing interpretations available on or before such date. All of the foregoing is subject to change, which could apply retroactively and could affect the continued validity of this summary.

For the purposes of this information, it has been assumed that neither any of the Issuers nor the Guarantor is either resident for tax purposes or has a permanent establishment in the Czech Republic.

### **Withholding tax**

All interest and other payments to be made by an Issuer under the Securities may be made free of withholding on account of any taxes imposed by the Czech Republic.

### **Securing tax**

In general, Czech tax residents (or Czech permanent establishments of Czech tax non-residents) acquiring the Securities are required, under their own responsibility, to withhold and to remit to Czech tax authorities a 1 % securing tax from the purchase price when purchasing investment instruments, such as the Securities, from a seller who is resident for tax purposes outside the European Union or the European Economic Area. Such obligation can be eliminated under a tax treaty concluded between the Czech Republic and the country in which the seller is a tax resident. Furthermore, it can be waived in advance based on a decision of Czech tax authorities.

### **EU Savings Directive**

Within the framework of the EU Council Directive 2003/48/EG dated 3. June 2003 in the field of the taxation of interest income (“**EU Savings Directive**”), every member state is obliged to provide information on details of interest payments or similar gains paid to a person of such member state to an individual person tax resident in another member state or received from the former on behalf of the latter to the financial authorities of the latter member state; during a transition period Austria and Luxembourg will apply a system of the provision of information where a withholding tax is withheld on payments to an economic owner (within the meaning of the EU Savings Directive) if the economic owner does not decide to submit himself to one of the two possible procedures of providing information. The foregoing applies if Austria and Luxembourg do not decide to opt for another possibility during the transition period. This withholding tax regime applies for the transition period in the course of which the withholding tax rate increased to 35%. The transition period will end at the end of the first full financial year after the approval of certain third countries on the provision of information with regard to the respective payments.

In addition, certain third countries, amongst them Switzerland, and certain dependant or associated regions of certain member states introduced similar measures (i.e. either providing information or withholding of withholding tax during the transition period) with respect to payments paid from a person resident in their territory to an individual person resident in a territory of a member state or received from the former on behalf of the latter. Furthermore, the member states concluded agreements with dependant or associated regions on the provision of information or the withholding of withholding taxes with respect to payments paid from a person resident in their territory to an individual person resident in a territory of a member state or received from the former on behalf of the latter.

The EU Savings Directive is constantly subject to legislation, proposals for development and changes on political level as well as subject to the development of European law of the various European institutions which may have effect on the scope and the content of this regulation. In particular, the scope and the content may broaden with regard to new investment products and new information requirements may be introduced. For investors having doubts with regard to the specific consequences of the Directive on their personal situation it is recommended to consult with their personal tax adviser.

### **The proposed financial transactions tax**

The EU Commission has published a proposal for a Directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Certificates (including secondary market transactions) under certain circumstances.

Under the current proposal the FTT could apply under certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States and is subject to legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective Certificateholders of the Certificates are advised to seek their own professional advice in relation to the FTT. The tax rates are planned to amount to 0.01% or 0.1%, respectively. However, please note that these may have cascade effects and therefore may multiply in a transaction.

### **U.S. Withholding Tax**

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

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

types of notional principal contracts that are considered Specified NPCs. In addition, however, Section 871(m) provides that in the case of payments made after 18 March 2012, a "dividend equivalent" payment includes a payment made pursuant to any NPC unless the Secretary of the Treasury otherwise determines that such contract does not have the potential for tax avoidance. On December 4, 2013, the U.S. Treasury Department and the IRS issued final regulations ("**Final Regulations**") and proposed regulations (the "**Proposed Regulations**") under Section 871(m). The Final Regulations extend the statutory definition of Specified NPC (which had previously been extended to payments made before January 1, 2014) to payments made before January 1, 2016.

With respect to payments made on or after January 1, 2016, however, the Proposed Regulations would significantly expand the scope of transactions to which Section 871(m) would apply. The Proposed Regulations would expand Section 871(m) to apply to payments made pursuant to a specified equity-linked instrument ("**Specified ELI**"), which generally would include any financial instruments (such as futures, forward contracts, and options), other than a securities lending or sale-repurchase transaction or an Specified NPC, that references the value of one or more underlying securities. In addition, under the Proposed Regulations, an equity-linked instrument or notional principal contract generally will be a Specified ELI or Specified NPC if at the time it is entered into it has a "delta" of 0.70 or greater with respect to the underlying stock. Moreover, payments based on amounts that reference actual or estimated dividend payments, whether the reference is explicit or implicit, would be subject to withholding, even if an estimated payment is not adjusted based on the actual dividend payment. The Proposed Regulations would provide an exception from treatment as an underlying security for certain "qualified indices", thus exempting an Specified ELI or Specified NPC that references a qualified index from the application of Section 871(m). To constitute a "qualified index", an index must meet six requirements, including requirements that it references 25 or more component underlying securities, contains no component underlying security representing more than 10 percent of the index's weighting, and does not provide a dividend yield greater than 1.5 times the yield of the Standard&Poors 500 index for the month preceding the date the long party acquires the potential Section 871(m) transaction. The Proposed Regulations generally would apply to any payments made on or after January 1, 2016. In the case of an Specified ELI, the Proposed Regulations would apply to payment made after January 1, 2016 on a Specified ELI acquired by the long party on or after March 5, 2014. If adopted, the Proposed Regulations could cause payments under the index-linked Securities or equity-linked Securities that may not be subject to withholding under current rules to be subject to a 30% U.S. withholding tax, or a reduced rate of tax under an applicable treaty.

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

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

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

Under Sections 1471-1474 of the United States Internal Revenue Code of 1986 (commonly referred to as "FATCA"), dividend equivalent payments on, and payments of gross proceeds from the disposition of, the Securities made to Issuers and financial institutions serving as intermediaries for such U.S.-related payments may be subject to a 30% withholding tax imposed on "withholdable payments", unless the applicable Issuer or financial institution complies with certain certification, information reporting (disclosure obligation with regard to U.S.-related investors) and other specified requirements. Payments made on certain grandfathered obligations ("**Grandfathered Obligations**") are not subject to FATCA withholding, however. A Grandfathered Obligation includes any obligation outstanding on July 1, 2014, and any obligation that gives rise to a withholdable payment solely

because the obligation is treated as giving rise to a "dividend equivalent" payment under Section 871(m) of the United States Internal Revenue Code and the U.S. Treasury Regulations thereunder executed on or before the date that is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalent payments. Any material modification of such an obligation after such dates will result in it being treated as newly issued or executed, and the loss of its status as a Grandfathered Obligation. The Issuer and financial institutions through which payments on the Securities are made also may be required to withhold at a rate of up to 30% on all, or a portion of, payments made after December 31, 2016 in respect of the Securities if the Securities are significantly modified after the date (the "**Grandfathering Date**") that is six months after the date on which final U.S. Treasury regulations that define the term "foreign passthrough payment" are published in the U.S. Federal Register, or if additional Securities are sold after the Grandfathering Date that are not issued pursuant to a "qualified reopening" for U.S. federal income tax purposes. The application of FATCA in relation to payments under the Securities may be influenced by an intergovernmental agreement ("**IGA**") entered into between the United States and the jurisdiction of the Issuer or other financial institution involved in the payments under the Securities.

On 31 May 2013, the Federal Republic of Germany entered into an IGA with the United States. The German FATCA implementation law and a further ordinance have already been published. Accordingly, any reportings will be exercised through the Federal Central Tax Office (*Bundeszentralamt für Steuern*).

## 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.

#### *United States of America*

- (a) The Securities have not been and will not be registered under the 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 purchasing Securities is deemed to agree 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 Section 5f.103-1 of the United States Treasury Regulation and the Notice 2012-20, will be issued in accordance with the so-called Excise Tax Exemption pursuant to the provisions of Section 4701(b)(1)(B) of the Internal Revenue Code and Section 1.163-5(c)(2)(i)(D) of the United States Treasury Regulations (formerly known as exception under TEFRA D, "**TEFRA D Rules**") or Section 1.163-5(c)(2)(i)(C) of the United States Treasury Regulations (formerly known as exception under TEFRA C, "**TEFRA C Rules**"), as specified in the applicable Final Terms.

#### *Excise Tax*

Internal Revenue Code Section 4701 imposes an excise tax of 1% of the principal amount multiplied by the number of calendar years until the obligation reaches maturity on "registration-required obligations" that are issued after 18 March 2012 and which are not in registered form. In accordance with Notice 2012-20 issued by the U.S. Internal Revenue Service (IRS) certain securities are deemed to be in registered form. Furthermore, the IRS has announced to apply certain exceptional rules (Excise Tax Exemption) for securities which are not in registered form (bearer securities) that will mirror the former TEFRA C and TEFRA D rules.

### Notice 2012-20 Requirements

In Notice 2012-20, the IRS has stated that, for obligations issued after 18 March 2012, it intends to issue guidance that certain obligations that are nominally issued in “bearer” form will be considered to be in registered form for U.S. tax purposes if 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 (bearer) certificates is a clearing organisation, the physical certificates can only be transferred to a successor clearing organisation, 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 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 respectively.

### TEFRA D Rules

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

- (i) except to the extent permitted under the TEFRA D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Securities in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) it has not delivered and will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;
- (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities in bearer form are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (iii) if such person is a United States person, it has represented that it is acquiring the Securities for purposes of resale in connection with their original issuance and if such Distributor retains Securities in bearer form for its own account, it will only do so in accordance with the requirements of United States 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 United States 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 United States Internal Revenue Code, as amended, and regulations thereunder, including the *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 the Issuer, 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 United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the TEFRA C Rules.

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

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

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

provided that (i) no such offer of Securities referred to in (b) to (d) above shall require the Issuer to publish a base prospectus pursuant to Article 3 of the Prospectus Directive or supplement a base

prospectus pursuant to Article 16 of the Prospectus Directive and (ii) in case of an offer into the Republic of Austria, a reporting has been submitted to the Austrian Control Bank (*Österreichische Kontrollbank*), as set out in the Capital Market Act of 1991 (*Kapitalmarktgesetz 1991*), at least on banking day prior to the respective offer.

For the purposes of this provision, the expression an “offer of Securities to the public” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

### **Selling Restrictions Addressing additional Italian Securities Laws**

Unless it is specified within the relevant Final Terms that a non-exempt offer may be made in Italy, the offering of the Securities has not been registered pursuant to Italian securities legislation. Accordingly, the Securities may not be offered, sold or delivered, nor may copies of this Base Prospectus and any other documents relating to the Securities may be distributed in the Republic of Italy except:

- (1) to qualified investors (*investitori qualificati*), as defined by the joint provision of Article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (“**CONSOB Regulation No. 11971**”) and Article 26, paragraph 1 (d) of Consob Regulation No. 16190 of October 29, 2007, as amended (“**CONSOB Intermediaries Regulation**”), implementing Article 100.1(a) of Legislative Decree No. 58 of February 24, 1998, as amended (the “**Financial Services Act**”); or
- (2) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of CONSOB Regulation No. 11971.

Any such offer, sale or delivery of the Securities or distribution of any other document relating to the Securities in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of September 1, 1993 as amended (the “**Banking Act**”), CONSOB Intermediaries Regulation, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy (e.g. Article 129 of the Banking Act, and relevant implementation guidelines, pursuant to which the Bank of Italy may request periodic information on the Securities offered in the Republic of Italy).

### *Provisions relating to the secondary market in the Republic of Italy*

Investors should also note that, pursuant to Article 100-bis of the Financial Services Act:

- (A) any subsequent distribution of the Securities in the Republic of Italy further to an offer or distribution made under the exemptions indicated in points (1) and (2) above, will be considered a different and autonomous public offering subject to public offer and prospectus requirements, unless such subsequent distribution does not fall, again, under one of the exemptions indicated in points (1) and (2) above; and

- (B) in particular, where the Securities are placed solely with qualified investors and are then systematically resold on the secondary market at any time in the twelve months following such placing, such resale will be considered a public offering and subject to public offer and prospectus requirements if none of the exemptions indicated in points (1) and (2) above applies. If no exemptions apply and a prospectus is not published, purchasers of Securities who are acting outside the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Securities were purchased.

## **Selling Restrictions Addressing Additional French Securities Laws**

### *Description of the French Selling Restrictions*

#### Offer to the public in France

An offer of Securities to the public in France shall only be made in the period beginning: (a) when a prospectus in relation to those Securities has been approved by the Autorité des marchés financiers ("AMF"), on the date of publication of the AMF's approval; or (b) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF; and (c) ending at the latest on the date which is 12 months after the date of approval of such prospectus, all in accordance with articles L.412-1 and L.621-8 seq. of the French *Code monétaire et financier*, with the French *Code de commerce* and with the *Règlement général* of the AMF.

#### Private placement in France

This Base Prospectus, the Final Terms and/or any other offering material relating to the Securities have not been prepared and are not being distributed in the context of a public offering of financial securities in France within the meaning of Article L. 411-1 of the French *Code Monétaire et Financier* and Title I of Book II of the *Règlement General* of the AMF and, therefore, the Base Prospectus, the Final Terms and/or any other offering material relating to the Securities and any other offering material relating to the Securities have not been and will not be filed with the AMF for prior approval or submitted for clearance to the AMF.

Consequently, the Securities may not be, directly or indirectly, offered or sold to the public in France and offers and sales, directly or indirectly, of the Securities shall only be made in France, if any, to (i) providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), and/or to (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in and in accordance with Articles L. 411-2 and D. 411-1, D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier*.

Neither this Base Prospectus, the Final Terms nor any information contained therein or any other offering material may be, or caused to be, released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the Securities to the public in France. The subsequent direct or indirect retransfer of the Securities to the public in France may only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French *Code Monétaire et Financier*.

### *Representations and warranties from the Distributors and the Issuer*

In relation to any Securities, each of the Distributors and the Issuer has represented and agreed that, and each further Distributor appointed under the Programme will be required to represent and agree that it will comply with the French Selling Restrictions stated above regarding (i) any offer to the public in France or (ii) any private placement in France.

## **Selling Restrictions Addressing Additional Czech Securities Laws**

No issue, offer, sale or delivery of any Securities has been made and may be made in the Czech Republic through a public offering, being subject to several exemptions set out in the Act of the Czech Republic No. 256/2004 Coll., on Conducting Business in the Capital Market, as amended (the "**Capital Market Act**"), which under the Capital Market Act comprises any communication to a broader circle of persons containing information on the Securities being offered and the terms under which they may acquire the Securities and which are sufficient for the investor to make a decision to subscribe for, or purchase, such Securities.

No action has been taken or will be taken which may lead to or result in (i) the Securities being deemed to have been issued under Czech law within the meaning of the Act of the Czech Republic No. 190/2004 Coll., on Bonds, as amended (the "**Bonds Act**"), (ii) the issue of the Securities being qualified as "accepting of deposits from the public" by the Issuer in the Czech Republic within the meaning of the Act of the Czech Republic No. 21/1992 Coll., on Banks, as amended (the "**Banks Act**"), (iii) the Issuer being considered to be supporting, publicizing or making otherwise available activities prohibited by the Act of the Czech Republic No. 240/2013 Coll., on Management Companies and Investment Funds, (the "**MCIFA**"), or (iv) requiring a permit, registration, filing or notification to the Czech National Bank or other authorities in the Czech Republic in respect of the Securities in accordance with the Capital Market Act, the Banks Act, the MCIFA or practice of the Czech National Bank or other competent authority.

All of the laws of the Czech Republic applicable to the conduct of business in the Czech Republic, including the laws applicable to the provision of investment services (within the meaning of the Capital Market Act) in the Czech Republic, in respect of the Securities have been complied with.

No action has been taken or will be taken which would result in the issue of the Securities being considered an intention to manage assets by acquiring funds from the public in the Czech Republic for the purposes of collective investment pursuant to defined investment policy in favour of the investors under the MCIFA, which implements the Directive 2011/61/EU. Any issue, offer, sale or delivery of the Securities has been or will be carried out in strict compliance with the MCIFA.

### ***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 2012 and 2013 of the Issuer, the unconsolidated annual financial statements of the Issuer in respect of the fiscal year ended 31 December 2013 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), the unaudited, consolidated Half-yearly Financial Report at 30 June 2014 of HVB Group, the forms of the Global Notes, the Final Terms and the Agency Agreement, as amended and restated, will be available during usual business hours on any weekday (except Saturdays and public holidays) at the offices of the Issuer and of BNP Paribas Securities Services, Luxembourg Branch in its capacity as listing agent for the Securities. For the validity of this Base Prospectus, all documents whose information has been incorporated by reference in this Base Prospectus will be available for collection in the English language, free of charge, at the offices of UniCredit Bank AG (Arabellastraße 12, 81925 Munich).

### ***Clearing System***

Securities may be cleared through Euroclear Bank SA/NV as operator of the Euroclear system (1 Boulevard du Roi Albert IIB, 1210 Brussels, Belgium) ("**Euroclear Bank**"), Clearstream Banking société anonyme, Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg) ("**Clearstream Banking SA**" or "**CBL**") or Clearstream Banking AG, Frankfurt am Main (Mergenthalerallee 61, 65760 Eschborn, Germany) ("**Clearstream Banking AG**" or "**CBF**"), Euroclear France SA (66 Rue de la Victoire, 75009 Paris, France) ("**Euroclear France**") 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.

The French Paying Agent for Euroclear France S.A. is CACEIS Bank S.A., 1-3 rue place Valhubert, 75206 Paris Cedex 13, France.

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

Luxembourg Listing Agent under the Programme is BNP Paribas Securities Services, Luxembourg Branch, 33, rue de Gasperich, Howald – Hesperange, L-2085 Luxembourg, Luxembourg.

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

### ***Significant Changes in HVB's Financial Position and Trend Information***

The performance of HVB Group will depend on the future development on the financial markets and the real economy in 2014 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 2014, and (ii) no material adverse change in the prospects of the HVB Group since 31 December 2013, the date of its last published audited financial statements (Annual Report 2013).

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

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

### ***Third party information***

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

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

***Use of Proceeds and reasons for the offer***

The net proceeds from each issue of Securities by the Issuer will be used for its general corporate purposes.

***Description of the Securities and Conditions of Securities incorporated by reference in the Base Prospectus***

- (1) The Description of the Securities and the Conditions of the Securities as included in the base prospectus of UniCredit Bank AG dated 29 August 2013 for the issuance of Reverse Convertible Securities and Express Securities,
- (2) the Conditions of the Securities as included in the base prospectus of UniCredit Bank AG dated 29 August 2013 for the issuance of Reverse Convertible Securities and Express Securities and supplemented by the Supplement dated 1 October 2013 and
- (3) the Description of the Securities and the Conditions of the Securities as included in the base prospectus dated 26 November 2013 for the issuance of Discount Securities, Bonus Securities and Closed End Securities

are hereby incorporated by reference into this Base Prospectus (where the information incorporated by reference is provided can be obtained from the below list).

***Information incorporated by reference in this Base Prospectus***

The following information shall be deemed to be incorporated 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>
<p><b>Registration Document of UniCredit Bank AG, dated 25 April 2014, approved by the Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>)<sup>1)</sup></b></p> <p><b>Risk Factors</b></p> <ul style="list-style-type: none"> <li>- Risks relating to HVB Group</li> </ul>	p. 3 to 17	p. 32
<p><b>UniCredit Bank AG</b></p> <ul style="list-style-type: none"> <li>- Information about HVB, the parent company of HVB Group</li> </ul> <p><b>Business Overview</b></p> <ul style="list-style-type: none"> <li>- Principal Activities</li> <li>- Business segments of HVB Group</li> <li>- Principal Markets</li> <li>- Management and Supervisory Bodies</li> <li>- Major Shareholders</li> <li>- Auditors</li> <li>- Legal Risks/Arbitration Proceedings</li> </ul>	<p>p. 17</p> <p>p. 18</p> <p>p. 18 to 20</p> <p>p. 21</p> <p>p. 21 to 22</p> <p>p. 22</p> <p>p. 23</p> <p>p. 23 to 26</p>	<p>p. 54</p>
<p><b>Audited financial statements of HVB Group for the fiscal year ended 31 December 2012 (Annual Report HVB Group 2012)<sup>2)</sup></b></p> <ul style="list-style-type: none"> <li>- Consolidated Income Statement</li> <li>- Consolidated Balance Sheet</li> <li>- Statement of Changes in Consolidated Shareholders' Equity</li> <li>- Consolidated Cash Flow Statement</li> </ul>	<p>p. 116 to 117</p> <p>p. 118 to 119</p> <p>p. 120 to 121</p> <p>p. 122 to 123</p>	<p>p. 54</p> <p>p. 54</p> <p>p. 54</p> <p>p. 54</p>

	<b>Pages of the document:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
- Notes to the Consolidated Financial Statements	p. 124 to 238	p. 54
- Auditor's Certificate	p. 239	p. 54
<b>Audited financial statements of HVB Group for the fiscal year ended 31 December 2013 (Annual Report HVB Group 2013)<sup>2)</sup></b>		
- Consolidated Income Statement	p. 110 to 111	p. 54
- Consolidated Balance Sheet	p. 112 to 113	p. 54
- Statement of Changes in Consolidated Shareholders' Equity	p. 114 to 115	p. 54
- Consolidated Cash Flow Statement	p. 116 to 117	p. 54
- Notes to the Consolidated Financial Statements	p. 118 to 248	p. 54
- Auditor's Certificate	p. 249	p. 54
<b>Audited unconsolidated financial statements (Jahresabschluss) of Unicredit Bank AG for the fiscal year ended 31 December 2013 (Annual Report UniCredit Bank AG (HVB) 2013)<sup>2)</sup></b>		
- Income Statement	p. 80 to 81	p. 54
- Balance Sheet	p. 82 to 87	p. 54
- Notes	p. 88 to 138	p. 54
- Auditor's Report	p. 139	p. 54
<b>Base prospectus of UniCredit Bank AG dated 29 August 2013 for the issuance of Reverse Convertible Securities and Express Securities<sup>1)</sup></b>		
- Description of the Securities and Conditions of the Securities	p. 51 to 347	p. 190

	<b>Pages of the document:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
<b>Supplement dated 1 October 2013 to the base prospectus of UniCredit Bank AG dated 29 August 2013 for the issuance of Reverse Convertible Securities and Express Securities<sup>1)</sup></b> - Section 1.	p. 2	p. 190
<b>Base prospectus of UniCredit Bank AG dated 26 November 2013 for the issuance of Discount Securities, Bonus Securities and Closed End Securities<sup>1)</sup></b> - Description of the Securities and Conditions of the Securities	p. 58 to 320	p. 190
<b>Base prospectus of UniCredit Bank AG dated 21 February 2014 for the issuance of Worst-of Bonus Securities, Worst-of Express Securities and Worst-of Express Cash Collect Securities<sup>1)</sup></b>  <b>The description of indices composed by the Issuer or by any legal entity belonging to the same group</b> - Cross Commodity Long/Short Index	p. 379 to 383	p. 160

<sup>1)</sup> The document is published on the following website of the Issuer:  
<http://www.onemarkets.de/de/produkte/rechtliche-hinweise/basisprospekte.html>

<sup>2)</sup> The document is published on the following website of the Issuer:  
<http://investors.hypovereinsbank.de/cms/english/investorrelations/index.html>

**HALF-YEARLY FINANCIAL REPORT AT 30 JUNE 2014**

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# Consolidated Income Statement

for the period from 1 January to 30 June 2014

Income/Expenses	NOTES	1/1–30/6/2014	1/1–30/6/2013	CHANGE	
		€ millions	€ millions	€ millions	in %
Interest income		2,605	2,967	(362)	(12.2)
Interest expense		(1,240)	(1,471)	+ 231	(15.7)
Net interest	7	1,365	1,496	(131)	(8.8)
Dividends and other income from equity investments	8	49	56	(7)	(12.5)
Net fees and commissions	9	568	619	(51)	(8.2)
Net trading income	10	300	709	(409)	(57.7)
Net other expenses/income	11	77	91	(14)	(15.4)
Payroll costs		(904)	(906)	+ 2	(0.2)
Other administrative expenses		(819)	(765)	(54)	+ 7.1
Amortisation, depreciation and impairment losses on intangible and tangible assets		(147)	(93)	(54)	+ 58.1
Operating costs	12	(1,870)	(1,764)	(106)	+ 6.0
Net write-downs of loans and provisions for guarantees and commitments	13	(90)	(86)	(4)	+ 4.7
Provisions for risks and charges	14	39	9	+ 30	> (100.0)
Restructuring costs		—	(2)	+ 2	(100.0)
Net income from investments	15	75	94	(19)	(20.2)
<b>PROFIT BEFORE TAX</b>		<b>513</b>	<b>1,222</b>	<b>(709)</b>	<b>(58.0)</b>
Income tax for the period		(179)	(404)	+ 225	(55.7)
<b>CONSOLIDATED PROFIT</b>		<b>334</b>	<b>818</b>	<b>(484)</b>	<b>(59.2)</b>
attributable to the shareholder of UniCredit Bank AG		330	808	(478)	(59.2)
attributable to minorities		4	10	(6)	(60.0)

## Earnings per share

(in €)

	NOTES	1/1–30/6/2014	1/1–30/6/2013
Earnings per share (undiluted and diluted)	16	0.41	1.01

**Consolidated statement of total comprehensive income for the period from 1 January to 30 June 2014**

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
<b>Consolidated profit recognised in the income statement</b>	<b>334</b>	<b>818</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)	(237)	(88)
Assets held for sale	—	—
Other changes	—	—
Taxes on income and expenses not to be reclassified to the income statement in future periods	74	27
<b>Income and expenses to be reclassified to the income statement in future periods</b>		
Changes from foreign currency translation	2	8
Changes from companies accounted for using the equity method	—	—
Changes in valuation of financial instruments (AFS reserve)	32	11
Unrealised gains/(losses)	35	21
Gains/(losses) reclassified to the income statement	(3)	(10)
Changes in valuation of financial instruments (hedge reserve)	1	4
Unrealised gains/(losses)	—	—
Gains/(losses) reclassified to the income statement	1	4
Other changes	10	—
Taxes on income and expenses to be reclassified to the income statement in future periods	(9)	(8)
<b>Total income and expenses recognised in equity under other comprehensive income</b>	<b>(127)</b>	<b>(46)</b>
<b>Total comprehensive income</b>	<b>207</b>	<b>772</b>
of which:		
attributable to the shareholder of UniCredit Bank AG	203	756
attributable to minorities	4	16

# Consolidated Income Statement (CONTINUED)

for the period from 1 April to 30 June 2014

Income/Expenses	1/4–30/6/2014	1/4–30/6/2013	CHANGE	
	€ millions	€ millions	€ millions	in %
Interest income	1,301	1,453	(152)	(10.5)
Interest expense	(605)	(730)	+ 125	(17.1)
Net interest	696	723	(27)	(3.7)
Dividends and other income from equity investments	43	39	+ 4	+ 10.3
Net fees and commissions	291	307	(16)	(5.2)
Net trading income	33	334	(301)	(90.1)
Net other expenses/income	33	42	(9)	(21.4)
Payroll costs	(435)	(434)	(1)	+ 0.2
Other administrative expenses	(409)	(402)	(7)	+ 1.7
Amortisation, depreciation and impairment losses on intangible and tangible assets	(91)	(45)	(46)	>+ 100.0
Operating costs	(935)	(881)	(54)	+ 6.1
Net write-downs of loans and provisions for guarantees and commitments	(12)	3	(15)	
Provisions for risks and charges	(1)	18	(19)	
Restructuring costs	2	(2)	+ 4	
Net income from investments	67	26	+ 41	>+ 100.0
<b>PROFIT BEFORE TAX</b>	<b>217</b>	<b>609</b>	<b>(392)</b>	<b>(64.4)</b>
Income tax for the period	(74)	(194)	+ 120	(61.9)
<b>CONSOLIDATED PROFIT</b>	<b>143</b>	<b>415</b>	<b>(272)</b>	<b>(65.5)</b>
attributable to the shareholder of UniCredit Bank AG	141	402	(261)	(64.9)
attributable to minorities	2	13	(11)	(84.6)

## Earnings per share

(in €)

	1/4–30/6/2014	1/4–30/6/2013
Earnings per share (undiluted and diluted)	0.17	0.50

**Consolidated statement of total comprehensive income for the period from 1 April to 30 June 2014**

(€ millions)

	1/4–30/6/2014	1/4–30/6/2013
<b>Consolidated profit recognised in the income statement</b>	<b>143</b>	<b>415</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)	(237)	(88)
Assets held for sale	—	—
Other changes	—	—
Taxes on income and expenses not to be reclassified to the income statement in future periods	74	27
<b>Income and expenses to be reclassified to the income statement in future periods</b>		
Changes from foreign currency translation	2	(24)
Changes from companies accounted for using the equity method	—	—
Changes in valuation of financial instruments (AFS reserve)	7	(5)
Unrealised gains/(losses)	10	5
Gains/(losses) reclassified to the income statement	(3)	(10)
Changes in valuation of financial instruments (hedge reserve)	(2)	3
Unrealised gains/(losses)	—	—
Gains/(losses) reclassified to the income statement	(2)	3
Other changes	10	—
Taxes on income and expenses to be reclassified to the income statement in future periods	—	(2)
<b>Total income and expenses recognised in equity under other comprehensive income</b>	<b>(146)</b>	<b>(89)</b>
<b>Total comprehensive income</b>	<b>(3)</b>	<b>326</b>
of which:		
attributable to the shareholder of UniCredit Bank AG	(5)	332
attributable to minorities	2	(6)

# Consolidated Balance Sheet

at 30 June 2014

## Assets

	NOTES	30/6/2014	31/12/2013	CHANGE	
		€ millions	€ millions	€ millions	in %
Cash and cash balances		5,050	10,626	(5,576)	(52.5)
Financial assets held for trading	17	95,614	91,301	+ 4,313	+ 4.7
Financial assets at fair value through profit or loss	18	30,959	29,712	+ 1,247	+ 4.2
Available-for-sale financial assets	19	4,581	4,576	+ 5	+ 0.1
Investments in associates and joint ventures	20	78	71	+ 7	+ 9.9
Held-to-maturity investments	21	217	217	—	—
Loans and receivables with banks	22	46,442	35,312	+ 11,130	+ 31.5
Loans and receivables with customers	23	107,009	109,589	(2,580)	(2.4)
Hedging derivatives		1,220	1,053	+ 167	+ 15.9
Hedge adjustment of hedged items in the fair value hedge portfolio		64	67	(3)	(4.5)
Property, plant and equipment		2,905	2,913	(8)	(0.3)
Investment properties		1,316	1,456	(140)	(9.6)
Intangible assets		504	518	(14)	(2.7)
of which: goodwill		418	418	—	—
Tax assets		1,537	1,654	(117)	(7.1)
Current tax assets		347	431	(84)	(19.5)
Deferred tax assets		1,190	1,223	(33)	(2.7)
Non-current assets or disposal groups held for sale		57	154	(97)	(63.0)
Other assets		1,059	799	+ 260	+ 32.5
<b>Total assets</b>		<b>298,612</b>	<b>290,018</b>	<b>+ 8,594</b>	<b>+ 3.0</b>

## Liabilities

	NOTES	30/6/2014	31/12/2013	CHANGE	
		€ millions	€ millions	€ millions	in %
Deposits from banks	26	54,733	47,839	+ 6,894	+ 14.4
Deposits from customers	27	108,675	107,850	+ 825	+ 0.8
Debt securities in issue	28	29,172	31,804	(2,632)	(8.3)
Financial liabilities held for trading	29	77,155	73,535	+ 3,620	+ 4.9
Hedging derivatives		564	373	+ 191	+ 51.2
Hedge adjustment of hedged items					
in the fair value hedge portfolio		2,098	1,646	+ 452	+ 27.5
Tax liabilities		752	906	(154)	(17.0)
Current tax liabilities		575	700	(125)	(17.9)
Deferred tax liabilities		177	206	(29)	(14.1)
Liabilities of disposal groups held for sale		1	4	(3)	(75.0)
Other liabilities		2,932	3,083	(151)	(4.9)
Provisions	30	2,045	1,969	+ 76	+ 3.9
Shareholders' equity		20,485	21,009	(524)	(2.5)
Shareholders' equity attributable to					
the shareholder of UniCredit Bank AG		20,412	20,962	(550)	(2.6)
Subscribed capital		2,407	2,407	—	—
Additional paid-in capital		9,791	9,791	—	—
Other reserves		7,772	7,920	(148)	(1.9)
Changes in valuation of financial instruments	31	112	88	+ 24	+ 27.3
AfS reserve		86	63	+ 23	+ 36.5
Hedge reserve		26	25	+ 1	+ 4.0
Consolidated profit 2013		—	756	(756)	(100.0)
Net profit 1/1–30/6/2014 <sup>1</sup>		330	—	+ 330	
Minority interest		73	47	+ 26	+ 55.3
<b>Total shareholders' equity and liabilities</b>		<b>298,612</b>	<b>290,018</b>	<b>+ 8,594</b>	<b>+ 3.0</b>

<sup>1</sup> attributable to the shareholder of UniCredit Bank AG

The 2013 profit available for distribution disclosed in the separate financial statements of UniCredit Bank AG (= consolidated profit of HVB Group), which forms the appropriation of profit, amounts to €756 million. On 2 June 2014, the Shareholders' Meeting adopted a resolution to pay the consolidated profit of €756 million as a dividend of €756 million to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €0.94 per share after around €3.07 in 2012.

## Statement of Changes in Shareholders' Equity

at 30 June 2014

	SUBSCRIBED CAPITAL	ADDITIONAL PAID-IN CAPITAL	OTHER RESERVES	
			TOTAL OTHER RESERVES	OF WHICH: PENSIONS AND SIMILAR OBLIGATIONS (IAS 19)
<b>Shareholders' equity at 1/1/2013</b>	<b>2,407</b>	<b>9,791</b>	<b>7,759</b>	<b>(599)</b>
Consolidated profit recognised in the consolidated income statement	—	—	—	—
<b>Total income and expenses recognised in equity under other comprehensive income<sup>3</sup></b>	<b>—</b>	<b>—</b>	<b>(60)</b>	<b>(61)</b>
Changes in valuation of financial instruments not affecting income	—	—	—	—
Changes in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	(61)	(61)
Reserve arising from foreign currency translation	—	—	1	—
Other changes	—	—	—	—
<b>Total other changes in equity</b>	<b>—</b>	<b>—</b>	<b>(3)</b>	<b>—</b>
Dividend payouts	—	—	—	—
Transfers from consolidated profit	—	—	—	—
Changes in group of consolidated companies	—	—	(3)	—
<b>Shareholders' equity at 30/6/2013</b>	<b>2,407</b>	<b>9,791</b>	<b>7,696</b>	<b>(660)</b>
<b>Shareholders' equity at 1/1/2014</b>	<b>2,407</b>	<b>9,791</b>	<b>7,920</b>	<b>(648)</b>
Consolidated profit recognised in the consolidated income statement	—	—	—	—
<b>Total income and expenses recognised in equity under other comprehensive income<sup>3</sup></b>	<b>—</b>	<b>—</b>	<b>(151)</b>	<b>(163)</b>
Changes in valuation of financial instruments not affecting income	—	—	—	—
Changes in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	(163)	(163)
Reserve arising from foreign currency translation	—	—	2	—
Other changes	—	—	10	—
<b>Total other changes in equity</b>	<b>—</b>	<b>—</b>	<b>3</b>	<b>—</b>
Dividend payouts	—	—	—	—
Transfers from consolidated profit	—	—	—	—
Changes in group of consolidated companies	—	—	3	—
<b>Shareholders' equity at 30/6/2014</b>	<b>2,407</b>	<b>9,791</b>	<b>7,772</b>	<b>(811)</b>

1 attributable to the shareholder of UniCredit Bank AG

2 UniCredit Bank AG (HVB)

3 see Consolidated statement of total comprehensive income

(€ millions)

CHANGE IN VALUATION OF FINANCIAL INSTRUMENTS		CONSOLIDATED PROFIT	PROFIT 1/1–30/6 <sup>1</sup>	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDER OF HVB <sup>2</sup>	MINORITY INTEREST	TOTAL SHAREHOLDERS' EQUITY
AFS RESERVE	HEDGE RESERVE					
30	26	2,462	—	22,475	794	23,269
—	—	—	808	808	10	818
5	3	—	—	(52)	6	(46)
13	—	—	—	13	(1)	12
(8)	3	—	—	(5)	—	(5)
—	—	—	—	(61)	—	(61)
—	—	—	—	1	7	8
—	—	—	—	—	—	—
—	—	(2,462)	—	(2,465)	(15)	(2,480)
—	—	(2,462)	—	(2,462)	(18)	(2,480)
—	—	—	—	—	—	—
—	—	—	—	(3)	3	—
35	29	—	808	20,766	795	21,561
63	25	756	—	20,962	47	21,009
—	—	—	330	330	4	334
23	1	—	—	(127)	—	(127)
26	—	—	—	26	—	26
(3)	1	—	—	(2)	—	(2)
—	—	—	—	(163)	—	(163)
—	—	—	—	2	—	2
—	—	—	—	10	—	10
—	—	(756)	—	(753)	22	(731)
—	—	(756)	—	(756)	(3)	(759)
—	—	—	—	—	—	—
—	—	—	—	3	25	28
86	26	—	330	20,412	73	20,485

# Consolidated Cash Flow Statement (abridged version)

(€ millions)

	2014	2013
<b>Cash and cash equivalents at 1 January</b>	<b>10,626</b>	<b>15,655</b>
<b>Net cash provided/used by operating activities</b>	<b>(3,790)</b>	<b>(2,694)</b>
<b>Net cash provided/used by investing activities</b>	<b>121</b>	<b>444</b>
<b>Net cash provided/used by financing activities</b>	<b>(1,907)</b>	<b>(3,296)</b>
Effects of exchange rate changes	—	—
Less non-current assets or disposal groups held for sale and discontinued operations	—	—
<b>Cash and cash equivalents at 30 June</b>	<b>5,050</b>	<b>10,109</b>

# Selected Notes

## 1 Accounting and valuation principles

### IFRS basis

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.

We have applied the same accounting, valuation and disclosure principles in 2014 as in the consolidated financial statements for 2013 (please refer to the HVB Group Annual Report for 2013, starting on page 120).

The following standards newly published or revised by the IASB are mandatorily applicable in the EU for the first time in the 2014 financial year:

- IFRS 10 “Consolidated Financial Statements”
- IFRS 11 “Joint Arrangements”
- IFRS 12 “Disclosures of Interests in Other Entities”
- IAS 27 “Separate Financial Statements” (revised version)
- IAS 28 “Investments in Associates and Joint Ventures” (revised version)
- Amendments to the consolidation standards IFRS 10, IFRS 11 and IFRS 12 – “Transition Guidance”
- Amendments to the consolidation standards IFRS 10, IFRS 12 and IAS 27 – “Investment Entities”
- Amendments to IAS 32 “Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities”
- Amendments to IAS 36 “Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets”
- Amendments to IAS 39 “Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting”

IFRS 10 replaces SIC 12 “Consolidation: Special Purpose Entities” and parts of IAS 27 “Separate Financial Statements”, which has been renamed and the content of which has been revised. IFRS 10 creates a common definition of control that replaces the concept of the majority of the risks and rewards contained in SIC 12. The standard lists three criteria for the control of an entity: the parent company must have power over the entity; it must be exposed to variable returns from the entity; and it must be able to affect the amount of the variable returns. The definition of control is applicable in the future irrespective of the type of financial relationship between parent company and subsidiary. The initial adoption of IFRS 10 did not give rise to any changes in the group of companies included in consolidation by HVB Group.

IFRS 11 revises the provisions regarding the consolidation of joint arrangements. The standard replaces IAS 31 “Interests in Joint Ventures” and SIC 13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers”, and the content of IAS 28 “Investments in Associates and Joint Ventures” has been amended. IFRS 11 places more emphasis on the rights and obligations of the parties than the legal structure of the arrangement for the classification of joint arrangements and eliminates the option to consolidate joint ventures using the proportionate method. Initial adoption did not lead to any changes in the consolidated financial statements. The group of consolidated companies does not include any companies for which the proportionate method is applied and joint ventures are insignificant for the corporate group.

IFRS 12 requires much more extensive disclosures regarding subsidiaries, joint arrangements, associates and non-consolidated structured units in the consolidated financial statements than IAS 27, IAS 28 and IAS 31. The standard is to be adopted in full as of 31 December 2014.

Implementation of the remaining standards will have no material effect on the consolidated financial statements of HVB Group. Necessary additional disclosures in the notes to the financial statements will be included in the consolidated financial statements at 31 December 2014.

## Selected Notes (CONTINUED)

### Consistency

The assessment of a purchase option for leased property classified until now as beneficial under a lease was revised, as exercising the option is not economically beneficial for the Bank and hence not probable. Against this backdrop, we corrected an error in accordance with IAS 8.41 during the reporting period, leading to decreases of €72 million in investment properties, €48 million in liabilities under finance leases and €38 million in other provisions (rental guarantees). Corresponding to this, deferred tax assets declined by €27 million and deferred tax liabilities by €23 million. We have decided not to adjust the year-ago figures for materiality reasons. The overall effect arising from the corrected error was recognised in retained earnings, serving to increase shareholders' equity by €10 million.

### Determination of fair value

We can normally reliably determine the fair value of financial instruments measured at fair value. Certain equity instruments classified as available-for-sale represent an exception to this rule; these are measured at amortised cost. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (no forced liquidation or distress sale) between market participants at the measurement date. Thus, the fair value based on a notional transfer corresponds to a selling or, in the case of a liability, the transfer price (exit price). In addition, the entity's own credit risk must be taken into account in the fair value of liabilities.

The fair value is determined using the same three-level fair value hierarchy under IFRS 13 as is applicable for the disclosures regarding the fair value hierarchy (Note 35):

- Level 1: Financial instruments measured using (unadjusted) quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Assets or liabilities for which no price can be observed on an active market and whose valuation is derived from directly observable (prices) or indirectly observable (derived from prices) input data
- Level 3: Assets or liabilities for which the fair value cannot be measured exclusively on the basis of observable market data; the fair values also include measurement based on model assumptions instead (non-observable input data)

The risk of a counterparty defaulting on derivatives is covered by credit valuation adjustments (CVAs). We have exercised the option permitted by IFRS 13 under certain circumstances to determine fair value on a portfolio basis for certain OTC derivative portfolios and recognised portfolio-related credit valuation adjustments and bid ask adjustments.

In accordance with the provisions of IAS 32 (IAS 32.42 in conjunction with IAS 32.48), the positive and negative market values of OTC derivatives that offset each other at currency level were netted for OTC derivatives concluded with the same central counterparty (CCP).

The own credit spread is also included in the underlying valuation parameters for liabilities held for sale.

Suitable adjustments are taken on the fair values determined in this way to reflect further factors affecting the fair value (such as the liquidity of the financial instrument or model risks when the fair value is determined using a valuation model).

In addition to the method described above for the valuation or determination of fair values, the fair values in the hierarchy compliant with IFRS 13 are shown in Note 35 for further information. A three-level, fair value hierarchy is listed for every class of financial asset and financial liability carried at fair value in the balance sheet. Note 35 similarly contains a detailed description of this hierarchy, which is only used for the purpose of disclosure in the notes.

### Segment reporting

In the segment reporting, the activities of HVB Group are divided into the following business segments:

- Commercial Banking
- Corporate & Investment Banking
- Asset Gathering
- Other/consolidation

### **Method of segment reporting**

The same principles are being applied in the 2014 financial year as were used at year-end 2013. We use risk-weighted assets compliant with Basel III as the criterion for allocating tied equity capital. The interest rate used to assess the equity capital allocated to companies assigned to several business segments (HVB and UniCredit Luxembourg S.A.) was 3.17% in 2013. This interest rate was redetermined for 2014 and has been 2.80% since 1 January 2014.

In addition, we carried out a minor reorganisation in net interest in the first quarter of 2014. In the second quarter of 2014, there was a shift in net interest in the Other/consolidation and Corporate & Investment Banking business segments as part of the reorganisation. The reassignment of one business unit from the Other/consolidation business segment to the Corporate & Investment Banking business segment resulted in a corresponding allocation of this unit's costs. In addition, there was a minor shift in the other administrative expenses of the Commercial Banking and Corporate & Investment Banking business segments as a result of a modified system of charging between these two business segments.

Last year's figures and those of previous quarters have been adjusted accordingly.

### **2 Companies included in consolidation**

The following companies were added to the group of companies included in consolidation in the first half of 2014:

- Newstone Mortgage Securities No. 1 Plc., London
- WMC Management GmbH, Munich

In addition, one borrower has been initially consolidated in accordance with IFRS 10. The borrower has the German legal form of GmbH & Co. KG (a type of limited partnership), the only asset of which is a property over which HVB gained economic ownership during the course of restructuring. Under the provisions set forth in IFRS 10, this leads to an obligation on the part of HVB to consolidate the borrower. The Company shareholders' equity of €26 million that is held by third parties is shown in the consolidated balance sheet under minority interest. For data protection reasons, no further details, including the name of the company involved, are provided.

The following companies left the group of companies included in consolidation in the first half of 2014 due to imminent or completed liquidation:

- Elektra Purchase No. 24 Ltd., Dublin
- GELDILUX-PP-2011 S.A., Luxembourg
- HVB Asia Limited, Singapore
- HVB Finance London Limited, London
- HVB London Investments (CAM) Limited, London
- Salome Funding Plc, Dublin
- UniCredit London Investments Limited, London

### **3 Events after the reporting period**

In light of the changes to the regulatory environment and the related restrictions on the principal investments activities of banks, HVB decided in 2013 to reduce its private equity portfolio in order to minimise the detrimental effect on the economic capital to be held for private equity funds (ICAAP) and to enhance the capital structure of the corporate group at the same time.

At the end of 2013, HVB sold a first tranche of its private equity portfolio and also set up the SwanCap investment management platform in which the Bank holds an interest as a shareholder (Swan I transaction).

Against this backdrop, the Management Board decided in July to sell a further tranche of HVB's private equity portfolio previously managed by the Corporate & Investment Banking business segment to a newly created investment fund based in Luxembourg (SwanCap Opportunities Fund II SCS-SIF). This fund is intended for institutional investors and will be managed by the existing SwanCap investment management platform (Swan II project).

In analysing the strategic orientation of HVB Group, the Management Board of HVB has examined various strategic options for the majority interest in DAB Bank AG (Asset Gathering business segment), also exploring the market situation for a disposal. A decision was made after the reporting date to continue examining a disposal as a strategic option as well.

# Notes to the Income Statement

## 4 Income statement, broken down by segment

Income statement, broken down by segment for the period from 1 January to 30 June 2014

(€ millions)

INCOME/EXPENSES	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	ASSET GATHERING	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	803	527	25	10	1,365
Dividends and other income from equity investments	5	42	—	2	49
Net fees and commissions	443	89	43	(7)	568
Net trading income	(8)	300	1	7	300
Net other expenses/income	9	(2)	—	70	77
<b>OPERATING INCOME</b>	<b>1,252</b>	<b>956</b>	<b>69</b>	<b>82</b>	<b>2,359</b>
Payroll costs	(362)	(238)	(21)	(283)	(904)
Other administrative expenses	(619)	(450)	(30)	280	(819)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(70)	(6)	(66)	(147)
<b>Operating costs</b>	<b>(986)</b>	<b>(758)</b>	<b>(57)</b>	<b>(69)</b>	<b>(1,870)</b>
<b>OPERATING PROFIT</b>	<b>266</b>	<b>198</b>	<b>12</b>	<b>13</b>	<b>489</b>
Net write-downs of loans and provisions for guarantees and commitments	(44)	(62)	—	16	(90)
<b>NET OPERATING PROFIT</b>	<b>222</b>	<b>136</b>	<b>12</b>	<b>29</b>	<b>399</b>
Provisions for risks and charges	2	25	—	12	39
Restructuring costs	2	—	—	(2)	—
Net income from investments	2	71	1	1	75
<b>PROFIT BEFORE TAX</b>	<b>228</b>	<b>232</b>	<b>13</b>	<b>40</b>	<b>513</b>

Income statement, broken down by segment for the period from 1 January to 30 June 2013

(€ millions)

INCOME/EXPENSES	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	ASSET GATHERING	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	782	602	17	95	1,496
Dividends and other income from equity investments	4	51	—	1	56
Net fees and commissions	436	133	43	7	619
Net trading income	12	582	—	115	709
Net other expenses/income	1	14	—	76	91
<b>OPERATING INCOME</b>	<b>1,235</b>	<b>1,382</b>	<b>60</b>	<b>294</b>	<b>2,971</b>
Payroll costs	(377)	(225)	(20)	(284)	(906)
Other administrative expenses	(617)	(413)	(28)	293	(765)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(5)	(6)	(77)	(93)
<b>Operating costs</b>	<b>(999)</b>	<b>(643)</b>	<b>(54)</b>	<b>(68)</b>	<b>(1,764)</b>
<b>OPERATING PROFIT</b>	<b>236</b>	<b>739</b>	<b>6</b>	<b>226</b>	<b>1,207</b>
Net write-downs of loans and provisions for guarantees and commitments	(28)	(170)	—	112	(86)
<b>NET OPERATING PROFIT</b>	<b>208</b>	<b>569</b>	<b>6</b>	<b>338</b>	<b>1,121</b>
Provisions for risks and charges	20	(10)	—	(1)	9
Restructuring costs	(2)	—	—	—	(2)
Net income from investments	1	34	4	55	94
<b>PROFIT BEFORE TAX</b>	<b>227</b>	<b>593</b>	<b>10</b>	<b>392</b>	<b>1,222</b>

## Notes to the Income Statement (CONTINUED)

Income statement of the Commercial Banking business segment

(€ millions)

INCOME/EXPENSES	1/1–30/6/ 2014	1/1–30/6/ 2013	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Net interest	803	782	405	399	408	409	384
Dividends and other income from equity investments	5	4	4	1	3	1	4
Net fees and commissions	443	436	218	225	213	198	209
Net trading income	(8)	12	(7)	—	21	(16)	1
Net other expenses/income	9	1	2	6	(8)	—	—
<b>OPERATING INCOME</b>	<b>1,252</b>	<b>1,235</b>	<b>622</b>	<b>631</b>	<b>637</b>	<b>592</b>	<b>598</b>
Payroll costs	(362)	(377)	(177)	(184)	(176)	(198)	(184)
Other administrative expenses	(619)	(617)	(311)	(309)	(317)	(310)	(312)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(5)	(3)	(3)	(3)	(3)	(3)
<b>Operating costs</b>	<b>(986)</b>	<b>(999)</b>	<b>(491)</b>	<b>(496)</b>	<b>(496)</b>	<b>(511)</b>	<b>(499)</b>
<b>OPERATING PROFIT</b>	<b>266</b>	<b>236</b>	<b>131</b>	<b>135</b>	<b>141</b>	<b>81</b>	<b>99</b>
Net write-downs of loans and provisions for guarantees and commitments	(44)	(28)	(13)	(31)	(10)	(35)	4
<b>NET OPERATING PROFIT</b>	<b>222</b>	<b>208</b>	<b>118</b>	<b>104</b>	<b>131</b>	<b>46</b>	<b>103</b>
Provisions for risks and charges	2	20	—	2	(48)	(7)	19
Restructuring costs	2	(2)	2	—	(323)	—	(2)
Net income from investments	2	1	—	2	—	—	1
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>228</b>	<b>227</b>	<b>120</b>	<b>108</b>	<b>(240)</b>	<b>39</b>	<b>121</b>
Cost-income ratio in %	78.8	80.9	78.9	78.6	77.9	86.3	83.4

**Development of the Commercial Banking business segment**

In the first half of 2014, the Commercial Banking business segment increased its operating income by 1.4%, or €17 million, to €1,252 million compared with the equivalent year-ago figure.

There was a pleasing rise of €21 million in net interest to €803 million. Within this total, lower interest income from lending activities caused by declines in volumes of property loans extended to private customers and consistently restrained demand for credit from business customers is set against higher interest income from deposit-taking operations involving private customers as a result of positive margin and volume effects. Net fees and commissions also increased by €7 million to €443 million as a result of expanded mandated and corporate finance activities.

The €20 million decline in net trading income is mainly attributable to credit value adjustments, which reduced the total during the reporting period after boosting it in the equivalent period last year.

Operating costs of €986 million were down €13 million. Within this total, the slight increase in other administrative expenses as a result of the conversion to a multi-channel bank was more than offset by the €15 million reduction in payroll costs compared with the equivalent quarter last year.

The cost-income ratio improved by 2.1 percentage points to 78.8% after 80.9% in the year-ago period on account of the increase in operating income coupled with the lower operating costs.

Net write-downs of loans and provisions for guarantees and commitments increased by €16 million over the equivalent period last year to a still very moderate level of €44 million.

After taking account of positive effects from reversals of provisions of €2 million (first half of 2013: €20 million) and net income from investments of €2 million (first half of 2013: €1 million), the Commercial Banking business segment generated a total profit before tax of €228 million in the first half of 2014 (first half of 2013: €227 million).

## Income statement of the Corporate &amp; Investment Banking business segment

(€ millions)

INCOME/EXPENSES	1/1–30/6/ 2014	1/1–30/6/ 2013	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Net interest	527	602	277	249	291	299	275
Dividends and other income from equity investments	42	51	37	5	17	34	34
Net fees and commissions	89	133	56	33	50	49	71
Net trading income	300	582	42	258	190	192	332
Net other expenses/income	(2)	14	(18)	17	28	31	2
<b>OPERATING INCOME</b>	<b>956</b>	<b>1,382</b>	<b>394</b>	<b>562</b>	<b>576</b>	<b>605</b>	<b>714</b>
Payroll costs	(238)	(225)	(107)	(132)	(115)	(115)	(99)
Other administrative expenses	(450)	(413)	(228)	(222)	(212)	(206)	(222)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(70)	(5)	(52)	(18)	(25)	(2)	(2)
<b>Operating costs</b>	<b>(758)</b>	<b>(643)</b>	<b>(387)</b>	<b>(372)</b>	<b>(352)</b>	<b>(323)</b>	<b>(323)</b>
<b>OPERATING PROFIT</b>	<b>198</b>	<b>739</b>	<b>7</b>	<b>190</b>	<b>224</b>	<b>282</b>	<b>391</b>
Net write-downs of loans and provisions for guarantees and commitments	(62)	(170)	(4)	(58)	(46)	(24)	(114)
<b>NET OPERATING PROFIT</b>	<b>136</b>	<b>569</b>	<b>3</b>	<b>132</b>	<b>178</b>	<b>258</b>	<b>277</b>
Provisions for risks and charges	25	(10)	(5)	31	(120)	(4)	—
Restructuring costs	—	—	—	—	—	—	—
Net income from investments	71	34	65	6	69	13	22
<b>PROFIT BEFORE TAX</b>	<b>232</b>	<b>593</b>	<b>63</b>	<b>169</b>	<b>127</b>	<b>267</b>	<b>299</b>
Cost-income ratio in %	79.3	46.5	98.2	66.2	61.1	53.4	45.2

**Development of the Corporate & Investment Banking business segment**

The Corporate & Investment Banking business segment generated operating income of €956 million in a difficult market environment in the first half of 2014. This is €426 million below the total for the equivalent period last year (first half of 2013: €1,382 million).

The decline in operating income is due primarily to the decrease of €282 million in net trading income to €300 million (first half of 2013: €582 million). Among other things, this large fall results from declining results in activities involving Pfandbriefs and loan securitisations. Positive effects from factors like sovereign bonds and asset-backed securities in the first half of 2013 only recurred during the reporting period to a much smaller extent. Improved activities involving stock derivatives only partially offset this development. Moreover, net trading income in the first half of 2014 was depressed by credit value adjustments of €104 million (first half of 2013: €10 million). At the same time, valuation effects on the financial liabilities held for trading resulting from the incorporation of the own credit spread served to dampen net trading income.

Net interest declined by €75 million to €527 million (first half of 2013: €602 million). This development can be attributed to a decline of €56 million in trading-induced interest together with lower income from lending operations, notably due to contracting credit volumes. At the same time, dividend income essentially comprising payments from private equity funds declined by €9 million compared with the equivalent period last year to €42 million (first half of 2013: €51 million). Among other things, this development can be put down to the focus on the core business and much lower holding of private equity investments in anticipation of regulatory changes. Net fees and commissions of €44 million (first half of 2013: €133 million) on the back of fee and commission income of €89 million; this sharp decline results mainly from credit-related commission business. Net other expenses/income amounted to a net expense of €2 million in the first half of 2014, down €16 million (first half of 2013: net income of €14 million).

Operating costs increased by €115 million to €758 million in the reporting period compared with the first half of 2013 (first half of 2013: €643 million). Whereas payroll costs rose a mere €13 million to €238 million (first half of 2013: €225 million), there was a sharp increase on aggregate of €102 million in other administrative expenses and amortisation, depreciation and impairment losses on intangible and tangible assets to €520 million (first half of 2013: €418 million). This development was caused by the initial consolidation of the BARD Group together with the offshore wind farm that was commissioned and fully consolidated at the end of 2013. The cost-income ratio rose by 32.8 percentage points to 79.3% after 46.5% in the first half of last year on account of the lower operating income coupled with the simultaneous rise in operating costs.

At €62 million, the amount transferred to net write-downs of loans and provisions for guarantees and commitments in the first half of 2014 was much lower than in the same period last year (first half of 2013: €170 million). The positive balance of €25 million in provisions for risks and charges results notably from the reversal of provisions relating to derivatives operations. As in the equivalent period last year, the net income from investments of €71 million (first half of 2013: €34 million) results mainly from the sale of shares in private equity funds. In total, the CIB business segment generated a profit before tax of €232 million in the first six months of 2014 (first half of 2013: €593 million).

## Notes to the Income Statement (CONTINUED)

Income statement of the Asset Gathering business segment

(€ millions)

INCOME/EXPENSES	1/1–30/6/ 2014	1/1–30/6/ 2013	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Net interest	25	17	13	12	11	10	8
Dividends and other income from equity investments	—	—	—	—	—	—	—
Net fees and commissions	43	43	20	23	23	20	22
Net trading income	1	—	—	1	—	1	—
Net other expenses/income	—	—	—	—	—	—	—
<b>OPERATING INCOME</b>	<b>69</b>	<b>60</b>	<b>33</b>	<b>36</b>	<b>34</b>	<b>31</b>	<b>30</b>
Payroll costs	(21)	(20)	(10)	(11)	(9)	(10)	(10)
Other administrative expenses	(30)	(28)	(15)	(15)	(16)	(13)	(15)
Amortisation, depreciation and impairment	—	—	—	—	—	—	—
losses on intangible and tangible assets	(6)	(6)	(3)	(3)	(3)	(3)	(3)
<b>Operating costs</b>	<b>(57)</b>	<b>(54)</b>	<b>(28)</b>	<b>(29)</b>	<b>(28)</b>	<b>(26)</b>	<b>(28)</b>
<b>OPERATING PROFIT</b>	<b>12</b>	<b>6</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>2</b>
Net write-downs of loans and provisions	—	—	—	—	—	—	—
for guarantees and commitments	—	—	—	—	—	—	—
<b>NET OPERATING PROFIT</b>	<b>12</b>	<b>6</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>2</b>
Provisions for risks and charges	—	—	—	—	(1)	(1)	—
Restructuring costs	—	—	—	—	—	—	—
Net income from investments	1	4	1	—	—	1	3
<b>PROFIT BEFORE TAX</b>	<b>13</b>	<b>10</b>	<b>6</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>5</b>
Cost-income ratio in %	82.6	90.0	84.8	80.6	82.4	83.9	93.3

**Development of the Asset Gathering business segment**

The Asset Gathering business segment increased its operating income by 15.0%, or €9 million, year-on-year to €69 million in the first half of 2014.

Within this total, net interest rose by €8 million to €25 million over the same period last year on account of higher volumes of deposits and enhanced treasury management. At €43 million, net fees and commissions remained unchanged compared with the equivalent period last year. The cost-income ratio improved by a strong 7.4 percentage points to 82.6% after 90.0% in the same period last year on the back of the higher operating income.

Other administrative expenses increased by €2 million year-on-year to €30 million partly due to the rebound in the trading business, which, taken together with the increase of €1 million payroll costs to €21 million, led to a rise of €3 million in operating costs to €57 million.

Including the net income from investments of €1 million (first half of 2013: €4 million), the Asset Gathering business segment generated a profit before tax of €13 million in the first half of 2014 (first half of 2013: €10 million).

## Income statement of the Other/consolidation business segment

(€ millions)

INCOME/EXPENSES	1/1–30/6/ 2014	1/1–30/6/ 2013	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Net interest	10	95	1	9	6	(18)	56
Dividends and other income from equity investments	2	1	2	—	6	—	1
Net fees and commissions	(7)	7	(3)	(4)	(4)	(2)	5
Net trading income	7	115	(2)	8	4	17	1
Net other expenses/income	70	76	49	21	124	61	40
<b>OPERATING INCOME</b>	<b>82</b>	<b>294</b>	<b>47</b>	<b>34</b>	<b>136</b>	<b>58</b>	<b>103</b>
Payroll costs	(283)	(284)	(141)	(142)	(140)	(141)	(141)
Other administrative expenses	280	293	145	136	127	145	147
Amortisation, depreciation and impairment losses on intangible and tangible assets	(66)	(77)	(33)	(32)	(43)	(35)	(37)
<b>Operating costs</b>	<b>(69)</b>	<b>(68)</b>	<b>(29)</b>	<b>(38)</b>	<b>(56)</b>	<b>(31)</b>	<b>(31)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>13</b>	<b>226</b>	<b>18</b>	<b>(4)</b>	<b>80</b>	<b>27</b>	<b>72</b>
Net write-downs of loans and provisions for guarantees and commitments	16	112	5	11	(18)	5	113
<b>NET OPERATING PROFIT</b>	<b>29</b>	<b>338</b>	<b>23</b>	<b>7</b>	<b>62</b>	<b>32</b>	<b>185</b>
Provisions for risks and charges	12	(1)	4	7	(54)	4	(1)
Restructuring costs	(2)	—	—	(2)	(37)	—	—
Net income from investments	1	55	1	—	26	—	—
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>40</b>	<b>392</b>	<b>28</b>	<b>12</b>	<b>(3)</b>	<b>36</b>	<b>184</b>
Cost-income ratio in %	84.1	23.1	61.7	111.8	41.2	53.4	30.1

**Development of the Other/consolidation business segment**

The operating income of this business segment amounted to €82 million in the first six months of 2014 after €294 million in the equivalent period last year. Half of this sharp decline of €212 million results from the net trading income, which fell a tangible €108 million to €7 million due to the non-recurrence of the gains generated in connection with the buy-back of hybrid capital instruments in the previous year (first half of 2013: €115 million). At the same time, net interest fell by a sharp €85 million to €10 million and net other expenses/income by €6 million to €70 million due in part to the very low interest rates. Net fees and commissions shows a net expense of €7 million, which is €14 million less than the net income recorded in the first half of 2013.

With operating costs up by €1 million to €69 million, the operating profit was down by €213 million during the reporting period to €13 million (first half of 2013: €226 million).

Net write-downs of loans and provisions for guarantees and commitments show a net reversal of €16 million in the first half of 2014; the high net reversal of €112 million in the equivalent period last year arose among other things from the successful reduction of expiring portfolios. Including a net reversal of €12 million in provisions for risks and charges (first half of 2013: net addition of €1 million), restructuring costs of €2 million and net income from investments of €1 million, the profit before tax amounted to €40 million in the first half of 2014. The year-ago profit before tax of €392 million included net income from investments of €55 million resulting notably from gains on the sale of land and buildings.

## Notes to the Income Statement (CONTINUED)

## 5 Balance sheet figures, broken down by segment

(€ millions)

	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	ASSET GATHERING	OTHER/ CONSOLIDATION	HVB GROUP
<b>Loans and receivables with banks</b>					
30/6/2014	857	44,700	1,378	(493)	46,442
31/12/2013	790	33,054	1,406	62	35,312
<b>Loans and receivables with customers</b>					
30/6/2014	75,242	32,007	306	(546)	107,009
31/12/2013	75,890	34,743	279	(1,323)	109,589
<b>Goodwill</b>					
30/6/2014	130	288	—	—	418
31/12/2013	130	288	—	—	418
<b>Deposits from banks</b>					
30/6/2014	3,407	43,197	20	8,109	54,733
31/12/2013	10,687	37,305	18	(171)	47,839
<b>Deposits from customers</b>					
30/6/2014	69,689	27,062	4,911	7,013	108,675
31/12/2013	70,685	24,839	4,980	7,346	107,850
<b>Debt securities in issue</b>					
30/6/2014	945	1,938	—	26,289	29,172
31/12/2013	3,931	2,482	—	25,391	31,804
<b>Risk-weighted assets compliant with Basel III (including equivalents for market risk and operational risk)</b>					
30/6/2014	28,708	46,978	1,385	11,674	88,745
31/12/2013	29,172	48,553	1,015	6,773	85,513

## 6 Segment reporting by region

The allocation of amounts to regions is based on the head office of the Group companies or offices involved.

Income statement, broken down by region

(€ millions)

	GERMANY	ITALY	LUXEM- BOURG	UK	REST OF EUROPE	AMERICAS	ASIA	CONSOLIDATION	HVB GROUP
<b>OPERATING INCOME</b>									
1/1–30/6/2014	2,242	12	84	169	34	46	1	(230)	2,359
1/1–30/6/2013	2,644	33	110	202	39	45	24	(124)	2,971
<b>OPERATING PROFIT/(LOSS)</b>									
1/1–30/6/2014	274	29	65	70	28	18	(23)	(62)	399
1/1–30/6/2013	555	56	93	174	28	19	121	77	1,121

## Total assets, broken down by region

(€ millions)

	30/6/2014	31/12/2013
Germany	267,711	260,341
Italy	52,434	49,317
Luxembourg	21,714	20,821
UK	12,036	15,502
Rest of Europe	4,162	2,636
Americas	6,879	6,303
Asia	3,341	3,333
Consolidation	(69,664)	(68,235)
<b>Total</b>	<b>298,612</b>	<b>290,018</b>

## Property, plant and equipment, broken down by region

(€ millions)

	30/6/2014	31/12/2013
Germany	2,851	2,859
Italy	—	—
Luxembourg	32	32
UK	15	16
Rest of Europe	3	3
Americas	3	1
Asia	1	2
Consolidation	—	—
<b>Total</b>	<b>2,905</b>	<b>2,913</b>

## Investment properties, broken down by region

(€ millions)

	30/6/2014	31/12/2013
Germany	1,292	1,431
Italy	—	—
Luxembourg	—	—
UK	24	25
Rest of Europe	—	—
Americas	—	—
Asia	—	—
Consolidation	—	—
<b>Total</b>	<b>1,316</b>	<b>1,456</b>

## Notes to the Income Statement (CONTINUED)

Intangible assets, broken down by region

(€ millions)

	30/6/2014	31/12/2013
Germany <sup>1</sup>	501	514
Italy	—	—
Luxembourg	—	1
UK	1	1
Rest of Europe	2	2
Americas	—	—
Asia	—	—
Consolidation	—	—
<b>Total</b>	<b>504</b>	<b>518</b>

1 includes goodwill

Employees, broken down by region<sup>1</sup>

	30/6/2014	31/12/2013
Germany <sup>2</sup>	16,822	17,330
Italy	285	293
Luxembourg	175	183
UK	540	533
Rest of Europe	377	367
Africa	2	2
Americas	185	196
Asia	188	188
<b>Total</b>	<b>18,574</b>	<b>19,092</b>

1 in full-time equivalents

2 the totals includes 389 FTEs at 30 June 2014 and 680 FTEs at 31 December 2013 attributable to the BARD Group

**7 Net interest**

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
<b>Interest income from</b>	<b>2,605</b>	<b>2,967</b>
lending and money market transactions <sup>1</sup>	1,798	2,018
other interest income	807	949
<b>Interest expense from</b>	<b>(1,240)</b>	<b>(1,471)</b>
deposits	(319)	(358)
debt securities in issue and other interest expenses	(921)	(1,113)
<b>Total</b>	<b>1,365</b>	<b>1,496</b>

1 A reclassification from net fees and commissions to net interest was carried out in 2013. The year-ago figures have been adjusted accordingly.

**Net interest attributable to related parties**

The following table shows the net interest attributable to related parties:

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
Non-consolidated affiliated companies	51	69
of which: UniCredit S.p.A.	24	40
Joint ventures	—	—
Associated companies	—	2
Other participating interests	—	—
<b>Total</b>	<b>51</b>	<b>71</b>

Besides the amounts attributable to UniCredit S.p.A., the net interest of €51 million (first half of 2013: €69 million) from non-consolidated affiliated companies includes interest income of €26 million (first half of 2013: €29 million) attributable to sister companies.

## 8 Dividends and other income from equity investments

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
Dividends and other similar income	47	54
Companies accounted for using the equity method	2	2
<b>Total</b>	<b>49</b>	<b>56</b>

## 9 Net fees and commissions

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
Management, brokerage and consultancy services	274	290
Collection and payment services	114	113
Lending operations <sup>1</sup>	164	198
Other service operations	16	18
<b>Total</b>	<b>568</b>	<b>619</b>

<sup>1</sup> A reclassification from net fees and commissions to net interest was carried out in 2013. The year-ago figures have been adjusted accordingly.

This item comprises the balance of fee and commission income of €790 million (2013: €822 million) and fee and commission expenses of €222 million (2013: €203 million).

### Net fees and commissions from related parties

The following table shows the net fees and commissions attributable to related parties:

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
Non-consolidated affiliated companies	33	44
of which: UniCredit S.p.A.	(10)	3
Joint ventures	—	—
Associated companies	27	17
Other participating interests	—	—
<b>Total</b>	<b>60</b>	<b>61</b>

Besides the amounts attributable to UniCredit S.p.A., the net fees and commissions of €33 million (first half of 2013: €44 million) from non-consolidated affiliated companies include €43 million (first half of 2013: €41 million) from sister companies.

## 10 Net trading income

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
Net gains on financial assets held for trading <sup>1</sup>	279	468
Effects arising from hedge accounting	(32)	15
Changes in fair value of hedged items	(495)	790
Changes in fair value of hedging derivatives	463	(775)
Net gains/(losses) on financial assets at fair value through profit or loss (fair value option) <sup>2</sup>	50	93
Other net trading income	3	133
<b>Total</b>	<b>300</b>	<b>709</b>

<sup>1</sup> including dividends on financial assets held for trading

<sup>2</sup> also including the valuation results of derivatives concluded to hedge financial assets through fair value at profit or loss

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 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.

## Notes to the Income Statement (CONTINUED)

**11 Net other expenses/income**

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
Other income	280	179
Other expenses	(203)	(88)
<b>Total</b>	<b>77</b>	<b>91</b>

Net other expenses/income includes income totalling €41 million (2013: €23 million) from Ocean Breeze Energy GmbH & Co. KG and the BARD Group. Electricity feed-in gains account for a large proportion of the total during the reporting period.

**Net other expenses/income attributable to related parties**

The following table shows the net other expenses/income attributable to related parties:

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
Non-consolidated affiliated companies	14	61
of which: UniCredit S.p.A.	(16)	6
Joint ventures	—	—
Associated companies	—	—
Other participating interests	—	—
<b>Total</b>	<b>14</b>	<b>61</b>

Besides the amounts attributable to UniCredit S.p.A., the net other expenses/income of €14 million (first half of 2013: €61 million) attributable to non-consolidated affiliated companies include €30 million (first half of 2013: €54 million) attributable to sister companies.

**12 Operating costs**

The operating costs include expenses totalling €92 million (2013: €4 million) incurred by Ocean Breeze Energy GmbH & Co. KG and the BARD Group. Write-downs of €33 million on the wind farm and the ships (2013: €2 million) account for a large proportion of the total during the reporting period.

**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)

	1/1–30/6/2014	1/1–30/6/2013
Non-consolidated affiliated companies	(302)	(297)
of which: UniCredit S.p.A.	(1)	3
Joint ventures	—	—
Associated companies	—	—
Other participating interests	—	—
<b>Total</b>	<b>(302)</b>	<b>(297)</b>

Besides the amounts attributable to UniCredit S.p.A., the operating costs of €302 million (first half of 2013: €297 million) attributable to non-consolidated affiliated companies include €301 million (first half of 2013: €300 million) attributable to sister companies.

### 13 Net write-downs of loans and provisions for guarantees and commitments

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
<b>Additions/releases</b>	<b>(116)</b>	<b>(114)</b>
Allowances for losses on loans and receivables	(110)	(155)
Allowances for losses on guarantees and indemnities	(6)	41
<b>Recoveries from write-offs of loans and receivables</b>	<b>26</b>	<b>28</b>
<b>Gains/(losses) on the disposal of impaired loans and receivables</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>(90)</b>	<b>(86)</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)

	1/1–30/6/2014	1/1–30/6/2013
Non-consolidated affiliated companies	—	—
of which: UniCredit S.p.A.	—	—
Joint ventures	—	—
Associated companies	—	—
Other participating interests	1	—
<b>Total</b>	<b>1</b>	<b>—</b>

### 14 Provisions for risks and charges

There was a net reversal of €39 million in provisions for risks and charges in the first half of 2014, resulting almost exclusively from derivative transactions.

Net additions to provisions for risks and charges amounted to €9 million during the equivalent period last year, essentially in connection with legal risks.

### 15 Net income from investments

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
Available-for-sale financial assets	67	40
Shares in affiliated companies	—	—
Companies accounted for using the equity method	—	—
Held-to-maturity investments	4	—
Land and buildings	—	54
Investment properties <sup>1</sup>	4	—
<b>Total</b>	<b>75</b>	<b>94</b>

<sup>1</sup> gains on disposal, impairments and write-ups

## Notes to the Income Statement (CONTINUED)

Net income from investments breaks down as follows:

(€ millions)

	1/1–30/6/2014	1/1–30/6/2013
<b>Gains on the disposal of</b>	<b>88</b>	<b>128</b>
available-for-sale financial assets	81	73
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	4	—
land and buildings	—	54
investment properties	3	1
<b>Write-downs, value adjustments and write-ups on</b>	<b>(13)</b>	<b>(34)</b>
available-for-sale financial assets	(14)	(33)
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	—
investment properties	1	(1)
<b>Total</b>	<b>75</b>	<b>94</b>

**16 Earnings per share**

	1/1–30/6/2014	1/1–30/6/2013
Consolidated profit attributable to the shareholder (€ millions)	330	808
Average number of shares	802,383,672	802,383,672
Earnings per share (€)	0.41	1.01

# Notes to the Balance Sheet

## 17 Financial assets held for trading

(€ millions)

	30/6/2014	31/12/2013
<b>Balance sheet assets</b>	<b>29,054</b>	<b>28,025</b>
Fixed-income securities	9,881	11,504
Equity instruments	7,048	6,928
Other financial assets held for trading	12,125	9,593
<b>Positive fair value from derivative financial instruments</b>	<b>66,560</b>	<b>63,276</b>
<b>Total</b>	<b>95,614</b>	<b>91,301</b>

The financial assets held for trading include €223 million (31 December 2013: €194 million) in subordinated assets at 30 June 2014.

### Financial assets held for trading of related parties

The following table shows the breakdown of financial assets held for trading involving related parties:

(€ millions)

	30/6/2014	31/12/2013
Non-consolidated affiliated companies	16,732	14,399
of which: UniCredit S.p.A.	11,473	10,005
Joint ventures	—	—
Associated companies	253	254
Other participating interests	—	20
<b>Total</b>	<b>16,985</b>	<b>14,673</b>

Besides the amounts attributable to UniCredit S.p.A., the financial assets held for trading of €16,732 million (31 December 2013: €14,399 million) attributable to non-consolidated affiliated companies include financial assets of €5,259 million (31 December 2013: €4,394 million) attributable to sister companies (mostly derivative transactions involving UniCredit Bank Austria AG) and €0 million (31 December 2013: €0 million) attributable to subsidiaries.

## 18 Financial assets at fair value through profit or loss

(€ millions)

	30/6/2014	31/12/2013
Fixed-income securities	29,721	28,478
Equity instruments	—	—
Investment certificates	2	2
Promissory notes	1,236	1,232
Other financial assets at fair value through profit or loss	—	—
<b>Total</b>	<b>30,959</b>	<b>29,712</b>

The financial assets at fair value through profit or loss include €286 million (31 December 2013: €282 million) in subordinated assets at 30 June 2014.

## Notes to the Balance Sheet (CONTINUED)

**19 Available-for-sale financial assets**

(€ millions)

	30/6/2014	31/12/2013
Fixed-income securities	3,625	3,533
Equity instruments	201	264
Other available-for-sale financial assets	198	201
Impaired assets	557	578
<b>Total</b>	<b>4,581</b>	<b>4,576</b>

At 30 June 2014, available-for-sale financial assets include financial instruments of €587 million (31 December 2013: €685 million) valued at cost.

The available-for-sale financial assets contain a total of €557 million (31 December 2013: €578 million) in impaired assets at 30 June 2014 for which impairments of €13 million (first half of 2013: €37 million) were taken to the income statement during the first half of 2014. None of the non-impaired debt instruments are financial instruments past due.

The available-for-sale financial assets include €194 million (31 December 2013: €189 million) in subordinated assets at 30 June 2014.

**20 Shares in associated companies accounted for using the equity method and joint ventures accounted for using the equity method**

(€ millions)

	30/6/2014	31/12/2013
Associated companies accounted for using the equity method	78	71
of which: goodwill	38	37
Joint ventures accounted for using the equity method	—	—
<b>Total</b>	<b>78</b>	<b>71</b>

**21 Held-to-maturity investments**

(€ millions)

	30/6/2014	31/12/2013
Fixed-income securities	217	217
Impaired assets	—	—
<b>Total</b>	<b>217</b>	<b>217</b>

The held-to-maturity investments include a total of €10 million (31 December 2013: €11 million) in subordinated assets at 30 June 2014.

Held-to-maturity investments at 30 June 2014 include no impaired assets, as was also the case at 31 December 2013.

**22 Loans and receivables with banks**

(€ millions)

	30/6/2014	31/12/2013
Current accounts	2,172	1,856
Cash collateral and pledged credit balances	8,791	9,013
Reverse repos	21,154	9,855
Reclassified securities	1,459	1,724
Other loans to banks	12,866	12,864
<b>Total</b>	<b>46,442</b>	<b>35,312</b>

The other loans to banks consist mostly of term deposits and bonds.

The loans and receivables with banks include €22 million (31 December 2013: €41 million) in subordinated assets at 30 June 2014.

### Loans and receivables with related parties

The following table shows the breakdown of loans and receivables with banks involving related parties:

(€ millions)

	30/6/2014	31/12/2013
Non-consolidated affiliated companies	6,765	7,188
of which: UniCredit S.p.A.	4,445	4,927
Joint ventures	—	—
Associated companies	175	105
Other participating interests	10	4
<b>Total</b>	<b>6,950</b>	<b>7,297</b>

Besides the loans and receivables with UniCredit S.p.A., the loans and receivables of €6,765 million (31 December 2013: €7,188 million) with non-consolidated affiliated banks include loans and receivables of €2,320 million (31 December 2013: €2,261 million) with sister companies (mainly UniCredit Bank Austria AG).

### 23 Loans and receivables with customers

(€ millions)

	30/6/2014	31/12/2013
Current accounts	8,455	8,100
Cash collateral and pledged cash balances	2,234	2,114
Reverse repos	476	622
Mortgage loans	40,816	41,222
Finance leases	2,015	2,039
Reclassified securities	802	2,670
Non-performing loans and receivables	3,635	3,585
Other loans and receivables	48,576	49,237
<b>Total</b>	<b>107,009</b>	<b>109,589</b>

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 €1,210 million (31 December 2013: €1,406 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, with a majority of the loans and receivables relating to German borrowers.

The loans and receivables with customers include €792 million (31 December 2013: €853 million) in subordinated assets at 30 June 2014.

### Loans and receivables with related parties

The following table shows the breakdown of loans and receivables with customers involving related parties:

(€ millions)

	30/6/2014	31/12/2013
Non-consolidated affiliated companies	97	98
Joint ventures	—	—
Associated companies	62	70
Other participating interests	452	554
<b>Total</b>	<b>611</b>	<b>722</b>

The loans and receivables of €97 million (31 December 2013: €98 million) with non-consolidated affiliated companies include loans and receivables of €72 million (31 December 2013: €74 million) with sister companies and €25 million (31 December 2013: €24 million) with subsidiaries.

## Notes to the Balance Sheet (CONTINUED)

**24 Application of reclassification rules defined in IAS 39.50 et seq.**

No further reclassifications have been carried out since 2010. The intention to trade no longer exists for the assets reclassified in 2008 and 2009, 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.

The following table shows the development of the reclassified holdings:

(€ 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 31/12/2008	13.7	11.8	14.6
Balance at 31/12/2009	9.0	8.0	9.7
Balance at 31/12/2010	6.5	5.9	7.0
Balance at 31/12/2011	4.7	4.0	5.0
Balance at 31/12/2012	3.4	3.0	3.6
Balance at 31/12/2013	2.5	2.3	2.6
Balance at 30/6/2014	2.1	2.2	2.3
<b>Reclassified in 2009</b>			
Balance at 31/12/2009	7.3	7.4	7.4
Balance at 31/12/2010	4.6	4.5	4.6
Balance at 31/12/2011	3.2	3.2	3.3
Balance at 31/12/2012	2.4	2.5	2.5
Balance at 31/12/2013	2.0	2.1	2.1
Balance at 30/6/2014	1.8	2.0	1.9
<b>Balance of reclassified assets at 30/6/2014</b>	<b>3.9</b>	<b>4.2</b>	<b>4.2</b>

<sup>1</sup> before accrued interest

The fair value of the financial instruments reclassified as loans and receivables with banks and customers amounts to a total of €4.2 billion at 30 June 2014. If these reclassifications had not been carried out in 2008 and 2009, mark-to-market valuation (including realised disposals) would have given rise to a net gain of €202 million in net trading income in the first half of 2014. A net gain of €286 million (2013), €498 million (2012), €96 million (2011), €416 million (2010) and €1,159 million (2009) would have arisen in net trading income in the financial years 2013, 2012, 2011, 2010 and 2009, while a net loss of €1,792 million would have accrued in net trading income from the reclassified holdings in 2008. These effects reflect a theoretical, pro forma calculation, as the assets are measured at amortised cost on account of the reclassification.

In the first six months of 2014, we took write-downs of €4 million on reclassified holdings. In the 2013 financial year, write-downs of €10 million on reclassified holdings were reversed, whereas write-downs of €31 million had been taken in 2012, €3 million in 2011, €8 million in 2010, €80 million in 2009 and €63 million in 2008. 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 matured or been partially repaid gives rise to an effect of €19 million in the first half of 2014 (whole of 2013: €38 million, 2012: €66 million, 2011: €100 million, 2010: €160 million, 2009: €208 million, 2008: €127 million), which is recognised in net interest.

A gain of €0 million (whole of 2013: €0 million, 2012: €21 million, 2011: €14 million, 2010: €19 million, 2009: €83 million) on reclassified securities that had been sold was recognised in the income statement in the first six months of 2014.

In the first half of 2014, the reclassifications carried out in 2008 and 2009 resulted in a profit before tax that was €187 million lower. Between the date when the reclassifications took effect and the reporting date, the cumulative net impact on the income statement from the reclassifications already carried out totalled minus €189 million before tax (first half of 2014: minus €187 million, whole of 2013: minus €238 million, 2012: minus €442 million, 2011: plus €15 million, 2010: minus €245 million, 2009: minus €948 million, 2008: plus €1,856 million).

## 25 Allowances for losses on loans and receivables with banks and customers

Analysis of loans and receivables

(€ millions)

<b>Balance at 1 January 2013</b>	<b>4,448</b>
Changes affecting income <sup>1</sup>	155
Changes not affecting income	(196)
Changes due to make-up of group of consolidated companies and reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(227)
Effects of currency translation and other changes not affecting income	31
Non-current assets or disposal groups held for sale	—
<b>Balance at 30 June 2013</b>	<b>4,407</b>
<b>Balance at 1 January 2014</b>	<b>3,373</b>
Changes affecting income <sup>1</sup>	110
Changes not affecting income	(201)
Changes due to make-up of group of consolidated companies and reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(170)
Effects of currency translation and other changes not affecting income	(31)
Non-current assets or disposal groups held for sale	—
<b>Balance at 30 June 2014</b>	<b>3,282</b>

<sup>1</sup> the changes affecting income include the gains on the disposal of impaired loans and receivables

## 26 Deposits from banks

(€ millions)

	30/6/2014	31/12/2013
<b>Deposits from central banks</b>	<b>4,851</b>	<b>6,398</b>
<b>Deposits from banks</b>	<b>49,882</b>	<b>41,441</b>
Current accounts	3,287	2,181
Cash collateral and pledged credit balances	10,122	10,243
Repos	21,554	13,286
Term deposits	5,459	6,840
Other liabilities	9,460	8,891
<b>Total</b>	<b>54,733</b>	<b>47,839</b>

## Notes to the Balance Sheet (CONTINUED)

**Amounts owed to related parties**

The following table shows the breakdown of deposits from banks involving related parties:

(€ millions)

	30/6/2014	31/12/2013
Non-consolidated affiliated companies	6,694	6,763
of which: UniCredit S.p.A.	2,201	2,561
Joint ventures	—	—
Associated companies	44	29
Other participating interests	22	21
<b>Total</b>	<b>6,760</b>	<b>6,813</b>

Besides the deposits from UniCredit S.p.A., the deposits of €6,694 million (31 December 2013: €6,763 million) from non-consolidated affiliated companies include deposits of €4,493 million (31 December 2013: €4,202 million) from sister companies; the largest single item relates to UniCredit Bank Austria AG.

**27 Deposits from customers**

(€ millions)

	30/6/2014	31/12/2013
Current accounts	57,209	54,140
Cash collateral and pledged credit balances	1,024	1,092
Savings deposits	15,075	14,837
Repos	10,359	10,336
Term deposits	18,676	19,932
Other liabilities	6,332	7,513
<b>Total</b>	<b>108,675</b>	<b>107,850</b>

**Amounts owed to related parties**

The following table shows the breakdown of deposits from customers involving related parties:

(€ millions)

	30/6/2014	31/12/2013
Non-consolidated affiliated companies	355	248
Joint ventures	1	—
Associated companies	1	1
Other participating interests	186	227
<b>Total</b>	<b>543</b>	<b>476</b>

The deposits of €355 million (31 December 2013: €248 million) from non-consolidated affiliated companies include deposits of €10 million (31 December 2013: €8 million) from subsidiaries and €345 million (31 December 2013: €240 million) from sister companies.

## 28 Debt securities in issue

(€ millions)

	30/6/2014	31/12/2013
Bonds	28,091	30,644
Other securities	1,081	1,160
<b>Total</b>	<b>29,172</b>	<b>31,804</b>

### Debt securities in issue, payable to related parties

The following table shows the breakdown of debt securities in issue involving related parties:

(€ millions)

	30/6/2014	31/12/2013
Non-consolidated affiliated companies	247	597
of which: UniCredit S.p.A.	—	351
Joint ventures	—	—
Associated companies	181	155
Other participating interests	—	—
<b>Total</b>	<b>428</b>	<b>752</b>

Besides the debt securities attributable to UniCredit S.p.A., the debt securities in issue of €247 million (31 December 2013: €597 million) attributable to non-consolidated affiliated companies include debt securities of €247 million (31 December 2013: €246 million) attributable to sister companies.

## 29 Financial liabilities held for trading

(€ millions)

	30/6/2014	31/12/2013
Negative fair values arising from derivative financial instruments	62,485	60,644
Other financial liabilities held for trading	14,670	12,891
<b>Total</b>	<b>77,155</b>	<b>73,535</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 not held for trading purposes.

## 30 Provisions

(€ millions)

	30/6/2014	31/12/2013
Provisions for pensions and similar obligations	338	146
Allowances for losses on guarantees and commitments and irrevocable credit commitments	213	204
Restructuring provisions	387	400
Actuarial provisions	—	—
Other provisions	1,107	1,219
<b>Total</b>	<b>2,045</b>	<b>1,969</b>

## Notes to the Balance Sheet (CONTINUED)

**Provisions for pensions and similar obligations**

At 30 June 2014, a revaluation of the provisions for pensions and similar obligations was carried out on the basis of updated actuarial assumptions and market values of the plan assets. Compared with year-end 2013, the pension provisions shown in the consolidated balance sheet have increased by €192 million (131.5%) to €338 million.

The main cause of the rise in pension provisions was the reduction of 50 basis points in the discount rate (weighted average) to 3.25% (31 December 2013: 3.75%) arising from developments on the capital markets in the first half of 2014. A reduced discount rate leads to less discounting of the obligations arising from defined benefit pension obligations and hence to an increase in the present value of the obligation.

The actuarial losses resulting from the calculation of the estimated present value of the defined benefit obligation (DBO) at the reporting date yielded a negative overall effect from revaluation of €237 million when netted with the gains from the current market valuation of the plan assets (difference between the normalised return and the actual return). This amount was recognised immediately in shareholders' equity in the balance sheet and is shown under other comprehensive income (OCI) in the statement of total comprehensive income.

**31 Change in valuation of financial instruments**

The reserves arising from changes in the valuation of financial instruments recognised in equity totalled €112 million at 30 June 2014 (31 December 2013: €88 million). This rise of €24 million compared with year-end 2013 can be attributed almost exclusively to the €23 million increase in the AfS reserve to €86 million, resulting primarily from positive fair value fluctuations of fixed-income securities and of equity instruments classified as available for sale. The hedge reserve similarly included in the reserves arising from changes in the value of financial instruments recognised in equity increased a slight €1 million compared with year-end 2013 to €26 million.

**32 Subordinated capital**

The following table shows the breakdown of subordinated capital included in deposits from banks and customers and debt securities in issue: (€ millions)

	30/6/2014	31/12/2013
Subordinated liabilities	799	1,650
Hybrid capital instruments	48	47
<b>Total</b>	<b>847</b>	<b>1,697</b>

# Other Information

## 33 Contingent liabilities and other commitments

(€ millions)

	30/6/2014	31/12/2013
<b>Contingent liabilities<sup>1</sup></b>	<b>21,190</b>	<b>19,607</b>
Guarantees and indemnities	21,190	19,607
<b>Other commitments</b>	<b>37,467</b>	<b>37,573</b>
Irrevocable credit commitments	37,291	37,383
Other commitments <sup>2</sup>	176	190
<b>Total</b>	<b>58,657</b>	<b>57,180</b>

1 contingent liabilities are offset by contingent assets to the same amount

2 without commitments arising from leases

## Contingent liabilities payable to related parties

(€ millions)

	30/6/2014	31/12/2013
Non-consolidated affiliated companies	2,784	2,094
of which: UniCredit S.p.A.	1,074	778
Joint ventures	—	—
Associated companies	—	—
Other participating interests	92	96
<b>Total</b>	<b>2,876</b>	<b>2,190</b>

Besides the contingent liabilities attributable to UniCredit S.p.A., the contingent liabilities of €2,784 million (31 December 2013: €2,094 million) attributable to non-consolidated affiliated companies include contingent liabilities of €1,710 million (31 December 2013: €1,316 million). As in the previous year, there were no contingent liabilities attributable to subsidiaries.

## 34 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 special purpose vehicles (SPVs). In order to refinance the acquisition of receivables, these SPVs 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 SPVs 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.

## Other Information (CONTINUED)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by rating class

(€ millions)

CARRYING AMOUNTS	30/6/2014				31/12/2013
	SENIOR	MEZZANINE	JUNIOR	TOTAL	TOTAL
<b>Positions retained from own securitisations</b>	—	61	—	61	106
<b>Positions in third-party ABS transactions</b>	3,445	1,121	—	4,566	4,645
Residential mortgage-backed securities (RMBS)	2,021	456	—	2,477	2,339
thereof:					
US subprime	1	—	—	1	1
US Alt-A	1	—	—	1	1
Commercial mortgage-backed securities (CMBS)	564	153	—	717	792
Collateralised debt obligations (CDO)	56	—	—	56	61
thereof:					
US subprime	—	—	—	—	—
US Alt-A	—	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	178	401	—	579	848
Consumer loans	474	80	—	554	444
Credit cards	64	—	—	64	—
Receivables under finance leases	79	31	—	110	148
Others	9	—	—	9	13
<b>Total</b>					
	30/6/2014	3,445	1,182	—	4,627
	31/12/2013	3,449	1,302	—	4,751
<b>Synthetic collateralised debt obligations (CDO) (derivatives)<sup>1</sup></b>					
	30/6/2014	—	—	—	—
	31/12/2013	—	24	—	24

<sup>1</sup> the amounts shown in the table represent the carrying amount (fair value)

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	30/6/2014					TOTAL
	EUROPE	USA	ASIA	OTHER REGIONS		
<b>Positions retained from own securitisations</b>	<b>61</b>	—	—	—	<b>61</b>	
<b>Positions in third-party ABS transactions</b>	<b>4,051</b>	<b>404</b>	<b>6</b>	<b>105</b>	<b>4,566</b>	
Residential mortgage-backed securities (RMBS)	2,397	3	6	71	2,477	
thereof:						
US subprime	—	1	—	—	1	
US Alt-A	—	1	—	—	1	
Commercial mortgage-backed securities (CMBS)	643	74	—	—	717	
Collateralised debt obligations (CDO)	6	33	—	17	56	
thereof:						
US subprime	—	—	—	—	—	
US Alt-A	—	—	—	—	—	
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	330	232	—	17	579	
Consumer loans	497	57	—	—	554	
Credit cards	64	—	—	—	64	
Receivables under finance leases	105	5	—	—	110	
Others	9	—	—	—	9	
<b>Total</b>	<b>30/6/2014</b>	<b>4,112</b>	<b>404</b>	<b>6</b>	<b>105</b>	<b>4,627</b>
	<b>31/12/2013</b>	<b>4,193</b>	<b>424</b>	<b>7</b>	<b>127</b>	<b>4,751</b>
<b>Synthetic collateralised debt obligations (CDO) (derivatives)<sup>1</sup></b>	<b>30/6/2014</b>	—	—	—	—	—
	<b>31/12/2013</b>	—	24	—	—	24

<sup>1</sup> the amounts shown in the table represent the carrying amount (fair value)

## Other Information (CONTINUED)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by remaining maturity

(€ millions)

CARRYING AMOUNTS	30/6/2014			TOTAL
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	
<b>Positions retained from own securitisations</b>	<b>61</b>	<b>—</b>	<b>—</b>	<b>61</b>
<b>Positions in third-party ABS transactions</b>	<b>389</b>	<b>3,141</b>	<b>1,036</b>	<b>4,566</b>
Residential mortgage-backed securities (RMBS)	133	1,521	823	2,477
thereof:				
US subprime	—	1	—	1
US Alt-A	—	1	—	1
Commercial mortgage-backed securities (CMBS)	79	540	98	717
Collateralised debt obligations (CDO)	—	6	50	56
thereof:				
US subprime	—	—	—	—
US Alt-A	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	55	484	40	579
Consumer loans	75	454	25	554
Credit cards	—	64	—	64
Receivables under finance leases	47	63	—	110
Others	—	9	—	9
<b>Total</b>	<b>450</b>	<b>3,141</b>	<b>1,036</b>	<b>4,627</b>
	<b>31/12/2013</b>	<b>377</b>	<b>3,288</b>	<b>4,751</b>
<b>Synthetic collateralised debt obligations (CDO) (derivatives)<sup>1</sup></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>31/12/2013</b>	<b>24</b>	<b>—</b>	<b>24</b>

<sup>1</sup> the amounts shown in the table represent the carrying amount (fair value)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by class as per IAS 39

(€ millions)

CARRYING AMOUNTS	30/6/2014					TOTAL	
	HELD FOR TRADING	FAIR VALUE OPTION	LOANS & RECEIVABLES	HELD TO MATURITY	AVAILABLE FOR SALE		
<b>Positions retained from own securitisations</b>	—	—	—	—	<b>61</b>	<b>61</b>	
<b>Positions in third-party ABS transactions</b>	<b>216</b>	<b>35</b>	<b>4,055</b>	<b>74</b>	<b>186</b>	<b>4,566</b>	
Residential mortgage-backed securities (RMBS)	58	14	2,352	1	52	2,477	
thereof:							
US subprime	—	—	—	1	—	1	
US Alt-A	—	—	1	—	—	1	
Commercial mortgage-backed securities (CMBS)	75	8	624	—	10	717	
Collateralised debt obligations (CDO)	—	6	33	17	—	56	
thereof:							
US subprime	—	—	—	—	—	—	
US Alt-A	—	—	—	—	—	—	
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	20	7	394	50	108	579	
Consumer loans	54	—	494	6	—	554	
Credit cards	—	—	64	—	—	64	
Receivables under finance leases	9	—	85	—	16	110	
Others	—	—	9	—	—	9	
<b>Total</b>	<b>30/6/2014</b>	<b>216</b>	<b>35</b>	<b>4,055</b>	<b>74</b>	<b>247</b>	<b>4,627</b>
	<b>31/12/2013</b>	<b>268</b>	<b>41</b>	<b>3,866</b>	<b>74</b>	<b>502</b>	<b>4,751</b>
<b>Synthetic collateralised debt obligations (CDO) (derivatives)<sup>1</sup></b>	<b>30/6/2014</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>31/12/2013</b>	<b>24</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>24</b>

<sup>1</sup> the amounts shown in the table represent the carrying amount (fair value)

## Other Information (CONTINUED)

**35 Fair value hierarchy**

We show financial instruments measured at fair value and recognised at fair value in the balance sheet separately in a fair value hierarchy in the following table. 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.

There were only a few transfers between Level 1 and Level 2 in the first half of 2014.

The following table shows transfer between Level 1 and Level 2 for financial instruments whose 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	—	131
Transfer from Level 2	159	—
<b>Financial assets at fair value through profit or loss</b>		
Transfer from Level 1	—	43
Transfer from Level 2	50	—
<b>Available-for-sale financial assets</b>		
Transfer from Level 1	—	58
Transfer from Level 2	50	—
<b>Financial liabilities held for trading</b>		
Transfer from Level 1	—	2
Transfer from Level 2	12	—

Within the scope of disclosures under IFRS 13, 1 January is considered the transfer date for instruments transferred between the levels in the first half of the reporting period (1 January to 30 June). 1 July is considered the transfer date for transfers in the second half of the reporting period (1 July to 31 December).

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 input 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.

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	95%–100%
			0%–100%
Asset-backed securities (ABS)	DCF method	Credit spread curves	0BPS–34%
		Residual value	0%–50%
		Default rate	0%–8%
Equity derivatives	Option price model	Equity volatility	25%–120%
		DCF method	Correlation between equities
		Dividend yields	0%–20%
Interest rate derivatives	DCF method	Swap interest rate	30BPS–1,000BPS
		option price model	Inflation swap interest rate
		Inflation volatility	1%–10%
		Interest rate volatility	5%–100%
		Correlation between interest rates	20%–100%
Credit derivatives	Option price model	Credit spread curves	10BPS–150%
		Credit correlation	20%–80%
		Residual value	5%–95%
		Credit volatility	35%–50%
Currency derivatives	DCF method	Yield curves	30BPS–1,000BPS
		correlation price model	FX correlation
Commodity derivatives	DCF method	Correlation between commodities	(100)%–100%
		option price model	Swap interest rate
		Commodity price volatility	35%–120%
Hybrid derivatives	Option price model	Parameter correlation	(100)%–100%
		Parameter volatility	25%–120%

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 carried at fair value, the positive change in fair values at 30 June 2014 resulting from the use of possible appropriate alternatives would be €173 million (31 December 2013: €142 million), and the negative change would be €85 million (31 December 2013: €64 million). The presentation broken down by product type instead of holding category as at 31 December 2013 gives rise to other netting effects when determining the sensitivities.

## Other Information (CONTINUED)

The following table shows the significant sensitivity effects, broken down by the individual classes of product type:

(€ millions)

	30/6/2014		31/12/2013	
	POSITIVE	NEGATIVE	POSITIVE	NEGATIVE
Fixed-income securities and other debt instruments	6	(6)	5	(5)
Asset-backed securities (ABS)	3	(1)	3	(2)
Equities	18	(18)	13	(13)
Equity derivatives	122	(49)	87	(23)
Interest rate derivatives	9	(3)	8	(3)
Credit derivatives	13	(8)	11	(5)
Currency derivatives	1	—	1	—
Commodity derivatives	1	—	1	—
Hybrid derivatives	—	—	13	(13)
<b>Total</b>	<b>173</b>	<b>(85)</b>	<b>142</b>	<b>(64)</b>

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.

The following parameters were varied for interest rate products in Level 3 as part of the sensitivity analysis: interest rates and interest rate correlations.

More conservative and more aggressive values for correlations between the fair value of the credit derivative (CDS) and the respective underlying and implicit correlations were applied for credit derivatives than was the case as part of the fair value calculation. Furthermore, rating-dependent shifts were assumed for illiquid CDS.

In terms of debt instruments, the credit spread curves were varied as part of the sensitivity analyses in line with rating.

Foreign currency derivatives were varied in terms of interest rates and the implicit volatility.

With equities, the spot price was varied using a relative value.

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 <sup>1</sup> (LEVEL 3)	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
<b>Financial assets recognised in the balance sheet at fair value</b>						
Financial assets held for trading	17,492	18,540	76,861	71,438	1,261	1,323
thereof: derivatives	2,052	1,989	63,465	60,314	1,043	973
Financial assets at fair value through profit or loss	15,304	15,247	15,068	13,889	587	576
Available-for-sale financial assets <sup>1</sup>	2,280	2,799	1,611	862	103	230
Hedging derivatives	—	—	1,220	1,053	—	—
<b>Financial liabilities recognised in the balance sheet at fair value</b>						
Financial liabilities held for trading	4,407	4,510	70,686	67,609	2,062	1,416
thereof: derivatives	1,875	1,659	59,912	58,271	698	714
Hedging derivatives	—	—	564	373	—	—

<sup>1</sup> available-for-sale financial assets include financial instruments of €587 million (31 December 2013: €673 million) valued at historical cost that are not included in these totals at 30 June 2014

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)

	2014			
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HEDGING DERIVATIVES
<b>Balance at 1/1/2014</b>	<b>1,323</b>	<b>576</b>	<b>230</b>	<b>—</b>
<b>Additions</b>				
Acquisitions	306	—	22	—
Realised gains <sup>1</sup>	251	—	1	—
Transfer from other levels	122	286	—	—
Other additions <sup>2</sup>	33	—	3	—
<b>Reductions</b>				
Sale/repayment	(340)	(275)	(31)	—
Realised losses <sup>1</sup>	(61)	—	—	—
Transfer to other levels	(297)	—	(122)	—
Other reductions	(76)	—	—	—
<b>Balance at 30/6/2014</b>	<b>1,261</b>	<b>587</b>	<b>103</b>	<b>—</b>

1 in the income statement and shareholders' equity

2 also including changes in the group of companies included in consolidation

(€ millions)

	2014	
	FINANCIAL LIABILITIES HELD FOR TRADING	HEDGING DERIVATIVES
<b>Balance at 1/1/2014</b>	<b>1,416</b>	<b>—</b>
<b>Additions</b>		
Acquisitions	739	—
Realised gains <sup>1</sup>	104	—
Transfer from other levels	519	—
Other additions <sup>2</sup>	43	—
<b>Reductions</b>		
Sale/repayment	(269)	—
Realised losses <sup>1</sup>	(58)	—
Transfer to other levels	(410)	—
Other reductions	(22)	—
<b>Balance at 30/6/2014</b>	<b>2,062</b>	<b>—</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)

	2013			
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HEDGING DERIVATIVES
<b>Balance at 1/1/2013</b>	<b>2,099</b>	<b>2,837</b>	<b>494</b>	<b>—</b>
<b>Additions</b>				
Acquisitions	2,069	87	100	—
Realised gains <sup>1</sup>	53	2	9	—
Transfer from other levels	520	659	93	—
Other additions <sup>2</sup>	195	5	21	—
<b>Reductions</b>				
Sale/repayment	(2,184)	(78)	(111)	—
Realised losses <sup>1</sup>	(95)	(44)	(9)	—
Transfer to other levels	(1,212)	(2,879)	(293)	—
Other reductions	(122)	(13)	(75)	—
<b>Balance at 31/12/2013</b>	<b>1,323</b>	<b>576</b>	<b>230</b>	<b>—</b>

1 in the income statement and shareholders' equity

2 also including changes in the group of companies included in consolidation

(€ millions)

	2013	
	FINANCIAL LIABILITIES HELD FOR TRADING	HEDGING DERIVATIVES
<b>Balance at 1/1/2013</b>	<b>1,650</b>	<b>—</b>
<b>Additions</b>		
Acquisitions	565	—
Realised gains <sup>1</sup>	185	—
Transfer from other levels	775	—
Other additions <sup>2</sup>	72	—
<b>Reductions</b>		
Sale/repayment	(512)	—
Realised losses <sup>1</sup>	(47)	—
Transfer to other levels	(1,146)	—
Other reductions	(126)	—
<b>Balance at 31/12/2013</b>	<b>1,416</b>	<b>—</b>

1 in the income statement and shareholders' equity

2 also including changes in the group of companies included in consolidation

### 36 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 values are calculated using the market information available at the reporting date as well as individual company valuation methods.

(€ billions)

ASSETS	30/6/2014		31/12/2013	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Cash and cash balances	5.1	5.1	10.6	10.6
Financial assets held for trading	95.6	95.6	91.3	91.3
Financial assets at fair value through profit or loss	31.0	31.0	29.7	29.7
Available-for-sale financial assets				
thereof: measured				
at cost	0.6	0.6	0.7	0.7
at fair value	4.0	4.0	3.9	3.9
Held-to-maturity investments	0.2	0.2	0.2	0.2
Loans and receivables with banks	46.4	46.9	35.3	35.9
Loans and receivables with customers	107.0	112.6	109.6	114.2
thereof: finance leases	2.0	2.0	2.0	2.0
Hedging derivatives	1.2	1.2	1.1	1.1
<b>Total</b>	<b>291.1</b>	<b>297.2</b>	<b>282.4</b>	<b>287.6</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)	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
<b>Financial assets not carried at fair value in the balance sheet</b>						
Cash and cash balances	—	—	5.1	10.6	—	—
Held-to-maturity investments	0.1	0.2	0.1	—	—	—
Loans and receivables with banks	0.7	0.6	18.6	18.7	27.6	16.6
Loans and receivables with customers	0.6	0.6	15.7	14.3	96.3	99.3
thereof: finance leases	—	—	—	—	2.0	2.0

(€ billions)

LIABILITIES	30/6/2014		31/12/2013	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Deposits from banks	54.7	54.9	47.8	48.6
Deposits from customers	108.7	110.1	107.9	108.1
Debt securities in issue	29.2	32.1	31.8	34.1
Financial liabilities held for trading	77.2	77.2	73.5	73.5
Hedging derivatives	0.6	0.6	0.4	0.4
<b>Total</b>	<b>270.4</b>	<b>274.9</b>	<b>261.4</b>	<b>264.7</b>

## Other Information (CONTINUED)

(€ billions)

LIABILITIES	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)	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
<b>Financial liabilities not carried at fair value in the balance sheet</b>						
Deposits from banks	—	—	12.0	12.5	42.9	36.1
Deposits from customers	—	—	57.2	55.4	52.9	52.7
Debt securities in issue	9.5	9.8	7.1	9.0	15.5	15.3

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.

For other receivables future anticipated cash flows are discounted to their present value using current interest rates taking into account the respective spreads. The spread used here for receivables is determined on the basis of Basel III-compliant expected loss values and the cost of capital. These are internal processes used to determine expected loss figures that cannot be observed on the market. Since the credit spreads are essential for the determination of the other receivables, these instruments are allocated to Level 3.

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 described in Note 35 are employed for this purpose.

The anticipated future cash flows of the other liabilities 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 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 (equity, currency and index instruments) or lognormal models (interest instruments) 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 Note 35 are employed for this purpose.

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 amortised cost.

At 30 June 2014 the difference in HVB Group between the fair values and carrying amounts totals €6.1 billion (31 December 2013: €5.2 billion) for assets and €4.5 billion (31 December 2013: €3.3 billion) for liabilities. The balance of these amounts is €1.6 billion (31 December 2013: €1.9 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.

### 37 Disclosures regarding the offsetting of financial assets and liabilities

The information required by IFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) regarding the offsetting of financial instruments is disclosed for the first time in the 2013 financial year. 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.

Financial assets that are netted in the balance sheet or subject to a legally enforceable master netting arrangement or similar agreement (€ millions)

	FINANCIAL ASSETS (GROSS)	FINANCIAL LIABILITIES NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED FINANCIAL ASSETS (NET)	AMOUNTS NOT RECOGNISED			NET AMOUNT 30/6/2014
				EFFECTS OF MASTER NETTING ARRANGEMENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	
Derivatives <sup>1</sup>	85,099	(17,319)	67,780	(46,249)	(2,796)	(7,446)	11,289
Reverse repos <sup>2</sup>	29,337	(7,707)	21,630	—	(21,317)	—	313
Loans and receivables <sup>3</sup>	22,978	(1,326)	21,652	—	—	—	21,652
<b>Total at 30/6/2014</b>	<b>137,414</b>	<b>(26,352)</b>	<b>111,062</b>	<b>(46,249)</b>	<b>(24,113)</b>	<b>(7,446)</b>	<b>33,254</b>

1 derivatives are covered in balance sheet items financial assets held for trading and hedging derivatives

2 reverse repos are covered in the notes covering loans and receivables with banks and loans and receivables with customers

3 only relates to current accounts and cash collateral or pledged credit balances, 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 (€ millions)

	FINANCIAL LIABILITIES (GROSS)	FINANCIAL ASSETS NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED FINANCIAL LIABILITIES (NET)	AMOUNTS NOT RECOGNISED			NET AMOUNT 30/6/2014
				EFFECTS OF MASTER NETTING ARRANGEMENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	
Derivatives <sup>1</sup>	80,368	(17,319)	63,049	(46,249)	(881)	(9,608)	6,311
Repos <sup>2</sup>	39,620	(7,707)	31,913	—	(31,913)	—	—
Liabilities <sup>3</sup>	72,968	(1,326)	71,642	—	—	—	71,642
<b>Total at 30/6/2014</b>	<b>192,956</b>	<b>(26,352)</b>	<b>166,604</b>	<b>(46,249)</b>	<b>(32,794)</b>	<b>(9,608)</b>	<b>77,953</b>

1 derivatives are covered in the balance sheet items financial liabilities held for trading and hedging derivatives

2 repos are covered in the notes covering deposits from banks and deposits from customers

3 only relates to current accounts and cash collateral or pledged credit balances, 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)

	FINANCIAL ASSETS (GROSS)	FINANCIAL LIABILITIES NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED FINANCIAL ASSETS (NET)	AMOUNTS NOT RECOGNISED			NET AMOUNT 31/12/2013
				EFFECTS OF MASTER NETTING ARRANGEMENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	
Derivatives <sup>1</sup>	79,859	(15,530)	64,329	(44,890)	(2,381)	(7,316)	9,742
Reverse repos <sup>2</sup>	11,401	(924)	10,477	—	(9,970)	—	507
Loans and receivables <sup>3</sup>	22,292	(1,209)	21,083	—	—	—	21,083
<b>Total at 31/12/2013</b>	<b>113,552</b>	<b>(17,663)</b>	<b>95,889</b>	<b>(44,890)</b>	<b>(12,351)</b>	<b>(7,316)</b>	<b>31,332</b>

1 derivatives are covered in the balance sheet items financial assets held for trading and hedging derivatives

2 reverse repos are covered in the notes covering loans and receivables with banks and loans and receivables with customers

3 only relates to current accounts and cash collateral or pledged credit balances, 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 (€ millions)

	FINANCIAL LIABILITIES (GROSS)	FINANCIAL ASSETS NETTED IN THE BALANCE SHEET (GROSS)	RECOGNISED FINANCIAL LIABILITIES (NET)	AMOUNTS NOT RECOGNISED			NET AMOUNT 31/12/2013
				EFFECTS OF MASTER NETTING ARRANGEMENTS	FINANCIAL INSTRUMENTS AS COLLATERAL	CASH COLLATERAL	
Derivatives <sup>1</sup>	76,547	(15,530)	61,017	(44,890)	(361)	(9,430)	6,336
Repos <sup>2</sup>	24,546	(924)	23,622	—	(22,679)	—	943
Liabilities <sup>3</sup>	68,865	(1,209)	67,656	—	—	—	67,656
<b>Total at 31/12/2013</b>	<b>169,958</b>	<b>(17,663)</b>	<b>152,295</b>	<b>(44,890)</b>	<b>(23,040)</b>	<b>(9,430)</b>	<b>74,935</b>

1 derivatives are covered in the balance sheet items financial liabilities held for trading and hedging derivatives

2 repos are covered in the notes covering deposits from banks and deposits from customers

3 only relates to current accounts and cash collateral or pledged credit balances, 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 market 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, listed future-styled derivatives and nettable receivables and liabilities repayable on demand with the same counterparty in the banking business are also offset in the balance sheet.

The column "Effects of master netting arrangements" shows the financial instruments that are subject to a legally enforceable master netting arrangement or a 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.

### 38 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.

Furthermore, HVB places excess liquidity efficiently with other UniCredit group companies. The section of the Risk Report entitled "Banks, insurance companies" under "Risk types in detail" in the 2013 Annual Report 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), 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 €282.9 million (first half of 2013: €279.8 million) for these services during the first half of 2014. This was offset by income of €5.6 million (first half of 2013: €4.4 million) from services rendered and internal charges. Moreover, software products worth €0.9 million (first half of 2013: €4.2 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 €35.0 million (first half of 2013: €34.7 million) for these services during the first half of 2014.

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: Members of the Supervisory Board and Management Board at HVB, and members of the Executive Management Committee and their respective immediate family members are considered related parties.

(€ thousands)

	30/6/2014			31/12/2013		
	LOANS AND RECEIVABLES	CONTINGENT LIABILITIES ASSUMED	LIABILITIES	LOANS AND RECEIVABLES	CONTINGENT LIABILITIES ASSUMED	LIABILITIES
Members of the Management Board of UniCredit Bank AG	1,318	7	8,208	937	7	6,011
Members of the Supervisory Board of UniCredit Bank AG	470	—	3,518	4,682	15	8,425
Members of the Executive Management Committee <sup>1</sup>	—	—	93	—	—	—

<sup>1</sup> excluding members of the Management Board and Supervisory Board of UniCredit Bank AG

Loans and advances were granted to members of the Management Board and their immediate family members in the form of credit facilities with interest rates of 6% and no fixed maturity and mortgage loans with interest rates of between 3.3% and 3.96% and falling due in the period from 2016 to 2021.

Loans and advances were granted to members of the Supervisory Board and their immediate family members in the form of credit facilities with interest rates of 6% and no fixed maturity, overdraft facilities with interest rates of between 6% and 11.15% with no fixed maturity and mortgage loans with interest rates of between 3.21% and 4.35% falling due in the period from 2015 to 2018.

All banking transactions involving the group of people listed were conducted at customary market terms with the usual collateral.

## Other Information (CONTINUED)

### **39 Members of the Supervisory Board and Management Board**

#### **Supervisory Board**

Federico Ghizzoni **Chairman**

Peter König **Deputy Chairmen**  
Dr Wolfgang Sprissler

Mirko Davide Georg Bianchi **Members**  
since 2 June 2014

Aldo Bulgarelli

Beate Dura-Kempf

Klaus Grünewald

Werner Habich

Dr Marita Kraemer  
since 1 January 2014

Dr Lothar Meyer

Marina Natale  
until 2 June 2014

Klaus-Peter Prinz

Jens-Uwe Wächter

**Management Board**

Dr Andreas Bohn	<b>Corporate &amp; Investment Banking</b>
Peter Buschbeck	<b>Commercial Banking/ Private Clients Bank</b>
Jürgen Danzmayr until 30 June 2014	<b>Commercial Banking/ Private Clients Bank (main focus Private Banking)</b>
Lutz Diederichs	<b>Commercial Banking/ Unternehmer Bank</b>
Peter Hofbauer	<b>Chief Financial Officer (CFO)</b>
Heinz Laber	<b>Human Resources Management, Global Banking Services</b>
Andrea Umberto Varese	<b>Chief Risk Officer (CRO)</b>
Dr Theodor Weimer	<b>Board Spokesman</b>

Munich, 29 July 2014

UniCredit Bank AG  
The Management Board

Dr Bohn

Buschbeck

Diederichs

Hofbauer

Laber

Varese

Dr Weimer

# 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, 29 July 2014

UniCredit Bank AG  
The Management Board



Dr Bohn



Buschbeck



Diederichs



Hofbauer



Laber



Varese



Dr Weimer

**UniCredit Bank AG**  
Kardinal-Faulhaber-Straße 1  
80333 Munich

Signed by

**Sandra Braun**

**Isabella Molinari**