

UniCredit Bank AG
Munich, Federal Republic of Germany

Base Prospectus

for the issuance of

Certificates

linked to Risk Control Strategies on Funds

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

7 January 2014

IMPORTANT NOTICE

This document constitutes a base prospectus (the **Base Prospectus**) according to Art. 5 (4) of the Directive 2003/71/EC, as amended, (the **Prospectus Directive**) in connection with the Commission Regulation (EC) No 809/2004, as amended, relating to the Certificates linked to risk control strategies on funds (the **Certificates**) issued from time to time by UniCredit Bank AG (the **Issuer** and, the **Issuance**) 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 17 May 2013 (the **Registration Document**), which is incorporated herein by reference, (b) any supplements to this Base Prospectus in accordance with Article 16 of the Prospectus Directive (the **Supplements**) as well as (c) all other documents which are incorporated herein by reference (see "*General Information – Documents incorporated by reference*" below).

This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU (the 2010 PD Amending Directive) to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the **Prospectus Directive**). The Central Bank of Ireland only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Certificates which are to be admitted to trading on a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Application has been made to the Irish Stock Exchange for Certificates to be admitted to its official list and trading on its regulated market. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive. Certificates may also be admitted to trading or listed on other regulated or unregulated markets or may not be admitted to trading or listed.

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 Issuance 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 Issuance or any Certificates (i) is intended to provide the basis of any credit or other evaluation or (ii) 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 Issuance or any Certificates should purchase any Certificates. Potential investors should note that an investment in the Certificates is only suitable for highly sophisticated investors, who understand the nature of such Certificates and the extent of their exposure to risk and have sufficient knowledge, experience and access to professional advisors (including their financial, accounting, legal and tax advisors) in order to form their own legal, tax, accounting and financial opinion upon the existing risks of such investments in such Certificates. Each investor contemplating purchasing any Certificates should make its own independent evaluation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer.

Neither this Base Prospectus nor any other information supplied in connection with the Issuance constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Certificates.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date of this Base Prospectus or that any other information supplied in connection with the Issuance 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 Article 16 of the Prospectus Directive. Investors should review, *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 Certificates.

The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Certificates 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 Certificates in the United States of America and on the offer or sale of the Certificates in the European Economic Area, the United Kingdom, Italy and France (see "*General Information – Selling Restrictions*" below).

The Certificates 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, Certificates may not be offered, sold or delivered within the United States of America or to U.S. persons (see "*General Information – Selling Restrictions*" below).

TABLE OF CONTENTS

Summary	5
A. Introduction and Warnings	5
B. Issuer.....	6
C. Securities.....	10
D. Risks	12
E. Offer.....	16
Risk Factors	17
A. Risks related to the Issuer	17
B. Risk factors in respect of Certificates	17
C. Market related risks	21
D. Risks associated with Underlying Fund(s) as an Underlying Component.....	28
Responsibility Statement	41
Consent to the use of the Prospectus	42
Description of the Issuer	43
General Information on the Certificates	44
Description of the Certificates	46
Conditions of the Certificates	47
General Information	47
Structure of the Conditions	48
Part A – General Conditions of the Certificates	49
Part B – Product and Underlying Data	56
Part C – Special Conditions of the Certificates	61
Form of Final Terms	74
Taxation	83
Selling Restrictions	91
General Information	97
Authorisation	97
Availability of Documents.....	97
Clearing Systems	97
Agents	97
Significant Changes in the Issuer’s Financial Position and Trend Information.....	98
Third party information.....	98
Use of Proceeds and reasons for the offer	98
Language	98
Legal Risks/Arbitration Proceedings	98
Major Shareholders	98
Documents incorporated by reference.....	99

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 Certificates 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, Kardinal-Faulhaber-Straße 1, 80333 Munich, Federal Republic of Germany, which has assumed responsibility for, as well as any person which has initiated the issue of, this Base Prospectus, may be held liable for the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, or it does not provide, when read together with the other parts of the Base Prospectus, all necessary key information.</p>
A.2	<p>Consent to the use of the base prospectus</p> <p>Indication of the offer period</p> <p>Other conditions attached to the consent</p>	<p>[Subject to the following paragraphs, the Issuer gives its consent to the use of the Base Prospectus during the term of its validity for subsequent resale or final placement of the Certificates 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 Certificates by financial intermediaries.]</p> <p>[Not applicable. No consent is given.]</p> <p>[Resale or final placement of the Certificates by financial intermediaries can be made and consent to use the Base Prospectus is given for [the following offer period of the Certificates: <i>insert offer period for which consent is given</i>] [an offer period of twelve (12) months following the <i>insert date at which the Final Terms will be filed with BaFin</i>].]</p> <p>[Subject to the condition that each financial intermediary complies with the Terms and Conditions of the issue, the applicable Final Terms as well as the applicable selling restrictions, the consent is not subject to any other conditions.]</p>

	Provision of Terms and Conditions of the offer by financial intermediary	[Not applicable. No consent is given.] [In the event of an offer being made by a financial intermediary, this financial intermediary will make available information to investors on the terms and conditions of the offer at the time the offer is made.] [Not applicable. No consent is given.]
--	--	--

B. ISSUER

B.1	Legal and commercial name	UniCredit Bank AG (" UniCredit Bank " or " HVB ", and together with its consolidated subsidiaries, the " HVB Group ") is the legal name. HypoVereinsbank is the commercial name.
B.2	Domicile / Legal form / Legislation / Country of incorporation	UniCredit Bank 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 global economy and the international financial markets will continue to face a high degree of uncertainty in 2013. The financial markets will continue to be affected by the unresolved sovereign debt crisis in particular. The banking sector still faces significant challenges, from both the overall economic environment and pending regulatory initiatives by banking supervisors. In this environment, HVB Group will continually adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis.
B.5	Description of the group and the issuer's position within the group	UniCredit Bank is the parent company of HVB Group, which is headquartered in Munich. HVB Group holds directly and indirectly equity participations in various companies. UniCredit Bank has been an affiliated company of UniCredit S.p.A., Rome (" UniCredit S.p.A. ", and together with its consolidated subsidiaries, " UniCredit ") since November 2005 and hence a major part of UniCredit from that date as a sub-group. UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. KPMG AG Wirtschaftsprüfungsgesellschaft, the independent auditors (Wirtschaftsprüfer) of UniCredit Bank for the financial years 2011 and 2012 have audited the consolidated financial statements of HVB Group and the unconsolidated financial statements of UniCredit Bank as of and for the years ended 31 December 2011 and 2012 and have issued an unqualified audit opinion thereon.

B.12 Selected historical key financial information

Consolidated Financial Highlights as of 31 December 2012*

Key performance indicators	1/1 – 31/12/2012	1/1 – 31/12/2011
Net operating profit	€1,807m	€1,935m
Cost-income ratio (based on operating income)	58.1%	62.1%
Profit before tax	€2,058m	€1,615m
Consolidated profit	€1,287m	€971m
Return on equity before tax ¹⁾	9.2%	7.2%
Return on equity after tax ¹⁾	5.8%	4.3%
Earnings per share	€1.55	€1.16
Balance sheet figures	31/12/2012	31/12/2011
Total assets	€348.3bn	€372.3bn
Shareholders' equity	€23.3bn	€23.3bn
Leverage ratio ²⁾	15.0x	16.0x
Key capital ratios compliant with Basel II	31/12/2012	31/12/2011
Core capital without hybrid capital (core Tier 1 capital)	€19.1bn	€19.9bn
Core capital (Tier 1 capital)	€19.5bn	€20.6bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€109.8bn	€127.4bn
Core capital ratio without hybrid capital (core Tier 1 ratio) ³⁾	17.4%	15.6%
Core capital ratio (Tier 1 ratio) ³⁾	17.8%	16.2%

* Figures shown in this table are audited and taken from the Issuer's Consolidated Annual Report as of 31 December 2012

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

²⁾ Ratio of total assets to shareholders' equity compliant with IFRS.

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

Consolidated Financial Highlights as of 30 September 2013*

Key performance indicators	1/1 – 30/09/2013	1/1 – 30/09/2012
Net operating profit	€1,462m	€1,773m
Cost-income ratio (based on operating income)	62.4%	55.1%
Profit before tax	€1,569m	€2,050m
Consolidated profit	€1,076m	€1,220m
Return on equity before tax ¹⁾	10.1%	12.2%
Return on equity after tax ¹⁾	7.0%	7.3%
Earnings per share	€1.30	€1.47
Balance sheet figures	30/09/2013	31/12/2012
Total assets	€315.4bn	€348.3bn
Shareholders' equity	€21.8bn	€23.3bn
Leverage ratio ²⁾	14.5x	15.0x
Key capital ratios compliant with Basel II	30/09/2013	31/12/2012
Core capital without hybrid capital (core Tier 1 capital)	€19.1bn	€19.1bn
Core capital (Tier 1 capital)	€19.1bn	€19.5bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€92.5bn	€109.8bn
Core capital ratio without hybrid capital (core Tier 1 ratio) ³⁾	20.7%	17.4%
Core capital ratio (Tier 1 ratio) ³⁾	20.7%	17.8%

* Figures shown in this table are unaudited and taken from the Issuer's Consolidated Interim Report as of 30 September 2013

¹⁾ Return on equity calculated on the basis of average shareholders' equity compliant with IFRS and projected profit before tax at 30 September 2013 for the year as a whole..

²⁾ Ratio of total assets to shareholders' equity compliant with IFRS.

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

	<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 2012.</p> <p>There has been no significant change in the financial position of HVB Group since 30 September 2013.</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	Statement of dependency upon other entities within the group	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.
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 and international companies.</p> <p>Its range extends i.a., from mortgage loans, consumer loans and banking services for private customers, business loans and foreign trade financing for corporate customers through to 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	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.

	ownership or control	
--	----------------------	--

C. SECURITIES

C.1	Type and class of the securities	<p>The Certificates are debt instruments in bearer form (<i>Inhaberschuldverschreibungen</i>) pursuant to § 793 German Civil Code (<i>Bürgerliches Gesetzbuch, BGB</i>).</p> <p>[The Certificates are represented by a permanent global note without interest coupons.]</p> <p>[The Certificates 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 Certificates (the "Certificateholders") are not entitled to receive Certificates in definitive form.</p> <table border="1"> <thead> <tr> <th>Series</th> <th>Tranche</th> <th>ISIN</th> <th>[WKN]</th> <th>[Common Code]</th> </tr> </thead> <tbody> <tr> <td>[Insert Series number]</td> <td>[Insert Tranche number]</td> <td>[Insert ISIN]</td> <td>[Insert WKN]</td> <td>[Insert WKN]</td> </tr> </tbody> </table>	Series	Tranche	ISIN	[WKN]	[Common Code]	[Insert Series number]	[Insert Tranche number]	[Insert ISIN]	[Insert WKN]	[Insert WKN]
Series	Tranche	ISIN	[WKN]	[Common Code]								
[Insert Series number]	[Insert Tranche number]	[Insert ISIN]	[Insert WKN]	[Insert WKN]								
C.2	Currency of the securities issue	The Certificates are issued in [Insert Specified Currency] (the " Specified Currency ").										
C.5	Restrictions of any free transferability of the securities	Not applicable. The Certificates are freely transferable.										
C.8	Rights attached to the securities, including ranking and limitations to those rights	<p>Law governing the Certificates</p> <p>The form and content of the Certificates as well as the rights and obligations of the Issuer and Certificateholders are subject to the law of the Federal Republic of Germany.</p> <p>Rights associated with the Certificates</p> <p>The Certificateholders are entitled to receive a redemption amount. Subject to an early termination due to certain extraordinary events relating to the underlying funds the Redemption amount will be paid on the Maturity Date.</p> <p>The Certificates do not bear interest.</p> <p>Restrictions on the rights</p> <p>The Issuer is entitled to terminate the Certificates early and to adjust the Terms and Conditions of these Certificates.</p> <p>Status of the Certificates</p> <p>Liabilities on the basis of the Certificates give rise to direct, unconditional and unsecured liabilities on the part of the Issuer and, subject to provisions to the contrary in the legislation, they shall be of at least the same rank as all</p>										

		other unsecured and not lower-ranking liabilities on the part of the Issuer.
C.11	Admission to trading	<p>[Application [has been] [will be] made for the Certificates to be admitted to trading with effect from [<i>Insert expected date</i>] on [the regulated market of the Irish Stock Exchange] [<i>insert other relevant regulated or other equivalent market(s)</i>].]</p> <p>[Not applicable. No application of the Certificates to be admitted to trading on a regulated or another equivalent market has been or is intended to be made.]</p>
C.15	Effect of the underlying on the value of the securities	<p>The method of calculating the Redemption Amount of the Certificates is linked to the value of an Underlying (as defined in C.20) (as adjusted by the Risk Control Strategy) at the Averaging-In Dates and the Averaging-Out Dates (as defined in C.16). The value of the Underlying is the main factor of influence for the value of the Certificates, provided that the reference to the Underlying is based on complex formulae which take into account, <i>inter alia</i>, dynamic weighting factors, participation rates and volatility of the Underlying and its components [as well as performance of the [<i>insert Basket Currency</i>]].</p> <p>In principle the Certificateholders participate in a positive as well as in a negative performance of the price during the term of the Certificates, all subject to the Risk Control Strategy:</p> <ul style="list-style-type: none"> • if the price of the Underlying rises, then the price of the Certificates generally rises; and • if the price of the Underlying falls, then the price of the Certificates generally falls. <p>The deduction of fees or other factors influencing the price are not contained in the above description and lead to the fact that no conclusions are possible on the actual performance of the price of the Certificates.</p>
C.16	The expiration or maturity date of the derivative securities – the exercise date or final reference date	<p>The “Maturity Date” of the Certificates is [<i>insert Maturity Date</i>].</p> <p>The “Averaging-In Dates” on which the initial arithmetic average of the Levels of the Risk Control Strategy are determined are [<i>insert Averaging-In Dates</i>].</p> <p>The “Averaging-Out Dates” on which the final arithmetic average of the Levels of the Risk Control Strategy are determined are [<i>insert Averaging-Out Dates</i>].</p>
C.17	Settlement procedure of the securities	<p>All payments shall be made to [<i>Insert name of the Principal Paying Agent</i>] (the “Principal Paying Agent”). The Principal Paying Agent shall pay the amounts due to the Clearing System for credit to the respective accounts of the depository banks for transfer to the Certificateholders.</p> <p>The payment to the Clearing System shall discharge the Issuer from its obligations under the Certificates in the amount of such payment.</p> <p>“Clearing System” means [<i>Insert Clearing System</i>].</p>
C.18	Description of how any return on derivative	Payment of the Redemption Amount on the Maturity Date.

	securities takes place																
C.19	Exercise price or final reference price of the underlying	<p>“RCL_{Initial}“ is the arithmetic average of the Levels of the Risk Control Strategy on the Averaging-In Dates.</p> <p>“RCL_{Final}“ is the arithmetic average of the Levels of the Risk Control Strategy on the Averaging-Out Dates.</p> <p>“Strike” means <i>[insert Strike]</i></p> <p>[“Initial Exchange Rate” (FX_{Initial}) means <i>[insert Initial Exchange Rate]</i>].</p> <p>“Final Exchange Rate” (FX_{Final}) means <i>[insert Final Exchange Rate]</i>].</p>															
C.20	Type of the underlying and description where information on the underlying can be found	<p>The “Underlying” is a fund or a basket of funds comprising the following underlying funds:</p> <table border="1"> <thead> <tr> <th>Underlying Fund_i</th> <th>Bloomberg</th> <th>Weighting (WF_i)</th> <th>ISIN</th> <th>Website</th> </tr> </thead> <tbody> <tr> <td><i>[Insert name of Underlying Fund_i]</i></td> <td><i>[Insert Bloomberg ticker]</i></td> <td><i>[Insert WF_i]</i></td> <td><i>[Insert ISIN]</i></td> <td><i>[Insert Website]</i></td> </tr> <tr> <td><i>[Insert name of Underlying Fund_i]</i></td> <td><i>[Insert Bloomberg ticker]</i></td> <td><i>[Insert WF_i]</i></td> <td><i>[Insert ISIN]</i></td> <td><i>[Insert Website]</i></td> </tr> </tbody> </table> <p>For further information regarding the past and future performance of such underlying funds and their volatility, please refer to the corresponding website set out in the above table (or each successor or replacement page).</p>	Underlying Fund _i	Bloomberg	Weighting (WF _i)	ISIN	Website	<i>[Insert name of Underlying Fund_i]</i>	<i>[Insert Bloomberg ticker]</i>	<i>[Insert WF_i]</i>	<i>[Insert ISIN]</i>	<i>[Insert Website]</i>	<i>[Insert name of Underlying Fund_i]</i>	<i>[Insert Bloomberg ticker]</i>	<i>[Insert WF_i]</i>	<i>[Insert ISIN]</i>	<i>[Insert Website]</i>
Underlying Fund _i	Bloomberg	Weighting (WF _i)	ISIN	Website													
<i>[Insert name of Underlying Fund_i]</i>	<i>[Insert Bloomberg ticker]</i>	<i>[Insert WF_i]</i>	<i>[Insert ISIN]</i>	<i>[Insert Website]</i>													
<i>[Insert name of Underlying Fund_i]</i>	<i>[Insert Bloomberg ticker]</i>	<i>[Insert WF_i]</i>	<i>[Insert ISIN]</i>	<i>[Insert Website]</i>													

D. RISKS

D.2	Key information on the key risks that are specific to the Issuer	<ul style="list-style-type: none"> • Issuer risk <p>Issuer risk is related to the possibility that the Issuer, with reference to its business and profitability is unable to pay the redemption amount, due to a deterioration in the soundness of assets.</p> <ul style="list-style-type: none"> • 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 the HVB Group's future earnings; (iii) The economic conditions of the geographic markets in which the Group operates have had, and may continue to have, adverse effects on the Group's results of operations, business and financial condition; (iv) Non-traditional banking activities expose the HVB Group to additional credit risks; (v) HVB Group's income can be volatile related to trading activities and fluctuations in interest and exchange rates; (vi) Changes in the German and European regulatory framework could adversely affect the Group's business; (vii) Loan losses may exceed anticipated levels; (viii) Risks related to market</p>
-----	--	--

		<p>implementations; (ix) Systemic risk could adversely affect the Group's business.</p> <ul style="list-style-type: none"> • Market Risk <p>Difficult market situations can add to volatility in HVB Group's income</p> <ul style="list-style-type: none"> • Liquidity Risk <p>(i) Risks concerning liquidity could affect the 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 will continue to be affected by adverse macroeconomic and market conditions; (iii) The European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition; (iv) HVB Group has significant exposure to weaker Euro-Zone countries; (v) Disruptions on financial markets potentially impact the liquidity situation of HVB Group.</p> <ul style="list-style-type: none"> • 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 in connection with outsourcing; (iv) Risks arising from fraud in trading; (v) Risks in connection with legal proceedings; (vi) The Group is involved in pending tax proceedings.</p> <ul style="list-style-type: none"> • Strategic Risk <p>(i) Risk from overall economic trends and risk from external market changes; (ii) Risks from the strategic orientation of HVB Group's business model; (iii) Risks from the consolidation of the banking market; (iv) Competition risk; (v) Uncertainty about macro-economic developments and risks from increasingly stringent regulatory requirements; (vi) The introduction of Basel III may have a material impact on the capital resources and requirements of HVB Group; (vii) Tax implications – new types of tax to make banks contribute to the cost of the financial crisis; (viii) Risks related to Ratings of HVB Group; (ix) The regulatory environment for HVB Group may change; non-compliance with regulatory requirements may result in enforcement measures.</p> <ul style="list-style-type: none"> • Additional Risks <p>(i) Business Risk; (ii) Risks arising from HVB's real estate portfolio; (iii) Risks arising from HVB Group's shareholdings/financial investments.</p>
D.6	Key information on the key risks that are specific to the securities	<ul style="list-style-type: none"> • Risk factors in respect of Certificates <ul style="list-style-type: none"> - General risks <p>Certificates are complex structured financial instruments and involve a high degree of risk. They are intended only for investors who understand and are capable of assuming all the risks involved. Before entering into any transaction involving Certificates, a potential investor should determine if such Certificates suit their particular circumstances and should independently assess the specific risks (maximum loss, currency risks, etc.) and the legal, regulatory, credit, tax and accounting consequences.</p> <ul style="list-style-type: none"> - Risk of total loss <p>Under certain circumstances Certificates may have a redemption value of</p>

		<p>zero and any other payments scheduled to be made thereunder may not be made. Investors in Certificates may sustain a partial or total loss of the amount of their investment.</p> <ul style="list-style-type: none"> - Credit risk of the Issuer <p>Certificateholders are subject to the risk of a partial or total failure of the Issuer to make payments due on the Certificates. The worse the creditworthiness of the Issuer is the higher is the risk of a loss.</p> <ul style="list-style-type: none"> - Risks related to potential conflicts of interest <p>Certain functions of the Issuer, distributors or agents or events with respect to the Certificates may be adverse to the interests of the Certificateholders. Potential conflicts of interest may include: (i) Potential conflicts related to the Issue Price; (ii) Potential conflicts related to market maker activities; (iii) Potential conflicts related to the distributors and inducements; (iv) Potential conflicts related to other functions of the Issuer – calculation agent or paying agent; (v) Potential conflicts related to other functions of the Issuer – member of a syndicate of banks etc.; (vi) Potential conflicts related to transactions in respect of the Underlying; (vii) Potential conflicts related to the issuance of other instruments; (viii) Potential conflicts related to information with respect to the Underlying; (ix) Potential conflicts related to business activities.</p> <ul style="list-style-type: none"> - Possible limitations of the legality of purchase <p>The legality of the acquisition of Certificates may be limited under the laws of the jurisdiction where a potential investor is incorporated or operates (if different). Neither the Issuer nor any of its affiliates have assumed or assume responsibility for such limitations towards any potential investor.</p> <ul style="list-style-type: none"> • Market related risks - General risks <p>(i) Risk that no active trading market for the Certificates exists; (ii) Risks relating to the offering volume; (iii) Risk relating to the market value of the Certificates; (iv) No compensation scheme; (v) Taxation risks; (vi) Risk relating to U.S. Foreign Account Tax Compliance Withholding; (vii) Reinvestment risk; (viii) Purchase on credit – debt financing; (ix) Transaction costs/charges; (x) Effects of hedging transactions by the Issuer on Certificates; (xi) Risks arising from the use of Certificates for hedging purposes; (xii) Inflation risk; (xiii) Risks arising from financial market turmoils and other governmental or regulatory interventions; (xiv) Change of law; (xv) Currency risk with respect to the Certificates;</p> <ul style="list-style-type: none"> - Risks related to the reference to the Underlying <p>(i) The Risk Control Strategy; (ii) Risks arising from the influence of the Underlying on the market value of the Certificates; (iii) Risks arising from the fact that the valuation of the Underlying occurs only at a specified date or time; (iv) Risks in relation to adjustment events; (v) Risk of postponement or alternative provisions for the valuation of the Underlying; (vi) Risk of market disruptions; (vii) Risk of regulatory consequences to investors in Certificates; (viii) Risks arising from negative effect of hedging arrangements by the Issuer on the Certificates; (ix) Risks in relation to the participation ratio; (x) Risks arising from the impact of thresholds or limits;</p>
--	--	--

		<p>(xi) Risks arising from the Issuer's early termination right.</p> <ul style="list-style-type: none"> • Risks associated with Underlying Fund(s) as an Underlying Component <p>- General risks</p> <p>(i) Risks arising from the volatility of the value of the Underlying Fund(s), risks related to the use of estimates for certain determinations; risks due to a short history of the Underlying Fund(s); (ii) No rights of ownership of the Underlying Fund(s); (iii) No shareholder rights; (iv) Similar risks to a direct investment in funds; (v) Risks related to Fund Events; (vi) Risks associated with Underlyings subject to emerging market jurisdictions.</p> <p>- Special risks</p> <p>(i) Dependence on key personnel; (ii) Risks resulting from changes in investment strategies; (iii) Risks resulting from commissions and fees; (iv) Risks resulting from a liquidation or merger of the fund; (v) Legal and tax risks; (vi) Risks resulting from conflicts of interest; (vi) No passing on of rebates or other fees paid by the fund to the Issuer; (vii) Risk resulting from valuations of the net asset value and estimates; (viii) Potential lack or currentness of the performance; (ix) No obligation to forward distributions; (x) No rights of the Certificateholders in relation to underlying assets; (xi) Market risk; (xii) Country or transfer risks; (xiii) Political/regulatory risk; (xiv) Settlement risks; (xv) Lack of liquidity in markets regarding assets and financial instruments of the fund; (xvi) Counterparty risk; (xvii) Currency risk; (xviii) Custody risks; (xiv) Concentration risk with respect to investment in assets; (xv) Risks resulting from possible effects of redemptions of fund shares; (xvi) Risks with regard to public holidays; (xvii) Specific investment risks related to investments in derivative instruments; (xviii) Specific risks related to investments in stocks; (xix) Specific risks related to investments in interest-bearing financial instruments; (xx) Specific risks related to investments in financial instruments; (xxi) Specific risks related to investments in commodities; (xxii) Specific risks related to investments in other funds; (xxiii) Risks resulting from cross liabilities; (xxiv) Risks from lending of portfolio securities; (xxv) Risks resulting from reverse repurchase agreements; (xxvi) Risks resulting from hedging transactions; (xxvii) Risks in connection with particular funds; (xxviii) Special risks associated with a single fund / fund of funds structure; (xxix) Special risks associated with master-/feeder fund structures; (xxx) Special risks associated with hedge funds; (xxxi) Risk associated with exchange traded funds /("ETFs").</p> <p>Investors may lose the value of their entire investment or part of it.</p>
--	--	--

E. OFFER

E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	The net proceeds from each issue of Certificates 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 the day of the first public offer]</i>.]</p> <p>[A public offer will be made in [Ireland][,] [and] [Germany][,] [and] [France][,] [and] [Italy] [,] [and] [Luxembourg] [and] [Austria].]</p> <p>[The smallest transferable unit is <i>[Insert smallest transferable unit]</i>.]</p> <p>[The smallest tradable unit is <i>[Insert smallest tradable unit]</i>.]</p> <p>The Certificates 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 the Certificates described in the Final Terms will be offered on a continuous basis up to its maximum issue size. The number of offered Certificates may be reduced or increased by the Issuer at any time and does not allow any conclusion on the size of actually issued Certificates and therefore on the liquidity of a potential secondary market.]</p> <p>[The continuous offer will be made on current ask prices provided by the Issuer.]</p> <p>[The public offer may be terminated by the Issuer at any time without giving any reason.]</p> <p>[No public offer occurs. The Certificates shall be admitted to trading on an organised market.]</p> <p>[Application to listing will be 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	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.
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>

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 certificates issued under this base prospectus (the **Base Prospectus**) (the **Certificates**) which potential investors need to understand in order to assess the risks associated with these Certificates. Moreover, further risks that are currently unknown or currently believed to be immaterial may also have a negative impact on the value of the Certificates. Potential investors should be aware that the Certificates may decline in value and that they may sustain a **total loss** of their investment.*

Potential investors should review these Risk Factors carefully before deciding to purchase the Certificates.

*Potential investors should consider all information provided in (a) this Base Prospectus and in any supplements thereto, (b) the applicable final terms of the Certificates (the **Final Terms**), (c) the registration document of UniCredit Bank AG dated 17 May 2013 (the **Registration Document**), which is incorporated herein by reference, and (d) all documents which are incorporated in the Base Prospectus by reference. An investment in the Certificates is only suitable for highly sophisticated investors, who understand the nature of such Certificates and the extent of the incorporated risks and who have sufficient knowledge, experience and access to professional advisors (including their financial, accounting, legal and tax advisors) in order to form their own legal, tax, accounting and financial opinion upon the existing risks of such investments. Furthermore, potential investors should be aware that the risks described below may arise separately or 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 Certificates.*

***Certificateholder** means a holder of a Certificate.*

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 Issuer's ability to fulfil its obligations arising from the Certificates.

B. Risk factors in respect of Certificates

Certificates are complex structured financial instruments and involve a high degree of risk. They are intended only for investors who understand and are capable of assuming all the risks involved. Before entering into any transaction involving Certificates, a potential investor should determine if such Certificates suit his or her particular circumstances and should independently assess (with his or her professional advisors) the specific risks (maximum loss, currency risks, etc.) and the legal, regulatory, credit, tax and accounting consequences. The Issuer makes no representation as to the suitability or appropriateness of Certificates for any particular potential investor or as to the future performance of Certificates. This Base Prospectus does not replace a personal conversation between a potential investor and his or her distributor and/or professional advisor (financial, legal, tax or accounting advisor), which is recommended by the Issuer before any investment decision. Therefore, any potential investor in Certificates is requested to ask his or her distributor to provide him or her with any available additional information regarding the Certificates.

The market value of the Certificates is influenced by different factors, including, amongst others, the value of the basket of funds specified in the Final Terms (the **Underlying**) and the degree of volatility in the value of the Underlying. In particular, a volatility risk control strategy (the **Risk Control Strategy**) is used to adjust exposure to the Underlying depending on the volatility of the Underlying.

The Issuer is acting solely as an arm's length contractual counterparty and neither the Issuer nor any affiliate is acting as the financial advisor or fiduciary of the potential investor unless it has agreed to do so in writing.

In connection with the Certificates, the Issuer and/or its affiliates may pay to third parties, or receive from third parties as part of their compensation or otherwise, a onetime or recurring remuneration (e.g., placement or holding fees). By receiving payments from third parties in connection with a Certificate, the interest of the Issuer or such affiliate may be adverse to the interest of the investor in such Certificate and, therefore, could adversely affect such investor's return on such Certificate.

Where not explicitly otherwise stated, the Issuer has no duty to invest in the Underlying directly or indirectly and the investor in such Certificate has no recourse to the Underlying or to any returns thereon. The price of a Certificate will reflect the customary fees and costs charged in respect of the level of the Underlying. Certain built-in costs are likely to adversely affect the value of a Certificate prior to its redemption.

The return on each Certificate is dependent not only on the development of the value of the Underlying and the Risk Control Strategy, but also on the creditworthiness of UniCredit Bank AG, which may change over the term of such Certificate. Certificates constitute direct, unconditional, unsecured and unsubordinated obligations of UniCredit Bank AG and rank *pari passu* with all other present and future unsecured and unsubordinated obligations of UniCredit Bank AG and without any preference among themselves, except for such preferences as are provided by any mandatory applicable provision of law.

General

Certificates may not be a suitable investment for all investors. Each potential investor must determine the suitability of that investment in light of its own circumstances, investment objectives, tax position and financial condition. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in Certificates and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the applicable final terms relevant for an issue of the Certificates under this Base Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in Certificates and the impact the Certificates will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in Certificates;
- (d) understand thoroughly the terms of Certificates and be familiar with the behaviour of any relevant indices, the Underlying and financial markets generally; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

During the life of each issue of the Certificates the risks specified in each of the above sections may impact such Certificates at different points in time and for different lengths of time. Each issue of Certificates may have a risk profile that changes over time. Prospective investors should seek advice from a professional financial adviser in order to further discuss and understand how the risk profile of a particular issue of Certificates will affect their overall investment portfolio.

More than one risk factor may have simultaneous effect with regard to Certificates such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Certificates.

An investment in Certificates should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Underlying, and/or the in the composition or method of calculation of the Underlying and the Risk Control Strategy, as the return of any such investment will be dependent, *inter alia*, upon such changes.

Risk of total loss

Certificates involve a high degree of risk, and prospective investors in Certificates should recognise that, under certain circumstances, Certificates may have a redemption value of zero and any other payments scheduled to be made thereunder may not be made. Prospective investors in Certificates should therefore be prepared to sustain a partial or total loss of the amount of their investment therein.

The risk of loss of some or all of an investor's investment in a Certificate upon redemption means that, in order to realise a return and minimise losses on his or her investment, such investor must generally be confident about the direction, timing and magnitude of any changes in the value of the Underlying.

Subject to any applicable scheduled payments, the only means through which an investor can realise value from Certificates prior to their redemption is to sell them at their then prevailing market price in any secondary market available at such time.

Certificates are direct, unconditional, unsecured and unsubordinated obligations of UniCredit Bank AG. If UniCredit Bank AG were to become insolvent, claims of investors in Certificates will rank equally in right of payment with all other unsecured and unsubordinated obligations of UniCredit Bank AG, except such obligations given priority by law. In such a case, investors in Certificates may suffer a loss of all or a portion of their investment therein, irrespective of any favourable development of the other value determining factors, such as the performance of the Underlying.

Credit risk of the Issuer

Any person who purchases Certificates relies on the creditworthiness of the Issuer and has no rights against any other person. Certificateholders are subject to the risk of a partial or total failure of the Issuer to make payments which the Issuer is obliged to make on the Certificates. 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 *Entschädigungseinrichtung deutscher Banken GmbH* or any similar institution.

Risks related to potential conflicts of interest

The below stated functions of the Issuer or any of their affiliates, the appointment and payment of any financial intermediary with whom the Issuer has entered into distribution agreements, as well as the transactions mentioned below may have a negative impact on the market value of and/or the amounts payable under the Certificates, which may be adverse to the interests of the Certificateholders.

Potential conflicts related to the Issue Price

Certificates 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 Certificates. The Issue Price may contain, beside upfront, management or other fees, an additional premium that may not be obvious to the Certificateholders. Such an additional premium depends on several factors, particularly on the volume of the Certificates of each series, current and expected market conditions as of the time of the issuance of Certificates. The premium will be added to the original mathematical value of Certificates and may differ between each issue of Certificates 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 quote bid and offer prices at which the Issuer and/or any of its affiliates are prepared to trade the Certificates in a certain volume (**Market Making**). Market Making, carried out especially by the Issuer and any of its affiliates, may substantially influence the liquidity and/or the value of the Certificates. 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 the distributors and inducements

A distributor may subscribe the Certificates at a price equivalent to or below the Issue Price. A periodic fee may be payable to a distributor in respect of the Certificates until maturity. The rate of such fee may, as the case may be, be determined by the Issuer as well as the distributor and may vary. A distributor will agree to comply with the selling restrictions stated in the Base Prospectus. Any distributor will 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 a distributor. Placement fees are one-off payments. Alternatively, the Issuer can grant an appropriate discount on the Issue Price (without subscription surcharge).

Potential conflicts related to other functions of the Issuer - calculation agent or paying agent

UniCredit Bank AG or one of its affiliates will be the Calculation Agent with respect to each Certificate. In performing its duties in its capacity as Calculation Agent, UniCredit Bank AG (or such affiliate) may have interests adverse to the interests of the Certificateholders, which may affect such Certificateholders' return on such Certificates, particularly where the Calculation Agent is entitled to exercise discretion. In this function as calculation agent or paying agent, the Issuer or any of their affiliates may, *inter alia*, calculate amounts payable under the Certificates, make adjustments or other determinations, as described in the Final Terms, by i.e. exercising reasonable discretion (§ 315 German Civil Code, *Bürgerliches Gesetzbuch*, **BGB**). The aforementioned calculations, adjustments and determinations may influence the value of, and/or the amounts payable under the Certificates and therefore could cause conflicts of interest between the Issuer and any of their affiliates on the one hand and the Certificateholders on the other hand since, even if acting within its reasonable discretion (§ 315 BGB), such calculations, adjustments and determinations could be disadvantageous for a Certificateholder. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest error) shall be binding on the Issuer and all holders of the relevant Certificates.

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

The Issuer and any of its affiliates may also act as a member of a syndicate of banks, as financial advisor or as a bank of the sponsor of an Underlying or of the issuer of an Underlying. The aforementioned functions may influence the amounts payable and therefore could lead to conflicts of interest between the Issuer and any of its affiliates with the Certificateholders.

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 described below under "D. Risks associated with Underlying Fund(s) as Underlying Component") and the Certificates and which may be adverse to the interests of the Certificateholders.

Potential conflicts related to the issuance of other instruments

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

Potential conflicts related to information with respect to the Underlying

In the course of their business activities the Issuer or any of its affiliates may be in possession of or may acquire important information (also not publicly available) about an Underlying over the term of the Certificates. The issuance of Certificates related to such an Underlying does not create any obligation to disclose such information (whether or not confidential) to the Certificateholders.

Potential conflicts related to business activities

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

Possible limitations of the legality of purchase

Neither the Issuer nor any of its affiliates have assumed or assume responsibility towards any potential investor for the legality of the acquisition of Certificates, 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.

C. Market related risks

General risks

Risk that no active trading market for the Certificates exists

The Certificates will be newly issued securities, which may not be widely distributed and for which no active trading market may exist or develop. Although applications could be made for the Certificates to be admitted to the regulated market of the Irish Stock Exchange, the Luxembourg Stock Exchange or any unregulated market such as, for instance, the *Freiverkehr* of the Frankfurt Stock Exchange, there is no assurance that such applications will be accepted, that a particular tranche of Certificates will be admitted or that an active trading market will develop. Accordingly, there is no assurance regarding the development or liquidity of a trading market for a particular tranche of Certificates. Neither the Issuer nor the distributor can assure that a Certificateholder will be able to sell their Certificates prior to their maturity. If the Certificates are not traded on any securities exchange, pricing information for the Certificates may be more difficult to obtain which may have a negative effect on the liquidity and the market prices of the Certificates.

The Issuer may, but is not obliged to, purchase Certificates at any time and at any price in the open market, by tender or private agreement. Any Certificates purchased in this way by the Issuer may be held, resold or cancelled.

If the Issuer acts as the only market maker or if there is no market maker, the secondary market may become even more limited. The more limited the secondary market is, the more difficult it may be for Certificateholders to realise the value of the Certificates prior to the redemption of the Certificates. Therefore, a certain risk does exist that Certificateholders have to hold the Certificates until expiration.

Risks relating to the offering volume

The offering volume described in the Final Terms is the same as the maximum volume of the Certificates offered. This amount does not allow any conclusions on the volume of the actual Certificates issued and thus on the liquidity of a potential secondary market associated with the same risks as stated above.

Risk relating to the market value of the Certificates

The market value (or the market price) of the Certificates will be affected by the creditworthiness of the Issuer and by a number of further factors such as prevailing interest and yield rates, the market for similar securities, general economic conditions, the value of the underlying assets in the funds or, as the case may be, the remaining term of the Certificates. If the Certificates are traded after their initial issuance, these factors may lead to a market value of the Certificates being substantially below their Issue Price.

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

No compensation scheme

An investment in Certificates will not be covered by any compensation or insurance scheme (such as a bank deposit protection scheme) of any government agency of Germany or any other jurisdiction and Certificates do not have the benefit of any government guarantee. Certificates are the obligations of the Issuer only and Certificateholders must look solely to the Issuer for the performance of the Issuer's obligations under such Certificates. In the event of the insolvency of UniCredit Bank AG, an investor in Certificates may lose all or some of its investment therein.

Taxation

All payments in respect of Certificates are subject to any applicable fiscal or other laws, regulations and directives.

Potential investors in Certificates should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the countries to and from which such Certificates are transferred, the country in which the investor is resident or other applicable jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as Certificates. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of, and other events in relation to, Certificates. Only these advisers are in a position to duly consider the specific situation of the potential investor. The tax treatment of Certificates depends on the individual tax situation of the relevant investor and may be subject to change.

Risks relating to U.S. Foreign Account Tax Compliance Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from

sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Certificates are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Certificates are discharged once it has paid the clearing systems and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*".

Reinvestment risk

Investors in Certificates may be exposed to risks connected to the reinvestment of cash resources freed from any Certificate, in particular as the result of an early redemption of such Certificate. The return an investor in Certificates will receive depends not only on the market value of, and payments (or other benefits) to be received under, such Certificates, but also on whether or not such payments (or other benefits) can be reinvested on the same or similar terms as provided for in such Certificate.

Purchase on credit – debt financing

If a loan is used to finance an investor's acquisition of Certificates and UniCredit Bank AG subsequently goes into default, or if the market value of such Certificates diminishes significantly, such investor may not only face a potential loss on his or her investment, but will also have to repay the loan and pay any interest thereon. Accordingly, any such loan may significantly increase the risk of a loss. Potential investors in Certificates should not assume that they will be able to repay any such loan or pay any interest thereon from the profits on such Certificates. Instead, potential investors should assess their financial situation prior to such an investment, whether they are able to pay interest on the loan and repay the loan on demand, and be aware that they may suffer losses instead of realising gains on such Certificates.

Transaction costs/charges

When Certificates are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of such Certificates. These incidental costs may significantly reduce or eliminate any profit from holding such Certificates, in particular if the transaction value is low. In addition, such costs may mean the market price (if any) of the Certificates following the Issue Date may be less than the Issue Price. Credit institutions as a rule charge commissions that are either fixed minimum commissions or pro rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, investors in Certificates 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 securities (direct costs), potential investors in Certificates must also take into account any follow-up costs (such as custody fees). Potential investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of Certificates before investing in such Certificates.

Effect of hedging transactions by the Issuer on Certificates

The Issuer may use a portion of the total proceeds from the sale of Certificates for transactions to hedge the risks of the Issuer relating to such Certificates. In such case, the Issuer or one of its affiliates may conclude transactions that correspond to the obligations of the Issuer under such Certificates. As a general rule, such transactions are concluded on or prior to the Issue Date/Payment Date of such Certificates, but may also occur after the Issue Date/Payment Date. On or before any date on which the value of the Underlying is determined pursuant to the Terms and Conditions applicable to the Certificates, the Issuer or one of its affiliates may take the steps necessary for closing out any such hedging transactions. It cannot, however, be ruled out that the value of the Underlying will be influenced by such hedging transactions in individual cases. In addition, in the case of a Certificate whose value is based on the occurrence of a certain event in relation to the Underlying, entering into or closing out such hedging transactions may influence the probability of the occurrence or non-occurrence of such determining event.

Further, to the extent the Issuer is unable to conclude the above described hedging transactions, or such hedging transactions are difficult to conclude, the spread between the bid and offer prices relating to the relevant Certificates may be temporarily widened or the provision of such bid and offer prices may be temporarily suspended, in each case in order to limit the economic risks to the Issuer. Consequently, Certificateholders may be unable to sell their Certificates or, if able to sell their Certificates on an exchange or on the over-the-counter market, may only be able to sell their Certificates at a price that is substantially lower than their actual value at the time of such sale, which may lead to losses to those Certificateholders.

Risks arising from the use of Certificates for hedging purposes

Any person intending to use Certificates 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 Certificates 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. Certificates 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 Certificates at a level which directly reflects the price of the Underlying or portfolio of which the Underlying forms a part.

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 Certificate. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

Risks arising from financial market turmoils and 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 Certificates 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 KredReorgG, 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 German Financial Services 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 Certificateholders 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 Certificates (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 went 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 Certificateholders' rights, the fact that BaFin applies such measures towards a credit institution may have negative effects, e.g. on the pricing of Certificates or on the institute's ability to refinance itself.

Change of Law

Certificates will be governed by German law in effect from time to time. No assurance can be given as to the impact of any possible judicial decision or change to German law (or other law applicable in Germany) or administrative practice after the relevant Issue Date/Payment Date.

Currency risk with respect to the Certificates

The Certificates 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

Certificates and may result in a loss. 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 Certificates.

Risks related to the reference to the Underlying

The value of and the return on the Certificates is determined by reference to the Underlying, being a fund or basket of funds, as well as the Risk Control Strategy described below. Accordingly the exposure to the Underlying is based on complex formulae which take into account, *inter alia*, dynamic weighting factors, participation rates and volatility of the Underlying and its components. The value of the Certificates is dependent on the price of the Underlying and therefore bears risks associated with the Underlying beside risks associated with the Certificate itself. The probability of a **total loss of the invested capital** may be substantially higher than in a direct investment in the Underlying. This probability depends on how the amounts payable under the Certificates are linked to the development of the Underlying.

The Risk Control Strategy

The Risk Control Strategy adjusts exposure to the Underlying depending on the volatility of the Underlying. In this way the performance of the Certificates will not reflect solely the performance of the Underlying and the performance of the Certificates and the Underlying may be significantly different. No assurance is given that the Risk Control Strategy will improve the performance of the Certificates and it may mean the performance of the Certificates is worse than if the Risk Control Strategy had not been used.

Risks arising from the influence of the Underlying and the Risk Control Strategy on the market value of the Certificates

Potential investors should be aware that the market value of the Certificates may be very volatile depending on the volatility of the Underlying. The market value of the Certificates is primarily influenced by changes in the price of the Underlying to which the Certificates are linked and the Risk Control Strategy. 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 Certificates is linked to the value of the Underlying (as adjusted by the Risk Control Strategy) and may be negatively influenced by the Underlying, changes in the value of the Underlying may lead to disproportionate changes in the value of the Certificates. The value of the Certificates 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 under the Certificates being significantly lower than the value of the Underlying prior to the valuation 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 under the Certificates may be calculated by reference to a valuation of the Underlying on one or more valuation date(s) as specified in the Final Terms and may not consider the performance of the Underlying prior to such valuation date(s). Even if the Underlying performed positively up to the period prior to the valuation date(s) it is possible that the value of the Underlying only decreased on such a valuation date(s), which would negatively affect the amounts payable under the Certificates. Especially for Underlyings showing a high volatility this may lead to amounts

payable being significantly lower than the value of the Underlying prior to the valuation date has suggested. Where the Underlying comprises more than one component, the positive performance of one or more components may be outweighed/eliminated by a negative performance of other components.

Risks in relation to adjustment events

In the case of the occurrence of an adjustment and/or disruption 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 are intended to maintain the economic situation of the Certificateholders as far as possible, it cannot be guaranteed that such an adjustment will only result in a minimal economic impact. In fact, this adjustment may also have a negative impact on the value or the future performance of the Certificates.

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 has 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.

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 Certificate may have an adverse effect on its value and the point of time where a payment takes place.

Risk of regulatory consequences to investors in Certificates

There may be negative regulatory and other consequences associated with the ownership by certain investors of certain Certificates. Each purchaser of the Certificates must conduct its own investigation regarding its regulatory position in connection with the potential purchase of the Certificates. The Issuer does not assume any obligation or liability whatsoever towards such a purchaser.

Risks arising from negative effect of hedging arrangements by the Issuer on the Certificates

The Issuer may use a portion or the total proceeds from the sale of the Certificates on transactions to hedge the risks of the Issuer relating to the Certificates. In such case, the Issuer or any of its affiliates may conclude transactions that correspond to the obligations of the Issuer under the Certificates. 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 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 Certificates 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 Certificates and/or on the amounts payable under the Certificates.

Risks in relation to the participation ratio

The application of a participation ratio within the calculation of amounts payable, as specified in the Final Terms, may result in the Certificate being in economic terms similar to a direct investment in the Underlying, but being nonetheless not fully comparable with such a direct investment, in particular because the Certificateholder does not participate in the relevant performance by a 1:1 ratio, but by the proportion of the participation ratio.

Risks arising from the impact of thresholds or limits

Potential investors should note that, if specified in the Final Terms, any amounts only may be payable if certain thresholds or limits have not been reached in accordance with the Final Terms. If the respective threshold or limit, as specified in the Final Terms, has been reached, the respective Certificateholder is not entitled to receive the amount specified in the Final Terms.

Risks arising from the Issuer's early termination right

The Issuer has the right to terminate the Certificates early upon the occurrence of a termination event specified in the Final Terms (i.e. if a Fund Event exists or occurs and an adjustment is not possible or not justifiable with regard to the Issuer and/or the Certificateholders, or no Successor could be determined or is available) at the reasonable market value of the Certificates. If the market value of the Certificates at the time of the early termination is lower than the purchase price of the Certificates, the respective Certificateholder will suffer a partial or total loss of its invested capital.

D. Risks associated with Underlying Fund(s) as an Underlying Component

General risks

The Underlying consists of a fund or basket of funds where each fund may comprise of a number of different assets, transactions and/or instruments (each an **Underlying Fund**). Accordingly, an investment in the Certificates may bear market risks similar to those risks involved in a direct investment into funds and investors should take appropriate advice accordingly.

Potential investors in any such Certificates should be aware that the movements in the price of one or more fund shares or fund interests may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies, equity or bond prices or other indices and the timing of changes in the relevant price of the one or more fund shares or fund interests may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of one or more fund shares or fund interests, the greater the effect on yield.

Neither the Issuer nor its affiliates have the ability to control, influence or predict the actions of the Fund Adviser or other Fund Service Provider in respect of any fund (each as defined in the Conditions of the Certificates). The Fund Adviser of any particular fund is not involved in the offer of the Certificates in any way and has no obligation to consider the interests of the Certificate Holders in taking any corporate actions that might affect the value of the Certificates.

The Fund Adviser is responsible for making strategic, investment and other trading decisions with respect to the management of the Underlying Fund, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The manner in which an Underlying Fund is managed and the timing of such decisions will have a significant impact on the performance of the Underlying Fund. Hence, the price which is used to calculate the performance of the Underlying Fund is also subject to these risks. Set out below are risks common to any fund or funds and are not specific to the Fund. These risks include:

- (i) the risk that the price of one or more of the assets in the Underlying Fund's portfolio will fall, or will fail to rise. Many factors can adversely affect an asset's performance, including both general financial market conditions and factors related to a specific asset or asset class;
- (ii) general macro-economic or asset class specific factors, including interest rates, rates of inflation, financial instability, lack of timely or reliable financial information or unfavourable political or legal developments;
- (iii) asset allocation policies of the Fund Adviser;

- (iv) credit quality and the risk of default of a bond issuer, product provider, transaction counterparty or of assets generally held in the Underlying Fund;
- (v) the risk that the Underlying Fund's investment objectives and/or investment restrictions as set out in its constitutive documents are materially changed, not complied with or the method of calculating the Net Asset Value is materially changed;
- (vi) the risk that the Underlying Fund is liquidated, dissolved or otherwise ceases to exist or it or its Fund Adviser is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law; and
- (vii) the risk that the Underlying Fund is subject to a fraudulent event.

Prospective investors in the Certificates should be aware that the Fund Adviser will manage the Underlying Fund in accordance with the investment objectives of and guidelines applicable to the Underlying Fund. Furthermore, the arrangements between the Fund Adviser and the Underlying Fund have, in most cases, not been negotiated at arm's length and it is unlikely that the Fund Adviser will be replaced or that additional fund managers and/or fund advisers will be retained.

Use of estimates

Potential investors should understand that for certain determinations, the Calculation Agent or the Issuer may be required to rely on (a) values that at the time they are required are only estimated values, and (b) information provided by third parties, such as the Fund Adviser or Fund Service Providers, on the basis of their models, market anticipation and assumptions, the accuracy of which neither the Issuer nor the Calculation Agent has any control, and as such, they may rely on this information without any obligation to verify or otherwise corroborate it.

Changing value

The value of the Certificates may move up or down between the Issue Date and the Maturity Date and an investor in the Certificates in the secondary market during that time or on maturity of the Certificates may sustain a significant loss. Factors that may influence the value of the Certificates include: the value of the Underlying Fund; the creditworthiness of the Issuer in respect of the Certificates; and those economic, financial, political and regulatory events that affect financial markets generally (including, for example, interest, foreign exchange and yield rates in the market).

The market price of a fund share in an Underlying Fund may be volatile and the volatility of the price of a fund share and may be affected by the performance of the Fund Service Providers, and in particular the Fund Adviser. The price of a fund share may be affected by economic, financial, political and regulatory events that affect financial markets generally (including, for example, factors affecting the exchange(s) or quotation system(s) on which any such fund share may be traded).

Certificateholders should note that the past performance of an Underlying Fund provides no indication of its future performance and that an Underlying Fund 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 Fund(s)

Potential investors should be aware that the relevant Underlying Fund will not be held by the Issuer for the benefit of the investors in such Certificates, and as such, Security Holders will not obtain any rights of ownership (including, without limitation hereto, voting rights, rights to receive dividends or other distributions or other rights) with respect to an Underlying Fund in relation to such Certificates. Neither the Issuer nor any of its affiliates is obliged to acquire or hold an Underlying Fund. *No shareholder rights*

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

Similar risks to a direct investment in funds

The market price of Certificates with a fund share or fund interest as Underlying depends on the performance of the fund share or fund interest. The performance of a fund share or fund interest may be subject to factors like the distribution policy, financial prospects, market position, corporate actions, shareholder structure and risk situation of the issuer of the fund share, short selling activities and low market liquidity as well as to political influences. Accordingly, an investment in Certificates with a fund share or fund interest as Underlying may bear similar risks to a direct investment in fund shares or fund interests.

Risks related to Fund Events

Prospective investors should understand that, if a Fund Event is applicable, on the occurrence of any of the Fund Events, the Issuer or the Calculation Agent, as the case may be may make adjustments to the Certificates including delaying any determination date or related payment date, selecting replacement Underlying Funds, or terminate the Certificates early.

Risks associated with the Underlying Fund(s) subject to emerging market jurisdictions

An Underlying Fund or its constituents (if any) may be subject to the jurisdiction of an emerging market. Investing in Certificates 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 Fund or any of its components may be smaller than that normally made available to Certificateholders.

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.

Special risks

Dependence on key personnel

The success of a fund generally depends in substantial part on the skill and expertise of its management. There can be no assurance that the management will continue to be associated with the respective fund throughout the term of the fund and until the maturity of the Certificates stated in the Final Terms. The loss of key personnel may have a material adverse effect on the Underlying Fund, and hence on the Certificates the performance of which is linked to it.

Risks resulting from changes in investment strategies

The investment strategy of a fund is often dynamic and changes over time. Thus, the fund manager, as the case may be, may not use the same investment strategy in the future that it used in the past. In addition and in some cases, the specific details of the specific investment strategy may be proprietary, and consequently, investors will not be able to determine the full details of those methods, or whether those methods are being followed. In particular, a fund may seek to engage in increasingly less liquid investments in an effort to achieve superior risk-adjusted returns.

Risks resulting from commissions and fees

Funds usually have to bear certain management and custody fees and further fees and expenses regardless of their performance. These fees usually accrue even if a fund's assets decrease in value. Moreover, a fund typically provides for a performance fee or allocation to its general partner, manager or person serving in an equivalent capacity over and above a basic asset-based management fee. Performance fees or allocations could create an incentive for a manager to choose riskier or more speculative investments than would otherwise be the case. In addition, because performance-based fees or allocations are generally calculated on a basis that includes unrealized appreciation as well as realized gains, a fund may pay performance-based compensation to a manager on gains that will never be realized. Certain fund managers may invest on the basis of short-term market considerations. Their turnover rate is expected to be significant, potentially involving substantial brokerage commissions and fees.

In addition, some Underlying Funds may charge fees in relation to the issuance or redemption of their fund shares. Prospective Certificateholder should be aware that, to the extent specified in the Final Terms, any of these fees may have a negative impact on payments, if any, under the Certificates.

Risks resulting from a liquidation or merger of the fund

It can not be excluded that an Underlying Fund may be liquidated or dissolved prior to the maturity of the Certificates stated in the Final Terms. In this case the Issuer or the calculation agent is entitled to adjust the terms and conditions of the Certificates (e.g. by selecting a successor fund) or, as the case may be, to terminate the Certificates prematurely.

Legal and tax risk

The legal framework and the standards concerning publicity, accounting, auditing and reporting may be less strict and not offer the same level of investor protection and information as it is the case, e.g., under the provisions of Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable Certificates (UCITS Directive) or in relation to the transposition of Directive 2011/61/EU on Alternative Investment Fund Managers. The legal and tax treatment may change in ways that cannot be predicted or influenced. In addition, any change may have a negative impact on the value of the Underlying Fund.

Risks resulting from conflicts of interest

The structure of funds may in individual cases result in conflicts of interest for the persons involved, especially with regard to investment advisors and portfolio managers (and any persons or entities affiliated with them). Apart from their mandate for a fund, investment advisors or portfolio managers may also service other customers which in individual cases may lead to conflicts of interest if certain investment opportunities only have a limited volume. Furthermore, investment advisors or portfolio managers may also act for other funds which pursue similar investment objectives or act as or represent the counterparty in transactions involving the purchase or sale of financial instruments for a

fund. Apart from that, investment advisors or portfolio managers may concurrently be acting for companies whose investment instruments are recommended to the relevant fund for purchase. Conflicts of interest may also occur if investment advisors or portfolio managers act on behalf of customers who want to sell or purchase the same financial instrument as a fund which is managed or advised by them. In particular cases, further conflicts of interest may arise which could have an effect on the performance of a fund.

A fund may not require its manager or advisor or their officers and directors to devote all or any specified portion of their time to managing the affairs of such fund, but only to devote so much of their time to such affairs as is reasonably required. In addition, a fund may not prohibit its manager or advisor or their affiliates from engaging in any other existing or future business. The officers and directors of the respective manager or advisor may invest for their own accounts in various investment opportunities. There may be personal relationships between the different parties involved in the management and administration of a fund and employees of one of these entities may take a position in other which could lead to a conflict of interest.

The Issuer may, among others, provide prime brokerage services to the Underlying Fund(s). Such services may include the extension of loans by the Issuer to one or more such funds. In connection with any such provision of services or extensions of credit, the Issuer will receive fees for its prime brokerage services and/or payments in respect of such extensions of credit, which may affect the value of the relevant fund. To the extent that the Issuer provides prime brokerage services and/or extensions of credit, the Issuer will also have custody of the relevant fund's underlying assets and will possess a lien on and security interest in such assets to secure the fund's obligations to the Issuer. Often these assets will not be registered in the fund's names, but rather directly in the name of the Issuer. In the event of an insolvency or other event of default with respect to a fund, the Issuer as secured creditor will be entitled to, and prospective Certificateholders should assume that it will, take action to realize upon and liquidate such assets in its capacity as secured creditor without taking into consideration the interests of any shareholder in the fund and of the Certificateholders. This may adversely affect the value of the relevant fund and, consequently, the value of the Certificates.

No passing on of rebates or other fees paid by the fund to the Issuer

The Issuer may receive rebates or other fees on its investment in a fund. These rebates or other fees will not be distributed to the Certificateholders and are used by the Issuer to finance the earnings mechanism of the Certificates or otherwise.

Risks resulting from valuations of the net asset value and estimates

The Issuer or the calculation agent, as the case may be, is required to rely on the fund managers' valuation of the respective assets. Many fund managers from time to time revise their valuations, sometimes materially. Such valuations may not be indicative of what the actual fair market value would be in an active, liquid or established market and subject the fund managers to a conflict of interest where their fees are based on such valuations. The valuations provided by funds with respect to their illiquid investments and by less liquid sub funds of their overall net asset values may be particularly uncertain. The funds' management fees and incentive fees, as well as the amounts due to investors upon share redemption and other financial calculations, may be determined on the basis of estimates. The manager or advisor of the funds is usually under no or only limited obligation to revise such estimates.

Potential lack of currentness of the performance

According to the Final Terms the value of the fund and of the Certificates are published for a certain cut-off date but not on such cut-off date. Consequently, there will be always a certain delay between the respective valuation on the valuation date or the observation date, as the case may be, and the

actual calculation and publication of the relevant data. It can, therefore, not be excluded that material information, including the value of the Certificates, will be outdated at the time of its publication. Since the value of the Certificates is changing constantly it is not possible to guarantee that the information published according to the Final Terms reflects the real value of the Certificates on the day after such publication.

No obligation to forward distributions

Any fund may either distribute proceeds from time to time. Potential investors should be aware that, to the extent not specified in the Final Terms, the Issuer is under no obligation to make payment to the Certificateholders to count for any of these distributions. Certificates are, unless specified in the Final Terms, linked to the performance of the fund and do generally not consider any distributions made by the fund in relation to the fund shares.

No rights of the Certificateholders in relation to the Underlying Fund(s)

Prospective Certificateholders should note that, if so specified in the Final Terms, that there is no obligation on the Issuer to purchase or hold fund shares or any of the assets in the the Underlying Fund(s) and that Certificateholders have no rights in, or to require delivery of, any of such fund shares or assets. References in the Final Terms to any balancing, rebalancing, disposal, acquisition or financing have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, or the Issuing Agent, the Principal Paying Agent and the calculation agent to actually, directly or indirectly, physically or synthetically, acquire, dispose of or effect or take delivery of, or effect transactions in, any such fund shares or other assets.

Market risk

The development of the prices and market values of the assets which are held by a fund is particularly dependent on the developments of the capital markets which themselves are influenced by the general condition of the world economy and the political parameters in the relevant countries. The general development of prices, in particular at stock exchanges, may also be influenced by irrational factors such as sentiments, opinions and rumours.

Country or transfer risks

A country risk exists when a foreign borrower, cannot make payments at all, or not on time, because of the inability or unwillingness of its country of domicile to execute transfers. This means that, e.g., payments to which the fund is entitled may not occur, or be in a currency that is no longer convertible due to restrictions on currency exchange. Furthermore, investing in foreign countries involves the risk of detrimental international political developments, changes in government policy, taxation and other changes in the legal status.

Political/regulatory risk

Energy and other natural resources companies are subject to significant federal, state and local government regulation in virtually every aspect of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls, and, in some instances, the prices they may charge for the products and services they provide. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of energy and natural resources companies.

Prospective Certificateholders should note that in case of unforeseeable circumstances regulatory authorities and stock exchanges are entitled to adopt exceptional measures which effects on the Underlying Fund(s) are not predictable.

Settlement risks

Especially when investing in unlisted Certificates, there is a risk that settlement via a transfer system is not executed as expected because a payment or delivery did not take place in time or as agreed. Also when selling or buying real estate or tangible assets, procedural defects can result in ownership not rightfully being transferred, which leads to delay of the transaction, additional costs and legal uncertainty.

Lack of liquidity in markets regarding assets and financial instruments of the Underlying Fund(s)

The markets for some assets and financial instruments have limited liquidity and depth. This could be a disadvantage to the Underlying Fund(s), both in the realisation of asset sales and in the investment process, resulting in increased costs and possibly lower returns. There can be no guarantee that liquidity issues with regard to the invested assets of the Underlying Fund(s) will (i) not occur in the future or (ii) will not have a negative impact on the Underlying Fund(s) in the future, causing a decline in its value.

Counterparty risk

Not all funds are subject to limitations regarding counterparties with whom they do business for investment purposes. As a consequence, they are to a specific extent subject to general non-payment risk (counterparty or issuer risk). Even if utmost care is exercised in the selection process, losses as a consequence of an (impending) default of the issuer cannot be excluded.

Currency risk

Proceeds of a fund on investments denominated in currencies other than the investors' home currency are influenced by fluctuations in the currencies in which such investments are denominated. Such risk depends on the fluctuations of such currencies relative to the investor of such fund's home currency and may result in additional gain or loss beyond that which the fund or Certificates actually experience. There can be no assurance that the fund will not experience increased losses as a result of such fluctuations.

Custody risks

The fund's assets are usually held in custody by one or more custodians or sub-custodians. This may result in a potential risk of losses resulting from a breach of duties to exercise due care, abusive content or the possible insolvency of the custodian or sub-custodian (if any).

Concentration risks with respect to investments in assets

Funds may concentrate their investment activities on a few assets, markets or industries. These funds with a specific investment focus are usually subject to a more distinct return and risk profile than funds with broadly diversified investments. Apart from a higher profit potential, this may also result in a higher risk and an increased volatility. As an example, regional funds or country funds are subject to a higher risk of losses because they depend on the development of a certain market and abstain from a broader risk diversification through an investment in a multitude of markets. Likewise, sector funds such as commodity, energy or technology funds entail an increased risk of losses because they also abstain from a broader, sector spanning risk diversification.

Risks resulting from the possible effects of redemptions of fund shares

Substantial redemption requests could require a fund to liquidate its assets more rapidly than otherwise intended pursuant to its investment programme to raise liquidity for making payments to a shareholder in connection with a redemption request. As result, and due to a reduction of the fund's asset portfolio, the fund may be less diversified. In addition, costs (e.g. transaction costs) have a more significant impact on the value of the fund.

Substantial redemption requests may, in certain circumstances, even lead to a premature dissolution of the fund. In addition, the redemption of fund shares could be suspended by the fund.

Risks with regard to public holidays

Public holidays in jurisdictions other than the country, where the fund is established, may lead to a situation, where fund shares cannot be bought or sold on the respective markets. This can result in unexpected price losses and delays with regard to execution or settlement of transactions. Any such losses or delay may have a negative impact on the value of the shares in the Underlying Fund(s) and, consequently, on the value of the Certificates.

Specific investment risks involved with investments in derivative instruments

Apart from above-average profit opportunities, derivative trading may also involve substantial losses in excess of the capital invested (and any collateral). Due to their limited term, rights resulting from derivatives may expire or show a substantial decline in value. Financial instruments intended to modify or replace the performance of certain Certificates, currencies, markets, etc. generally involve a counterparty risk. The purchase of derivatives with borrowed funds may lead to a significant amplification of market trends. It may not be possible to execute transactions intended to exclude or limit the risks from derivative transactions, or only to execute such transactions at a loss. In the case of derivatives consisting of a combination of various basic forms, the risks inherent in the individual basic forms may be intensified. If two consecutive transactions are executed (e.g. in case of options on financial futures and Certificates index options), additional risks may arise which are based on the executed transaction and which may be well in excess of the first transaction. The risks in connection with derivative transactions depend on the positions acquired for the fund. Potential losses may be limited to the price paid for an option or may be well in excess of the collateral, require additional collateral or lead to any indebtedness without the risk of loss being determinable in advance. In relation to derivatives that are not traded on a regulated market legal uncertainties may occur.

Specific risks involved with investments in stocks

Stocks involve certain risks such as an insolvency risk of the relevant issuer, a price risk or a dividend risk. The performance of stocks substantially depends on the developments on the capital markets which themselves are influenced by the general state of the world economy and the economical and political framework. Stocks of issuers with low or medium market capitalisation may be subject to even higher risks (e.g. with regard to their volatility or insolvency risk) than it would be the case for stocks of larger companies. Moreover, the low trading volume stocks of issuers with low market capitalisation may be rather illiquid.

Specific risks involved with investments in interest-bearing financial instruments

An investment in fixed-interest financial instruments involves the possibility that the market interest level at the time the relevant financial instrument is issued changes thereafter. If market interest rates rise compared to their level at the time of issuance, the price of fixed-interest financial instruments will usually decline. If market interest rates however drop, the price of fixed-interest financial instruments will usually raise. Fluctuations differ depending on the term of the fixed-interest financial

instrument whereas financial instruments with shorter terms typically involve lower price risks than financial instruments with longer terms.

Specific risks in relation to investments in financial instruments

In case of an investment in financial instruments, there is a risk that the credit rating of the issuer of the financial instruments deteriorates before the term of the financial instruments ends. This circumstance may have negative effects on the value of the Certificates.

Specific risks involved with investments in commodities

The performance of commodities is subject to a multitude of factors on which the Issuer has no influence. Among others, they include fluctuating bid and offer relations, weather conditions, governmental, agricultural, political and economic measures, trade programmes and directives, which aim to influence prices at the commodity exchanges, as well as interest fluctuations. The development of spot prices for commodities is rather difficult to follow and may have different local results. Furthermore, the purchase, holding and sale of commodities may be subject to restrictions or additional taxes, charges or fees in certain jurisdictions. For certain legal reasons (e.g. because of governmental orders) or practical reasons (e.g. because no insurance coverage may be available), the possibility of a physical delivery of certain commodities may be restricted and therefore influence their price. Finally, the prices for commodities may be subject to significant fluctuations as a consequence of changes in inflation rates or inflation expectations, the general availability and offer, mass selling by governmental agencies or international agencies, investment speculations and monetary or economic decisions of governments.

Specific risks involved with investments in other funds

Insofar the fund invests in target funds (the "**Target Fund**"), the fund assets will have to bear not only the administration and management fees of the investing fund but also the administration and management fees of the Target Funds. Consequently a double layer of fees cannot be excluded.

The fund managers of the respective Target Funds act independently from each other. Therefore, it might happen that several funds follow the same or opposite investment strategies. This can lead to an accumulation of existing risks and to offsetting of eventual opportunities. In general, the fund manager is not in a position to control the management of the Target Funds. The investment decisions of the Target Fund manager do not necessarily match the assumptions and expectations of the fund manager.

The relevant fund manager often does not know the investment composition contemporary to the Target Fund. If the fund manager's assumptions and expectations regarding the investment composition of the Target Fund fall short, the fund manager may be able to react only with substantial delay by redeeming the Target Fund.

Risks resulting from cross liabilities

If the underlying is a sub-fund in an umbrella structure, the acquisition of the units of the underlying is subject to the additional risk that the umbrella fund may be liable in general towards third persons for the liabilities of its sub-funds.

If the underlying is a fund share in certain class of fund units, the acquisition of the units of the underlying is subject to the additional risk that the class of fund units may be liable in general towards third persons for the liabilities of other class units of the respective Target Fund.

Risks resulting from lending of portfolio securities

In order to generate additional income, certain funds may lend portfolio securities to broker-dealers, major banks, or other recognized domestic institutional borrowers of securities. These loans earn income for such funds and are collateralized by cash, securities or letters of credit. A fund might experience a loss if the financial institution defaults on the loan. The borrower at all times during the loan must maintain with the fund cash or cash equivalent collateral or provide an irrevocable letter of credit equal in value to at least 100% of the value of the securities loaned. During the time portfolio securities are on loan, the borrower pays the fund any interest paid on such securities, and the fund may invest the cash collateral and earn additional income, or it may receive an agreed-upon amount of interest income from the borrower who has delivered equivalent collateral or a letter of credit. Loans are subject to termination at the option of the funds or the borrower at any time. The funds may pay reasonable administrative and custodial fees in connection with a loan and may pay a negotiated portion of the income earned on the cash to the borrower or placing broker. As with other extensions of credit, there are risks of delay in recovery or even loss of rights in the collateral should the borrower fail financially. There is the risk that when lending portfolio securities, the securities may not be available to the fund on a timely basis and it may, therefore, lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could have a leveraging effect, which may intensify the market risk, credit risk and other risks associated with investments in a fund. When a fund lends its securities, it is responsible for investing the cash collateral it receives from the borrower of the securities and could incur losses in connection with the investment of such cash collateral.

Risks resulting from reverse repurchase agreements

A fund may enter into reverse repurchase agreement transactions which involve the sale of securities held by the fund, with an agreement that the fund will repurchase such securities at an agreed upon price and date. This process involves the lending of specific securities to pre-approved counterparties, broker dealers, and the receipt of cash in return for a set period of time- thirty to sixty days is generally the term of any transaction. By convention, 102% worth of securities is placed as collateral with the counterparty; however, that is negotiable and may vary depending on the type of collateral employed. More volatile securities may require higher collateral. A fund may employ reverse repurchase agreements when necessary to meet unanticipated net redemptions so as to avoid liquidating other portfolio investments during unfavourable market conditions.

If the income and gains on the securities purchased with the proceeds of the agreements exceed the costs of the agreements, then a fund's net asset value will increase faster than otherwise would be the case; conversely, if the income and gains on such securities purchased fail to exceed the costs of the structure, net asset value will decline faster than otherwise would be the case. Reverse repurchase agreements as leveraging techniques may increase a fund's yield; however, such transactions also increase a fund's risk to capital and may result in a shareholder's loss of principal.

Risks resulting from hedging transactions

Fund managers may utilize a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts, both for investment purposes and for hedging purposes. Hedging involves special risks including the possible default by the other party to the transaction, illiquidity, and, to the extent the respective fund manager's or advisor's assessment of certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if hedging had not been used. Nonetheless, with respect to certain investment positions, a fund may not be sufficiently hedged against market fluctuations, in which case an investment position could result in a loss greater than if the fund had been sufficiently hedged with respect to such position. Moreover, it should be noted that a fund's portfolio will always be exposed to certain risks

that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

Risks in connection with particular funds

The legal framework and the standards concerning publicity, accounting, auditing and reporting for particular funds may be less strict and do not offer the same level of investor protection and information as it is the case, e.g., under the provisions of Directive 85/611/EEC (UCITS Directive) or Directive 2011/61/EU on Alternative Investment Fund Managers.

Under closed-end funds, commitments may be subject to call down/draw down requirements which arise over time such that investment of the full amount of any commitment may only be required to be funded over a number of years. The commitment may also be subject to a commitment period and the relevant fund may not be required to pay the full amount of any commitment. In consequence of the nature of the various types of commitment, there can be no certainty that the full amount of all funds committed by the relevant fund will in fact be drawn down in due course or at all.

Special risks in particular to a single funds / fund of funds structure

Single funds will usually choose their investments following a specific investment strategy which implies increased concentration risks and higher volatility. In order to achieve a diversification of its investments, a fund of funds will usually seek to invest its assets in a multitude of target funds which follow various investment strategies. Although such a diversification aims at compensating losses while maintaining the profit opportunities from favourable price movements, it cannot be excluded that such an investment in various target funds results in losses on an overall basis.

The target funds of a fund of funds' portfolio generally invest independently from each other and may from time to time hold economically converse positions. Furthermore, target funds may be competing for the same positions in certain markets. Therefore, no assurance can be given that the selection of various target funds is more successful than the selection of only one single target fund would be. The portfolio of fund of funds may also be composed of only a few target funds and/or may be focused on certain strategies. Such a concentration on only a few investment managers and/or investment strategies involves particularly high risks and may lead to larger losses than in the case of a broad diversification of the assets.

A fund of funds is usually subject to substantial charges, including the target fund managers' asset-based fees and performance-based allocations or fees, which, if earned, are payable irrespective of the overall profitability of the fund of funds (as opposed to the profitability of the individual target fund). A fund of funds typically provides for a performance fee or allocation to its general partner, manager or person serving in an equivalent capacity over and above a basic asset-based management fee. The fees and expenses accruing on the level of a fund of funds will reduce the net asset value and therefore the performance of such a fund of funds. Therefore, the value of a fund of funds does not fully reflect the total performance of the target funds it is invested in.

Target funds and their respective target fund managers may be subject to varying levels of regulation. Certain investments in funds and accounts formed and operated may not be subject to comprehensive government regulation. The target fund managers of such target funds may not be covered by insurance or by fidelity bonding. Moreover, the fund of funds generally has no control over the selection of the custodians of the assets of such target funds, which also may be subject to a lesser degree of government supervision or regulation than commercial banks, trust companies or securities dealers.

Potential Certificateholder should recognise that the fund of funds structure imposes certain restrictions on the asset allocation flexibility and risk control capability of the manager of the fund of funds. The fund of funds could be unable to withdraw its capital from a target fund, thus delaying the fund of funds' ability to fulfil redemption requests from shareholders of the fund of funds, for some

months after the manager or advisor has determined that such target fund has begun to deviate from its announced trading policies and strategy. It may be impossible for the fund of funds to redeem its interests in the underlying target funds when desired or to realize their fair value in the event of such redemption. Further, the target funds in which the fund of funds will invest are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were registered or publicly traded. In addition, the fund of funds may be invested solely in target funds with below average liquidity.

Special risks in particular to master-/feeder fund structures

If the share of the feeder fund in the respective master fund is relatively small, the value of the participation can depend on the action of other investors holding a bigger share in the master fund as they will hold a voting majority. Multiple feeder funds investing in the master fund can result in an increased risk of conflicting interests, especially due to tax reasons. If a large shareholder redeems its shares in the master fund, the expense ratio for the remaining investors will increase. Furthermore, as the redemption of shares will lead to the sale of a significant part of the fund's assets, the remaining portfolio will be less diversified.

Special risks in particular to hedge funds

Hedge funds typically are not registered as investment companies and, hence, not supervised by regulatory authorities, and their managers often are not registered as investment advisors with the consequence that many of the protections afforded to investors are not applicable. Typically, there are no material restrictions on the investments by the hedge funds and hedge funds managers generally have a relatively broad discretion when making investment decisions. The net asset value of a hedge fund may be subject to significant volatility and may be affected by inter alia lack of diversification of its assets and investments, risks relating to low equity ratios as there are no regulatory limits for the use of debt facilities by hedge funds, risks relating to the availability of skilled management and risks relating to engagements in future and forward transactions, derivatives, the use of short selling and investments in highly illiquid assets.

Risks associated with exchange traded funds ("ETFs")

An ETF is a fund held by a domestic or foreign investment company or an incorporated trust, whose fund shares are listed on a stock exchange. No assurance is given that such admission or listing will be maintained until the maturity of the Certificates stated in the Final Terms.

The fund share price of the ETF is composed of the total value of all the Certificates in its portfolio, less any liability, so-called net asset value. A decline in the fund share price or value of the fund's Certificates or other investments while replicating the performance of a benchmark (the "**Benchmark**") will result in losses of the funds and the fund shares. Even a broad spread of investments and strong diversification cannot exclude the risk of a decline in the fund share prices due to negative development on certain markets.

The fund share price of the ETF is determined on the basis of supply and demand. This price can deviate from the final net asset value subsequently published by the funds. Therefore during trading hours the fund share price and the actual net asset value may deviate, resulting in an so-called tracking error.

ETFs generally intend to replicate the performance of a specific index, basket or specific single asset. However, the constitutional documents or the investment program of an ETF allows, in certain circumstances, to replace the Benchmark. As a result, the ETF might not continuously replicate the original Benchmark.

While replicating the benchmark performance ETFs may either fully replicate the Benchmark's performance by directly investing in the assets comprised in the relevant Benchmark or use synthetic replication techniques like swap or other sampling techniques. The value of the ETFs is therefore in particular depended on the value and performance of the assets and instruments used to replicate the Benchmark. Nevertheless, deviations between the fund share price of the ETF and the actual value of the Benchmark, cannot be excluded.

In contrast to other funds ETFs are generally not actively managed. Instead, investment decisions are being predetermined by the relevant Benchmark and its constituent assets. A negative performance of the Benchmark usually results in a decline of the ETF's net asset value and the fund share price determine on the relevant exchange.

Moreover, the replication of a benchmark typically entails further risks like risk of illiquidity of some benchmark constituents, credit counterparty risks with regard to swap counterparties; in particular ETFs using derivatives to replicate or hedge positions may incur disproportionately higher losses in case of not-anticipated negative performance of the benchmark, so-called leverage effect.

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 PROSPECTUS

The Issuer hereby consents to the use of the Base Prospectus to the extent and the conditions as set out herein during the term of its validity pursuant to Article 9(1) of the Prospectus Directive.

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 Certificates 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.

The consent of the Issuer is given under the condition that each financial intermediary complies with the Conditions, the Final Terms as well as the applicable selling restrictions. The consent to the use of the Base Prospectus will be given for the Offer Period specified 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 Certificates 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.

In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the Certificates including information regarding costs and expenses - (including distribution fees) (if any) at the time of that offer.

Any 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 is incorporated by reference into this Base Prospectus as set out on page 99.

GENERAL INFORMATION ON THE CERTIFICATES

Issue Price

Certificates may be issued at an issue price which will be specified in the Final Terms.

Term

The Certificates have a fixed term, which may be reduced under certain circumstances.

Pricing

The Issue Price as well as any bid and offer prices which may or may not be quoted by the Issuer during the term of the Certificates 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, for example, cover the Issuer's costs for structuring the Certificates, 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 Certificates may be distributed by way of public or private placements. The Certificates may be distributed in minimum denominations or purchase prices of at least EUR 1,000 (or its equivalent in a different currency) 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 Certificates

Application has been made to list and trade Certificates on the regulated market of the Irish Stock Exchange as set out in the Final Terms. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive. Application may also be made to list and trade Certificates on another regulated market as set out in the Final Terms.

Certificates may also be included to trading on an unregulated market such as the Freiverkehr of the Frankfurt Stock Exchange or other unregulated markets or not listed at all.

Potential investors

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

Terms and conditions of the offer

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) takes place, (ii) the conditions for the offer of the Certificates; (iii) day of the first offer; (iv) possibility to reduce or increase the number of Certificates offered for sale by the Issuer, (v) smallest transferable and/or tradable unit; (vi) possibility of an early termination of the offer.

Offer during a subscription period

The Certificates 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 Certificates may subsequently be offered. The Issuer reserves the right to extend or shorten the subscription period or to withdraw the issue prior to 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 Certificates 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 Certificates allocated to them. Trading of the Certificates is possible prior to the notification of the allocation.

Representative of Certificateholders

There shall be no representative of the Certificateholders.

Information relating to the Underlying

Issue specific information relating to the Underlying will be stated in the Conditions in the Final Terms. Moreover, the Final Terms may provide for additional information relating to the Underlying.

DESCRIPTION OF THE CERTIFICATES

The definitions of the defined terms used herein are specified in the Conditions (as defined in the section "Conditions of the Certificates") below.

The securities that may be issued under the Base Prospectus are generically referred to as "Certificates" without expressing any views as to their particular features. The Certificates are bearer notes (*Schuldverschreibungen*) pursuant to § 793 of the German Civil Code (*Bürgerliches Gesetzbuch* – BGB). All Certificates are governed by German law.

The Certificates are non-interest bearing.

The method of calculating the Redemption Amount of the Certificates is linked to the value of an Underlying at a certain calculation dates (as adjusted by the Risk Control Strategy). The Underlying of the Certificates is a basket of funds. The value of the Underlying is the main factor of influence for the value of the Certificates, provided that the reference to the Underlying is based on complex formulae which take into account, *inter alia*, dynamic weighting factors, participation rates and volatility of the Underlying and its components.

In principle the Certificateholders participate in a positive as well as in a negative performance of the price during the term of the Certificates, all subject to the Risk Control Strategy.

- If the price of the Underlying rises, then the price of the Certificates generally rises.
- If the price of the Underlying falls, then the price of the Certificates generally falls.

The deduction of fees or other factors influencing the price are not contained in the above description and lead to the fact that no conclusions are possible on the actual performance of the price of the Certificates.

CONDITIONS OF THE CERTIFICATES

General Information

The following Part A – General Conditions of the Certificates (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 Certificates (the **Special Conditions**) (together, the **Terms and Conditions**). A completed version of the Terms and Conditions of the respective Tranche of Certificates will be attached to the relevant Global Certificates.

For each Tranche of Certificates 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; and
- (c) information on the relevant options contained in the Special Conditions,

reflecting the Terms and Conditions of the Certificates.

A consolidated version of the General Conditions may be delivered together with to the relevant Final Terms for convenience purposes only. 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 Certificates

- § 1 Form, Clearing System, Global Certificate, Custody
- § 2 Status
- § 3 Payments
- § 4 Taxes
- § 5 No Interest
- § 6 Principal Paying Agent, Paying Agent, Calculation Agent
- § 7 Notices
- § 8 Certificateholder's Extraordinary Termination Right
- § 9 Substitution of the Issuer
- § 10 Issuance of additional Certificates, Repurchase
- § 11 Presentation Period
- § 12 Partial Invalidity, Corrections
- § 13 Applicable Law, Place of Performance, Place of Jurisdiction

Part B – Product and Underlying Data

- § 1 Product Data
- § 2 Underlying Data

Part C – Special Conditions of the Certificates

- § 1 Redemption
- § 2 Risk Control Strategy
- § 3 Market Disruptions
- § 4 Adjustments; Early Termination

Part A – General Conditions of the Certificates

PART A - GENERAL CONDITIONS OF THE CERTIFICATES

(the General Conditions)

§ 1

Form, Clearing System, Global Certificate, Custody

- (1) *Form:* This tranche (the **Tranche**) of Certificates (the **Certificates**) of UniCredit Bank AG (the "**Issuer**") will be issued as Certificates in bearer form, each with a Nominal Amount (as defined in Table 1.2 of § 1 of the Product and Underlying Data) in the Specified Currency pursuant to these Terms and Conditions.

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

- (2) *Permanent Global Certificate:* The Certificates are represented by a permanent global certificate (the **Permanent Global Certificate**) without interest coupons, which bears the manual or facsimile signatures of two authorised signatories of the Issuer. The Certificateholders are not entitled to receive definitive Certificates. The Certificates as co-ownership interests in the Global Certificate may be transferred pursuant to the relevant regulations of the Clearing System.]

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

- (2) *Temporary Global Certificate, Exchange:* The Certificates are initially represented by a temporary global certificate (the **Temporary Global Certificate**) without interest coupons. The Temporary Global Certificate will be exchangeable for a Permanent Global Certificate without interest coupons (the Permanent Global Certificate, and, together with the Temporary Global Certificate, the **Global Certificates**) 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 Certificates represented by the Temporary Global Certificate is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Certificates through such financial institutions) (the **Non-U.S. Beneficial Ownership Certificates**). The Global Certificates bear the manual or facsimile signatures of two authorised representatives of the Issuer. *[If CBL and Euroclear Bank are specified as Clearing System, the following applies:* The details of such exchange shall be entered into the records of the ICSDs.] The Certificateholders are not entitled to receive definitive Certificates. The Certificates as co-ownership interests in the Global Certificates may be transferred pursuant to the relevant regulations of the Clearing System.

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

"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 Certificates, where CBF is specified in the Final Terms, the following applies:

- (3) *Clearing System: Clearing System* means Clearstream Banking AG, Frankfurt am Main (**CBF**). The Global Certificate will be kept in custody by CBF.]

[In the case of Certificates, where CBL and Euroclear Bank is specified in the Final Terms, the following applies:

- (3) *Clearing System: Clearing System* means 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**). The Global Certificates will be issued in classical global certificate form and will be kept in custody by a common depository on behalf of both ICSDs.]

§ 2

Status

The obligations under the Certificates 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.

§ 3

Payments

[In the case of Certificates, 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 Certificates, 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 Certificates (the **Payment Date**) is not a Banking Day then the Certificateholders shall not be entitled to payment until the next following Banking Day. The Certificateholders 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 Certificateholders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Certificates in the amount of such a payment.
- (4) *Interest of default:* If the Issuer fails to make payments under the Certificates 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).

(5) *Banking Day:*

[In the case of Certificates where the Specified Currency is the Euro, the following applies:

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

[In the case of Certificates where the Specified Currency is not the Euro, the following applies:

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

Banking Day Financial Centre means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

§ 4

Taxes

Payments in respect of the Certificates 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**) (i) 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, and (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. The Issuer shall report on the deducted or withheld Taxes to the competent government agencies.

§ 5

No Interest

The Certificates do not bear interest.

§ 6

Principal Paying Agent, Paying Agent, Calculation Agent

- (1) *Paying Agents:* The **Principal Paying Agent** is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other Paying Agent*]. The Issuer may appoint additional paying agents (the **Paying Agents**) and revoke such appointment. The appointment and revocation shall be published pursuant to § 7 of the General Conditions.
- (2) *Calculation Agent:* The **Calculation Agent** is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other Calculation Agent*] or any Affiliate as successor.
- (3) *Transfer of functions:* Should any event occur which results in the Principal Paying Agent or Calculation Agent being unable to continue in its function as Principal Paying Agent or Calculation Agent, the Issuer is obliged to appoint another bank of international standing as

Principal Paying Agent or another person or institution with the relevant expertise as Calculation Agent. Any such transfer of the functions of the Principal Paying Agent or Calculation Agent shall be notified by the Issuer without undue delay pursuant to § 7 of the General Conditions.

- (4) *Agents of the Issuer:* In connection with the Certificates, the Principal Paying Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders. The Principal Paying Agent and the Paying Agents shall be exempt from the restrictions of § 181 German Civil Code (*Bürgerliches Gesetzbuch, BGB*).
- (5) *Determinations binding:* Determinations made by the Principal Paying Agent, the Paying Agents or the Calculation Agent, will, in the absence of manifest error, be conclusive and binding on the Issuer and the Certificateholders.

§ 7

Notices

To the extent these Terms and Conditions provide for a notice pursuant to this § 7, the Issuer will deliver the relevant notice to the Clearing System(s) for communication by the Clearing System(s) to the Certificateholders. Any such notice shall be deemed to have been given to the Certificateholders on third Banking Day after the said notice was given to the relevant Clearing System 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. [In the case of Certificates where alternative website publication applies: In lieu of a notification to the Clearing System the Issuer may provide notice by publishing the relevant notice on the Website for Notices (as specified in the Final Terms) (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 Certificateholders through such publication on the day of publication unless the notice provides for a later effective date.]

§ 8

Certificateholder's Extraordinary Termination Right

- (1) Each Certificateholder shall be entitled to declare its Certificate due and demand immediate redemption thereof at the Termination Amount, in the event that
 - (a) any amount due under the Certificates is not paid within 30 days from the relevant due date, or
 - (b) the Issuer fails to duly perform any other obligation arising under the Certificates and such failure continues for more than 60 days after the Issuer has received notice thereof from a Certificateholder, or
 - (c) the Issuer generally ceases to make payments, or
 - (d) 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
 - (e) 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 Certificates.

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

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

§ 9

Substitution of the Issuer

- (1) The Issuer may without the consent of the Certificateholders, if no payment of principal or interest on any of the Certificates 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 Certificates (the **New Issuer**), provided that
 - (a) the New Issuer assumes all obligations of the Issuer in respect of the Certificates,
 - (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 Certificates,
 - (c) the New Issuer has agreed to indemnify and hold harmless each Certificateholder against any tax, duty or other governmental charge imposed on such Certificateholder in respect of such substitution and
 - (d) the Issuer guarantees proper payment of the amounts due under these Terms and Conditions.

Affiliate means, in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of a majority of the voting power of an entity.

- (2) *Notice:* Any such substitution shall be notified in accordance with § 7 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.

§ 10

Issuance of additional Certificates, Repurchase

- (1) *Issuance of additional Certificates:* The Issuer reserves the right from time to time without the consent of the Certificateholders to issue additional Certificates 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 "*Certificates*" shall, in the event of such increase, also comprise all additionally issued Certificates.
- (2) *Repurchase:* The Issuer shall be entitled at any time to purchase Certificates in the market or otherwise and at any price. Certificates repurchased by the Issuer may, at the Issuer's discretion, be held, resold or forwarded to the Principal Paying Agent for cancellation.

§ 11

Presentation Period

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

§ 12

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 Certificateholders. The rescission must be declared without undue delay upon obtaining knowledge of such cause for rescission in accordance with § 7 of the General Conditions. Following such rescission by the Issuer, the Certificateholder can instruct his depositary 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 Certificates 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 Certificates 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 Certificates 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 Certificates under amended terms and conditions. The Certificateholders will be informed of such an offer as well as the amended provisions together with the declaration of rescission in accordance with § 7 of the General Conditions. Such an offer is deemed to be accepted by the Certificateholder (with the effect that the consequences of the rescission do not become effective) if the Certificateholder does not

within four weeks after the offer becoming effective pursuant to § 7 of the General Conditions demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depositary bank to the Principal Paying Agent and the transfer of the Certificates 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 Certificateholder (as stated and confirmed in the Redemption Declaration) or the weighted arithmetic mean of the trading prices of the Certificates, 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 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 Certificateholders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Certificateholders will be permitted. The Certificateholders will be informed of such corrections and supplementations pursuant to § 7 of the General Conditions.
- (6) *Adherence to corrected Terms and Conditions:* If the Certificateholder was aware of typing or calculation errors or similar errors in these Terms and Conditions when purchasing the Certificates, the Issuer is entitled to adhere to the Terms and Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

§ 13

Applicable Law, Place of Performance, Place of Jurisdiction

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

PART B – PRODUCT AND UNDERLYING DATA

(the **Product and Underlying Data**)

§ 1

Product Data

The Certificates are [Quanto] [Compo] Securities.

[In the case of Certificates, where the Specified Currency is not the Euro, the following applies:

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

Calculation Date means [each day that is a Fund Business Day for the Underlying Fund from and including the Initial Calculation Date to and including the Final Calculation Date] [in respect of a Basket of Funds a Fund Business Day for all the Underlying Funds from and including the Initial Calculation Date to and including the Final Calculation Date] [*insert alternative definition*].

Table 1.1:

Securities Identification Code	Reuters	Issue Date
[Insert WKN] [Insert ISIN]	[Insert RIC]	[Insert Issue Date]

Table 1.2:

Maturity Date	Nominal Amount	Participation Ratio	Minimum Level	Strike	Initial Calculation Date
[insert Maturity Date][or, if later, the [●] Banking Day, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), following the day on which the Redemption Amount (including each relevant Level of Risk Control Strategy required for determining the Redemption Amount) may be calculated.]	[Insert Nominal Amount]	[Insert Participation Ratio] %	[Insert Minimum Level] %	[Insert Strike]	[insert Initial Calculation Date] or, if such day is not a Calculation Date, the immediately following Calculation Date. ¹

Basket Currency:	Specified Currency:	Initial Strategy Calculation Date	Final Calculation Date	Trade Date	Rate
[Insert Basket Currency]	[Insert Specified Currency of the Certificates]	[insert Initial Strategy Calculation Date] or, if such day is not a Calculation Date, the immediately following Calculation Date.	[insert Final Calculation Date] or, if such day is not a Calculation Date, the immediately following Calculation Date.	[insert Trade Date]	[In respect of a Calculation Date, means the 1-month US LIBOR rate as published on Bloomberg (code: US0001M Index) around 11:00 a.m. (London time) on the Rate Reset Date immediately preceding the relevant Calculation Date as determined by the Calculation Agent. If such rate cannot be so determined, then

¹ N.B.: This must fall sufficient Calculation Dates prior to the Initial Strategy Calculation Date to allow initial Basket Values to be calculated.

					the Calculation Agent shall select another Reuters or Bloomberg page or determine in good faith such rate by reference to such sources as it may select in its absolute discretion in respect of such date; [insert alternative rate]
--	--	--	--	--	---

Rate Reset Date	Averaging-Out Dates	Averaging-In Dates	Adjustment Factor: AF _{RCL}	Adjustment Factor: AF _{Rate}	Adjustment Factor: AF _{Strat}
Each Calculation Date from and including the Initial Strategy Calculation Date [or if that is not a Banking Day, the immediately preceding Banking Day.]	[insert Averaging-Out Dates], or if any such day is not a Calculation Date, the immediately following Calculation Date.	[insert Averaging-In Dates], or if any such day is not a Calculation Date, the immediately following Calculation Date.	[insert Adjustment Factor AF _{RCL}]	[insert Adjustment Factor AF _{Rate}]	[insert Adjustment Factor AF _{Strat}]

Adjustment Factor: AF _{Basket}	FX _{Initial}	FX _{Final}	Basket Rebalancing Date
[insert Adjustment Factor AF _{Basket}]	[The arithmetic mean of the rate of exchange between the Basket Currency on the Averaging-In Dates at or about [●] hours [●] time expressed as the number of units of the Specified Currency for which one unit of the Basket Currency may be exchanged, as determined by the Calculation Agent in its reasonable discretion by reference to such source(s) as it determines appropriate.] [Not applicable]	[The arithmetic mean of the rate of exchange between the Basket Currency on the Averaging-Out Dates at or about [●] hours [●] time expressed as the number of units of the Specified Currency for which one unit of the Basket Currency may be exchanged, as determined by the Calculation Agent in its reasonable discretion by reference to such source(s) as it determines appropriate.] [Not applicable]	[The Initial Calculation Date, the Strike Date and insert further Basket Rebalancing Dates]

Table 1.3:

Lower Barrier (LB)	Upper Barrier (UB)	Minimum Weight (W _{min})	Maximum Weight (W _{max})	Risk Control Level	Target Volatility
[Insert Lower Barrier]	[Insert Upper Barrier]	[Insert Minimum Weight]	[Insert Maximum Weight]	[Insert Risk Control Level]	[insert Target Volatility]

Table 1.4:

Volatility Observation Period (VOP)	lag	Consecutive Calculation Dates with respect to Market Disruptions and Adjustments	Maximum Volatility Threshold
<i>[Insert Volatility Observation Period, expressed as a number of days]</i>	<i>[Insert lag as a number]</i>	<i>[Insert Number of consecutive Calculation Dates]</i>	<i>[Insert Maximum Volatility Threshold as a percentage]</i>

§ 2
Underlying Data

Table 2:

Underlying Fund_i	Bloomberg	Weighting (<i>WF_i</i>)	ISIN	Website
<i>[Insert name of each Underlying Fund_i]</i>	<i>[Insert each Bloomberg ticker]</i>	<i>[Insert each <i>WF_i</i>]</i>	<i>[Insert each ISIN]</i>	<i>[Insert each Website]</i>

For further information regarding the past and future performance of such Underlying Fund and its volatility, please refer to the Website as specified in Table 2 or each successor or replacement page).

PART C – SPECIAL CONDITIONS OF THE CERTIFICATES
(the **Special Conditions**)

§ 1

Redemption

- (1) *Redemption*: Subject to an early termination pursuant to § 4 of these Special Conditions the Certificates shall be redeemed at the Maturity Date as defined in Table 1.2 of § 1 of the Product and Underlying Data by payment of the Redemption Amount pursuant to paragraph (2) below.
- (2) *Redemption Amount*: The **Redemption Amount** per Certificate shall be determined by the Calculation Agent as follows:

$$N \times \left[ML + Part\% \times \text{Max} \left[0\%; \frac{RCL_{Final}}{RCL_{Initial}} - Strike \right] \times \frac{FX_{Final}}{FX_{Initial}} \right]$$

Where:

- N is the Nominal Amount;
- Part% is the Participation Ratio (as defined in Table 1.2 of § 1 of the Product and Underlying Data);
- RCL_{Initial} is the arithmetic average of the Levels of the Risk Control Strategy on Averaging-In Dates (as defined in Table 1.2 of § 1 of the Product and Underlying Data) determined pursuant to § 2 of the Special Conditions;
- ML the Minimum Level (as defined in Table 1.2 of § 1 of the Product and Underlying Data);
- RCL_{Final} is the arithmetic average of the Levels of the Risk Control Strategy on each of the Averaging-Out Dates (as defined in Table 1.2 of § 1 of the Product and Underlying Data) determined pursuant to § 2 of the Special Conditions;
- Strike is the Strike (as defined in Table 1.2 of § 1 of the Product and Underlying Data); and
- FX_{Initial} is the Initial Exchange Rate in the case of Compo Securities or 1 in the case of Quanto Securities or where the Basket Currency is the Specified Currency (as defined in Table 1.2 of § 1 of the Product and Underlying Data); and
- FX_{Final} is Final Exchange Rate in the case of Compo Securities or 1 in the case of Quanto Securities or where the Basket Currency is the Specified Currency (as defined in Table 1.2 of § 1 of the Product and Underlying Data); and
- Max followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

Any determination by the Calculation Agent in relation to the calculation of the Redemption Amount will be made in its reasonable discretion (§ 315 BGB).

§ 2

Risk Control Strategy

- (1) *Risk Control Strategy Level*: On the Initial Strategy Calculation Date, the Level of Risk Control Strategy ($RCL_{Initial}$) shall be defined as follows:

$$RCL_{Initial} = 100$$

The Level of Risk Control Strategy (**Level of Risk Control Strategy** or RCL_t) on each Calculation Date, from but excluding the Initial Strategy Calculation Date to and including the Final Calculation Date shall be determined by the Calculation Agent in accordance with the following formula:

$$RCL_t = RCL_{t-1} \times \left(\left(1 - AF_{RCL} \times \frac{Days_{(t,t-1)}}{360} \right) + \left[w_{t-1} \times \left(\frac{Basket_t}{Basket_{t-1}} - 1 \right) \times \left(1 - AF_{Basket} \times \frac{Days_{(t,t-1)}}{360} \right) \right] + (1 - w_{t-1}) \times \left(Rate_{t-1} - AF_{Rate} \right) \times \frac{Days_{(t,t-1)}}{360} \right) - \left(AF_{Strat} \times \frac{Days_{(t,t-1)}}{360} \right)$$

Where:

- RCL_{t-1} means the Level of Risk Control Strategy on the Calculation Date immediately preceding Calculation Date_t;
 - AF_{RCL} means the Adjustment Factor in relation to performance of the Risk Control Strategy (as defined in Table 1.2 of § 1 of the Product and Underlying Data)
 - w_{t-1} means the Dynamic Weight determined pursuant to paragraph (2) below on the Calculation Date immediately preceding Calculation Date_t;
 - $Basket_{t-1}$ means the Basket Value (determined pursuant to paragraph 4 below) on the Calculation Date immediately preceding Calculation Date_t or initially the Initial Strategy Calculation Date;
 - $Basket_t$ means the Basket Value (determined pursuant to paragraph 4 below) on Calculation Date_t;
 - AF_{Basket} means the Adjustment Factor in relation to the performance of the Basket (as defined in Table 1.2 of § 1 of the Product and Underlying Data); and
 - $Rate_{t-1}$ means the Rate in respect of the relevant Calculation Date as defined in Table 1.2 of § 1 of the Product and Underlying Data;
 - AF_{Rate} means the Adjustment Factor in relation to the Rate (as defined in Table 1.2 of § 1 of the Product and Underlying Data);
 - AF_{Strat} means the Adjustment Factor in relation to the Level of Risk Control Strategy (as defined in Table 1.2 of § 1 of the Product and Underlying Data); and
 - $Days_{(t,t-1)}$ means the number of calendar days from and including Calculation Date_{t-1} to but excluding Calculation Date_t.
- (2) *Dynamic Weight (w_t)*: The Calculation Agent shall determine the **Dynamic Weight (w_t)** on each Calculation Date_t from and including the Initial Strategy Calculation Date as follows:

- (a) if Calculation Date_t = Initial Strategy Calculation Date then W_t will equal TW_t.
- (b) following the Initial Strategy Calculation Date: (i) if LB x w_{t-1} ≤ TW_t ≤ UB x w_{t-1}, then w_t will equal w_{t-1}; or (ii) otherwise w_t will equal TW_t.

where:

$$TW_t = \text{Max} \left(w_{\min}, \text{Min} \left(w_{\max}, \frac{\text{Target Volatility}}{\text{Volatility}_{t-\text{lag}}}, w_{\text{volcap}} \right) \right)$$

LB = Lower Barrier (as defined in Table 1.3 of § 1 of the Product and Underlying Data);

UB = Upper Barrier (as defined in Table 1.3 of § 1 of the Product and Underlying Data);

w_{min} = Minimum Weight (as defined in Table 1.3 of § 1 of the Product and Underlying Data);

w_{max} = Maximum Weight (as defined in Table 1.3 of § 1 of the Product and Underlying Data);

w_{volcap} = w_{max} where Volatility_{t-lag} is less than or equal to the Risk Control Level (as defined in Table 1.3 of § 1 of the Product and Underlying Data), otherwise w_{volcap} = 0 where Volatility_{t-lag} is greater than the Risk Control Level.

w_{t-1} = Dynamic Weight on the immediately preceding Calculation Date, or initially the Initial Strategy Calculation Date;

Max followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets;

Min followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets;

Target Volatility = Target Volatility (as defined in Table 1.3 of § 1 of the Product and Underlying Data);

Volatility_{t-lag} = Reference Basket Realised Volatility determined pursuant to paragraph (3) below with respect to Calculation Date_t.

- (3) *Reference Basket Realised Volatility*: The Calculation Agent shall on each Calculation Date, from and including the Initial Strategy Calculation Date determine, the volatility rate (**Reference Basket Realised Volatility** or **Volatility_{t-lag}**) in accordance with the following formula in respect of the Volatility Observation Period as specified below:

$$Volatility_{t-lag} = \sqrt{\frac{252}{VOP-1}} \times \sqrt{\sum_{j=1}^{VOP} \left(\ln \left(\frac{Basket_{t-VOP-lag+j}}{Basket_{t-VOP-lag+j-1}} \right) \right)^2 - \frac{1}{VOP} \times \sum_{k=1}^{VOP} \ln \left(\frac{Basket_{t-VOP-lag+k}}{Basket_{t-VOP-lag+k-1}} \right)}^2$$

Where:

VOP is a number equal to the Volatility Observation Period as defined in Table 1.4 of § 2 of the Product and Underlying Data;

lag is the lag as defined in Table 1.4 of § 2 of the Product and Underlying Data;

j means an integer representing each number from and including the number 1 to and including the VOP;

k means an integer representing each number from and including the number 1 to and including the VOP;

ln means the logarithm to the base e;

Basket_{t-VOP-lag+j} means the Basket Value on the day falling VOP-lag+j Calculation Dates prior to Calculation Date_t; and

Basket_{t-VOP-lag+j-1} means the Basket Value on the day falling VOP-lag+j-1 Calculation Dates prior to Calculation Date_t.

- (4) *Basket Value*: On the Initial Calculation Date, the value of the Basket (the **Basket Value**) shall be equal to 100%. The Calculation Agent shall calculate the Basket Value (**Basket_t**) on each subsequent Calculation Date_t in accordance with the following formula:

$$\left[Basket_t = \sum_{i=1}^{UF} WF_i \times \frac{NAV_{i,t}}{NAV_{ICD}} \right]$$

Where:

$NAV_{i,t,R,j}$ means the NAV of Underlying Fund_i (as determined in Table 2 of § 2 of the Product and Underlying Data) with respect to Basket Rebalancing Date j (as determined in Table 1.2 of § 1 of the Product and Underlying Data) immediately preceding Calculation Date t (or, if different and at the Calculation Agent's election in respect of any given Calculation Date (which election will not bind it on any subsequent Calculation Date), the subscription amount per Fund Interest that would be payable by the Hypothetical Investor subscribing for a Fund Interest of Underlying Fund_i in respect of the Initial Calculation Date as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB));

NAV_{i,t} means the NAV of the Underlying Fund_i with respect to the relevant Calculation Date (or, if different and at the Calculation Agent's election in respect of any given Calculation Date (which election will not bind it on any subsequent Calculation Date), the redemption proceeds that would be received by the Hypothetical Investor redeeming a Fund Interest in respect of such Calculation Date as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB));

WF_i means the weighting of Underlying Fund_i in the Basket as determined in Table 2 of § 2 of the Product and Underlying Data; and

UF means the number of Underlying Funds as determined in Table 2 of § 2 of the Product and Underlying Data and subject to § 4 of these Special Conditions.

(5) *Definitions:* For purposes of these Terms and Conditions the following definitions apply:

Basket Currency has the meaning prescribed to it in Table 1.2 of § 1 of the Product and Underlying Data.

Calculation Date has the meaning prescribed to it in § 1 of the Product and Underlying Data.

Fund Business Day means in respect of an Underlying Fund, a day on which the NAV of the relevant Underlying Fund is determined and published according to the respective Fund Documents and subscription and redemption orders can be processed by the relevant Underlying Fund.

Fund Documents means the constitutive and governing documents, subscription agreements and other agreements of an Underlying Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

Fund Interest means a share or unit, respectively, in the relevant Underlying Fund.

Hypothetical Investor means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation).

NAV is the official net asset value of a Fund Interest, as published by the Relevant Agent of the relevant Underlying Fund.

Rate has the meaning prescribed to it in Table 1.2 of § 1 of the Product and Underlying Data.

Specified Currency has the meaning prescribed to it in Table 1.2 of § 1 of the Product and Underlying Data.

§ 3

Market Disruptions

(1) *Postponement:* If a Market Disruption occurs on a Calculation Date with respect to an Underlying Fund, the respective Calculation Date may be deemed not to be a Calculation Date or at the option of the Calculation Agent may be postponed to the next following Calculation

Date on which the Market Disruption no longer exists. Any payment date or valuation related directly or indirectly to such Calculation Date shall be postponed accordingly if the Calculation Agent determines this is applicable. No interest is due because of such postponement. Without reference to the above provision, should the Market Disruption continue for more than the number of consecutive Calculation Dates specified in Table 2 of § 2 of the Product and Underlying Data, the Issuer, in its reasonable discretion (§ 315 BGB) may determine, or cause the Calculation Agent to determine in its reasonable discretion (§ 315 BGB), the relevant market parameter data required for the calculation of the NAV that is affected by the Market Disruption (the **Relevant Data**) or may elect to treat this as a Fund Event. The Relevant Data shall be determined in accordance with prevailing market conditions on the basis of the last such market parameter data immediately prior to the occurrence of the Market Disruption available to the Issuer or the Calculation Agent.

- (2) *Market Disruption: **Market Disruption*** means in respect of an Underlying Fund, to the extent that such Market Disruption is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent, a Hypothetical Investor on a Calculation Date cannot or would not be able to subscribe for or redeem the related Fund Interest or no NAV of an Underlying Fund is published or made available, or such a publication is delayed.

§ 4

Adjustments; Early Termination

- (1) *Adjustments:* Upon the occurrence of a Fund Event the Calculation Agent shall in its reasonable discretion (§ 315 BGB), if it determines appropriate, adjust the method for the calculation of the Redemption Amount or Level of Risk Control Strategy so that the economic situation of the Certificateholders remains unchanged to the largest extent possible without economic loss to the Issuer. Any adjustments will be made by the Calculation Agent taking into account the remaining term of the Certificates and the latest available NAV or liquidation proceeds of the affected Underlying Fund(s). The adjusted method for the calculation or specification of the Redemption Amount or Level of Risk Control Strategy shall be published in accordance with § 7 of the General Conditions.

In the context of such an adjustment the Calculation Agent is in particular entitled to:

- (a) replace the affected Underlying Fund(s) with one or more funds with economically comparable characteristics, liquidity, volatility, distribution policy and investment strategies (each a **Replacement Fund**) as that contained in the affected Underlying Fund immediately prior the Fund Event and/or
- (b) adjust any provision of the Conditions the adjustment of which is suitable in order to reflect or account for the economic or other effects of the Fund Event and/or a replacement pursuant to (a) above.
- (2) *Successor of Relevant Agent:* In the event that the NAV of the affected Underlying Fund(s) is no longer calculated, determined and published by the respective investment company or management company of the relevant Underlying Fund (the **Relevant Agent**) but by another person, company or institution (the **Successor**), the calculation of the Redemption Amount shall occur on the basis of the NAV of the affected Underlying Fund(s) calculated, determined and published by the Successor. In this case, each and every reference to the Relevant Agent contained herein shall be deemed, depending on the context, to refer to the Successor.

- (3) *Early Termination*: In the event that
- (a) a Fund Event exists or occurs and an adjustment pursuant to paragraph (1) is not possible or is not justifiable with regard to the Issuer and/or the Certificateholders, or
 - (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Successor could be determined or is available pursuant to paragraph (2),

(in each case a **Termination Event**), then the Issuer is entitled to terminate the Certificates early by giving notice pursuant to § 7 of the General Conditions and to pay in respect of each Certificate an amount equal to such Certificate's reasonable market value determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the **Cancellation Amount**) on such day as may be determined by the Calculation Agent and notified to Certificateholders pursuant to § 7. Such termination shall become effective at the time of the notice pursuant to § 7 of the General Conditions or at the time indicated in the notice. The Cancellation Amount will be published pursuant to § 7 of the General Conditions and be paid pursuant to the provisions in § 3 of the General Conditions to the Clearing System or to its order with the instruction for immediate forwarding to the Certificateholders.

- (4) *Fund Events*: **Fund Event** means the occurrence of any of an Additional Fund Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event.

- (a) **Additional Fund Disruption Event** means each of Change in Law, Fund Hedging Disruption or Increased Cost of Hedging.

Change in Law means that, on or after the Trade Date (as determined in Table 1.2 of § 1 of the Product and Underlying Data) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), any Hedging Party determines in good faith that (A) it has become illegal to hold, acquire or dispose of any Fund Interests and/or maintain any Hedging Positions, or (B) the Issuer will incur a materially increased cost in performing its obligations under the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

Fund Hedging Disruption means that any Hedging Party is unable, or it is impractical for any Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Certificates, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by an Underlying Fund on an investor's ability to redeem the related Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (B) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Underlying Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

Hedging Party means the Issuer or any of its Affiliates or agents carrying out hedging arrangements in relation to the Certificates.

Hedging Position means any contract(s) or agreements(s) or asset(s) entered into or acquired by a Hedging Party in connection with hedging arrangements in relation to the Certificates.

The Calculation Agent shall use its reasonable discretion (§ 315 BGB) to determine whether or not a Fund Event as defined above has occurred.

Increased Cost of Hedging means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions), including without limitation due to an Underlying Fund or any third party imposing any restriction, charge, commission, taxes or fees in respect of the sale or purchase, subscription or redemption of the respective Fund Interests (other than the restrictions, fees, commissions and charges in existence as at the Issue Date), to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Certificates, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

(b) **Fund Disruption Event** means at any time the occurrence or continuance of any of the following events:

- (i) **Fund Valuation Disruption: Fund Valuation Disruption** means (A) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (B) the existence or occurrence of a Market Disruption for more than the number of consecutive Calculation Dates specified in Table 1.4 of § 1 of the Product and Underlying Data;
- (ii) **Fund Settlement Disruption: Fund Settlement Disruption** means a failure by an Underlying Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Underlying Fund to delay or refuse redemption of Fund Interests).

The Calculation Agent shall determine in its reasonable discretion whether a Fund Valuation Disruption and/or a Fund Settlement Disruption is material.

(c) **Fund Extraordinary Event** means any of the following events:

- (i) **Nationalisation: Nationalisation** means that all the Fund Interests or all or substantially all the assets of an Underlying Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (ii) **Insolvency: Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Fund, (A) all the Fund Interests of that Underlying Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that

Underlying Fund become legally prohibited from transferring or redeeming them;

- (iii) Fund Insolvency Event: **Fund Insolvency Event** means an Underlying Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (including but not limited to, where applicable, pursuant to a consolidation, amalgamation or merger of an Underlying Fund or relevant Fund Service Provider); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (1) above and either (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (E) and (F) above;
- (iv) Adviser Resignation Event: **Adviser Resignation Event** means (A) a resignation or replacement of any key person (as determined by the Calculation Agent) of a Fund Service Provider; (B) the Fund Administrator, a Fund Service Provider and/or any other service provider with respect to the respective Underlying Fund ceases to act in such capacity or any such entity's approval, registration, authorisation or licence is withdrawn by a regulatory authority, as the case may be, and a reputable replacement entity of good standing in the reasonable opinion of the Calculation Agent, is not appointed immediately;
- (v) Fund Modification: **Fund Modification** means a modification to any provisions in any of the Fund Documents, or other document detailing the terms and conditions and objectives of the respective Underlying Fund without consent of the Calculation Agent and which may adversely affect in the reasonable opinion of the Calculation Agent the ability of the Issuer

and/or any Hedging Party, respectively, to hedge the Issuer's obligations under the Certificates, including but not limited to (A) a change in the risk profile of the respective Underlying Fund; (B) an alteration of the investment objectives, investment limits or strategy of the respective Underlying Fund; (C) a change in the currency of the respective Fund Interests; (D) an alteration of the method that is used for the calculation of the NAV; (E) a change in the dealing schedule for subscription, redemption or transfer of the respective Fund Interests; or (F) a change in the legal nature of the respective Underlying Fund;

- (vi) Strategy Breach: **Strategy Breach** means (A) any breach or violation of any strategy, investment guidelines or leverage limits on policy stated in the relevant Fund Documents (including any breach of the investment objectives or investment limitations of the Underlying Fund) that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof; (B) any change of the nature of an Underlying Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Underlying Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Underlying Fund; (C) any distribution by an Underlying Fund that is not in accordance with its normal practice; (D) a modification or change in the investment or distribution policy of an Underlying Fund which may have a material adverse effect on the ability of the Issuer to hedge its obligations under the Certificates and/or on the Hedging Positions of any Hedging Party;
- (vii) Regulatory Action: **Regulatory Action** means (A) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Underlying Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (B) any change in the legal, tax, accounting, or regulatory treatments of an Underlying Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein, or (C) an Underlying Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Underlying Fund, Fund Administrator or Fund Adviser;
- (viii) Reporting Disruption: **Reporting Disruption** means (A) occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a scheduled Fund Business Day or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive scheduled Fund Business Days or Scheduled Fund Redemption Valuation Dates, as the case may be; (B) any failure of an Underlying Fund to deliver, or cause to be delivered, (1) information that such Underlying Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (2) information that has been previously delivered to the

Calculation Agent and that the Calculation Agent deems necessary to monitor such Underlying Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;

- (ix) Fund Service Provider Cessation: **Fund Service Provider Cessation** means that one or more Fund Service Provider(s) in respect of an Underlying Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (x) Fund Administrator Disruption: **Fund Administrator Disruption** means any event or circumstances compromising the independence of a Fund Administrator performing services for an Underlying Fund from the relevant Fund Adviser; or
- (xi) Related Agreement Termination: **Related Agreement Termination** means an Underlying Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Issuer or Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing;
- (xii) Fund Requests: **Fund Requests** means requests for redemptions, subscriptions or transfers of Fund Interests are not executed or are only partially executed;
- (xiii) Delisting: **Delisting** means for any Fund Interest listed on an exchange, a quotation system or trading system (each an "Underlying Source"), the Fund Interest ceases (or will cease) to be listed, traded or quoted on the Underlying Source for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Calculation Agent;
- (xiv) Fund Merger Event: **Fund Merger Event** means in respect of an Underlying Fund or its Fund Advisor, (A) an irrevocable commitment arises or is made to transfer all of the relevant Fund Interests or shares that are outstanding;(B) a consolidation, amalgamation or merger of such Underlying Fund or such Fund Advisor with or into another fund or investment manager other than a consolidation, amalgamation or merger in which such Underlying Fund or its Fund Advisor is the continuing Underlying Fund or Fund Advisor as the case may be; and/or (C) a takeover offer for such Underlying Fund or Fund Advisor that results in a transfer of or an irrevocable commitment to transfer all of the relevant Fund Interests or all the shares of such Fund Advisor (other than Fund Interests or shares owned or controlled by the offeror);
- (xv) Concentration Event: **Concentration Event** means the holding of the Hedging Party exceeds 20% of an Underlying Fund's outstanding Fund Interests;
- (xvi) Hedging Party Consolidation: **Hedging Party Consolidation** means the Hedging Party would be required pursuant to any accounting or other applicable regulations to consolidate the Underlying Fund, as a result of its obligations under the Hedging Positions;

- (xvii) Fund Interest Suspension/ Redemption: **Fund Interest Suspension/ Redemption** means any event or circumstance that results or may result in any of the following: (A) the suspension of the issue of additional Fund Interests or the suspension of the redemption of existing Fund Interests; or (B) the reduction of the number of Fund Interests held or likely to be held by an investor in the respective Underlying Fund by any reason beyond the investor's control; or (C) proceeds from redemptions of the respective Fund Interests are paid in-kind instead of in cash; or (D) the creation of any "side-pocket" shares or units for segregated assets;
- (xviii) Tax Event: **Tax Event** means there is any change in the official interpretation or administration of any laws or regulation relating to taxation which has an adverse effect in the reasonable opinion of the Calculation Agent on any Hedging Party or on a holder of the respective Fund Interests;
- (xix) Other Adverse Event: **Other Adverse Event** means any other event, which may have a material and not only a temporary adverse effect on an Underlying Fund's NAV or on the ability of the Issuer to hedge its obligations under the Certificates and/or on a Hedging Party in respect of its Hedging Positions; or
- (xx) Reserve Requirement: **Reserve Requirement** means any event occurs that would, if the Hedging Party and/or any affiliate were holding, purchasing or selling Fund Interests, have the effect of (A) imposing on any Hedging Party any reserve, special deposit or similar requirement which did not exist as of the Initial Strategy Calculation Date or (B) affecting the amount of regulatory capital that would have to be maintained by any Hedging Party in connection with any hedging arrangements carried out by such Hedging Party in relation to a Underlying Fund or modifying such requirement existing as at the Initial Strategy Calculation Date.
- (xxi) Extreme Volatility Event: **Extreme Volatility Event** means where the Reference Basket Realised Volatility exceeds the Maximum Volatility Threshold (as defined in Table 1.4 of § 1 the Product Underlying Data) for three consecutive Fund Business Days.

The Calculation Agent has no obligation to monitor the occurrence of any of the events described above. The Calculation Agent is entitled but has no obligation to determine that a Fund Event has occurred following the occurrence of any one or more of the described events and the Calculation Agent is not subject to any time limit in which it must make a decision whether or not it must make any such determination.

The Calculation Agent will notify the determination of a Fund Event in accordance with § 7 of the General Conditions. Neither the Issuer nor the Calculation Agent is bound to supervise whether one of the events mentioned above has occurred.

- (5) *Definitions:* For purposes of these Terms and Conditions the following definitions apply:

Fund Administrator means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for an Underlying Fund according to the relevant Fund Documents.

Fund Adviser means any person appointed in the role of discretionary investment manager or

non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

Fund Redemption Valuation Date means, in respect of a Fund Interest, the date as of which an Underlying Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

Fund Service Provider means any person who is appointed to provide services, directly or indirectly, to an Underlying Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

Scheduled Fund Redemption Valuation Date means the date as of which an Underlying Fund is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Underlying Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related Fund Interests for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

FORM OF FINAL TERMS

Final Terms

dated [●]

UniCredit Bank AG

Issue of [*Insert title of the Certificates*]

Series number: [●]

Tranche number: [●]

(the Certificates)

under the

EUR 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").*¹ 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 7 January 2014 for the issuance of Certificates (the "Base Prospectus"), (b) any supplements to this Base Prospectus according to Article 16 of Prospectus Directive (the "Supplements") and (c) the registration document of the Issuer dated 17 May 2013 (the "Registration Document"), which is incorporated herein by reference.

The Base Prospectus, any Supplements and these Final Terms are available on the [website of the Irish Stock Exchange (http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/?action=SEARCH&search_word=)] [and] [the Central Bank of Ireland (<http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx>)] [insert alternative].

[A summary of the Certificates (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.]²

SECTION A – GENERAL INFORMATION:

Issue date:

[*Insert Issue Date*]

Issue price:

[*Insert Issue Price or the method for the price specification and the procedure for the publication of*

¹ Not to be included if no prospectus is required under the Prospectus Directive (including private placements and listings on unregulated markets which do not fall under the remit of the Prospectus Directive).

² Not to be included in the case of securities with a minimum denomination of EUR 100.000 or an equivalent amount in another currency.

the Issue Price]

Selling concession:

[Not applicable] *[Insert details]*

Other commissions:

[Not applicable] *[Insert details]*

Issue volume:

[Insert issue volume]

Admission to trading and listing:

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

Application [has been] [will be] made for the Certificates to be admitted to trading with effect from *[insert expected date]* on the regulated market of the [Irish Stock Exchange] [and the] [Luxembourg Stock Exchange].]

[If the Certificates will not be admitted to trading on a regulated market, the following applies:

Not applicable. No application for the Certificates to be admitted to trading on a regulated or equivalent market has been made and no such application is intended. [However, it is intended to include the Certificates to trading on the following unregulated market[s]: [Open Market (Freiverkehr) of the Frankfurt Stock Exchange] *[insert other unregulated market].]*

Payment and delivery:

[If the Certificates will be delivered against payment, the following applies:

Delivery against payment]

[If the Certificates will be delivered free of payment, the following applies:

Delivery free of payment]

[Insert other method of payment and delivery]

Terms and conditions of the offer:

[The Certificates will be offered from *[Insert the first day of the offer]* to *[Insert the last day of the offer]* (the **Offer Period**).]

[An offer will be made in *[Insert details].]*

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

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

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

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

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

Post-issuance Reporting:

[The Issuer does not intend to provide post-issuance transaction information regarding the Certificates or any Underlyings.]

[If the Issuer intends to provide post-issuance transaction information regarding the Certificates or any Underlyings, specify what information will be reported and where such information can be obtained.]

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

[[insert name of distributor] and its affiliates may be customers of, and borrowers from the Issuer and its affiliates. In addition, [insert name of distributor] and its 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.] [Specify other information, if applicable.] [Not applicable.]

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).

General consent for the subsequent resale or final placement of Certificates by the financial intermediary[y][ies] is given in relation to *[insert details]*.

[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)]*.

Individual consent for the subsequent resale or final placement of the Certificates by the financial intermediary[y][ies] is given in relation to *[insert details]*.

US Selling Restrictions:

[TEFRA C]

[TEFRA D]

[Neither TEFRA C nor TEFRA D]³

Additional information:

[Insert additional provisions relating to the Underlying pursuant to Annex XXI of the EU Prospectus Regulation]

[Not applicable]

³ Only applicable in the case of Certificates with a maturity of one year or less (including unilateral rollovers or extensions).

SECTION B – CONDITIONS:

Part A - General Conditions of the Certificates

Form, Clearing System, Global Note, Custody

Global Note: [Permanent Global Note]
[Temporary Global Note]

Custody: [CBF]
[CBL and Euroclear Bank]
[Other]

Specified Currency [Euros] [*insert other currency*]

Principal Paying Agent: [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom] [*Insert name and address of other Paying Agent*]

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

Website for Notices: [Not applicable] [*insert Website for Notices*]

Part B - Product and Underlying Data

§ 1 Product Data

The Certificates are [Quanto] [Compo] Securities.

[In the case of Certificates, where the Specified Currency is not the Euro, the following applies:

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

Calculation Date means [each day that is a Fund Business Day for each Underlying Fund from and including the Initial Calculation Date to and including the Final Calculation Date] [insert alternative definition].

Table 1.1:

Securities Identification Code	Reuters	Issue Date
<i>[Insert WKN]</i> <i>[Insert ISIN]</i>	<i>[Insert RIC]</i>	<i>[Insert Issue Date]</i>

Table 1.2:

Maturity Date	Nominal Amount	Participation Ratio	Minimum Level	Strike	Initial Calculation Date
<i>[insert Maturity Date]</i> or, if later, the <input type="checkbox"/> Banking Day, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), following the day on which the Redemption Amount (including each relevant Level of Risk Control Strategy required for determining the Redemption Amount) may be calculated.]	<i>[Insert Nominal Amount]</i>	<i>[Insert Participation Ratio]</i> %	<i>[Insert Minimum Level]</i> %	<i>[Insert Strike]</i>	<i>[insert Initial Calculation Date]</i> or, if such day is not a Calculation Date, the immediately following Calculation Date. ¹

Basket Currency:	Specified Currency:	Initial Strategy Calculation Date	Final Calculation Date	Trade Date	Rate
<i>[Insert Basket Currency]</i>	[Insert Specified Currency of the Certificates]	<i>[insert Initial Strategy Calculation Date]</i> or, if such day is not a Calculation Date, the immediately following Calculation Date.	<i>[insert Final Calculation Date]</i> or, if such day is not a Calculation Date, the immediately following Calculation Date.	<i>[insert Trade Date]</i>	[In respect of a Calculation Date, means the 1-month US LIBOR rate as published on Bloomberg (code: US0001M Index) around 11:00 a.m. (London time) on the Rate Reset Date immediately preceding the relevant Calculation Date as determined by the Calculation Agent. If such rate cannot be so determined, then

¹ N.B.: This must be sufficient Calculation Dates prior to the Initial Strategy Calculation Date to allow initial Basket Values to be calculated.

					the Calculation Agent shall select another Reuters or Bloomberg page or determine in good faith such rate by reference to such sources as it may select in its absolute discretion in respect of such date; [insert alternative rate]
--	--	--	--	--	---

Rate Reset Date	Averaging-Out Dates	Averaging-In Dates	Adjustment Factor: AF _{RCL}	Adjustment Factor: AF _{Rate}	Adjustment Factor: AF _{Strat}
Each Calculation Date from and including the Initial Strategy Calculation Date [or if that is not a Banking Day, the immediately preceding Banking Day.]	[insert Averaging-Out Dates], or if any such day is not a Calculation Date, the immediately following Calculation Date.	[insert Averaging-In Dates], or if any such day is not a Calculation Date, the immediately following Calculation Date.	[insert Adjustment Factor AF _{RCL}]	[insert Adjustment Factor AF _{Rate}]	[insert Adjustment Factor AF _{Strat}]

Adjustment Factor: AF _{Basket}	FX _{Initial}	FX _{Final}	Basket Rebalancing Dates
[insert Adjustment Factor AF _{Basket}]	[The arithmetic mean of the rate of exchange between the Basket Currency on the Averaging-In Dates at or about [●] hours [●] time expressed as the number of units of the Specified Currency for which one unit of the Basket Currency may be exchanged, as determined by the Calculation Agent in its reasonable discretion by reference to such source(s) as it determines appropriate.] [Not applicable]	[The arithmetic mean of the rate of exchange between the Basket Currency on the Averaging-Out Dates at or about [●] hours [●] time expressed as the number of units of the Specified Currency for which one unit of the Basket Currency may be exchanged, as determined by the Calculation Agent in its reasonable discretion by reference to such source(s) as it determines appropriate.] [Not applicable]	[The Initial Calculation Date, the Strike Date and insert]

Table 1.3:

Lower Barrier (LB)	Upper Barrier (UB)	Minimum Weight (W _{min})	Maximum Weight (W _{max})	Risk Control Level	Target Volatility
[Insert Lower Barrier]	[Insert Upper Barrier]	[Insert Minimum Weight]	[Insert Maximum Weight]	[Insert Risk Control Level]	[insert Target Volatility]

Table 1.4:

Volatility Observation Period (VOP)	lag	Consecutive Calculation Dates with respect to Market Disruptions and Adjustments	Maximum Volatility Threshold
<i>[Insert Volatility Observation Period, expressed as a number of days]</i>	<i>[Insert lag as a number]</i>	<i>[Insert Number of consecutive Calculation Dates]</i>	<i>[Insert Maximum Volatility Threshold as a percentage]</i>

§ 2
Underlying Data

Table 2:

Underlying Fund_i	Bloomberg	Weighting (<i>WF_i</i>)	ISIN	Website
<i>[Insert name of each Underlying Fund_i]</i>	<i>[Insert each Bloomberg ticker]</i>	<i>[Insert each <i>WF_i</i>]</i>	<i>[Insert each ISIN]</i>	<i>[Insert each Website]</i>

For further information regarding the past and future performance of such Underlying Fund and its volatility, please refer to the Website as specified in Table 2 or each successor or replacement page).

UniCredit Bank AG

TAXATION

The Issuer does not assume any responsibility for the withholding of taxes at the source.

EU Savings Directive

Under the Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), EU Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive. The final form of this measure is still unknown.

The EU Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Germany

The following is a general discussion of certain German tax consequences of the acquisition, the ownership and the sale, assignment or exercise of Certificates. It does not purport to be a comprehensive description of all German tax considerations which may be relevant to a decision to purchase Certificates, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax 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 Certificates, neither official statements of the tax authorities nor court decisions exist, and it is not definitive clear how income from these Certificates will be taxed. Furthermore, there is often no consistent view in legal literature about the tax treatment of instruments like the Certificates, 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 Certificates, it is not certain that the same reasoning will apply to the Certificates due to certain peculiarities of such Certificates. 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 Certificates are advised to consult their own tax advisors as to the tax consequences of the acquisition, ownership and the sale, assignment or execution of Certificates, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective Certificateholders.

Tax Residents

The section “Tax Residents” refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on capital gains

Capital gains (*i.e.* the difference between the proceeds from the disposal, assignment or exercise of the Certificates after deduction of expenses directly related to the disposal, assignment or exercise and the cost of acquisition) derived by an individual holder of Certificates will be subject to German withholding tax if the Certificates are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%). Individual Certificateholders subject to church tax may apply in writing for church tax to be levied by way of withholding also. Absent such application, such individuals have to include their investment income in their income tax return and will then be assessed to church tax. For German banks, an electronic information system for church withholding tax purposes will apply in relation to investment income received after 31 December 2014, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

Where Certificates are issued in a currency other than Euro any currency gains or losses are part of the capital gains.

To the extent the Certificates have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, assignment or exercise withholding tax applies at a rate of 26.375% (including solidarity surcharge, plus church tax, if applicable) on 30% of the disposal proceeds, unless the current Disbursing Agent has been notified of the actual acquisition costs of the Certificates by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with article 17 paragraph 2 of the EU Savings Directive (*e.g.* Switzerland or Andorra).

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 9 October 2012 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. The same rules should be applicable according to the said tax decree, if the Certificates expire worthless so that losses may not be tax-deductible at all. A disposal of the Certificates will only be recognised according to the view of the tax authorities, if the received proceeds exceed the respective transaction costs.

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual holder of the Certificates via the Disbursing Agent (*e.g.* losses from the sale of other securities with the exception of shares). The Disbursing Agent may also deduct accrued interest on other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions, the Disbursing Agent may credit foreign withholding taxes levied on

investment income in a given year regarding securities held by the individual Certificateholder in the custodial account with the Disbursing Agent.

Individual Certificateholders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) for all investment income received in a given year. Upon the individual Certificateholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the holder of the Certificates has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, assignment or exercise of Certificates held by a corporation. The same may apply where the Certificates form part of a trade or business or are related to income from letting and leasing of property, subject to further requirements being met.

Taxation of capital gains

The personal income tax liability of an individual Certificateholder deriving income from capital investments under the Certificates is, in principle, settled by the tax withheld.

Certificates kept in custody abroad or if no Disbursing Agent is involved in the settlement process, the individual Certificateholder must report his or her gains derived from the Certificates on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, assignment or exercise of the Certificates has been calculated from 30% of the disposal proceeds (rather than from the actual gain), an individual Certificateholder may and in case the actual gain is higher than 30% of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, an individual Certificateholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Losses incurred with respect to the Certificates can only be off-set against investment income of the individual Certificateholder realised in the same or the following years.

Certificates form part of a trade or business or the income from the Certificates qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. The respective Certificateholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Certificateholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Certificateholder. Where Certificates form part of a German trade or business the current income and gains from the disposal, assignment or exercise of the Certificates may also be subject to German trade tax. Generally the deductibility of capital losses from the Certificates which qualify for tax purposes as derivative instrument is limited. These losses may only be applied against profits from other derivative instruments derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and applied against profits from transactions with derivative instruments in subsequent years. These limitations do, however, generally not apply to derivative transactions hedging risks from the Certificateholder's ordinary business. Further special rules apply to credit institutions, financial services institutions and finance companies within the meaning of the German Banking Act.

Non-residents

Capital gains from the disposal or exercise of the Certificates are not subject to German taxation, unless (i) the Certificates form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Certificateholder; or (ii) the income otherwise constitutes German-source income. In the cases (i) and (ii) a tax regime similar to that explained above under "Tax Residents" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on income from the Certificates and the solidarity surcharge thereon, even if the Certificates are held in custody with a Disbursing Agent. However, where the investment income is subject to German taxation as set forth in the preceding paragraph and Certificates are held in a custodial account with a Disbursing Agent withholding tax is levied as explained above under "Tax Residents". Where Certificates are not kept in a custodial account with a Disbursing Agent and proceeds from the disposal, assignment or exercise of Certificates are paid by a Disbursing Agent to a non-resident upon delivery of the Certificates, withholding tax generally will also apply.

The withholding tax may be refunded based upon an applicable tax treaty or German national tax law.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Certificate will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Certificate is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or exercise of the Certificates. Currently, net assets tax is not levied in Germany.

FTT) (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the FTT will be introduced in the participating EU Member States.

Implementation of the EU Savings Directive

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the information exchange on the basis of the EU Savings Directive into German law. These provisions apply from 1 July 2005.

Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Certificates should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident holders of Certificates

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the **Savings Laws**), there is no withholding tax on payments made to non-resident Certificateholders upon redemption of the Certificates.

Under the Savings Laws implementing the EU Savings Directive and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority, or, in the case of an individual beneficial owner, has provided a tax Certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments under the Certificates coming within the scope of the Savings Laws will be subject to a withholding tax at a rate of 35%.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

(ii) Resident holders of Certificates

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments made to Luxembourg resident Certificateholders upon redemption of the Certificates.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments under the Certificates coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10%.

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) in certain circumstances.

Under current proposals the FTT could apply in 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 the subject of 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.

Ireland

The following is a summary of the Irish withholding tax treatment of the Certificates. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the date of this Base Prospectus and may be subject to change. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Certificates. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Certificates. Prospective investors in the Certificates should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Certificates and the receipt of payments thereon under any laws applicable to them.

Irish Withholding Tax

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax;

at the standard rate of income tax (currently 20%).

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax, nor does the Issuer operate in Ireland through a branch or agency with which the issue of the Certificates is connected, nor are the Certificates held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Certificates, such payments should

not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, the Issuer or any paying agent acting on behalf of the Issuer should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Certificates.

Separately, for as long as the Certificates are quoted on a stock exchange, a purchaser of the Certificates should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Certificates.

Irish Encashment Tax

Payments on any Certificates paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Certificates will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20%), unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Certificates entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a **foreign financial institution** or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (the **IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Certificates characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the **grandfathering date**, which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Certificates characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Certificates are issued before the grandfathering date, and additional Certificates of the same series are issued on or after that date, the Certificates may not be treated as grandfathered, which may have negative consequences for the existing Certificates, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being

FATCA Withholding) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Germany have signed an agreement (the **US-Germany IGA**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-Germany IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. The Issuer and financial institutions through which payments on the Certificates are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Certificates is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Certificates are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Certificates by the Issuer and any paying agent, given that each of the entities in the payment chain between the Issuer and the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Certificates.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SELLING RESTRICTIONS

General

No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates, 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 Certificates have not been and will not be registered under the Securities Act, and, except as provided in the applicable Final Terms with respect to Certificates 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 an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- (b) Any person purchasing Certificates is deemed to agree with the Issuer and, if different, the seller of such Certificates that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Certificates 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 Certificates for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales or deliveries of any Certificates (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) Certificates, other than Certificates with a maturity of one year or less (including unilateral rollovers or extensions) and Certificates that are not considered to be in bearer form for United States federal income tax purposes, will be issued in accordance with the provisions of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any successor United States Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (**TEFRA D Rules**), or in accordance with the provisions of United States Treasury Regulations Section 1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (**TEFRA C Rules**), as specified in the applicable Final Terms.

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

- (i) except to the extent permitted under the TEFRA D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Certificates 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 Certificates 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 Certificates in bearer form are aware that such Certificates 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 Certificates for purposes of resale in connection with their original issuance and if the distributor retains Certificates 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) (or any successor United States Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);
- (iv) with respect to each affiliate that acquires from such person Certificates in bearer form for the purposes of offering or selling such Certificates 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) (or any successor United States Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010), for the offer and sale of Certificates during the restricted period.

Terms used in the above paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the TEFRA D Rules.

In addition, in respect of Certificates issued in accordance with the TEFRA C Rules, Certificates 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 Certificates to not, offer, sell or deliver, directly or indirectly, Certificates 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 Certificates 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 Certificates. 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.

Bearer Certificates issued pursuant to the TEFRA D Rules (other than Temporary Global Certificates and Certificates 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 Certificates 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 Certificates to the public may be made in that Relevant Member State:

- (a) if the Final Terms in relation to the Certificates specify that an offer of those Certificates 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 Certificates, 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 Certificates nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Certificates 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.

For the purposes of this provision, the expression an "offer of Certificates to the public" in relation to any Certificates 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 Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

The Issuer represents, warrants and agrees that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Certificates in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

Ireland

The Issuer represents and agrees that, and it will require all those persons participating in the distribution of the Certificates to represent and agree that:

(a) it has not offered, sold, underwritten or placed and will not offer, sell, underwrite or place or do anything in respect of any Certificates otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012 of Ireland, the provisions of the Companies Acts 1963 to 2012 of Ireland, including any rules issued by the Central Bank of Ireland under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 (as amended) of Ireland and the Central Bank Acts 1942 to 2011 (as amended) of Ireland and any codes of conduct made under Section 117(1) thereof;

(b) it has not and will not offer, sell, underwrite or place or do anything in respect of any Certificates other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland (as amended) and any rules made by the Central Bank of Ireland pursuant thereto, including any rules issued by the Central Bank of Ireland under Section 34 of the Investments Funds, Companies and Miscellaneous Provisions Act 2005 (as amended) of Ireland;

(c) it has complied and will comply with all applicable provisions of Directive 2004/39/EC (as amended) and implementing measures in its relevant jurisdiction, and is operating within the terms of its authorisation thereunder and it has complied and will comply with any applicable codes of conduct or practice; and

(d) in connection with offers or sales of Certificates, it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of the Certificates to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

Italy

The offering of the Certificates has not been registered pursuant to Italian securities legislation. Accordingly, Certificates may not be offered or sold and documents relating to the Certificates may not be distributed in the Republic of Italy except:

- (1) to qualified investors (*investitori qualificati*), as defined in Article 26, paragraph 1 (d) of Consob Regulation No. 16190 of October 29, 2007, as amended (**CONSOB Intermediaries Regulation**) in connection with Article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (**CONSOB Regulation No. 11971**) implementing

Article 100 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 CONSOB Regulation No. 11971; Any such offer, sale or delivery of the Certificates or distribution of any other document relating to the Certificates 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 pursuant to which the Bank of Italy may request periodic information on the Certificates offered in the Republic of Italy).

Provisions relating to the secondary market in the Republic of Italy

Investors should also note that, in any subsequent distribution of the Certificates in the Republic of Italy, Article 100-*bis* of the Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, where the Certificates 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, purchasers of Certificates who are acting outside of 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 Certificates were purchased, unless an exemption provided for under the Financial Services Act applies.

France

This Base Prospectus has not been prepared and is 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 Général* of the *Autorité des marchés financiers* (the **AMF**) and, therefore, the Base Prospectus and any other offering material relating to the Certificates have not been and will not be filed with the AMF for prior approval or submitted for clearance to the AMF.

Consequently, the Certificates may not be, directly or indirectly, offered or sold to the public in France and, if any, offers and sales, directly or indirectly, of the Certificates shall only be made in France to 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*), or to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to a closed circle of investors (*cercle restreint d'investisseurs*) acting for their own account, all as defined in and in accordance with Articles L.411-2 and D.411-1 to D.411-4, D744-1, D754-1 and D764-1 of the French *Code Monétaire et Financier*.

Neither this Base Prospectus 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 Certificates to the public in France. The subsequent direct or

indirect retransfer of the Certificates 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*.

GENERAL INFORMATION

Authorisation

The issue of Certificates under this Base Prospectus falls within the Euro 50,000,000,000 Debt Issuance Programme (the **Programme**) 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 UniCredit Bank AG, on 17 April 2001. The full EUR 50,000,000,000 authorisation amount of the Programme may also be applied by other base prospectuses of UniCredit Bank AG, however, the aggregate utilised amount of the Programme together with any other base prospectuses of UniCredit Bank AG under the 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 2011 and 2012 of the Issuer, the consolidated half-yearly report as at 30 June 2013 of the Issuer, the consolidated interim report as at 30 September 2013 of the Issuer, the forms of the Global Notes, the Final Terms and the Agency Agreement, as amended and restated, will be available in physical form during usual business hours on any weekday (except Saturdays and public holidays) at the offices of the Issuer. The unconsolidated annual financial statements of the Issuer in respect of the fiscal year ended 31 December 2012 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) will also be available at the Issuer's office. For the life of this Base Prospectus, all documents incorporated by reference herein will be available for collection in the English language, free of charge, at the offices of UniCredit Bank AG (Arabellastraße 12, 81925 Munich, Germany).

Clearing Systems

Certificates may be cleared through either Euroclear Bank SA/NV as operator of the Euroclear system (1 Boulevard du Roi Albert IIB, 1210 Brussels, Belgium) (**Euroclear Bank**) and Clearstream Banking société anonyme, Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg) (**Clearstream Banking SA** or **CBL**) or Clearstream Banking AG, Frankfurt am Main (Mergenthalerallee 61, 65760 Eschborn, Germany) (**Clearstream Banking AG** or **CBF**), and/or any alternative clearing system. The appropriate security identification codes for each Series of Certificates will be contained in the Final Terms. The Issuer may decide to deposit, or otherwise arrange for the clearance of, Certificates issued under the Issuance 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 Issuance are UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany (for all other Certificates) and Citibank, N.A., London Office, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

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

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

Significant Changes in The Issuer's Financial Position and Trend Information

There has been (i) no significant change in the financial positions of UniCredit Bank AG and its consolidated subsidiaries (together the **HVB Group**) which has occurred since 30 September 2013, and (ii) no material adverse change in the prospects of HVB Group since the date of its last published audited financial statements of 2012 (Annual Report 2012).

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 Certificates by the Issuer will be used for its general corporate purposes.

Language

The language of the Base Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Base Prospectus.

Legal Risks/Arbitration Proceedings

Save as outlined in the section headed "Legal Risks/Arbitration Proceedings" in the Registration Document, the Issuer is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), during the last 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

Major Shareholders

UniCredit S.p.A. holds directly 100% of the Issuer's share capital. The relevant company law governing the Issuer is intended to prevent any abuse of control of the Issuer.

Documents incorporated by reference

The following documents with respect to the Issuer shall be deemed to be incorporated in, and to form part of, this Prospectus. Parts of such documents which are not incorporated by express reference are not relevant for potential investors.

	Pages of the document incorporated:	Inserted in this Prospectus on the following pages:
<p>I. Registration Document of UniCredit Bank AG, dated 17 May 2013, approved by the German Federal Financial Services Supervisory Authority (<i>Bundesanstalt für Finandienstleistungsaufsicht</i>)</p>		
<p>A. Risk Factors</p>		
- Risks relating to HVB Group	p. 4 to 17	p. 17
<p>B. UniCredit Bank AG</p>		
- Information about the Issuer, the parent company of the HVB Group	p. 17	p. 43
- Auditors	p. 21	p. 43
<p>C. Business Overview</p>		
- Principal Activities	p. 17	p. 43
- Divisions of HVB Group	p. 17 to 19	p. 43
- Principal Markets	p. 19	p. 43
- Management and Supervisory Bodies	p. 19 to 21	p. 43
- Major Shareholders	p. 21	p. 43
- Outlook	p. 21	p. 43
- Legal Risks/Arbitration Proceedings	p. 21 to 25	p. 43
<p>II. Audited financial statements of HVB Group at for the fiscal year ended 31 December 2012</p>		
- Consolidated Income Statement	p. 116 to 117	p. 43

	Pages of the document incorporated:	Inserted in this Prospectus on the following pages:
- Consolidated Balance Sheet	p. 118 to 119	p. 43
- Statement of Changes in Consolidated Shareholders' Equity	p. 120 to 121	p. 43
- Consolidated Cash Flow Statement	p. 122 to 123	p. 43
- Notes to the Consolidated Financial Statements	p. 124 to 125	p. 43
- Auditor's Report	p. 239	p. 43
III. Audited unconsolidated financial statements (Jahresabschluss) of Unicredit Bank AG for the fiscal year ended 31 December 2012		p. 43
- Income Statement	p. 80 to 81	p. 43
- Balance Sheet	p. 82 to 87	p. 43
- Notes	p. 88 to 138	p. 43
- Auditor's Report	p. 139	p. 43
IV. Audited financial statements of HVB Group for the fiscal year ended 31 December 2011	p. 103 to 227	
- Consolidated Income Statement	p. 106 to 107	p. 43
- Consolidated Balance Sheet	p. 108 to 109	p. 43
- Statement of Changes in Consolidated Shareholders' Equity	p. 110 to 111	p. 43
- Consolidated Cash Flow Statement	p. 112 to 113	p. 43
- Notes to the Consolidated Financial Statements	p. 114 to 115	p. 43
- Auditor's Report	p. 227	p. 43

	Pages of the document incorporated:	Inserted in this Prospectus on the following pages:
<p>V. Base prospectus of UniCredit Bank AG for the issuance of Open End Securities dated 20 August 2013 approved by the German Federal Financial Services Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>):</p> <p>Unaudited Half-yearly Financial Report of HVB Group as at 30 June 2013</p> <ul style="list-style-type: none"> - Financial Highlights - Consolidated Income Statement - Consolidated Balance Sheet - Statement of Changes in Shareholders' Equity - Cash Flow Statement (abridged version) - Notes 	<p>p. F-2</p> <p>p. F-41 to F-44</p> <p>p. F-45 to F-46</p> <p>p. F-47 to F-48</p> <p>p. F-49</p> <p>p. F-50 to F-79</p>	<p>p. 43</p> <p>p. 43</p> <p>p. 43</p> <p>p. 43</p> <p>p. 43</p> <p>p. 43</p>
<p>VI. Consolidated Interim Report of UniCredit Bank AG as at 30 September 2013</p> <ul style="list-style-type: none"> - Financial Highlights - Consolidated Income Statement - Consolidated Balance Sheet - Statement of Changes in Shareholders' Equity - Notes 	<p>p. 3</p> <p>p. 20 to 23</p> <p>p. 24 to 25</p> <p>p. 26 to 27</p> <p>p. 28 to 42</p>	<p>p. 43</p> <p>p. 43</p> <p>p. 43</p> <p>p. 43</p> <p>p. 43</p>

The above documents incorporated by reference have been published on the following websites of the Issuer:

- **Registration Document of UniCredit Bank AG dated 17 May 2013:**
[http://www.onemarkets.de/content/dam/onemarkets/german/base-prospectuses/2013/UniCredit%20Bank%20AG%20RD%202013%20\(engl\)%20\(Fassung%20zur%20Endeinreichung\)%20\(17052013\)%20\(cl\).pdf](http://www.onemarkets.de/content/dam/onemarkets/german/base-prospectuses/2013/UniCredit%20Bank%20AG%20RD%202013%20(engl)%20(Fassung%20zur%20Endeinreichung)%20(17052013)%20(cl).pdf)
- **Audited financial statements of HVB Group for the fiscal year ended 31 December 2012:**
http://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/2013-03-18_gb_2012_konzern_en.pdf
- **Audited unconsolidated financial statements (Jahresabschluss) of Unicredit Bank AG for the fiscal year ended 31 December 2012:**
http://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/2013-03-18_gb_2012_hvb_en.pdf
- **Audited financial statements of HVB Group for the fiscal year ended 31 December 2011:**
http://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/2012-03-28_gb_2011_konzern_en.pdf
- **Base prospectus of UniCredit Bank AG for the issuance of Open End Securities dated 20 August 2013:**
[http://www.onemarkets.de/content/dam/onemarkets/german/base-prospectuses/2013/UniCredit_Bank_AG_DIP_2013_BP_OE_\(en\).pdf](http://www.onemarkets.de/content/dam/onemarkets/german/base-prospectuses/2013/UniCredit_Bank_AG_DIP_2013_BP_OE_(en).pdf)
- **Consolidated Interim Report of UniCredit Bank AG as at 30 September 2013:**
http://investors.hypovereinsbank.de/export/sites/ir/binaries/downloads/en/reports/20131112_interimreport_en.pdf

Copies of any or all of the documents which are incorporated herein by reference will be available, free of charge in physical form, at the offices of UniCredit Bank AG (Arabellastraße 12, 81925 Munich, Germany).

UniCredit Bank AG
Kardinal-Faulhaber-Straße 1
80333 Munich
Germany