



UniCredit Bank AG

Munich, Federal Republic of Germany

Base Prospectus

for the issuance of

Open End Securities

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

20 August 2013

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 Section 6 of the German Securities Prospectus Act, as amended, (*Wertpapierprospektgesetz*, the "**WpPG**") in connection with the Commission Regulation (EC) No 809/2004, as amended, relating to open end securities (the "**Securities**") issued from time to time by UniCredit Bank AG ("**HVB**" or the "**Issuer**") under the Euro 50,000,000,000 Debt Issuance Programme (the "**Programme**").

This Base Prospectus is to be read together with the information provided in (a) the registration document of UniCredit Bank AG dated 17 May 2013 (the "**Registration Document**"), which is incorporated herein by reference, (b) the supplements to this Base Prospectus in accordance with Section 16 WpPG (the "**Supplements**") as well as (c) all other documents which are incorporated herein by reference (see "General Information – Documents incorporated by reference" below).

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Securities. Potential investors should note that an investment in the Securities is only suitable for highly sophisticated investors, who understand the nature of such Securities and the extent of their exposure to risk and have sufficient knowledge, experience and access to professional advisors (including their financial, 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 Securities. Each investor contemplating purchasing any Securities should make its own independent evaluation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer.

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

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date of this Base Prospectus or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Issuer will be obliged to supplement this Base Prospectus pursuant to Section 16 of the WpPG. 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 Securities.

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

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

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SUMMARY

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

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

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

A. INTRODUCTION AND WARNINGS

A.1	Warning	<p>This Summary should be read as an introduction to the Base Prospectus.</p> <p>The investor should base any decision to invest in the Securities on consideration of the Base Prospectus as a whole.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>UniCredit Bank AG, Kardinal-Faulhaber-Straße 1, 80333 Munich (in its capacity as Issuer) assumes liability 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>Provision of terms and conditions of the offer by financial intermediary</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 Securities by financial intermediaries.]</p> <p>[Not applicable. The Issuer does not give its consent to the use of the Base Prospectus for subsequent resale or final placement of the Securities by financial intermediaries.]</p> <p>[Not applicable. No consent is given.]</p> <p>[Resale or final placement of the Securities by financial intermediaries can be made and consent to use the Base Prospectus is given for [the following offer period of the Securities: <i>[Insert offer period for which consent is given]</i>][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> <p>[Not applicable. No consent is given.]</p> <p>[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.]</p> <p>[Not applicable. No consent is given.]</p>

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. 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	<p>Consolidated Financial Highlights as of 31 December 2012*</p> <table border="1"> <thead> <tr> <th>Key performance indicators</th> <th>1/1 – 31/12/2012</th> <th>1/1 – 31/12/2011</th> </tr> </thead> <tbody> <tr> <td>Net operating profit</td> <td>€1,807m</td> <td>€1,935m</td> </tr> <tr> <td>Cost-income ratio (based on operating income)</td> <td>58.1%</td> <td>62.1%</td> </tr> <tr> <td>Profit before tax</td> <td>€2,058m</td> <td>€1,615m</td> </tr> <tr> <td>Consolidated profit</td> <td>€1,287m</td> <td>€971m</td> </tr> <tr> <td>Return on equity before tax¹⁾</td> <td>9.2%</td> <td>7.2%</td> </tr> <tr> <td>Return on equity after tax¹⁾</td> <td>5.8%</td> <td>4.3%</td> </tr> <tr> <td>Earnings per share</td> <td>€1.55</td> <td>€1.16</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <th>Balance sheet figures</th> <th>31/12/2012</th> <th>31/12/2011</th> </tr> <tr> <td>Total assets</td> <td>€348.3bn</td> <td>€372.3bn</td> </tr> <tr> <td>Shareholders' equity</td> <td>€23.3bn</td> <td>€23.3bn</td> </tr> <tr> <td>Leverage ratio²⁾</td> <td>15.0x</td> <td>16.0x</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	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			
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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 June 2013*

Key performance indicators	1/1 – 30/06/2013	1/1 – 30/06/2012
Net operating profit	€1,121m	€1,411m
Cost-income ratio (based on operating income)	59.4%	51.5%
Profit before tax	€1,222m	€1,557m
Consolidated profit	€818m	€912m
Return on equity before tax ¹⁾	11.8%	13.9%
Return on equity after tax ¹⁾	8.1%	8.3%
Earnings per share	€1.01	€1.11
Balance sheet figures	30/06/2013	31/12/2012
Total assets	€319.5bn	€348.3bn
Shareholders' equity	€21.6bn	€23.3bn
Leverage ratio ²⁾	14.8x	15.0x
Key capital ratios compliant with Basel II	30/06/2013	31/12/2012
Core capital without hybrid capital (core Tier 1 capital)	€19.1bn	€19.1bn
Core capital (Tier 1 capital)	€19.2bn	€19.5bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€100.0bn	€109.8bn
Core capital ratio without hybrid capital (core Tier 1 ratio) ³⁾	19.1%	17.4%
Core capital ratio (Tier 1 ratio) ³⁾	19.2%	17.8%

	<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>* Figures shown in this table are unaudited and taken from the Issuer's Consolidated Half-yearly Financial Report as of 30 June 2013</p> <p>1) Return on equity calculated on the basis of average shareholders' equity according to IFRS.</p> <p>2) Ratio of total assets to shareholders' equity compliant with IFRS.</p> <p>3) Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</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 June 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 ownership or control	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.

C. SECURITIES

C.1	Type and class of the securities	<p>[Open End Securities]</p> <p>[Open End Quanto Securities]</p> <p>[Open End Compo Securities]</p> <p>Each Tranche of Securities will be issued as non-par value [Notes] [Certificates].</p>
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		<p>["Notes"] ["Certificates"] are debt instruments in bearer form (<i>Inhaberschuldverschreibungen</i>) pursuant to § 793 German Civil Code (<i>Bürgerliches Gesetzbuch, BGB</i>).</p> <p>[The Securities are represented by a permanent global note without interest coupons.]</p> <p>[The Securities are initially represented by a temporary global note without interest coupons which will be exchangeable for a permanent global note without interest coupons.]</p> <p>The holders of the Securities (the "Security Holders") are not entitled to receive definitive Securities.</p> <table border="1"> <thead> <tr> <th>Series</th> <th>Tranche</th> <th>ISIN</th> <th>WKN</th> </tr> </thead> <tbody> <tr> <td>[Insert Series number]</td> <td>[Insert Tranche number]</td> <td>[Insert ISIN]</td> <td>[Insert WKN]</td> </tr> </tbody> </table>	Series	Tranche	ISIN	WKN	[Insert Series number]	[Insert Tranche number]	[Insert ISIN]	[Insert WKN]
Series	Tranche	ISIN	WKN							
[Insert Series number]	[Insert Tranche number]	[Insert ISIN]	[Insert WKN]							
C.2	Currency of the securities issue	The Securities are issued in [Insert Specified Currency] (the " Specified Currency ").								
C.5	Restrictions of any free transferability of the securities	Not applicable. The Securities are freely transferable.								
C.8	Rights attached to the securities, including ranking and limitations to those rights	<p>Governing law of the Securities</p> <p>The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.</p> <p>Rights attached to the Securities</p> <p>The Securities do not have a fixed term. Instead they will continue indefinitely until Security Holders exercise their Redemption Right (as defined in this C.8) or the Issuer exercises its Regular Call Right (as defined in this C.8). Security Holders have the right of [interest payments at the respective Interest Payment Date (as defined in C.16) and] payment of capital linked to the performance of an Underlying (as defined in C.20) at a Redemption Date (as defined in C.16) or a Call Date (as defined in C.16) [or a Dividend Amount Payment Date (as defined in C.16)].</p> <p><i>[In the case of interest bearing Securities, the following applies:]</i></p> <p>Each Security Holder may demand payment of the Interest Amount at each Interest Payment Date (as defined in C.16). The "Interest Amount" will be calculated by the Calculation Agent, by multiplying the Coupon with the Day Count Fraction.</p> <p>"Coupon" means [Insert Coupon].</p> <p>"Day Count Fraction" means Actual/Actual.]</p> <p>Each Security Holder may demand payment of the Redemption Amount (as defined in C.15) (the "Redemption Right") at a Redemption Date (as defined in C.16). The exercise of the Redemption Right shall be declared by the Security Holder at least [Insert notice period] banking days before the designated Redemption Date.</p> <p>The Issuer may call the Securities completely but not partially (the "Regular Call Right") at a Call Date (as defined in C.16) by payment of the Redemption Amount. The Issuer shall give notice of such call at least [Insert notice period] prior to the relevant Call Date.</p> <p>[The Security Holders shall be entitled to receive payment of the respective Dividend Amount (as defined in C.15) at each Dividend Amount Payment Date (as defined in C.16).]</p> <p>Limitation of the rights</p> <p>The Issuer may early redeem the Securities or adjust the terms and conditions of the Securities.</p> <p>Status of the Securities</p> <p>The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, at least <i>pari passu</i> with all other unsecured unsubordinated present and future obligations of the Issuer.</p>								
C.11	Admission to trading	<p>[Application [has been] [will be] made for the Securities to be admitted to trading with effect from [Insert expected date] on the following regulated or other equivalent markets: [Insert relevant regulated or other equivalent market(s)].]</p> <p>[Not applicable. No application of the Securities to be admitted to trading on a regulated or another equivalent market has been or is intended to be made.]</p>								

C.15	Effect of the underlying on the value of the securities	<p>The Securities track the Underlying (as defined in C.20) in a linear manner and enable the Security Holders to participate in a positive as well as in a negative performance during the lifetime of the Securities.</p> <p>The Securities do not have a fixed term. Instead they will continue indefinitely until Security Holders exercise their Redemption Right or the Issuer exercises its Regular Call Right. Upon exercising the aforementioned rights, Security Holders are entitled to receive payment of the Redemption Amount at the respective Redemption Date or Call Date, as the case may be.</p> <p>The Issuer may exercise its Regular Call Right without consideration of its effect on the economic position of the Security Holders. Upon such exercise, the remaining term of the Securities will be limited and the Security Holders may suffer a partial or total loss of their invested capital.</p> <p><u><i>In the case of Open End Securities, the following applies:</i></u></p> <p>Open End Securities</p> <p>Open End Securities are Securities where the Underlying Currency is the same as the Specified Currency.</p> <p>The "Redemption Amount" equals the Relevant Reference Price (as defined in C.19) multiplied by the Ratio [and the Participation Factor Current].<u><i>In the case of Securities linked to a commodity futures contract as Underlying, the following applies:</i></u></p> <p>"Participation Factor Current" means a factor calculated newly on each Roll Over Date in order to compensate the price difference of the Underlying prior to and after the respective Roll Over (as defined in C.20).]</p> <p>[The Relevant Reference Price (as defined in C.19) will be reduced by [a Management Fee][,] [and/or] [a Short Selling Fee][,] [and/or] [an Index Calculation Fee] [and/or] [a Gap Risk Fee] ([each] as specified in the table below).]</p> <p>The Redemption Amount may in no case be lower than zero.]</p> <p><u><i>In the case of Open End Quanto Securities, the following applies:</i></u></p> <p>Open End Quanto Securities</p> <p>Open End Quanto Securities are Securities, where the Underlying Currency is not the same as the Specified Currency and where a currency hedging element is provided.</p> <p>The "Redemption Amount" equals the Relevant Reference Price (as defined in C.19) multiplied by the Ratio [and the Participation Factor Current] and converted into the Specified Currency by a conversion factor of 1:1.</p> <p><u><i>In the case of Securities linked to a commodity futures contract as Underlying, the following applies:</i></u></p> <p>"Participation Factor Current" means a factor calculated newly on each Roll Over Date in order to compensate the price difference of the Underlying prior to and after the respective Roll Over (as defined in C.20).]</p> <p>[The Relevant Reference Price (as defined in C.19) will be reduced by a Quanto Fee[,] [and/or] [a Management Fee][,] [and/or] [a Short Selling Fee][,] [and/or] [an Index Calculation Fee] [and/or] [a Gap Risk Fee] ([each] as specified in the table below).]</p> <p>The Redemption Amount may in no case be lower than zero.]</p> <p><u><i>In the case of Open End Compo Securities, the following applies:</i></u></p> <p>Open End Compo Securities</p> <p>Open End Compo Securities are Securities, where the Underlying Currency is not the same as the Specified Currency and no currency hedging element is provided.</p> <p>The "Redemption Amount" equals the Relevant Reference Price (as defined in C.19) multiplied by the Ratio[, the Participation Factor Current] and [multiplied by an] [divided by an] exchange rate for the conversion of the [Underlying Currency into the Specified Currency] [Specified Currency into the Underlying Currency].</p> <p><u><i>In the case of Securities linked to a commodity futures contract as Underlying, the following applies:</i></u></p> <p>"Participation Factor Current" means a factor calculated newly on each Roll Over Date in order to compensate the price difference of the Underlying prior to and after the respective Roll Over (as defined in C.20).]</p>
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[Insert ISIN]	[Insert Ratio]	[Insert Management Fee] [Not applicable]	[Insert Short Selling Fee] [Not applicable]	[Insert Index Calculation Fee] [Not applicable]	[Insert Gap Risk Fee] [Not applicable]	[Insert Quanto Fee] [Not applicable]										
C.16	The expiration or maturity date of the derivative securities – the exercise date or final reference date	<p><u><i>[In the case of interest bearing Securities, the following applies:</i></u></p> <p>"Interest Payment Date" means each day which falls [Insert relevant Period] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the [Issue Date] [Insert other date].]</p> <p>"Valuation Date" means the [fifth]¹ [sixth]² banking day prior to each Redemption Date and each Call Date.</p> <p><u><i>[In the case of Securities linked to a distributing index as Underlying, the following applies:</i></u></p> <p>"Dividend Amount Observation Date" means the second last index calculation date of the months [Insert month(s)] of each year.]</p> <p>"Redemption Date" means the last Banking Day of the month of [Insert month(s)] of each year, starting on [Insert First Redemption Date].</p> <p>"Call Date" means the last Banking Day of the month of [Insert month(s)] of each year, starting on [Insert First Call Date].</p> <p><u><i>[In the case of Securities linked to a distributing index as Underlying, the following applies:</i></u></p> <p>"Dividend Amount Payment Date" means five banking days after the respective Dividend Observation Date.]</p>														
C.17	Settlement procedure of the securities	<p>All payments shall be made to [Insert name of the Principal Paying Agent] (the "Principal Paying Agent"). The Principal Paying Agent shall pay the amounts due to the Clearing System for credit to the respective accounts of the depository banks for transfer to the Security Holders.</p> <p>The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.</p> <p>"Clearing System" means [Insert Clearing System].</p>														
C.18	Description of how any return on derivative securities takes place	<p>Payment of the Redemption Amount at the Redemption Date in relation to which a Security Holder exercises its Redemption Right or at the Call Date in relation to which the Issuer exercises its Regular Call Right, as the case may be.</p>														

¹ In the case of Open End Securities and Open End Quanto Securities.

² In the case of Open End Compo Securities.

C.19	Exercise price or final reference price of the underlying	<p><u><i>[In the case of Securities linked to an index as Underlying, the following applies:</i></u></p> <table border="1" data-bbox="483 237 1393 310"> <tr> <td>WKN</td> <td>ISIN</td> <td>Reference Price</td> </tr> <tr> <td>[insert WKN]</td> <td>[insert ISIN]</td> <td>[insert Reference Price]</td> </tr> </table> <p>]</p> <p><u><i>[In the case of Securities linked to a commodity as Underlying, the following applies:</i></u></p> <table border="1" data-bbox="483 394 1393 468"> <tr> <td>WKN</td> <td>ISIN</td> <td>Reference Price</td> </tr> <tr> <td>[insert WKN]</td> <td>[insert ISIN]</td> <td>[insert Reference Price]</td> </tr> </table> <p>]</p> <p><u><i>[In the case of Securities linked to a commodity futures contract as Underlying, the following applies:</i></u></p> <table border="1" data-bbox="483 573 1393 646"> <tr> <td>WKN</td> <td>ISIN</td> <td>Reference Price</td> </tr> <tr> <td>[insert WKN]</td> <td>[insert ISIN]</td> <td>[insert Reference Price]</td> </tr> </table> <p>]</p> <p>"Relevant Reference Price" means the Reference Price on the respective Valuation Date.</p>	WKN	ISIN	Reference Price	[insert WKN]	[insert ISIN]	[insert Reference Price]	WKN	ISIN	Reference Price	[insert WKN]	[insert ISIN]	[insert Reference Price]	WKN	ISIN	Reference Price	[insert WKN]	[insert ISIN]	[insert Reference Price]														
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C.20	Type of the underlying and description where information on the underlying can be found	<p><u><i>[In the case of Securities linked to an index as Underlying, the following applies:</i></u></p> <p>"Underlying" means an index as further described by the following parameters:</p> <table border="1" data-bbox="483 814 1393 951"> <thead> <tr> <th>ISIN</th> <th>Underlying</th> <th>Underlying Currency</th> <th>Index Sponsor</th> <th>Index Calculation Agent</th> <th>Website</th> </tr> </thead> <tbody> <tr> <td>[Insert ISIN]</td> <td>[Insert description and ISIN of the Underlying]</td> <td>[Insert Underlying Currency]</td> <td>[Insert Index Sponsor]</td> <td>[Insert Index Calculation Agent]</td> <td>[Insert Website]</td> </tr> </tbody> </table> <p>For further information about the past and the future performance of the Underlying and its volatility, please refer to the Website, as specified in the table above (or any successor website).]</p> <p><u><i>[In the case of Securities linked to a commodity as Underlying, the following applies:</i></u></p> <p>"Underlying" means a commodity as further described by the following parameters:</p> <table border="1" data-bbox="483 1129 1393 1245"> <thead> <tr> <th>ISIN</th> <th>Underlying</th> <th>Underlying Currency</th> <th>Reference Market</th> <th>Website</th> </tr> </thead> <tbody> <tr> <td>[Insert ISIN]</td> <td>[Insert description and ISIN of the Underlying]</td> <td>[Insert Underlying Currency]</td> <td>[Insert Reference Market]</td> <td>[Insert Website]</td> </tr> </tbody> </table> <p>For further information about the past and the future performance of the Underlying and its volatility, please refer to the Website, as specified in the table above (or any successor website).]</p> <p><u><i>[In the case of Securities linked to a commodity futures contract as Underlying, the following applies:</i></u></p> <p>"Underlying" means a commodity futures contract as further described by the following parameters:</p> <table border="1" data-bbox="483 1465 1393 1581"> <thead> <tr> <th>ISIN</th> <th>Underlying</th> <th>Underlying Currency</th> <th>Reference Market</th> <th>Website</th> </tr> </thead> <tbody> <tr> <td>[Insert ISIN]</td> <td>[Insert description and ISIN of the Underlying]</td> <td>[Insert Underlying Currency]</td> <td>[Insert Reference Market]</td> <td>[Insert Website]</td> </tr> </tbody> </table> <p>For further information about the past and the future performance of the Underlying and its volatility, please refer to the Website, as specified in the table above (or any successor website).</p> <p>Prior to the expiration of the Underlying it will be "rolled" into the futures contract, traded on the Reference Market, with the immediately following delivery month (the "Roll Over").]</p>	ISIN	Underlying	Underlying Currency	Index Sponsor	Index Calculation Agent	Website	[Insert ISIN]	[Insert description and ISIN of the Underlying]	[Insert Underlying Currency]	[Insert Index Sponsor]	[Insert Index Calculation Agent]	[Insert Website]	ISIN	Underlying	Underlying Currency	Reference Market	Website	[Insert ISIN]	[Insert description and ISIN of the Underlying]	[Insert Underlying Currency]	[Insert Reference Market]	[Insert Website]	ISIN	Underlying	Underlying Currency	Reference Market	Website	[Insert ISIN]	[Insert description and ISIN of the Underlying]	[Insert Underlying Currency]	[Insert Reference Market]	[Insert Website]
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D. RISKS

D.2	Key information on the key risks that are specific to the Issuer	<ul style="list-style-type: none"> • Issuer risk 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. • Credit Risk (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 implementations; (ix) Systemic risk could adversely affect the Group's business. • Market Risk Difficult market situations can add to volatility in HVB Group's income • Liquidity Risk (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 Eurozone countries; (v) Disruptions on financial markets potentially impact the liquidity situation of HVB Group. • Operative Risk (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. • Strategic Risk (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. • Additional Risks (i) Business Risk; (ii) Risks arising from HVB's real estate portfolio; (iii) Risks arising from HVB Group's shareholdings/financial investments.
D.6	Key information on the key risks that are specific to the securities	<ul style="list-style-type: none"> • Potential conflicts of interest Conflict of interest risk is related to the possibility that certain functions of the Issuer, distributors or agents or events with respect to the underlying-linked Securities may be adverse to the interests of the Security Holders. • Risks related to the market (i) Risk that no active trading market for the Securities exists; (ii) Risks relating to the offering volume; (iii) Risk relating to the market value of the Securities; (iv) Risk relating to the expansion of the spread between bid and offer prices; (v) <i>Risk relating to the</i> currency risk with respect to the Securities; (vi) Risk relating to hedging transactions.

		<ul style="list-style-type: none"> • Risks related to the Securities in general <ul style="list-style-type: none"> (i) Credit risk of the Issuer; (ii) Possible limitations of the legality of purchase; (iii) Risks arising from financial market turmoils, the German Bank Restructuring Act and other governmental or regulatory interventions; (iv) Risks due to no own independent review and advice of the investor; (v) Risks arising from financing the purchase of the Securities; (vi) Risks arising from transaction costs; (vii) Inflation risk; (viii) Risks arising from transactions to reduce risks; (ix) Taxation risks. • Risks related to underlying-linked Securities <ul style="list-style-type: none"> (i) Risks arising from the influence of the Underlying on the market value of the Securities; (ii) Risks arising from the fact that the valuation of the Underlying occurs only at a specified date or time; (iii) Currency risk with respect to the Underlying; (iv) Risks in relation to adjustment events; (v) Risk of market disruptions; (vi) Risk of regulatory consequences to investors in underlying-linked Securities; (vii) Risks arising from negative effects of hedging arrangements by the Issuer on the Securities; (viii) Risks arising from the Issuer's extraordinary call right; (ix) Risks arising from the Issuer's regular call right; (x) Risks arising from the redemption right of the Security Holders; (xi) Risks in relation to a participation factor; (xii) Risks in relation to a ratio. • Risks related to Underlyings <ul style="list-style-type: none"> - General risks <ul style="list-style-type: none"> (i) Risks arising from the volatility of the value of the Underlying and risk due to a short history; (ii) No rights of ownership of the Underlying; (iii) Risks associated with Underlyings subject to emerging market jurisdictions. [- Risks related to indices as Underlying <ul style="list-style-type: none"> (i) Similar risks to a direct investment in index components; (ii) No influence of the Issuer on the index; (iii) Risks arising from special conflicts of interests in relation to indices as Underlying; (iv) Risks in relation to strategy indices as Underlying; (v) Risks in relation to price indices as Underlying; (vi) Risks in relation to net return indices as Underlying; (vii) Risks in relation to short indices as Underlying; (viii) Risks in relation to leverage indices as Underlying; (ix) Risks in relation to distributing indices as Underlying; (x) Risks in relation to excess return indices as Underlying; (xi) Risk of country or sector related indices; (xii) Currency exchange risk contained in the index; (xiii) Adverse effect of fees on the index level; (xiv) Risks with respect to the publication of the index composition which is not constantly updated; (xv) Risks related to an index calculation fee; (xvi) Risks related to a management fee; (xvii) Risks related to a short selling fee; (xviii) Risks related to a gap risk fee.] [- Risks related to commodities as Underlying <ul style="list-style-type: none"> (i) Similar risks as a direct investment in commodities; (ii) Higher risks than other asset classes; (iii) Risks arising from price influencing factors; (iv) Risks arising from the trading in various time zones and on different markets.] [- Risks related to futures contracts as Underlying <ul style="list-style-type: none"> (i) Risks related to futures contracts as standardised transactions; (ii) Risk of futures contracts with different delivery dates; (iii) No parallel development of spot price and futures price; (iv) Risks relating to a Roll-Over (adjustment of the participation factor; transaction fees and replacement or termination risk).] <p>The Securities are not capital protected. Investors may lose the value of their entire investment or part of it.</p>
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E. OFFER

E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	The net proceeds from each issue of Securities will be used by the Issuer for its general corporate purposes.
E.3	Description of the terms and conditions of the offer	<p>[Day of the first public offer <i>[Insert the day of the first public offer]</i>.]</p> <p>[A public offer will be made in [Germany][,] [and] [France][,] [and] [Italy] [,] [and] [Luxembourg][,] [and] [Austria][,] [and] [Poland] [and] [Czech Republic].]</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 Securities will be offered to [qualified investors][,] [and/or] [retail investors] [and/or] [institutional investors] [by way of [private placements] [public offerings]] [by financial intermediaries].</p> <p>[As of the day of the first public offer the Securities described in the Final Terms will be offered on a continuous basis up to its maximum issue size. The number of offered Securities may be reduced or increased by the Issuer at any time and does not allow any conclusion on the size of actually issued Securities and therefore on the liquidity of a potential secondary market.]</p> <p>[The continuous offer will be made on current ask prices provided by the Issuer.]</p> <p>[The public offer may be terminated by the Issuer at any time without giving any reason.]</p> <p>[No public offer occurs. The Securities shall be admitted to trading on an organised market.]</p> <p>[Application to listing will be made as of <i>[Insert expected date]</i> on the following markets: <i>[Insert relevant market(s)]</i>.]</p> <p>[The Securities are [initially] offered during a Subscription Period[, and continuously offered]. Subscription Period: <i>[Insert start date of the subscription period]</i> to <i>[Insert end date and time of the subscription period]</i>. The Issuer reserves the right to extend or shorten the Subscription Period or to withdraw the issue during the Subscription Period.]</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>

ZUSAMMENFASSUNG

Zusammenfassungen setzen sich aus den Offenlegungspflichten zusammen, die als "Elemente" bezeichnet werden. Diese Elemente sind in die Abschnitte A – E (A.1 – E.7) gegliedert.

Diese Zusammenfassung beinhaltet alle Elemente, die in einer Zusammenfassung für diese Art von Wertpapieren und Emittent enthalten sein müssen. Da die Angabe einiger Elemente nicht erforderlich ist, können Lücken in der Nummerierung der Elemente enthalten sein.

Sollte für diese Art von Wertpapieren und Emittent die Angabe eines Elements in der Zusammenfassung erforderlich sein, besteht die Möglichkeit, dass in Bezug auf das Element maßgebliche Informationen nicht zur Verfügung gestellt werden können. In diesem Fall wird in der Zusammenfassung eine kurze Beschreibung des Elements mit dem Vermerk 'Nicht anwendbar' eingefügt.

A. EINLEITUNG UND WARNHINWEISE

A.1	Warnhinweis	<p>Diese Zusammenfassung sollte als Einführung zum Basisprospekt verstanden werden.</p> <p>Der Anleger sollte jede Entscheidung zur Anlage in die Wertpapiere auf die Prüfung des gesamten Basisprospekts stützen.</p> <p>Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des europäischen Wirtschaftsraums die Kosten für die Übersetzung dieses Basisprospektes vor Prozessbeginn zu tragen haben.</p> <p>Die UniCredit Bank AG, Kardinal-Faulhaber-Straße 1, 80333 München (in ihrer Eigenschaft als Emittentin) übernimmt die Verantwortung für die Zusammenfassung einschließlich der Übersetzungen hiervon und kann hierfür haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Basisprospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Basisprospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.</p>
A.2	<p>Zustimmung zur Verwendung des Basisprospekts</p> <p>Angabe der Angebotsfrist</p> <p>Sonstige Bedingungen, an die die Zustimmung gebunden ist</p> <p>Zur Verfügungstellung der Angebotsbedingungen durch Finanzintermediäre</p>	<p>[Vorbehaltlich der nachfolgenden Absätze erteilt die Emittentin die Zustimmung zur Verwendung des Basisprospekts während der Zeit seiner Gültigkeit für eine spätere Weiterveräußerung oder endgültige Platzierung der Wertpapiere durch Finanzintermediäre.]</p> <p>[Nicht anwendbar. Die Emittentin erteilt keine Zustimmung zur Verwendung des Basisprospekts für eine spätere Weiterveräußerung oder endgültige Platzierung der Wertpapiere durch Finanzintermediäre.]</p> <p>[Nicht anwendbar. Eine Zustimmung wurde nicht erteilt.]</p> <p>[Eine Weiterveräußerung oder endgültige Platzierung der Wertpapiere durch Finanzintermediäre kann erfolgen und eine entsprechende Zustimmung zur Verwendung des Basisprospekts wird erteilt für [die folgende Angebotsfrist der Wertpapiere: [Angebotsfrist einfügen, für die die Zustimmung erteilt wird]] [eine Frist von zwölf (12) Monaten nach [Datum, an dem die Endgültigen Bedingungen bei der BaFin hinterlegt werden, einfügen].]</p> <p>[Abgesehen von der Bedingung, dass jeder Finanzintermediär die Bedingungen der Emission, die Endgültigen Bedingungen sowie die geltenden Verkaufsbeschränkungen beachtet, ist die Zustimmung nicht an sonstige Bedingungen gebunden.]</p> <p>[Nicht anwendbar. Eine Zustimmung wird nicht erteilt.]</p> <p>[Falls ein Angebot durch einen Finanzintermediär erfolgt, wird dieser Finanzintermediär den Anlegern zum Zeitpunkt der Angebotsvorlage die Angebotsbedingungen zur Verfügung stellen.]</p> <p>[Nicht anwendbar. Eine Zustimmung wird nicht erteilt.]</p>

B. EMITTENTIN

B.1	Juristischer und kommerzieller Name	UniCredit Bank AG (" UniCredit Bank " oder " HVB ", und zusammen mit ihren konsolidierten Beteiligungen, die " HVB Group ") ist der gesetzliche Name. HypoVereinsbank ist der kommerzielle Name.																																	
B.2	Sitz / Rechtsform / geltendes Recht / Land der Gründung	Die UniCredit Bank hat ihren Unternehmenssitz in der Kardinal-Faulhaber-Straße 1, 80333 München, wurde in Deutschland gegründet und ist im Handelsregister des Amtsgerichts München unter der Nr. HRB 42148 als Aktiengesellschaft nach deutschem Recht eingetragen.																																	
B.4b	Bekannte Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken	Die Unsicherheit für die Weltwirtschaft und die internationalen Finanzmärkte wird auch 2013 hoch bleiben. Die Finanzmärkte werden insbesondere vor dem Hintergrund der ungelösten Staatsschuldenkrise weiterhin beeinträchtigt. Die Kreditwirtschaft steht weiterhin vor signifikanten Herausforderungen, betreffend sowohl das gesamtwirtschaftliche Umfeld als auch anstehende aufsichtsrechtliche Regulierungsbestrebungen. In diesem Umfeld wird die HVB Group ihre Geschäftsstrategie fortlaufend an die veränderten Marktbedingungen anpassen und regelmäßig die daraus erhaltenen Steuerungssignale sorgfältig überprüfen.																																	
B.5	Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe	Die UniCredit Bank ist die Muttergesellschaft der HVB Group. Die HVB Group hält direkt und indirekt Anteile an verschiedenen Gesellschaften. Seit November 2005 ist die HVB ein verbundenes Unternehmen der UniCredit S.p.A., Rom, (" UniCredit S.p.A. ", und zusammen mit ihren konsolidierten Beteiligungen, die " UniCredit ") und damit seitdem als Teilkonzern ein wesentlicher Bestandteil der UniCredit. Die UniCredit S.p.A. hält direkt 100% des Grundkapitals der HVB.																																	
B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar; es erfolgt keine Gewinnprognose oder -schätzung.																																	
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Nicht anwendbar; KPMG AG Wirtschaftsprüfungsgesellschaft, der unabhängige Wirtschaftsprüfer der UniCredit Bank für die Geschäftsjahre 2011 und 2012, hat die Konzernabschlüsse der HVB Group sowie die Einzelabschlüsse der UniCredit Bank für die zum 31. Dezember 2011 und 31. Dezember 2012 endenden Geschäftsjahre geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.																																	
B.12	Ausgewählte wesentliche historische Finanzinformationen	<p>Konsolidierte Finanzkennzahlen zum 31. Dezember 2012*</p> <table border="1"> <thead> <tr> <th>Kennzahlen der Erfolgsrechnung</th> <th>01.01. - 31.12.2012</th> <th>01.01. - 31.12.2011</th> </tr> </thead> <tbody> <tr> <td>Operatives Ergebnis nach Kreditrisikovorsorge</td> <td>€1.807 Mio.</td> <td>€1.935 Mio.</td> </tr> <tr> <td>Cost-Income-Ratio (gemessen an den operativen Erträgen)</td> <td>58,1%</td> <td>62,1%</td> </tr> <tr> <td>Ergebnis vor Steuern</td> <td>€2.058 Mio.</td> <td>€1.615 Mio.</td> </tr> <tr> <td>Konzernjahresüberschuss</td> <td>€1.287 Mio.</td> <td>€971 Mio.</td> </tr> <tr> <td>Eigenkapitalrentabilität vor Steuern¹⁾</td> <td>9,2%</td> <td>7,2%</td> </tr> <tr> <td>Eigenkapitalrentabilität nach Steuern¹⁾</td> <td>5,8%</td> <td>4,3%</td> </tr> <tr> <td>Ergebnis je Aktie</td> <td>€1,55</td> <td>€1,16</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Bilanzzahlen</td> <td>31.12.2012</td> <td>31.12.2011</td> </tr> <tr> <td>Bilanzsumme</td> <td>€348,3 Mrd.</td> <td>€372,3 Mrd.</td> </tr> </tbody> </table>	Kennzahlen der Erfolgsrechnung	01.01. - 31.12.2012	01.01. - 31.12.2011	Operatives Ergebnis nach Kreditrisikovorsorge	€1.807 Mio.	€1.935 Mio.	Cost-Income-Ratio (gemessen an den operativen Erträgen)	58,1%	62,1%	Ergebnis vor Steuern	€2.058 Mio.	€1.615 Mio.	Konzernjahresüberschuss	€1.287 Mio.	€971 Mio.	Eigenkapitalrentabilität vor Steuern ¹⁾	9,2%	7,2%	Eigenkapitalrentabilität nach Steuern ¹⁾	5,8%	4,3%	Ergebnis je Aktie	€1,55	€1,16				Bilanzzahlen	31.12.2012	31.12.2011	Bilanzsumme	€348,3 Mrd.	€372,3 Mrd.
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Bilanzzahlen	31.12.2012	31.12.2011																																	
Bilanzsumme	€348,3 Mrd.	€372,3 Mrd.																																	

Bilanzielles Eigenkapital	€23,3 Mrd.	€23,3 Mrd.
Leverage Ratio ²⁾	15,0x	16,0x
Bankaufsichtsrechtliche Kennzahlen gemäß Basel II	31.12.2012	31.12.2011
Kernkapital ohne Hybridkapital (Core Tier 1-Kapital)	€19,1 Mrd.	€19,9 Mrd.
Kernkapital (Tier 1-Kapital)	€19,5 Mrd.	€20,6 Mrd.
Risikoaktiva (inklusive Äquivalente für das Marktrisiko bzw. operationelle Risiko)	€109,8 Mrd.	€127,4 Mrd.
Kernkapitalquote ohne Hybridkapital (Core Tier 1 Ratio) ³⁾	17,4%	15,6%
Kernkapitalquote (Tier 1 Ratio) ³⁾	17,8%	16,2%

* Die Zahlen in der Tabelle sind geprüft und dem konsolidierten Jahresabschluss zum 31. Dezember 2012 der Emittentin entnommen.

¹⁾ Eigenkapitalrentabilität berechnet auf Basis des durchschnittlichen bilanziellen Eigenkapitals gemäß IFRS.

²⁾ Verhältnis von Bilanzsumme zu bilanziellem Eigenkapital gemäß IFRS.

³⁾ Berechnet auf der Basis von Risikoaktiva inklusive Äquivalente für das Marktrisiko und für das operationelle Risiko.

Konsolidierte Finanzkennzahlen zum 30. Juni 2013*

Kennzahlen der Erfolgsrechnung	01.01. - 30.06.2013	01.01. - 30.06.2012
Operatives Ergebnis nach Kreditrisikovorsorge	€1.121 Mio.	€1.411 Mio.
Cost-Income-Ratio (gemessen an den operativen Erträgen)	59,4%	51,5%
Ergebnis vor Steuern	€1.222 Mio.	€1.557 Mio.
Konzernüberschuss	€818 Mio.	€912 Mio.
Eigenkapitalrentabilität vor Steuern ¹⁾	11,8%	13,9%
Eigenkapitalrentabilität nach Steuern ¹⁾	8,1%	8,3%
Ergebnis je Aktie	€1,01	€1,11
Bilanzzahlen	30.06.2013	31.12.2012
Bilanzsumme	€319,5 Mrd.	€348,3 Mrd.
Bilanzielles Eigenkapital	€21,6 Mrd.	€23,3 Mrd.
Leverage Ratio ²⁾	14,8x	15,0x
Bankaufsichtsrechtliche Kennzahlen gemäß Basel II	30.06.2013	31.12.2012
Kernkapital ohne Hybridkapital (Core Tier 1-Kapital)	€19,1 Mrd.	€19,1 Mrd.

		<table border="1"> <tr> <td>Kernkapital (Tier 1-Kapital)</td> <td>€19,2 Mrd.</td> <td>€19,5 Mrd.</td> </tr> <tr> <td>Risikoaktiva (inklusive Äquivalente für das Marktrisiko bzw. operationelle Risiko)</td> <td>€100,0 Mrd.</td> <td>€109,8 Mrd.</td> </tr> <tr> <td>Kernkapitalquote ohne Hybridkapital (Core Tier 1 Ratio)³⁾</td> <td>19,1%</td> <td>17,4%</td> </tr> <tr> <td>Kernkapitalquote (Tier 1 Ratio)³⁾</td> <td>19,2%</td> <td>17,8%</td> </tr> </table>	Kernkapital (Tier 1-Kapital)	€19,2 Mrd.	€19,5 Mrd.	Risikoaktiva (inklusive Äquivalente für das Marktrisiko bzw. operationelle Risiko)	€100,0 Mrd.	€109,8 Mrd.	Kernkapitalquote ohne Hybridkapital (Core Tier 1 Ratio) ³⁾	19,1%	17,4%	Kernkapitalquote (Tier 1 Ratio) ³⁾	19,2%	17,8%
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		<p>* Die Zahlen in der Tabelle sind nicht geprüft und dem konsolidierten Halbjahresfinanzbericht zum 30. Juni 2013 der Emittentin entnommen.</p> <p>¹⁾ Eigenkapitalrentabilität berechnet auf Basis des durchschnittlichen bilanziellen Eigenkapitals gemäß IFRS.</p> <p>²⁾ Verhältnis von Bilanzsumme zu bilanziellem Eigenkapital gemäß IFRS.</p> <p>³⁾ Berechnet auf der Basis von Risikoaktiva inklusive Äquivalente für das Marktrisiko und für das operationelle Risiko.</p>												
	Erklärung, dass sich die Aussichten der Emittentin seit dem Datum des letzten veröffentlichten und geprüften Abschlusses nicht wesentlich verschlechtert haben oder Beschreibung jeder wesentlichen Verschlechterung	Seit dem 31. Dezember 2012 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der HVB Group eingetreten.												
	Signifikante Veränderungen in der Finanzlage, die nach dem von den historischen Finanzinformationen abgedeckten Zeitraum eingetreten sind	Seit dem 30. Juni 2013 sind keine wesentlichen Veränderungen in der Finanzlage der HVB Group eingetreten.												
B.13	Letzte Entwicklungen	Nicht anwendbar. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der UniCredit Bank, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.												
B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	Die UniCredit S.p.A. hält direkt 100% des Grundkapitals der UniCredit Bank.												

B.15	Haupttätigkeiten	<p>Die UniCredit Bank bietet eine umfassende Auswahl an Bank- und Finanzprodukten sowie -dienstleistungen für Privat- und Firmenkunden, öffentliche Einrichtungen und international operierende Unternehmen an.</p> <p>Die Bandbreite reicht unter anderem von Hypothekendarlehen, Verbraucherkrediten und Bankdienstleistungen für Privatkunden über Geschäftskredite und Außenhandelsfinanzierungen für Firmenkunden, Fondsprodukte für alle Assetklassen, Beratungs- und Brokerage-Dienstleistungen und dem Wertpapiergeschäft sowie dem Liquiditäts- und Finanzrisikomanagement, Beratungsdienstleistungen für vermögende Privatkunden bis hin zu Investment-Banking-Produkten für Firmenkunden.</p>
B.16	Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse	Die UniCredit S.p.A. hält direkt 100% des Grundkapitals der UniCredit Bank.

C. WERTPAPIERE

C.1	Art und Klasse der Wertpapiere	<p>[Open End-Wertpapiere] [Open End Quanto-Wertpapiere] [Open End Compo-Wertpapiere]</p> <p>Alle Tranchen von Wertpapieren werden als nennwertlose [Schuldverschreibungen] [Zertifikate] begeben.</p> <p>["Schuldverschreibungen"] ["Zertifikate"] sind Inhaberschuldverschreibungen gemäß § 793 BGB.</p> <p>[Die Wertpapiere werden durch eine Dauerglobalurkunde ohne Zinsscheine verbrieft.]</p> <p>[Die Wertpapiere werden anfänglich durch eine vorläufige Globalurkunde ohne Zinsscheine, die gegen eine Dauerglobalurkunde ohne Zinsscheine getauscht werden kann, verbrieft.]</p> <p>Die Inhaber der Wertpapiere (die "Wertpapierinhaber") haben keinen Anspruch auf den Erhalt von Wertpapieren in effektiven Stücken.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Serie</th> <th style="text-align: center;">Tranche</th> <th style="text-align: center;">ISIN</th> <th style="text-align: center;">WKN</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">[Seriennummer einfügen]</td> <td style="text-align: center;">[Tranchennummer einfügen]</td> <td style="text-align: center;">[ISIN einfügen]</td> <td style="text-align: center;">[WKN einfügen]</td> </tr> </tbody> </table>	Serie	Tranche	ISIN	WKN	[Seriennummer einfügen]	[Tranchennummer einfügen]	[ISIN einfügen]	[WKN einfügen]
Serie	Tranche	ISIN	WKN							
[Seriennummer einfügen]	[Tranchennummer einfügen]	[ISIN einfügen]	[WKN einfügen]							
C.2	Währung der Wertpapieremission	Die Wertpapiere werden in [Festgelegte Währung einfügen] (die " Festgelegte Währung ") begeben.								
C.5	Beschränkungen für die freie Übertragbarkeit der Wertpapiere	Nicht anwendbar. Die Wertpapiere sind frei übertragbar.								
C.8	Mit den Wertpapieren verbundene Rechte einschließlich Rang und Beschränkungen dieser Rechte	<p>Anwendbares Recht der Wertpapiere</p> <p>Form und Inhalt der Wertpapiere sowie die Rechte und Pflichten der Emittentin und der Wertpapierinhaber unterliegen dem Recht der Bundesrepublik Deutschland.</p> <p>Mit den Wertpapieren verbundene Rechte</p> <p>Die Wertpapiere haben keine feste Laufzeit. Stattdessen laufen sie auf unbefristete Zeit bis die Wertpapierinhaber ihr Einlösungsrecht (wie in diesem C.8 definiert) oder die Emittentin ihr Ordentliches Kündigungsrecht (wie in diesem C.8 definiert) ausgeübt (haben) (hat). Wertpapierinhaber haben das Recht auf [Zinszahlungen am jeweiligen Zinszahlungstag (wie in C.16 definiert) und] Kapitalzahlung, die an die Entwicklung eines Basiswerts (wie in C.20 definiert) geknüpft ist, an einem Einlösungstag (wie in C.16 definiert) oder einem Kündigungstermin (wie in C.16 definiert) [bzw. einem Dividendenbetrag-Zahltag (wie in C.16 definiert)].</p>								

		<p><u><i>[Im Fall von verzinslichen Wertpapieren gilt Folgendes:</i></u></p> <p>Die Wertpapierinhaber können an jedem Zinszahltag (wie in C.16 definiert) die Zahlung des Zinsbetrags verlangen. Der "Zinsbetrag" wird von der Berechnungsstelle berechnet, indem der Coupon mit dem Zinstagequotienten multipliziert wird.</p> <p>"Coupon" ist [<i>Coupon einfügen</i>].</p> <p>"Zinstagequotient" ist Actual/Actual.]</p> <p>Die Wertpapierinhaber können an einem Einlösungstag (wie in C.16 definiert) die Zahlung des Rückzahlungsbetrags (wie in C.15 definiert) verlangen (das "Einlösungsrecht"). Die Ausübung des Einlösungsrechts muss dabei vom Wertpapierinhaber mindestens [<i>Kündigungsfrist einfügen</i>] Bankgeschäftstage vor dem gewünschten Einlösungstag erfolgen.</p> <p>Die Emittentin kann an einem Kündigungstermin (wie in C.16 definiert) die Wertpapiere vollständig – aber nicht teilweise – durch Zahlung des Rückzahlungsbetrags kündigen (das "Ordentliche Kündigungsrecht"). Die Emittentin teilt eine entsprechende Kündigung mindestens [<i>Kündigungsfrist einfügen</i>] vor dem betreffenden Kündigungstermin mit.</p> <p>[Die Wertpapierinhaber haben an jedem Dividendenbetrag-Zahltag (wie in C.16 definiert) Anspruch auf Zahlung des jeweiligen Dividendenbetrags (wie in C.15 definiert).]</p> <p>Beschränkung der Rechte</p> <p>Die Emittentin ist zur Kündigung der Wertpapiere und zu Anpassungen der Wertpapierbedingungen berechtigt.</p> <p>Status der Wertpapiere</p> <p>Die Verbindlichkeiten aus den Wertpapieren begründen unmittelbare, unbedingte und unbesicherte Verbindlichkeiten der Emittentin und stehen, sofern gesetzlich nicht etwas anderes vorgeschrieben ist, mindestens im gleichen Rang mit allen anderen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin.</p>
C.11	Zulassung zum Handel	<p>[Die Zulassung der Wertpapiere zum Handel an den folgenden geregelten oder gleichwertigen Märkten [<i>Maßgebliche(n) geregelte(n) oder gleichwertige(n) Markt/Märkte einfügen</i>] [wurde] [wird] mit Wirkung zum [<i>Voraussichtlichen Tag einfügen</i>] beantragt.]</p> <p>[Nicht anwendbar. Es wurde keine Zulassung der Wertpapiere zum Handel an einem geregelten oder gleichwertigen Markt beantragt und es ist keine entsprechende Beantragung beabsichtigt.]</p>
C.15	Auswirkungen des Basiswerts auf den Wert der Wertpapiere	<p>Die Wertpapiere bilden die Wertentwicklung des Basiswerts (wie in C.20 definiert) auf lineare Weise nach und ermöglichen dem Wertpapierinhaber, sowohl an einer positiven als auch an einer negativen Wertentwicklung während der Laufzeit der Wertpapiere zu partizipieren.</p> <p>Die Wertpapiere verfügen nicht über eine feste Laufzeit. Stattdessen laufen sie bis zur Ausübung ihres Einlösungsrechts durch die Wertpapierinhaber oder bis zur Ausübung ihres Ordentlichen Kündigungsrechts durch die Emittentin auf unbestimmte Zeit weiter. Nach der Ausübung der vorstehend genannten Rechte haben Wertpapierinhaber Anspruch auf Zahlung des Rückzahlungsbetrags an dem jeweiligen Einlösungstag bzw. Kündigungstermin.</p> <p>Die Emittentin kann ihr Ordentliches Kündigungsrecht ausüben, ohne dabei dessen Auswirkungen auf die wirtschaftliche Lage der Wertpapierinhaber zu berücksichtigen. Nach einer entsprechenden Ausübung wird die Restlaufzeit der Wertpapiere begrenzt und können die Wertpapierinhaber einen teilweisen oder vollständigen Verlust ihres angelegten Kapitals erleiden.</p> <p><u><i>[Im Fall von Open End-Wertpapieren gilt Folgendes:</i></u></p> <p>Open End-Wertpapiere</p> <p>Open End-Wertpapiere sind Wertpapiere, bei denen die Basiswertwährung der Festgelegten Währung entspricht.</p> <p>Der "Rückzahlungsbetrag" entspricht dem Maßgeblichen Referenzpreis (wie in C.19 definiert), multipliziert mit dem Bezugsverhältnis [und dem Partizipationsfaktor Aktuell].</p> <p><u><i>[Im Fall von auf einen Rohstoff Futures-Kontrakt als Basiswert bezogenen Wertpapieren gilt Folgendes:</i></u></p> <p>"Partizipationsfaktor Aktuell" ist ein Faktor, der an jedem Roll Over-Termin neu berechnet wird, um den Preisunterschied des Basiswerts vor und nach dem jeweiligen Roll Over (wie in C.20 definiert) auszugleichen.]</p>

		<p>[Der Maßgebliche Referenzpreis wird um [eine Managementgebühr][,] [und/oder] [eine Leerverkaufsgebühr][,] [und/oder] [eine Indexberechnungsgebühr] [und/oder] [eine Gap Risk Fee] ([jeweils] wie in der nachstehenden Tabelle angegeben) verringert.]</p> <p>Der Rückzahlungsbetrag kann in keinem Fall niedriger als null sein.]</p> <p><u><i>Im Fall von Open End Quanto-Wertpapieren gilt Folgendes:</i></u></p> <p>Open End Quanto-Wertpapiere</p> <p>Open End Quanto-Wertpapiere sind Wertpapiere, bei denen die Basiswertwährung nicht der Festgelegten Währung entspricht und bei denen ein Währungsabsicherungselement vorgesehen ist.</p> <p>Der "Rückzahlungsbetrag" entspricht dem Maßgeblichen Referenzpreis (wie in C.19 definiert), multipliziert mit dem Bezugsverhältnis [und dem Partizipationsfaktor Aktuell] und auf Grundlage eines Wechselkurses von 1:1 in die Festgelegte Währung umgerechnet.</p> <p><u><i>Im Fall von auf einen Rohstoff Futures-Kontrakt als Basiswert bezogenen Wertpapieren gilt Folgendes:</i></u></p> <p>"Partizipationsfaktor Aktuell" ist ein Faktor, der an jedem Roll Over-Termin neu berechnet wird, um den Preisunterschied des Basiswerts vor und nach dem jeweiligen Roll Over (wie in C.20 definiert) auszugleichen.]</p> <p>[Der Maßgebliche Referenzpreis (wie in C.19 definiert) wird um eine Quantogebühr[,], [und/oder] [eine Managementgebühr][,] [und/oder] [eine Leerverkaufsgebühr][,] [und/oder] [eine Indexberechnungsgebühr] [und/oder] [eine Gap Risk Fee] ([jeweils] wie in der nachstehenden Tabelle angegeben) verringert.]</p> <p>Der Rückzahlungsbetrag kann in keinem Fall niedriger als null sein.]</p> <p><u><i>Im Fall von Open End Compo-Wertpapieren gilt Folgendes:</i></u></p> <p>Open End Compo-Wertpapiere</p> <p>Open End Compo-Wertpapiere sind Wertpapiere, bei denen die Basiswertwährung nicht der Festgelegten Währung entspricht und bei denen kein Währungsabsicherungselement vorgesehen ist.</p> <p>Der "Rückzahlungsbetrag" entspricht dem Maßgeblichen Referenzpreis (wie in C.19 definiert), multipliziert mit dem Bezugsverhältnis[, dem Partizipationsfaktor Aktuell] und [multipliziert mit einem] [dividiert durch einen] Wechselkurs für die Umrechnung der [Basiswertwährung in die Festgelegte Währung] [Festgelegten Währung in die Basiswertwährung].</p> <p><u><i>Im Fall von auf einen Rohstoff Futures-Kontrakt als Basiswert bezogenen Wertpapieren gilt Folgendes:</i></u></p> <p>"Partizipationsfaktor Aktuell" ist ein Faktor, der an jedem Roll Over-Termin neu berechnet wird, um den Preisunterschied des Basiswerts vor und nach dem jeweiligen Roll Over (wie in C.20 definiert) auszugleichen.]</p> <p>[Der Maßgebliche Referenzpreis (wie in C.19 definiert) wird um [eine Managementgebühr][,] [und/oder] [eine Leerverkaufsgebühr][,] [und/oder] [eine Indexberechnungsgebühr] [und/oder] [eine Gap Risk Fee] ([jeweils] wie in der nachstehenden Tabelle angegeben) verringert.]</p> <p>Der Rückzahlungsbetrag kann in keinem Fall niedriger als null sein.]</p> <p><u><i>Im Fall von auf einen ausschüttenden Index als Basiswert bezogenen Wertpapieren gilt Folgendes:</i></u></p> <p>Auf Wertpapiere, die auf einen ausschüttenden Index als Basiswert bezogen sind, wird darüber hinaus an jedem Dividendenbetrag-Zahltag gegebenenfalls ein Dividendenbetrag gezahlt. Der "Dividendenbetrag" entspricht dem Dividendenwert des Basiswerts für eine bestimmte Dividendenperiode, multipliziert mit dem Bezugsverhältnis.]</p> <table border="1" data-bbox="483 1675 1393 1896"> <thead> <tr> <th>ISIN</th> <th>Bezugsverhältnis</th> <th>Managementgebühr (in % p.a.)</th> <th>Leerverkaufsgebühr (in % p.a.)</th> <th>Indexberechnungsgebühr (in % p.a.)</th> <th>Gap Risk Fee (in % p.a.)</th> <th>Quantogebühr (in % p.a.)</th> </tr> </thead> <tbody> <tr> <td>[ISIN einfügen]</td> <td>[Bezugsverhältnis einfügen]</td> <td>[Managementgebühr einfügen] [Nicht anwendbar]</td> <td>[Leerverkaufsgebühr] [Nicht anwendbar]</td> <td>[Indexberechnungsgebühr einfügen] [Nicht anwendbar]</td> <td>[Gap Risk Fee einfügen] [Nicht anwendbar]</td> <td>[Quantogebühr einfügen] [Nicht anwendbar]</td> </tr> </tbody> </table>	ISIN	Bezugsverhältnis	Managementgebühr (in % p.a.)	Leerverkaufsgebühr (in % p.a.)	Indexberechnungsgebühr (in % p.a.)	Gap Risk Fee (in % p.a.)	Quantogebühr (in % p.a.)	[ISIN einfügen]	[Bezugsverhältnis einfügen]	[Managementgebühr einfügen] [Nicht anwendbar]	[Leerverkaufsgebühr] [Nicht anwendbar]	[Indexberechnungsgebühr einfügen] [Nicht anwendbar]	[Gap Risk Fee einfügen] [Nicht anwendbar]	[Quantogebühr einfügen] [Nicht anwendbar]
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		Auf Grundlage der in der vorstehenden Tabelle in % p. a. angegebenen Gebühren wird der maßgebliche Betrag, der von dem Maßgeblichen Referenzpreis abgezogen wird, für jeden Kalendertag anteilig berechnet und kumuliert. Für Tage, an denen der Preis des Basiswerts nicht berechnet wurde, wird für die Zwecke der Berechnung der letzte veröffentlichte Referenzpreis verwendet.												
C.16	Verfalltag oder Fälligkeitstermin der derivativen Wertpapiere – Ausübungstermin oder letzter Referenztermin	<p><u>[Im Fall von verzinslichen Wertpapieren gilt Folgendes:</u></p> <p>"Zinszahltag" ist jeder Tag, der [Maßgeblichen Zeitraum einfügen] nach dem vorangegangenen Zinszahltag, oder, im Falle des ersten Zinszahltag, nach dem [Ausgabetag] [Anderen Tag einfügen] liegt.]</p> <p>"Bewertungstag" ist der [fünfte]¹ [sechste]² Bankgeschäftstag vor dem jeweiligen Einlösungstag bzw. Kündigungstermin.</p> <p><u>[Im Fall von auf einen ausschüttenden Index als Basiswert bezogenen Wertpapieren gilt Folgendes:</u></p> <p>"Dividendenbeobachtungstag" ist der zweitletzte Indexberechnungstag der Monate [Monat(e) einfügen] eines jeden Jahres.]</p> <p>"Einlösungstag" ist der letzte Bankgeschäftstag im Monat [Monat(e) einfügen] eines jeden Jahres, erstmals der [Ersten Einlösungstag einfügen].</p> <p>"Kündigungstermin" ist der letzte Bankgeschäftstag im Monat [Monat(e) einfügen] eines jeden Jahres, erstmals der [Ersten Kündigungstermin einfügen].</p> <p><u>[Im Fall von auf einen ausschüttenden Index als Basiswert bezogenen Wertpapieren gilt Folgendes:</u></p> <p>"Dividendenbetrag-Zahltag" ist fünf Bankgeschäftstage nach dem jeweiligen Dividendenbeobachtungstag.]</p>												
C.17	Abwicklungsverfahren der Wertpapiere	<p>Sämtliche Zahlungen sind an die [Namen der Hauptzahlstelle einfügen] (die "Hauptzahlstelle") zu leisten. Die Hauptzahlstelle zahlt die fälligen Beträge an das Clearing-System zwecks Gutschrift auf die jeweiligen Konten der Depotbanken zur Weiterleitung an die Wertpapierinhaber.</p> <p>Die Zahlung an das Clearing-System befreit die Emittentin in Höhe der Zahlung von ihren Zahlungsverpflichtungen aus den Wertpapieren.</p> <p>"Clearing-System" ist [Clearing-System einfügen].</p>												
C.18	Beschreibung, wie die Rückgabe der derivativen Wertpapiere erfolgt	Zahlung des Rückzahlungsbetrags an dem Einlösungstag, zu dem ein Wertpapierinhaber sein Einlösungsrecht ausübt, bzw. an dem Kündigungstermin, zu dem die Emittentin ihr Ordentliches Kündigungsrecht ausübt.												
C.19	Ausübungspreis oder finaler Referenzpreis des Basiswerts	<p><u>[Im Fall von auf einen Index als Basiswert bezogenen Wertpapieren gilt Folgendes:</u></p> <table border="1"> <thead> <tr> <th>WKN</th> <th>ISIN</th> <th>Referenzpreis</th> </tr> </thead> <tbody> <tr> <td>[WKN einfügen]</td> <td>[ISIN einfügen]</td> <td>[Referenzpreis einfügen]</td> </tr> </tbody> </table> <p>]</p> <p><u>[Im Fall von auf einen Rohstoff als Basiswert bezogenen Wertpapieren gilt Folgendes:</u></p> <table border="1"> <thead> <tr> <th>WKN</th> <th>ISIN</th> <th>Referenzpreis</th> </tr> </thead> <tbody> <tr> <td>[WKN einfügen]</td> <td>[ISIN einfügen]</td> <td>[Referenzpreis einfügen]</td> </tr> </tbody> </table> <p>]</p>	WKN	ISIN	Referenzpreis	[WKN einfügen]	[ISIN einfügen]	[Referenzpreis einfügen]	WKN	ISIN	Referenzpreis	[WKN einfügen]	[ISIN einfügen]	[Referenzpreis einfügen]
WKN	ISIN	Referenzpreis												
[WKN einfügen]	[ISIN einfügen]	[Referenzpreis einfügen]												
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¹ Im Falle von Open End-Wertpapieren und Open End Quanto-Wertpapieren.

² Im Falle von Open End Compo-Wertpapieren.

		<p><u><i>[Im Fall von auf einen Rohstoff Futures-Kontrakt als Basiswert bezogenen Wertpapieren gilt Folgendes:</i></u></p> <table border="1"> <tr> <td>WKN</td> <td>ISIN</td> <td>Referenzpreis</td> </tr> <tr> <td>[WKN einfügen]</td> <td>[ISIN einfügen]</td> <td>[Referenzpreis einfügen]</td> </tr> </table> <p>]</p> <p>"Maßgeblicher Referenzpreis" ist der Referenzpreis an dem jeweiligen Bewertungstag.</p>	WKN	ISIN	Referenzpreis	[WKN einfügen]	[ISIN einfügen]	[Referenzpreis einfügen]																										
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C.20	Art des Basiswerts und Angaben dazu, wo Informationen über den Basiswert erhältlich sind	<p><u><i>[Im Fall von auf einen Index als Basiswert bezogenen Wertpapieren gilt Folgendes:</i></u></p> <p>"Basiswert" ist ein anhand der folgenden Parameter näher beschriebener Index:</p> <table border="1"> <tr> <th>ISIN</th> <th>Basiswert</th> <th>Basiswertwährung</th> <th>Indexsponsor</th> <th>Indexberechnungsstelle</th> <th>Internetseite</th> </tr> <tr> <td>[ISIN einfügen]</td> <td>[Beschreibung und ISIN des Basiswerts einfügen]</td> <td>[Basiswertwährung einfügen]</td> <td>[Indexsponsor einfügen]</td> <td>[Indexberechnungsstelle einfügen]</td> <td>[Internetseite einfügen]</td> </tr> </table> <p>Für weitere Informationen über die bisherige oder künftige Wertentwicklung des Basiswerts und seine Volatilität wird auf der in der vorstehenden Tabelle genannten Internetseite (oder einer etwaigen Nachfolgeseite) verwiesen.]</p> <p><u><i>[Im Fall von auf eine Rohstoff als Basiswert bezogenen Wertpapieren gilt Folgendes:</i></u></p> <p>"Basiswert" ist eine anhand der folgenden Parameter näher beschriebene Rohstoff:</p> <table border="1"> <tr> <th>ISIN</th> <th>Basiswert</th> <th>Basiswertwährung</th> <th>Referenzmarkt</th> <th>Internetseite</th> </tr> <tr> <td>[ISIN einfügen]</td> <td>[Beschreibung und ISIN des Basiswerts einfügen]</td> <td>[Basiswertwährung einfügen]</td> <td>[Referenzmarkt einfügen]</td> <td>[Internetseite einfügen]</td> </tr> </table> <p>Für weitere Informationen über die bisherige oder künftige Wertentwicklung des Basiswerts und seine Volatilität wird auf der in der vorstehenden Tabelle genannten Internetseite (oder einer etwaigen Nachfolgeseite) verwiesen.]</p> <p><u><i>[Im Fall von auf einen Rohstoff Futures-Kontrakt als Basiswert bezogenen Wertpapieren gilt Folgendes:</i></u></p> <p>"Basiswert" ist ein anhand der folgenden Parameter näher beschriebener Rohstoff Futures-Kontrakt:</p> <table border="1"> <tr> <th>ISIN</th> <th>Basiswert</th> <th>Basiswertwährung</th> <th>Referenzmarkt</th> <th>Internetseite</th> </tr> <tr> <td>[ISIN einfügen]</td> <td>[Beschreibung und ISIN des Basiswerts einfügen]</td> <td>[Basiswertwährung einfügen]</td> <td>[Referenzmarkt einfügen]</td> <td>[Internetseite einfügen]</td> </tr> </table> <p>Für weitere Informationen über die bisherige oder künftige Wertentwicklung des Basiswerts und seine Volatilität wird auf der in der vorstehenden Tabelle genannten Internetseite (oder einer etwaigen Nachfolgeseite) verwiesen.</p> <p>Vor dem Auslaufen des Basiswerts wird dieser in den auf dem Referenzmarkt gehandelten Terminkontrakt mit dem unmittelbar darauffolgenden Liefermonat "gerollt" (der "Roll Over").]</p>	ISIN	Basiswert	Basiswertwährung	Indexsponsor	Indexberechnungsstelle	Internetseite	[ISIN einfügen]	[Beschreibung und ISIN des Basiswerts einfügen]	[Basiswertwährung einfügen]	[Indexsponsor einfügen]	[Indexberechnungsstelle einfügen]	[Internetseite einfügen]	ISIN	Basiswert	Basiswertwährung	Referenzmarkt	Internetseite	[ISIN einfügen]	[Beschreibung und ISIN des Basiswerts einfügen]	[Basiswertwährung einfügen]	[Referenzmarkt einfügen]	[Internetseite einfügen]	ISIN	Basiswert	Basiswertwährung	Referenzmarkt	Internetseite	[ISIN einfügen]	[Beschreibung und ISIN des Basiswerts einfügen]	[Basiswertwährung einfügen]	[Referenzmarkt einfügen]	[Internetseite einfügen]
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D. RISIKEN

D.2	Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind	<ul style="list-style-type: none"> • Emittentenrisiko <p>Das Emittentenrisiko besteht in der Möglichkeit, dass die Emittentin im Hinblick auf ihre Geschäftstätigkeit und Profitabilität nicht in der Lage ist, den Rückzahlungsbetrag aufgrund einer Verschlechterung der Bonität von Vermögenswerten zurückzuzahlen.</p> <ul style="list-style-type: none"> • Kreditrisiko <p>(i) Risiken im Zusammenhang mit einem wirtschaftlichen Abschwung und Volatilität der Finanzmärkte; (ii) Niedrigere Vermögensbewertungen infolge ungünstiger Marktbedingungen können negative Auswirkungen auf die zukünftige Ertragslage der HVB Group haben; (iii) die wirtschaftlichen Bedingungen in den geographischen Märkten, in denen die HVB Group aktiv ist, haben derzeit und möglicherweise auch in Zukunft negative Auswirkungen auf die</p>
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		<p>operativen, geschäftlichen und finanziellen Ergebnisse der HVB Group; (iv) das nicht-traditionelle Bankgeschäft setzt die HVB Group zusätzlichen Kreditrisiken aus; (v) die Erträge der HVB Group im Zusammenhang mit Handelsaktivitäten und Zins- und Wechselkursen können schwanken; (vi) Änderungen im deutschen und europäischen regulatorischen Umfeld können sich nachteilig auf die Geschäftstätigkeit der HVB Group auswirken; (vii) Kreditausfälle könnten die Prognosen übersteigen; (viii) Risiken in Bezug auf Markteinführungen; (ix) Systemrisiken könnten sich nachteilig auf die Geschäftstätigkeit der HVB Group auswirken.</p> <ul style="list-style-type: none"> • Marktrisiko <p>Ein schwieriges Marktumfeld kann zur Volatilität der HVB Group beitragen.</p> <ul style="list-style-type: none"> • Liquiditätsrisiko <p>(i) Risiken, welche die Liquidität betreffen, könnten sich auf die Möglichkeit der HVB Group auswirken, ihren finanziellen Verpflichtungen bei Fälligkeit nachzukommen; (ii) die Vermögens-, Finanz- und Ertragslage der HVB Group werden weiterhin durch nachteilige makroökonomische- und (Markt-)Bedingungen beeinflusst; (iii) die europäische Staatsschuldenkrise hat sich nachteilig auf die Vermögens-, Finanz- und Ertragslage der HVB Group ausgewirkt und kann sich gegebenenfalls weiterhin nachteilig auswirken; (iv) die HVB Group hat ein maßgebliches Exposure gegenüber schwächeren Ländern der Eurozone; (v) Verwerfungen auf den Finanzmärkten könnten die Liquiditätssituation der HVB Group beeinflussen.</p> <ul style="list-style-type: none"> • Operationelles Risiko <p>(i) Die Risikomanagementstrategien und -methoden der HVB Group könnten die HVB Group bisher nicht identifizierten oder unerwarteten Risiken aussetzen; (ii) IT-Risiken; (iii) Risiken im Zusammenhang mit Auslagerungen; (iv) Risiken im Zusammenhang mit betrügerischen Handelsaktivitäten; (v) Prozessrisiken; (vi) gegen die HVB Group sind derzeit Steuerverfahren anhängig.</p> <ul style="list-style-type: none"> • Strategisches Risiko <p>(i) Gesamtwirtschaftliches Risiko und Risiken aus externen Marktveränderungen; (ii) Risiken aus strategischer Ausrichtung des Geschäftsmodells der HVB Group; (iii) Risiken aus der Konsolidierung des Bankenmarktes; (iv) Wettbewerbsrisiko; (v) Unsicherheiten betreffend die makroökonomischen Entwicklungen und Risiken durch sich verschärfende regulatorische Anforderungen; (vi) die Einführung von Basel III kann wesentliche Auswirkungen auf die Eigenkapitalausstattung und –anforderungen der HVB Group haben; (vii) steuerliche Implikationen – neue Steuerarten zur Beteiligung der Banken an den Kosten der Finanzkrise; (viii) Risiken in Bezug auf Ratings der HVB Group; (ix) das regulatorische Umfeld der HVB Group kann sich ändern; die Nichteinhaltung von regulatorischen Anforderungen kann zu Vollstreckungsmaßnahmen führen.</p> <ul style="list-style-type: none"> • Sonstige Risiken <p>(i) Geschäftsrisiko; (ii) Risiken im Zusammenhang mit dem Immobilienportfolio der HVB; (iii) Risiken aus Anteils- und Beteiligungsbesitz der HVB Group.</p>
D.6	Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind	<ul style="list-style-type: none"> • Potentielle Interessenkonflikte <p>Das Risiko von Interessenkonflikten besteht darin, dass einige Funktionen der Emittentin der Vertriebspartner oder der Zahlstellen oder Ereignisse im Hinblick auf Wertpapiere, die an einen Basiswert gebunden sind, sich nachteilig auf die Interessen der Wertpapierinhaber auswirken können.</p> <ul style="list-style-type: none"> • Marktbezogene Risiken <p>(i) Risiko, dass kein aktiver Markt für den Handel mit Wertpapieren existiert; (ii) Risiken in Bezug auf das Angebotsvolumen; (iii) Risiken in Bezug auf den Marktwert der Wertpapiere; (iv) Risiken in Bezug auf die Vergrößerung der Spanne zwischen Angebots- und Nachfragepreisen; (v) Risiken in Bezug auf das Währungsrisiko im Hinblick auf die Wertpapiere; (vi) Risiken in Bezug auf Absicherungsgeschäfte.</p> <ul style="list-style-type: none"> • Risiken in Bezug auf Wertpapiere im Allgemeinen <p>(i) Kreditrisiko der Emittentin; (ii) Mögliche Beschränkungen der Rechtmäßigkeit des Erwerbs; (iii) Risiken aufgrund von Finanzmarkturbulenzen, des Restrukturierungsgesetzes und sonstigen hoheitlichen oder regulatorischen Eingriffen; (iv) Risiken bei fehlender eigener unabhängiger Prüfung durch den Anleger und Beratung des Anlegers; (v) Risiken, die bei</p>

	<p>einer Finanzierung des Wertpapierkaufs entstehen; (vi) Risiken aufgrund von Transaktionskosten; (vii) Inflationsrisiko; (viii) Risiken bezüglich risikoverringender Geschäfte; (ix) Risiken im Zusammenhang mit der Besteuerung.</p> <ul style="list-style-type: none"> • Risiken hinsichtlich Basiswertbezogener Wertpapiere <ul style="list-style-type: none"> (i) Risiken aufgrund des Einflusses des Basiswerts auf den Marktwert der Wertpapiere; (ii) Risiken aufgrund des Umstands, dass die Bewertung des Basiswerts nur zu bestimmtem Termin oder Zeitpunkt erfolgt; (iii) Währungsrisiko im Hinblick auf den Basiswert; (iv) Risiken im Hinblick auf Anpassungsereignisse; (v) Risiko von Marktstörungen; (vi) Risiko regulatorischer Konsequenzen für Anleger in ein Basiswertbezogenes Wertpapier; (vii) Risiken aufgrund negativer Auswirkungen von Absicherungsgeschäften der Emittentin auf die Wertpapiere; (viii) Risiken aufgrund des außerordentlichen Kündigungsrechts der Emittentin; (ix) Risiken aufgrund des ordentlichen Kündigungsrechts der Emittentin; (x) Risiken aufgrund des Einlösungsrechts der Wertpapierinhaber; (xi) Risiken im Hinblick auf einen Partizipationsfaktor; (xii) Risiken im Hinblick auf ein Bezugsverhältnis. • Risiken in Bezug auf Basiswerte <ul style="list-style-type: none"> - Allgemeine Risiken <ul style="list-style-type: none"> (i) Risiken aufgrund von Schwankungen im Wert des Basiswerts und Risiko aufgrund einer kurzen Historie; (ii) Kein Eigentumsrecht am Basiswert; (iii) Risiken in Verbindung mit Basiswerten, die Rechtsordnungen in Schwellenländern unterliegen. [-Risiken in Verbindung mit Indizes als Basiswert <ul style="list-style-type: none"> (i) Ähnliche Risiken wie eine Direktanlage in die Indexbestandteile; (ii) Kein Einfluss der Emittentin auf den Index; (iii) Risiken aufgrund von speziellen Interessenkonflikten bei Indizes als Basiswert; (iv) Risiken in Bezug auf Strategieindizes als Basiswert; (v) Risiken in Bezug auf Preisindizes als Basiswert; (vi) Risiken in Bezug auf Net-Return-Indizes als Basiswert; (vii) Risiken im Hinblick auf Short Indizes als Basiswert; (viii) Risiken im Hinblick auf Leverage-Indizes als Basiswert; (ix) Risiken in Bezug auf Distributing Indizes als Basiswert; (x) Risiken in Bezug auf Excess Return Indizes als Basiswert; (xi) Risiko bei länder- bzw. branchenbezogenen Indizes; (xii) Im Index enthaltenes Währungsrisiko; (xiii) Nachteilige Auswirkungen der Gebühren auf den Indexstand; (xiv) Risiken bzgl. der Veröffentlichung der Indexzusammensetzung, die nicht fortlaufend aktualisiert wird; (xv) Risiken im Zusammenhang mit der Indexberechnungsgebühr; (xvi) Risiken im Zusammenhang mit der Managementgebühr; (xvii) Risiken im Zusammenhang mit der Leerverkaufsgebühr; (xviii) Risiken in Bezug auf eine Gap Risk Fee.] [-Risiken in Verbindung mit Rohstoffen als Basiswert <ul style="list-style-type: none"> (i) Ähnliche Risiken wie bei einer direkten Anlage in Rohstoffe; (ii) Größere Risiken als bei anderen Anlageklassen; (iii) Kursbeeinflussende Faktoren; (iv) Risiken aufgrund des Handels in unterschiedlichen Zeitzonen und in verschiedenen Märkten.] [-Risiken in Verbindung mit Terminkontrakten als Basiswert <ul style="list-style-type: none"> (i) Risiken in Bezug auf Terminkontrakte als standardisierte Termingeschäfte; (ii) Risiken von Terminkontrakten mit verschiedenen Lieferterminen; (iii) Keine parallele Entwicklung der Spot- und Futures-Kurse; (iv) Risiken im Hinblick auf einen Rollover (Anpassung des Partizipationsfaktor; Transaktionsgebühren und Austausch oder Kündigungsrisiko).] <p>Die Wertpapiere sind nicht kapitalgeschützt. Anleger können ihren Kapitaleinsatz ganz oder teilweise verlieren.</p>
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E. ANGEBOT

E.2b	Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder Absicherung bestimmter Risiken bestehen	Die Nettoerlöse aus jeder Emission von Wertpapieren werden von der Emittentin für ihre allgemeinen Geschäftstätigkeiten verwendet.
E.3	Beschreibung der Angebotsbedingungen	<p>[Tag des ersten öffentlichen Angebots: <i>[Tag des ersten öffentlichen Angebots einfügen]</i>]</p> <p>[Ein öffentliches Angebot erfolgt in [Deutschland][,] [und] [Frankreich][,] [und] [Italien] [,] [und] [Luxemburg][,] [und] [Österreich][,] [und] [Polen] [und] [in der Tschechischen Republik].]</p> <p>[Die kleinste übertragbare Einheit ist <i>[Kleinste übertragbare Einheit einfügen]</i>.]</p> <p>[Die kleinste handelbare Einheit ist <i>[Kleinste handelbare Einheit einfügen]</i>.]</p> <p>Die Wertpapiere werden [qualifizierten Anlegern][,] [und/oder] [Privatkunden] [und/oder] [institutionellen Anlegern] [im Wege [einer Privatplatzierung] [eines öffentlichen Angebots] [durch Finanzintermediäre]] angeboten.</p> <p>[Ab dem Tag des ersten öffentlichen Angebots werden die in den Endgültigen Bedingungen beschriebenen Wertpapiere in einer maximalen Anzahl fortlaufend zum Kauf angeboten. Die Anzahl der zum Kauf angebotenen Wertpapiere kann von der Emittentin jederzeit reduziert oder erhöht werden und lässt keine Rückschlüsse auf das Volumen der tatsächlich begebenen Wertpapiere und daher auf die Liquidität eines möglichen Sekundärmarkts zu.]</p> <p>[Das fortlaufende Angebot erfolgt zum jeweils aktuellen von der Emittentin gestellten Briefkurs.]</p> <p>[Das öffentliche Angebot kann von der Emittentin jederzeit ohne Angabe von Gründen beendet werden.]</p> <p>[Es findet kein öffentliches Angebot statt. Die Wertpapiere sollen zum Handel an einem organisierten Markt zugelassen werden.]</p> <p>[Die Notierung wird mit Wirkung zum <i>[Voraussichtlichen Tag einfügen]</i> an den folgenden Märkten beantragt: <i>[Maßgebliche(n) Markt/Märkte einfügen]</i>.]</p> <p>[Die Wertpapiere werden [zunächst] im Rahmen einer Zeichnungsfrist angeboten [, danach freibleibend abverkauft]. Zeichnungsfrist: <i>[Anfangsdatum der Zeichnungsfrist einfügen]</i> bis <i>[Enddatum und Endzeit der Zeichnungsfrist einfügen]</i>. Die Emittentin behält sich eine Verlängerung oder Verkürzung der Zeichnungsfrist oder eine Abstandnahme von der Emission während der Zeichnungsfrist vor.]</p>
E.4	Für die Emission/das Angebot wesentliche Interessen, einschließlich Interessenkonflikten	Jeder Vertriebspartner und/oder seine Tochtergesellschaften können Kunden oder Darlehensnehmer der Emittentin oder ihrer Tochtergesellschaften sein. Darüber hinaus haben diese Vertriebspartner und ihre Tochtergesellschaften möglicherweise Investment-Banking- und/oder (Privatkunden-)Geschäfte mit der Emittentin und ihren Tochtergesellschaften getätigt und werden solche Geschäfte eventuell in der Zukunft tätigen und Dienstleistungen für die Emittentin und ihre Tochtergesellschaften im normalen Geschäftsbetrieb erbringen.
E.7	Schätzung der Ausgaben, die dem Anleger von der Emittentin oder Anbieter in Rechnung gestellt werden	<p>[Vertriebsprovision: <i>[Einzelheiten einfügen]</i>]</p> <p>[Sonstige Provisionen: <i>[Einzelheiten einfügen]</i>]</p> <p>[Nicht anwendbar. Gebühren werden dem Anleger durch die Emittentin oder den Anbieter nicht in Rechnung gestellt.]</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 securities issued under this base prospectus (the "Base Prospectus") (the "Securities") in order to assess the risk associated with these Securities. Moreover, further risks that are currently unknown or currently believed to be immaterial may also have a negative impact on the value of the Securities. Potential investors should be aware that the Securities may decline in value and that they may sustain a **total loss** of their investment.*

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

Potential investors should consider all information provided in (a) this Base Prospectus and in any supplements thereto, (b) the registration document of UniCredit Bank AG dated 17 May 2013 (the "Registration Document"), which is incorporated herein by reference, and (c) all documents which are incorporated in the Base Prospectus by reference. An investment in the Securities is only suitable for highly sophisticated investors, who understand the nature of such Securities and the extent of the incorporated risk and who have sufficient knowledge, experience and access to professional advisors (including their financial-, accounting-, legal- and tax advisors) in order to form their own legal, tax, accounting and financial opinion upon the existing risks of such investments. Furthermore, potential investors should be aware that the risks described below may arise separately or cumulatively in combination with other risks and may possibly have mutually reinforcing effects. The order of the risks described below does not imply any statement about the likelihood of occurrence of each risk or the influence of such risk factor on the value of the Securities.

"Security Holder" means the holder of a Security.

A. Risks related to the Issuer

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

B. Risks related to potential conflicts of interest

1. General potential conflicts of interest

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

Potential conflicts related to the Issue Price

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

original mathematical value of the Securities and may differ between each issue of the Securities as well as from the premiums charged by other market participants.

Potential conflicts related to market maker activities

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

Potential conflicts related to Distributors and inducements

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

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

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

The Issuer or any of their affiliates may act as a calculation agent or paying agent. In this function the Issuer or any of their affiliates may, *inter alia*, calculate amounts payable under the Securities, 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 Securities and therefore could cause conflicts of interest between the Issuer and any of their affiliates on the one hand and the Security Holders on the other hand since, even if acting within its reasonable discretion, such calculations, adjustments and determinations could be disadvantageous for a Security Holder.

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

Potential conflicts related to transactions in respect of the Underlying

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

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 Securities.

Potential conflicts related to information with respect to the Underlying

In the course of their business activities the Issuer, any Distributor or any of their affiliates may be in possession of or may acquire important information (also not publicly available) about an Underlying

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

Potential conflicts related to business activities

The Issuer, any Distributor or any of their 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 Securities issued under the Base Prospectus would not exist. Any such action may have a negative impact on an Underlying and the Securities accordingly and could be contrary to the interests of the Security Holders.

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

The Issuer 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 Security Holders.

C. Risks related to the Securities

1. Risks related to the market

Risk that no active trading market for the Securities exists

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

Although applications could be made for the Securities to be admitted to the regulated market of any stock exchange or to any market within the European Economic Area, there is no assurance that such applications will be accepted, that a particular tranche of Securities will be admitted or that an active trading market will develop. Accordingly, there is no assurance regarding the development or liquidity of a trading market for a particular tranche of Securities. Neither the Issuer nor a Distributor can assure that a Security Holder will be able to sell their Securities prior to their maturity. If the Securities are not traded on any securities exchange, pricing information for the Securities may be more difficult to obtain which may have a negative effect on the liquidity and the market prices of the Securities.

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

If the Issuer acts as the only market maker the secondary market may become substantially limited. If there is no market maker, the secondary market may become even more limited. The more limited the secondary market is, the more difficult it may be for Security Holders to realise the value of the Securities prior to the settlement of the Securities. Therefore, a certain risk does exist that Security Holders have to hold the Securities until a Redemption Right (see below under "3. Risks related to Underlying-linked Securities") is exercised or the Securities are called.

Risks relating to the offering volume

The offering volume described in the Final Terms is equal to the maximum volume of the Securities offered, which may be increased at any time. This amount does not allow any conclusions on the volume of the actual Securities 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 Securities

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

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

Risk relating to the expansion of the spread between bid and offer prices

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

Risk relating to the currency risk with respect to the Securities

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

Risk relating to hedging transactions

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

2. Risks related to Securities in general

Credit risk of the Issuer

Any person who purchases the Securities relies on the creditworthiness of the Issuer and has no rights against any other person. Security Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments which the Issuer is obliged to make due to the Securities. 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.

Possible limitations of the legality of purchase

Neither the Issuer nor any Distributor or any of their affiliates have assumed or assume responsibility towards any potential investor for the legality of the acquisition of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for the compliance by a potential investor with any law, regulation or regulatory policy applicable to it.

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

Market turmoil in the international financial markets may affect inflation, interest rates, the price of securities, participation of other investors and thus almost all investments and may lead to (and in the past have led to) extensive governmental interventions. It is generally not possible to predict the structural and/or regulatory changes which may result from current and future market conditions or whether such changes may be materially adverse to the Securities and to their Underlyings, if any. However, the German legislator implemented a bank restructuring act (*Gesetz zur Restrukturierung und geordneten Abwicklung von Kreditinstituten, zur Errichtung eines Restrukturierungsfonds für Kreditinstitute und zur Verlängerung der Verjährungsfrist der aktienrechtlichen Organhaftung, Restrukturierungsgesetz*, the "**German Bank Restructuring Act**") as part of its reaction to the capital markets crisis which began in 2007. As a German credit institution the Issuer is subject to the German Bank Restructuring Act, which has introduced a special restructuring scheme for German credit institutions on 1 January 2011. This scheme consists of: (i) the restructuring procedure (*Sanierungsverfahren*) pursuant to sections 2 et seqq. of the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz*, the "**KredReorgG**"), (ii) the reorganisation procedure (*Reorganisationsverfahren*) pursuant to sections 7 et seqq. of the 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 Security Holders may be negatively affected by the reorganisation plan, which can be adopted by majority vote. In the context of a transfer order, the initial debtor of Securities (the Issuer) may be replaced by another debtor (which may have a fundamentally different risk assumption or creditworthiness than the Issuer). Alternatively, the claims may remain with the original debtor, but this situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical to the situation prior to the transfer order.

In addition, the German legislator has introduced the Second Financial Market Stabilisation Act (*Zweites Gesetz zur Umsetzung eines Maßnahmenpakets zur Stabilisierung des Finanzmarktes*) which 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 Security Holders' rights, the fact that BaFin applies such measures towards a credit institution may have negative effects, e.g. on the pricing of Securities or on the institute's ability to refinance itself.

Risks due to no own independent review and advice of the investor

Each potential investor must determine, based on its own independent review and, if applicable, professional advice if the purchase of the Securities fully complies (or if the investor is acquiring the Securities in a fiduciary capacity, the beneficiary's) with the investor's financial needs, objectives and restrictions, and whether it is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and if it is a fit, proper and suitable investment for the investor (or if the investor is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the substantial risks inherent in investing in or holding the Securities. Otherwise, there is the risk of an unfavorable or unsuitable investment by such investor.

Risks arising from financing the purchase of the Securities

If a potential investor decides to finance the purchase of the Securities with funds borrowed from a third party, the investor should make sure in advance that he can still pay the interest and principal payments on the loan also in the event of a loss. The investor should not rely on gains or profits from the investment in the Securities in order to repay interest and principal of the loans when due and payable. In that case, the expected return must be set higher since the costs relating to the purchase of the Securities and those relating to the loan (interest, redemption, handling fee) have to be taken into account.

Risks arising from transaction costs

When Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred beside the purchase or sale price of the Securities. These incidental costs may significantly reduce or even eliminate any profit from holding the Securities. Generally, credit institutions charge commissions which 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, for example domestic dealers or brokers in foreign markets, Security Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such costs directly related to the purchase of Securities (direct costs), potential investors 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 the Securities before investing in the Securities.

Inflation risk

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

Risks arising from transactions to reduce risks

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

Securities at a level which directly reflects the price of the Underlying or portfolio of which the Underlying forms a part.

Risks related to Taxation

General

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

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

Under the United States Internal Revenue Code of 1986, as amended, (the "**IRC**") a "dividend equivalent" payment is treated as a dividend from sources within the United States and is subject to withholding at the rate of 30% unless reduced by an applicable tax treaty with the United States ("**DEP Withholding**"). A "dividend equivalent" payment includes (i) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (ii) any other payment determined by the U. S. Internal Revenue Service ("**IRS**") be substantially similar to a payment described in the clause (i). In the case of payments made after 18 March 2012, a "dividend equivalent" payment includes a payment made pursuant to any "notional principal contract" unless otherwise exempted by the IRS. Where the securities reference an interest in a fixed basket of securities or an index, such fixed basket or index will be treated as a single security. Where the securities reference an interest in a basket of securities or an index that may provide for the payment of dividends from sources within the United States, absent guidance from the IRS, it is uncertain whether the IRS would determine that payments under the index-linked Securities and equity-linked Securities are substantially similar to a dividend. If the IRS determines that a payment is substantially similar to a dividend, it may be subject to U.S. withholding tax, unless reduced by an applicable tax treaty.

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

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

The Issuer and financial institutions through which payments on the Securities are made may be required to withhold at a rate of up to 30% on all, or a portion of, payments made after December 31, 2016 in respect of the Securities, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**") if the Securities are significantly modified after the date (the "**Grandfathering Date**") that is six months after the date on which final U.S. Treasury regulations that define the term "foreign passthru payment" are published in the U.S. Federal Register, or if additional Securities are sold after the Grandfathering Date that are not issued pursuant to a "qualified reopening" for U.S. federal income tax purposes. Significant aspects of the application of FATCA are not currently clear. The application of FATCA in relation to payments under the Securities may be influenced by international treaties entered into between the USA and the home

state of the Issuer or other financial institutes involved in the payments under the Securities. If, in relation with FATCA withholding tax, an amount is withheld from interest, capital or other payments as a result of non-compliance with FATCA, neither the Issuer nor the paying agent or any other person will be obliged, pursuant to the conditions, to pay any additional amounts to the investor as a result of such deduction or withholding. Consequently, the investor might receive a reduced payment in contrast to a payment which is not subject to such deduction or withholding.

3. Risks related to Underlying-linked Securities

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

On the one hand the probability of a **total loss of the invested capital** may be substantially higher than in a direct investment in the relevant Underlying. This probability depends on how the amounts payable under the Securities are linked to the development of the relevant Underlying.

On the other hand such risks include that the Security Holders **will receive no interest at all**, that the resulting return will be less than that payable on a conventional debt security with the same term and/or that the Security Holder **could fully or substantially loose their capital invested**. Therefore, to be in a position to bear any losses incurred, the capital invested for the purchasing of the Securities should be taken from excess internal funds.

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

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

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

Potential investors should note that whilst the market value of the Securities is linked to the value of the Underlying and may be negatively influenced by the relevant Underlying, not any change may be equally influencing and may lead to disproportionate changes. The value of the Securities may drop while at the same time the price of the relevant Underlying may increase in value. Especially for Underlyings with a high volatility this may lead to amounts payable under the Securities 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 Securities may be calculated by reference to a valuation of the Underlying on a valuation date as specified in the Final Terms and may not consider the performance of the Underlying prior to such valuation date. Even if the Underlying performed positively up to the period prior to the valuation date and if the value of the Underlying only decreased on such a valuation date, the calculation of the amounts payable under the Securities only grounds on the value of the Underlying on the relevant valuation date. Especially for Underlyings showing a high volatility this may lead to amounts payable being significantly lower than the value of the Underlying than 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.

Currency risk with respect to the Underlying

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

Risks in relation to adjustment events

In the case of the occurrence of an adjustment event as specified in the Final Terms, the calculation agent, as specified in the Final Terms, is entitled to carry out adjustments according to the Final Terms in its reasonable discretion. Although these adjustments intend to retain the economic position of the Security Holders unchanged to the largest extent possible, it cannot be guaranteed that such an adjustment only leads to a minimal economic impact. In fact, this adjustment may also have a negative impact on the value or the future performance of the Securities.

Risk of Market Disruptions

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

Risk of regulatory consequences to investors in Underlying-linked Securities

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

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

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

Risks arising from the Issuer's extraordinary call right

The Issuer has the right to call the Securities extraordinarily upon the occurrence of an event specified in the Final Terms (e.g. no suitable replacement underlying is available, a change in law has occurred) at the market value of the Securities. If the market value of the Securities at the time of the extraordinary call is lower than the purchase price of the Securities, the respective Security Holder **will suffer a partial or total loss of its invested capital.**

Risks arising from the Issuer's Regular Call Right

Securities that contain a regular call right of the Issuer (the "**Regular Call Right**") may be redeemed by the Issuer on certain call dates (the "**Call Dates**") as specified in the Final Terms, by giving notice to the Security Holders. From the time of the exercise of the Regular Call Right, the price of the Underlying may be substantially lower than its price at the time of the purchase of the Securities by a

Security Holder. From the time of the exercise of the Regular Call Right the remaining term of the Securities is limited to the respective Call Date. In this case the Security Holders might not be able to hold the Securities until the price of the Underlying has recovered and thus **may suffer a partial or total loss of their invested capital**.

Risks arising from the Redemption Right of the Security Holders

Security Holders may demand redemption of the Securities (the "**Redemption Right**") on certain redemption dates (the "**Redemption Dates**") as specified in the Final Terms by transmission of a duly filled redemption notice (as described in the Final Terms). At the time of the exercise of the Redemption Right, the price of the Underlying may be substantially lower than its price at the time of the purchase of the Securities by a Security Holder. From the time of the exercise of the Redemption Right the remaining term of the Securities is limited to the respective Redemption Date. In this case the Security Holders might not be able to hold the Securities until the price of the Underlying has recovered and thus **may suffer a partial or total loss of their invested capital**.

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

Risks in relation to a Participation Factor

The application of a participation factor (the "**Participation Factor**") within the calculation of amounts payable, as specified in the Final Terms, may result in the Securities being in economic terms similar to a direct investment in the relevant Underlying, but being nonetheless not fully comparable with such a direct investment, in particular because the Security Holder does not participate in the relevant performance by a 1:1 ratio as stated in the Final Terms. As a consequence, such a Security Holder participates more or less from the relevant performance of the relevant Underlying equivalent to the Participation Factor as stated in the Final Terms. In this case, the Security Holder bears an increased risk of loss of the invested capital in comparison to a direct investment in the Underlying.

Risks in relation to a Ratio

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

D. Risks relating to Underlyings

The Securities may be linked to indices, commodities, precious metals and futures contracts (each an "**Underlying**"). Those Underlyings are subject to particular risks. Any full or partial realisation of the following risks may have a negative impact on the price of the Underlying and, hence, on the market value of and/or the amounts payable (if any).

1. General risks

Risks arising from the volatility of the value of the Underlying and risk due to a short history

The value of the Underlying or of its constituents (if any) may vary over time and may increase or decrease due to a variety of factors e.g. corporate actions, macroeconomic factors and speculation.

Potential investors should note that an investment in an Underlying-linked Security may be subject to similar risks than a direct investment in the relevant Underlying.

Security Holders should note that the past performance of an Underlying provides no indication of its future performance and that an Underlying 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

Potential investors should be aware that the relevant Underlying will not be held by the Issuer for the benefit of the investors in such Securities, and as such, Security Holders will not obtain any rights of ownership (including, without limitation hereto, voting rights, rights to receive dividends or other distributions or other rights) with respect to an Underlying in relation to such Securities. Neither the Issuer nor any of its affiliates is obliged to acquire or hold an Underlying.

Risks associated with Underlyings subject to emerging market jurisdictions

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

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

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

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

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

2. Risks related to indices as Underlying

Similar risks to a direct investment in Index Components

The market value of Securities with an index as Underlying depends primarily on the performance of the index. The performance of the index depends on the performance of the components contained in the index (the "**Index Components**"). Accordingly, an investment in Securities with an index as Underlying may bear similar risks to a direct investment in the Index Components.

No influence of the Issuer on the index

If the Issuer or any of its affiliates simultaneously are not the index sponsor, the method of calculation, determination and publication of the index (the "**Index Concept**") are carried out by the index sponsor itself or together with other organisations. In this case, the Issuer neither has influence on the index nor on the Index Concept. Amendments to the Index Concept by the index sponsor may have a negative effect on the performance of the index, and thus on the market value of, and the amounts payable under the Securities.

If the Issuer or any of its affiliates simultaneously are not the index sponsor, the Securities with an Index as Underlying are not in any way sponsored, endorsed, sold or promoted by the index sponsor.

Such index sponsor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index or the prices at which the index stands at a particular time. Such index is composed, calculated (if so) and determined by its respective index sponsor independently from the Issuer of the Securities. Such index sponsor is not responsible or liable for the issuance, the administration, the marketing or the trading of the Securities.

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

If the Issuer or any of its affiliates acts itself as index sponsor, index calculation agent, advisor, or as a member of an index committee this may lead to conflicts of interest. In such a function the Issuer or any of its affiliates may, *inter alia*, calculate the value of the Underlying, make adjustments (e.g. by exercising its reasonable discretion according to the Final Terms) to the terms and conditions of the Securities, replace the Underlying and/or determine the composition of the Underlying. This conflict of interests may have a negative effect on the performance of the index, and thus on the market value of, and/or the amounts payable under the Securities.

Risks in relation to strategy indices as Underlying

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

Risks in relation to price indices as Underlying

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

Risks in relation to net return indices as Underlying

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

Risks in relation to short indices as Underlying

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

Risks in relation to leverage indices as Underlying

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

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

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

Risks in relation to distributing indices as Underlying

If the Underlying is a distributing index dividends or other distributions paid out or made on the Index Components will be considered in the theoretical cash component (as specified in the Final Terms) when calculating the price of the index. After a dividend observation date (as specified in the Final Terms) dividends or other distributions accrued between two dividend observation dates are paid out to the Security Holder. Security Holders should be aware that after such a dividend observation date the cash component will be reset to zero and the price of the index will be reduced accordingly.

Risks in relation to excess return indices as Underlying

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

Risk of country or sector related indices

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

Currency exchange risk contained in the index

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

Adverse effect of fees on the index level

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

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

Some index sponsors publish the composition of the relevant indices not entirely or only with retardation on a website or in other public media specified in the Final Terms. In this case the composition exposed might not always correspond with the current composition of the respective

index used for calculating the amounts payable under the Securities. The delay may be substantial and, under certain circumstances and may last several months. In this case the calculation of the index may not be fully transparent to the Security Holders.

Risks related to an Index Calculation Fee

The method of calculation of any amounts payable under the Securities, as described in the Final Terms, may lead to a deduction of an index calculation fee (the "**Index Calculation Fee**") from the relevant reference price of the Securities. The Index Calculation Fee will be raised by the calculation agent in favour of the index calculation agent in order to cover costs and expenses incurring in connection with the provision of its services. The Index Calculation Fee will reduce the performance of the Securities over time and may have a negative effect on the market value of, and/or the amounts payable under the Securities.

Risks related to a management fee

The method of calculation of any amounts payable under the Securities, as described in the relevant Final Terms, may provide for a management fee to be deducted from the relevant reference price of the Securities. The management fee will be raised by the Calculation Agent in order to cover costs and expenses incurring in connection with the issuance, management and calculation of the Securities and will reduce the performance of the Securities over time. This may have a negative effect on the market value of, and/or the amounts payable under the Securities.

Risks related to a Short Selling Fee

The method of calculation of any amounts payable under the Securities, as described in the Final Terms, may provide for the deduction of a short selling fee ("**Short Selling Fee**") from the relevant reference price of the Securities. The Short Selling Fee will be raised by the Calculation Agent in order to cover additional costs and expenses arising from the management of the special risk of the Issuer, which exists for this type of Securities. The Short Selling Fee may be adjusted by the Calculation Agent in order to comply changes in prevailing market conditions regarding short selling transactions (such as changes in taxation with regard to dividend payments, changes in lending fees for the securities contained in the index, changes in the index, changes in hedging costs). The Short Selling Fee will reduce the performance of the Securities over time and may have a negative effect on the market value of, and/or the amounts payable under the Securities.

If the adjustment of the Short Selling Fee to changed market conditions would, in the reasonable discretion of the Calculation Agent, lead to a Short Selling Fee lying beyond a certain range (as specified in the Final Terms), the Issuer is entitled to extraordinarily call the Securities at the market value of the Securities.

Risks related to a gap risk fee

The method of calculation of any amounts payable under the Securities, as described in the relevant Final Terms, may provide for a gap risk fee to be deducted from the relevant reference price of the Securities. The gap risk fee will be raised by the Calculation Agent in order to cover costs and expenses incurring in connection with a product linked to a leveraged index. The gap risk fee will reduce the performance of the Securities in the period of time. This may have a negative effect on the market value of, and/or the amounts payable under the Securities.

3. Risks related to commodities as Underlying

Similar risks as a direct investment in commodities

An investment in commodity-linked Securities bears similar market risks to a direct investment in this commodity.

Higher risks than other asset classes

An investment in commodities is associated with higher risks than investments in other asset classes like e.g. bonds, currencies or stocks, because prices in this asset category are subject to greater fluctuations (volatility) and markets may be less liquid than e.g. stock markets.

Risks arising from price influencing factors

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

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

Commodities (e.g. oil, gas, wheat, corn, gold, silver) are traded on a global basis almost non-stop in various time zones on different specialised exchanges or markets (e.g. different futures exchanges) or directly among market participants (over the counter). This may lead to a publication of different prices for a commodity in different places. The Final Terms specify which exchange or market and which timing apply regarding the specification of the price of the relevant Underlying.

4. Risks related to futures contracts as Underlying

Risks related to futures contracts as standardised transactions

Futures contracts are standardised transactions relating to commodities (e.g. oil, gas, sugar) – so-called commodity futures.

A futures contract represents a contractual obligation to buy or sell a fixed amount of the underlying commodities on a fixed delivery date at an agreed price. Futures contracts are traded on futures exchanges and are standardised with respect to the contract amount, type and quality of the underlying, as well as to delivery locations and dates (if applicable). However, futures contracts are normally traded at a discount or premium compared with the spot prices of their underlyings.

Risk of futures contracts with different delivery dates

The prices of futures contracts with different delivery dates can differ, even if all other contract specifications are identical. If the prices of longer-term futures contracts are higher than the prices of the shorter-term futures contracts this is called '*contango*'. If the prices of shorter-term futures contracts are higher than the prices of the longer-term futures contracts this is called '*backwardation*'. If the Final Terms specify that futures contracts with different delivery dates are subject of observation, these price differences may have a negative effect on the market value of, and the amounts payable under the Securities.

No parallel development of spot price and futures price

Prices of futures contracts may differ substantially from the spot prices of the underlying commodities. An investor who buys a Security linked to the price of a futures contract must be aware of the fact that the market value of the futures contract does not always develop in the same direction or at the same rate as the spot price of the commodity. Therefore, the market value of the Security may drop substantially even if the spot price of the commodity remains stable or rises.

Risks relating to a Roll-Over

Adjustment of the Participation Factor: In order to trade futures contracts on an exchange, they are standardised with respect to their term (e.g. 3, 6, 9 months). Futures contracts as the Underlying of the Securities may have a different term than the Securities. In such a case, the Calculation Agent will replace the initial futures contract as well as any subsequent futures contracts by a futures contract, which has a later delivery day, but otherwise has identical contract specifications as the initial futures

contract (the "**Roll-Over**"). Such a Roll-Over can be repeated several times. Differences in the prices of the futures contract may be compensated by an adjustment of the Participation Factor. These adjustments may have a negative effect on the market value of, and the amounts payable under, the Securities.

Transaction Fees: The provisions for a Roll-Over, as described in the Final Terms, provide a transaction fee (the "**Transaction Fee**"), which will be determined on each roll over date (as specified in the Final Terms), in the reasonable discretion of the Calculation Agent by considering the current market situation. The Transaction Fee reduces the participation in the Underlying and will increase in the period of time, and, therefore, may have a negative effect on the market value of, and the amounts payable under the Securities.

Replacement or termination: If it is impossible to replace an expiring futures contract by a futures contract with identical contract specifications -except for its term-, the Final Terms may rule the replacement through another, maybe less advantageous futures contract or the termination by the Issuer. Therefore, a Security Holder cannot rely on participating in the performance of the initial futures contract throughout the entire term of the Security.

RESPONSIBILITY STATEMENT

UniCredit Bank AG having its registered office at Kardinal-Faulhaber-Straße 1, 80333 Munich accepts responsibility for the information contained in this Base Prospectus. UniCredit Bank AG declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and that no material information has been omitted.

CONSENT TO THE USE OF THE BASE PROSPECTUS

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

The Issuer accepts responsibility for the information given in the Base Prospectus, in any supplement thereto as well as in the Final Terms also with respect to the subsequent resale or final placement of the Securities by financial intermediaries, who obtained the consent to use the Base Prospectus, any supplement thereto as well as the Final Terms.

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

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

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 period as set out in the Final Terms.

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

The use of the Base Prospectus and any supplement thereto, if any, and of the Final Terms is not subject to further conditions.

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 Securities including information regarding costs and expenses (if any) at the time of that offer.

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

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

DESCRIPTION OF THE ISSUER

The description of the Issuer is incorporated by reference into this Base Prospectus as set out on page 144.

The unaudited consolidated financial statements as of 30 June 2013 of HVB are laid down in the Consolidated Half-yearly Financial Report as of 30 June 2013 and set out on pages F-1 through F-79 of this Prospectus.

GENERAL INFORMATION ON THE SECURITIES

Issue Price

Securities may be issued at an issue price which will be either specified in the column "Issue Price" in Table 1.1 of § 1 of the Product and Underlying Data or if the issue price has not been specified at the time of creation of the Final Terms the issue price per Security will be specified and published thereafter on a website as indicated in the Final Terms.

Pricing

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

Selling concession or other concessions

A selling concession or other concession may be charged as set out in the Final Terms.

Placing and Distribution

The Securities may be distributed by way of public or private placements and, in each case, through financial intermediaries as agreed between the Issuer and the relevant financial intermediary. The method of distribution of each tranche will be stated in the applicable Final Terms.

Admission to Trading and Listing of the Securities

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

Potential investors

The Securities may be offered to qualified investors and/or retail investors and/or institutional investors as stated in the Final Terms. 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) to the public takes place, (ii) the conditions for the offer of the Securities; (iii) day of the first public offer; (iv) possibility to reduce or increase the number of securities offered for sale by the Issuer, (v) smallest transferable and/or tradable unit; (vi) possibility of an early termination of the public offer.

Offer during a subscription period

The Securities may be offered during a subscription period. For the purpose of acquisition, a potential investor has to make a subscription order to be forwarded to the Issuer during the Subscription Period. If specified in the Final Terms, the Securities may subsequently be offered. The Issuer reserves the right to extend or shorten the subscription period or to withdraw the issue before the issue date during the Subscription Period for any reason. The Issuer has the right to accept or reject the subscription orders of potential investors in whole or in part, irrespective of whether or not the intended volume of the Securities to be placed is reached. The Issuer has the right to make allocations at its own

discretion; whether and to what extent the Issuer exercises such right is subject to its own discretion. Potential investors who made purchase offers in the form of subscription orders may presumably be informed by the Issuer from the first Banking Day onwards following the end of the subscription period on the number of Securities allocated to them.

DESCRIPTION OF THE SECURITIES

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

The Securities

The Securities will be issued as non-par value notes or certificates which are debt instruments in bearer form (*Inhaberschuldverschreibungen*) pursuant to § 793 BGB. The method of calculating the Redemption Amount of the Securities is linked to the value of an Underlying at a certain Valuation Date.

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

The Underlying of the Securities may be either an index, a commodity or a commodity futures contract. The value of the Underlying is the main influencing factor on the value of the Securities.

In general, during the lifetime of the Securities the Security Holders participate in a positive as well as in a negative performance of the Underlying:

- If the Underlying increases in value the value of the Securities increases as well.
- If the Underlying declines in value the value of the Securities declines accordingly.

The deduction of any fees (as described below) or any other price influencing factors are not comprised in the aforementioned description and do not allow for conclusions on the actual performance of the Securities.

The Securities do not have a fixed term. Instead they will continue indefinitely until Security Holders exercise their Redemption Right or the Issuer exercises its Regular Call Right. Upon exercising the aforementioned rights, Security Holders are entitled to receive payment of the Redemption Amount at the respective Redemption Date or Call Date, as the case may be.

The Issuer may exercise its Regular Call Right without consideration of its effect on the financial situation of the Security Holders. Upon such exercise, the term of the Securities will be limited and the Security Holders may suffer a partial or total loss of their invested capital.

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

Open End Securities

Open End Securities are Securities where the Underlying Currency is the same as the Specified Currency.

The Redemption Amount equals the Relevant Reference Price multiplied by the Ratio and in the case of Securities linked to a commodity futures contract as Underlying, a Participation Factor Current.

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

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

Open End Quanto Securities

Open End Quanto Securities are Securities, where the Underlying Currency is not the same as the Specified Currency and where a currency hedging element is provided.

The Redemption Amount equals the Relevant Reference Price multiplied by the Ratio and in the case of Securities linked to a commodity futures contract as Underlying, a Participation Factor Current, and will be converted into the Specified Currency by a conversion factor of 1:1.

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

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

Open End Compo Securities

Open End Compo Securities are Securities, where the Underlying Currency is not the same as the Specified Currency and no currency hedging element is provided.

The Redemption Amount equals the Relevant Reference Price multiplied by the Ratio in the case of Securities linked to a commodity futures contract as Underlying, a Participation Factor Current and multiplied by an or, respectively divided by an Exchange Rate for the conversion of the Underlying Currency into the Specified Currency or, respectively, the Specified Currency into the Underlying Currency.

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

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

CONDITIONS OF THE SECURITIES

General Information

The following Part A – General Conditions of the Securities (the "**General Conditions**") must be read together with Part B – Product and Underlying Data (the "**Product and Underlying Data**") as well as Part C – Special Conditions of the Securities (the "**Special Conditions**") (together, the "**Conditions**"). A completed version of the Conditions will constitute the Terms and Conditions of the respective Tranche of Securities and will be attached to the relevant Global Note.

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

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

reflecting the Terms and Conditions of the Securities.

A consolidated version of the General Conditions may be delivered together with 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 Securities

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

Part B – Product and Underlying Data

- § 1 Product Data
- § 2 Underlying Data

Part C – Special Conditions of the Securities

[Option 1: In the case of Securities linked to an index as Underlying, the following applies:]

- § 1 Definitions
- § 2 Interest
- § 3 Redemption[, Dividend Payment]
- § 4 Redemption Amount[, Dividend Amount]
- § 5 Redemption Right of the Security Holders, Issuer's Regular Call Right, Issuer's Extraordinary Call Right
- § 6 Payments
- § 7 Market Disruptions
- § 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification

[In the case of Open End Compo Securities, the following applies:]

- § 9 New Fixing Sponsor, Replacement Exchange Rate]]

[Option 2: In the case of Securities linked to a commodity as Underlying, the following applies:]

- § 1 Definitions
- § 2 Interest

- § 3 Redemption
 - § 4 Redemption Amount
 - § 5 Redemption Right of the Security Holders, Issuer's Regular Call Right, Issuer's Extraordinary Call Right
 - § 6 Payments
 - § 7 Market Disruptions
 - § 8 Relevant Trading Conditions, Adjustments, Replacement Reference Market
- [In the case of Open End Compo Securities, the following applies:*
- § 9 New Fixing Sponsor, Replacement Exchange Rate]]

[Option 3: In the case of Securities linked to a commodity futures contract as Underlying, the following applies:

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Redemption Right of the Security Holders, Issuer's Regular Call Right, Issuer's Extraordinary Call Right
- § 6 Payments
- § 7 Market Disruptions
- § 8 Contract Specifications, Adjustments, Replacement Underlying, Replacement Reference Market

[In the case of Open End Compo Securities, the following applies:

- § 9 New Fixing Sponsor, Replacement Exchange Rate]]

Part A – General Conditions of the Securities

PART A - GENERAL CONDITIONS OF THE SECURITIES

(the "General Conditions")

§ 1

Form, Clearing System, Global Note, Custody

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

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

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

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

- (2) *Temporary Global Note, Exchange:* The Securities are initially represented by a temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchangeable for a permanent global note without interest coupons (the "**Permanent Global Note**", and, together with the Temporary Global Note, the "**Global Notes**") on or after the 40th day after the Issue Date (the "**Exchange Date**") only upon delivery of certifications, to the effect that the beneficial owner or owners of the Securities represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Securities through such financial institutions) (the "**Non-U.S. Beneficial Ownership Certificates**"). The Global Notes bear the manual or facsimile signatures of two authorised representatives of the Issuer [In the case of an Issuing Agent, the following applies: as well as the manual signature of a control officer of the Issuing Agent]. [If CBL and Euroclear Bank are specified as Clearing System, the following applies: The details of such exchange shall be entered into the records of the

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

ICSDs.] The Security Holders are not entitled to receive definitive Securities. The Securities as co-ownership interests in the Global Notes may be transferred pursuant to the relevant regulations of the Clearing System. [In the case of interest-bearing Securities, the following applies: The right to receive interest is represented by the Permanent Global Note.]

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

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

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

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

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

[In the case of Securities where Euroclear France is specified in the Final Terms, the following applies:

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

[In the case of Securities where KDPW is specified in the Final Terms, the following applies:

(3) *Custody:* The Global Notes will be issued as classical global notes and will be kept in custody by a depository on behalf of KDPW.]

[In the case of Securities where CBF and KDPW is specified in the Final Terms, the following applies:

(3) *Custody:* The Global Note will be kept in custody by CBF and will afterwards be registered with KDPW.]

[In the case of Securities where "other" is specified in the Final Terms, the following applies:

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

§ 2

Principal Paying Agent, Paying Agent, Calculation Agent

(1) *Paying Agents:* The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich] [Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom] [*Insert name and address of other paying agent*]. The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 6 of the General Conditions.

(2) *Calculation Agent:* The "**Calculation Agent**" is UniCredit Bank AG, Arabellastraße 12, 81925 Munich.

(3) *Transfer of functions:* Should any event occur which results in the Principal Paying Agent or Calculation Agent being unable to continue in its function as Principal Paying Agent or Calculation Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent or another person or institution with the relevant expertise as Calculation Agent. Any such transfer of the functions of the Principal Paying Agent or

Calculation Agent shall be notified by the Issuer without undue delay pursuant to § 6 of the General Conditions.

- (4) *Agents of the Issuer:* In connection with the Securities, the Principal Paying Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Security Holders. 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 Security Holders.

§ 3

Taxes

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

§ 4

Status

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

§ 5

Substitution of the Issuer

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

- (d) the Issuer guarantees proper payment of the amounts due under these Terms and Conditions.

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

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

§ 6

Notices

To the extent these Terms and Conditions provide for a notice pursuant to this § 6, these will be published on the Website for Notices (or another website communicated by the Issuer with at least six weeks advance notice in accordance with these provisions) and become effective vis-à-vis the Security Holders through such publication unless the notice provides for a later effective date. If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.

Other publications with regard to the Securities are published on the Website of the Issuer (or any successor website).

§ 7

Security Holder's Extraordinary Termination Right

- (1) Each Security Holder shall be entitled to declare its Security due and demand immediate redemption thereof at the Termination Amount, in the event that
- (a) any amount due under the Securities 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 Securities and such failure continues for more than 60 days after the Issuer has received notice thereof from a Security Holder, 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 Securities.

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

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

§ 8

Issuance of additional Securities, Repurchase

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

§ 9

Presentation Period

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

§ 10

Partial Invalidity, Corrections

- (1) *Invalidity:* Should any provision of these Terms and Conditions be or become invalid or unenforceable in whole or in part, the remaining provisions are not affected thereby. Any gap arising as a result of invalidity or unenforceability of these Terms and Conditions is to be filled with a provision that corresponds to the meaning and intent of these Terms and Conditions and is in the interest of the parties.
- (2) *Typing and calculation errors:* Obvious typing and calculation errors or similar obvious errors in these Terms and Conditions entitle the Issuer to rescission vis-à-vis the Security Holders. The rescission must be declared without undue delay upon obtaining knowledge of such cause for rescission in accordance with § 6 of the General Conditions. Following such rescission by the Issuer, the Security Holder can instruct his depository bank to submit a duly completed redemption declaration to the Principal Paying Agent on a form available there and by giving all information and declarations required by the form (the "**Redemption Declaration**") and demand the refunding of the Acquisition Price against transfer of the Securities to the account of the Principal Paying Agent with the Clearing System. The Issuer will until at the latest 30

calendar days after receipt of the Redemption Declaration or the Securities by the Principal Paying Agent (whatever is the later date) make the Acquisition Price available to the Principal Paying Agent, which will transfer it to the account listed in the Redemption Declaration. With the payment of the Acquisition Price all rights deriving from the submitted Securities cease to exist.

- (3) *Offer to continue:* The Issuer may combine the declaration of rescission pursuant to paragraph (2) above with an offer to continue the Securities under amended terms and conditions. The Security Holders will be informed of such an offer as well as the amended provisions together with the declaration of rescission in accordance with § 6 of the General Conditions. Such an offer is deemed to be accepted by the Security Holder (with the effect that the consequences of the rescission do not become effective) if the Security Holder does not within four weeks after the offer becoming effective pursuant to § 6 of the General Conditions demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depository bank to the Principal Paying Agent and the transfer of the Securities to the account of Principal Paying Agent with the Clearing System in accordance with paragraph (2) above. The Issuer will refer to this effect in the notice.
- (4) *Acquisition Price:* As used in paragraphs (2) and (3) above, the "**Acquisition Price**" is the actual acquisition price paid by each Security Holder (as stated and confirmed in the Redemption Declaration) or the weighted arithmetic mean of the trading prices of the Securities, as determined by the Issuer in its reasonable discretion (§ 315 BGB), on the Banking Day preceding the declaration of rescission pursuant to paragraph (2) above, respectively, depending on which of these amounts is the higher one. If a market disruption pursuant to § 1 of the Special Conditions exists on the Banking Day preceding the declaration of rescission pursuant to paragraph (2) above, the last Banking Day preceding the rescission pursuant to paragraph (2) above on which no market disruption existed shall be decisive for the determination of the Acquisition Price in accordance with the preceding sentence.
- (5) *Incomplete or inconsistent provisions:* The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Terms and Conditions in its reasonable discretion (§ 315 BGB). Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and economic position of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 6 of the General Conditions.
- (6) *Adherence to corrected Terms and Conditions:* If the Security Holder was aware of typing or calculation errors or similar errors in these Terms and Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Terms and Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

§ 11

Applicable Law, Place of Performance, Place of Jurisdiction

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

Part B – Product and Underlying Data

PART B – PRODUCT AND UNDERLYING DATA

(the "Product and Underlying Data")

§ 1

Product Data

Issue Date: *[Insert Issue Date]*

[In the case of an Issuing Agent, the following applies:

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

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

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

First Redemption Date: *[Insert First Redemption Date]*

Specified Currency: *[Insert Specified Currency]*

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

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

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

Fixing Sponsor: *[Insert Fixing Sponsor]*

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

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

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

Table 1.1:

ISIN	WKN	Reuters	Series Number	Tranche Number	Issue volume of Series in units	Issue volume of Tranche in units	Issue Price
<i>[Insert ISIN]</i>	<i>[Insert WKN]</i>	<i>[Insert RIC]</i>	<i>[Insert Series number]</i>	<i>[Insert Tranche number]</i>	<i>[Insert issue volume of the Series]</i>	<i>[Insert issue volume of the Tranche]</i>	<i>[Insert issue price]*</i>

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

Table 1.2:

ISIN	Underlying	Reference Price	Ratio	Management Fee in %	Index Calculation Fee in %	Short Selling Fee in %	Maximum Short Selling Fee in %	Quanto Fee in %	Maximum Quanto Fee in %	Gap Risk Fee in %	Maximum Gap Risk Fee in %
<i>[Insert ISIN]</i>	<i>[Insert name of Underlying]</i>	<i>[Insert Reference Price]</i>	<i>[Insert Ratio]</i>	<i>[Insert Management Fee in %]</i> <i>[Not applicable]**</i>	<i>[Insert Calculation Fee in %]</i> <i>[Not applicable]**</i>	<i>[Insert Short Selling Fee in %]</i> <i>[Not applicable]**</i>	<i>[Insert Maximum Short Selling Fee in %]</i> <i>[Not applicable]**</i>	<i>[Insert Quanto Fee in %]</i> <i>[Not applicable]**</i>	<i>[Insert Maximum Quanto Fee in %]</i> <i>[Not applicable]**</i>	<i>[Insert Gap Risk Fee in %]</i> <i>[Not applicable]**</i>	<i>[Insert Maximum Gap Risk Fee in %]</i> <i>[Not applicable]**</i>

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

** Instead of selecting "Not applicable" the whole column may be deleted from the respective table.

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

Table 1.2:

ISIN	Underlying	Reference Price	Ratio	Management Fee in %	Quanto Fee in %	Maximum Quanto Fee in %
[Insert ISIN]	[Insert name of Underlying]	[Insert Reference Price]	[Insert Ratio]	[Insert Management Fee in %] [Not applicable]*	[Insert Quanto Fee in %] [Not applicable]*	[Insert Maximum Short Selling Fee in %] [Not applicable]*

]

[In the case of Securities linked to commodity futures contracts, the following applies:

Table 1.2:

ISIN	Underlying	Reference Price	Ratio	Management Fee in %	Quanto Fee in %	Maximum Quanto Fee in %
[Insert ISIN]	[Insert name of Underlying]	[Insert Reference Price]	[Insert Ratio]	[Insert Management Fee in %] [Not applicable]**	[Insert Quanto Fee in %] [Not applicable]*	[Insert Maximum Short Selling Fee in %] [Not applicable]*

* Instead of selecting "Not applicable" the whole column may be deleted from the respective table.

* Instead of selecting "Not applicable" the whole column may be deleted from the respective table.

§ 2

Underlying Data

[In the case of Securities where the Underlying is a leverage index, the following applies:]

Table 2.1:

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

For further information about the past and the future performance of the Underlying and its volatility, please refer to the Website, as specified in Table 2.1 (or any successor website).]

* Instead of selecting "Not applicable" the whole column may be deleted from the respective table.

[In the case of Securities linked to all other kinds of indices as Underlying, the following applies:

Table 2.1:

Underlying	Index Type	Underlying Currency	WKN	ISIN	Reuters	Bloomberg	Index Sponsor	Index Calculation Agent	Website
[Insert name of Underlying]	[Price Return] [Net Return] [Total Return] [Excess Return] [Distributing Index]	[Insert Underlying Currency]	[Insert WKN]	[Insert ISIN]	[Insert RIC]	[Insert Bloomberg ticker]	[Insert Index Sponsor]	[Insert Index Calculation Agent]	[Insert index website]

For further information about the past and the future performance of the Underlying and its volatility, please refer to the Website, as specified in Table 2.1 (or any successor website).]

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

Table 2.1:

Underlying	Underlying Currency	WKN	ISIN	Reuters	Bloomberg	Reference Market	Website
[Insert name of Underlying]	[Insert Underlying Currency]	[Insert WKN]	[Insert ISIN]	[Insert RIC]	[Insert Bloomberg ticker]	[Insert Reference Market]	[Insert Website]

For further information about the past and the future performance of the Underlying and its volatility, please refer to the Website, as specified in Table 2.1 (or any successor website).]

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

Table 2.1:

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

For further information about the past and the future performance of the Underlying and its volatility, please refer to the Website, as specified in Table 2.1 (or any successor website).]

PART C - SPECIAL CONDITIONS OF THE SECURITIES
(the "**Special Conditions**")

[Option 1: In the case of Securities linked to an index as Underlying, the following applies:]

§ 1

Definitions

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

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

[In the case of Securities 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 Securities 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.]

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

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

"**Call Date**" means the Call Date as defined in § 5 (2) of the Special Conditions.

[In the case of Open End Securities, the following applies:]

"**Call Event**" means Index Call Event.]

[In the case of Open End Quanto Securities, the following applies:]

"**Call Event**" means Index Call Event.]

[In the case of Open End Compo Securities, the following applies:

"**Call Event**" means Index Call Event or FX Call Event.]

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

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

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

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

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

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

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

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**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**").]

[In the case of Securities with Euroclear France as Clearing System, the following applies:

"**Clearing System**" means Euroclear France SA ("**Euroclear France**").]

[In the case of Securities with KDPW as Clearing System, the following applies:

"**Clearing System**" means The National Depository for Securities (KDPW SA), Warsaw ("**KDPW**").]

[In the case of Securities with CBF and KDPW as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**") and The National Depository for Securities (KDPW SA), Warsaw ("**KDPW**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

"**Determining Futures Exchange**" means the futures exchange, on which respective derivatives on the Underlying or – if derivatives on the Underlying are not traded – its components (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its

reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

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

[In the case of Securities linked to a distributing index as Underlying, the following applies:

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

- (a) the non-calculation of the Theoretical Cash Component by the Index Calculation Agent for a Dividend Observation Date (k) (with k = 1, 2, ...);
- (b) the Theoretical Cash Component is neither published by the Index Calculation Agent nor provided to the Calculation Agent by the Index Sponsor.

"Dividend Amount (k)" (with k = 1, 2, ...) means the respective Dividend Amount (k) as calculated by the Calculation Agent pursuant to § 3 of the Special Conditions

"Dividend Amount Payment Date (k)" (with k = 1, 2, ...) is five Banking Days after the respective Dividend Observation Date (k) (with k = 1, 2, ...).

"Dividend Observation Date (k)" (with k = 0, 1, 2, ...) means the second last Calculation Date of the months [*Insert month(s)*] of each year, where k = 1 is the Dividend Observation Date immediately following the First Trading Day.

"Dividend Period (k)" means each calendar day from the Dividend Observation Date (k-1) (with k = 1, 2, ...) (excluding) to the Dividend Observation Date (k) (with k = 1, 2, ...) (including).

The **"Dividend Value (k)"** (with k = 1, 2, ...) will be determined for the respective Dividend Period (k) (with k = 1, 2, ...) as the value of the theoretical cash component of the Underlying (the "**Theoretical Cash Component**") as calculated by the Index Calculation Agent on the respective Dividend Observation Date (k) (with k = 1, 2, ...) and published on the Issuer's website [*Insert website*] (or any successor website) with the respective product information. The Theoretical Cash Component reflects the sum of the net dividend payments of the components of the Underlying during the relevant Dividend Period (k) (with k = 1, 2, ...) as determined by the Index Calculation Agent and accrued interest on a daily basis at the currently valid EONIA-rate (Euro OverNight Index Average rate). After each Dividend Observation Date (k) (with k = 1, 2, ...), the Theoretical Cash Component will be reset to zero and newly calculated. The method of calculating the Theoretical Cash Component by the Index Calculation Agent including the calculation of the net dividend payments will be available on the website of the Index Calculation Agent [*Insert website*] (or any successor website).]

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

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

"First Trade Date" means the First Trade Date as specified in § 1 of the Product and

Underlying Data.

[In the case of Open End Compo Securities, the following applies:

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

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

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

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

- (a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no New Fixing Sponsor or Replacement Exchange Rate is suitable;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX) the reliable determination of FX is impossible or impracticable.

[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:

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

[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Underlying Currency, the following applies:

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

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

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

- (a) the failure to publish the FX by the Fixing Sponsor;
 - (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation of such exchange rate;
 - (c) any other events with commercial effects which are similar to the events listed above;
- to the extent that the above-mentioned events in the reasonable discretion (§ 315 BGB) of the Calculation Agent are material.

"**FX Valuation Date**" means the FX Valuation Date immediately following the respective Valuation Date.

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Gap Risk Fee Adjustment, the following applies:

"**Gap Risk Fee Adjustment**" means an amount in the Underlying Currency, which is

calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Gap Risk Fee (t)}}{365,25}$$

Where:

"**n**" means the number of calendar days (t) from the First Trading Date (including) to the relevant Valuation Date (including).

"**Reference Price (t-1)**" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

"**Gap Risk Fee**" means the Gap Risk Fee as specified in the column "Gap Risk Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

The Calculation Agent will, in the case of not only immaterial changes in the market conditions for gap risks (such as changes in the index, changes in costs for gap risk hedging transactions), adjust the Gap Risk Fee to such changed market conditions. The extent of the adjustment is determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) based on the extent of the changes in the relevant market conditions. The Gap Risk Fee shall not exceed the Maximum Gap Risk Fee (including). If the adjustment to changed market conditions would, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, lead to a Gap Risk Fee lying above the Maximum Gap Risk Fee, the Issuer shall be entitled to terminate the Securities pursuant to § 5 (3) of the Special Conditions at the Cancellation Amount. The Issuer will provide notice of such adjustment or termination pursuant to § 6 of the General Conditions.

"**Gap Risk Fee (t)**" means the Gap Risk Fee applicable on the relevant calendar day (t).]

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

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to obligations under the Securities or
- (b) realise, reclaim or pass on proceeds from such transactions or assets, respectively, under conditions which are economically substantially equal to those on the First Trade Date.

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

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion of the Issuer (§ 315 BGB) are needed in order to hedge price risks or other risks with regard to obligations under the Securities or
- (b) realise, reclaim or pass on proceeds from such transactions or assets, respectively,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"**Index Calculation Agent**" means the Index Calculation Agent as specified in the column "Index Calculation Agent" in Table 2.1 in § 2 of the Product and Underlying Data.

[In the case of Securities where the method for the calculation of the Redemption Amount provides for an Index Calculation Fee Adjustment, the following applies:

"Index Calculation Fee Adjustment" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Index Calculation Fee (t)}}{365,25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Date (including) to the relevant Valuation Date (including).

"Reference Price (t-1)" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

The Index Calculation Fee is charged in favour of the Index Sponsor or the Calculation Agent, as the case may be.

"Index Calculation Fee" means the Index Calculation Fee as specified in the column "Index Calculation Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

[The Calculation Agent may reduce but not increase the Index Calculation Fee at any time during the term of the Securities. Such reduction shall be notified pursuant to § 6 of the General Conditions.]

"Index Calculation Fee (t)" means the Index Calculation Fee applicable on the relevant calendar day (t).]

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

- (a) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Underlying is available;
- (c) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occurs;
- (e) the calculation or publication of the Underlying no longer occurs in the Underlying Currency.

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

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

[In the case of an Issuing Agent, the following applies:

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Management Fee Adjustment, the following applies:

"Management Fee Adjustment" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Management Fee (t)}}{365,25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Date (including) to the relevant Valuation Date (including).

"Reference Price (t-1)" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

"Management Fee" means the Management Fee as specified in the column "Management Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

[The Calculation Agent may reduce but not increase the Management Fee at any time during the term of the Securities. Such reduction shall be notified pursuant to § 6 of the General Conditions.]

"Management Fee (t)" means the Management Fee applicable on the relevant calendar day (t).]

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

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

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Gap Risk Fee Adjustment, the following applies:

"**Maximum Gap Risk Fee**" means the Maximum Gap Risk Fee as specified in the column "Maximum Gap Risk Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.]

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Quanto Fee Adjustment, the following applies:

"**Maximum Quanto Fee**" means the Maximum Quanto Fee as specified in the column "Maximum Quanto Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.]

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Short Selling Fee Adjustment, the following applies:

"**Maximum Short Selling Fee**" means the Maximum Short Selling Fee as specified in the column "Maximum Short Selling Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.]

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

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

"**Quanto Fee Adjustment**" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Quanto Fee (t)}}{365,25}$$

Where:

"**n**" means the number of calendar days (t) from the First Trading Date (including) to the relevant Valuation Date (including).

"**Reference Price (t-1)**" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

"**Quanto Element**" means the conversion of the Redemption Amount from the Underlying Currency into the Specified Currency with a conversion factor of 1:1.

"**Quanto Fee**" means the Quanto Fee as specified in the column "Quanto Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

The Calculation Agent will, in the case of not only immaterial changes in the market conditions for currency exchange rate protection transactions (e.g. difference in interest rates between the Underlying Currency and the Specified Currency, the volatility between the Reference Price and the currency exchange rate between the Underlying Currency and the Specified Currency, the correlation between the Reference Price and the Underlying Currency, and such other factors), adjust the Quanto Fee to such changed market conditions. The extent of the adjustment is determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) based on the extent of the changes in the relevant market conditions. The Quanto Fee shall not exceed the Maximum Quanto Fee (including). If the adjustment to changed market conditions would, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, lead to a Quanto Fee lying above the Maximum Quanto Fee, the Issuer shall be entitled to terminate the Securities pursuant to § 5 (3) of the Special Conditions at the Cancellation Amount. The Issuer

will provide notice of such adjustment or termination pursuant to § 6 of the General Conditions.

"Quanto Fee (t)" means the Quanto Fee applicable on the relevant calendar day (t).]

"Ratio" means the Ratio as specified in the column "Ratio" in Table 1.2 in § 1 of the Product and Underlying Data.

"Redemption Amount" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"Redemption Date" means the Redemption Date as defined in § 5 (1) of the Special Conditions.

"Redemption Right" means the Redemption Right as defined in § 5 (1) of the Special Conditions.

"Reference Price" means the Reference Price of the Underlying as specified in the column "Reference Price" in Table 1.2 in § 1 of the Product and Underlying Data.

"Regular Call Right" means the Regular Call Right as defined in § 5 (2) of the Special Conditions.

"Relevant Exchange" means the exchange, on which the components of the Underlying are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such component's liquidity.

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

"Relevant Reference Price" means the Reference Price on the respective Valuation Date.

"Security Holder" means the holder of a Security.

"Settlement Cycle" means the period of Clearance System Business Days following a trade on the Relevant Exchange in the securities that form the basis of the Underlying, in which settlement will customarily occur according to the rules of that Relevant Exchange.

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Short Selling Fee Adjustment, the following applies:

"Short Selling Fee Adjustment" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Short Selling Fee (t)}}{365,25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Data (including) to the

relevant Valuation Date (including).

"Reference Price (t-1)" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

"Short Selling Fee" means the Short Selling Fee as specified in the column "Short Selling Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

The Calculation Agent will, in the case of not only immaterial changes in the market conditions for short sales (such as changes in taxation with regard to dividend payments, changes in lending fees for the securities contained in the index, changes in the index, change in hedging costs), adjust the Short Selling Fee to such changed market conditions. The extent of the adjustment is determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) based on the extent of the changes in the relevant market conditions. The Short Selling Fee shall not exceed the Maximum Short Selling Fee (including). If the adjustment to changed market conditions would, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, lead to a Short Selling Fee lying above the Maximum Short Selling Fee, the Issuer shall be entitled to terminate the Securities pursuant to § 5 (3) of the Special Conditions at the Cancellation Amount. The Issuer will provide notice of such adjustment or termination pursuant to § 6 of the General Conditions.

"Short Selling Fee (t)" means the Short Selling Fee applicable on the relevant calendar day (t).]

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

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

"Underlying" means the Underlying as specified in the column "Underlying" in Table 1.2 in § 1 of the Product and Underlying Data. The Underlying is specified by the Index Sponsor and is calculated by the Index Calculation Agent.

"Underlying Currency" means the Underlying Currency as specified in the column "Underlying Currency" in Table 2.1 in § 2 of the Product and Underlying Data.

"Valuation Date" means the [*Insert number*] Banking Day prior to each Redemption Date and each Call Date. If such day is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date, shall be the respective Valuation Date. The respective Redemption Date or the respective Call Date will be postponed accordingly. Interest shall not be payable due to such postponement.

"Website for Notices" means the Website for Notices as specified in § 1 of the Product and Underlying Data (and any successor website).

"Website of the Issuer" means the Website of the Issuer as specified in § 1 of the Product and Underlying Data (and any successor website).

§ 2

Interest

[In the case of non-interest bearing Securities, the following applies:

The Securities do not bear interest.]

[In the case of interest bearing Securities, the following applies:

- (1) *Interest:* The Security Holders may demand payment of the Interest Amount at each Interest Payment Date.

"**Interest Payment Date**" means each day which falls [Insert relevant Period] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the [Insert relevant date]. The final Interest Payment Date shall be the Redemption Date in relation to which the respective Security Holder exercises its Redemption Right or the Call Date in relation to which the Issuer exercises its Regular Call Right, as the case may be.

- (2) *Interest Amount:* The "**Interest Amount**" will be calculated by the Calculation Agent, by multiplying the Coupon with the Day Count Fraction.

"**Coupon**" means [Insert Coupon].

"**Day Count Fraction**" means, in respect of the calculation of the Interest Amount on any Security for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

The Interest Amount shall be payable in arrear pursuant to the provisions in § 6 of the Special Conditions.]

§ 3

Redemption[, Dividend Payment]

- (1) *Redemption:* The Securities shall be redeemed by payment of the respective Redemption Amount on the respective Redemption Date or the respective Call Date pursuant to the provisions of § 6 of the Special Conditions.

[In the case of Securities linked to a distributing index as Underlying, the following applies:

- (2) *Dividend payment:* The Security Holders shall be entitled to receive payment of the respective Dividend Amount (k) (with k = 1, 2, ...) per Security at each Dividend Amount Payment Date (k) (with k = 1, 2, ...).

The right to receive payment of Dividend Amounts ceases for a Security Holder after expiration of the Dividend Period (k) (with k = 1, 2, ...) immediately preceding the Valuation Date in relation to which he exercises his Redemption Right, or in relation to which the Issuer exercises its Regular Call Right, as the case may be.

The respective Dividend Amount (k) (with k = 1, 2, ...) shall be paid pursuant to the provisions of § 6 of the Special Conditions.]

§ 4

Redemption Amount[, Dividend Amount]

- (1) *Redemption Amount:* The Redemption Amount for a Redemption Date and/or Call Date equals an amount in the Specified Currency, which is calculated or, respectively, specified by the Calculation Agent as follows:

[In the case of Open End Securities, the following applies:

Redemption Amount = max(Relevant Reference Price [- Management Fee Adjustment] [- Short Selling Fee Adjustment] [- Index Calculation Fee Adjustment] [- Gap Risk Fee Adjustment]; 0) x Ratio]

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

Redemption Amount = max(Relevant Reference Price - Quanto Fee Adjustment [- Management Fee Adjustment] [- Short Selling Fee Adjustment] [- Index Calculation Fee Adjustment] [- Gap Risk Fee Adjustment]; 0) x Ratio]

[In the case of Open End Compo Securities¹, the following applies:

Redemption Amount = max(Relevant Reference Price [- Management Fee Adjustment] [- Short Selling Fee Adjustment] [- Index Calculation Fee Adjustment] [- Gap Risk Fee Adjustment]; 0) x Ratio / FX (final)]

[In the case of Open End Compo Securities², the following applies:

Redemption Amount = max(Relevant Reference Price [- Management Fee Adjustment] [- Short Selling Fee Adjustment] [- Index Calculation Fee Adjustment] [- Gap Risk Fee Adjustment]; 0) x Ratio x FX (final)]

For the calculation of the Redemption Amount one index point corresponds to one unit of the Underlying Currency (e.g. EUR 1,- for Euro or USD 1,- for US-Dollar).

The method of calculation or, respectively, specification of the Redemption Amount is subject to adjustments and market disruptions pursuant to § 7[,] [and] § 8 [and § 9] of the Special Conditions.

[In the case of Securities linked to a distributing index as Underlying, the following applies:

- (2) *Dividend Amount:* The Dividend Amount (k) (with k = 1, 2, ...) equals an amount in the Specified Currency, which is calculated by the Calculation Agent at the respective Dividend Observation Date (k) (with k = 1, 2, ...) as follows:

Dividend Amount (k) = Dividend Value (k) x Ratio

For the calculation of the Dividend Amount one index point corresponds to one unit of the Underlying Currency (e.g. EUR 1,- for Euro or USD 1,- for US-Dollar).

The method of calculation of the Dividend Amount is subject to adjustments and market disruptions pursuant to § 7 [,] [and] § 8 [and § 9] of the Special Conditions.]

§ 5

Redemption Right of the Security Holders, Issuer's Regular Call Right, Issuer's Extraordinary Call Right

- (1) *Redemption Right of the Security Holders:* Each Security Holder may demand redemption of the Securities pursuant to the provisions of § 4 (1) of the Special Conditions against delivery of the Securities to the account of the Principal Paying Agent No. [Insert account number] with the Clearing System to the Issuer's order (the "**Redemption Right**") at the last Banking Day of the month of [Insert month(s)] of each year starting on the First Redemption Date

¹ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

² If the base currency of the FX Exchange Rate displayed on the Screen Page is unequal to the Specified Currency

(each such date a "**Redemption Date**").

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

The Redemption Notice shall include in particular:

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

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

No Redemption Right so exercised may be revoked or withdrawn.

- (2) *Issuer's Regular Call Right:* The Issuer may at the last Banking Day of the month of [*Insert month(s)*] of each year starting on the First Call Date (each such date a "**Call Date**") call the Securities completely but not partially (the "**Regular Call Right**") and redeem them pursuant to § 4 (1) of the Special Conditions.

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

The Redemption Right of the Security Holders remains unaffected until the last Redemption Date immediately preceding the Call Date.

- (3) *Issuer's extraordinary call right:* Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and to redeem the Securities at their Cancellation Amount. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "**Cancellation Amount**" shall be the reasonable market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days before the extraordinary call becomes effective.

The Cancellation Amount will be paid five Banking Days following the date of the above mentioned notice, or at the date specified in such notice, as the case may be, pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

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

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

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

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such a payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues 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 payment (including).

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

- (5) Payments of Interest Amounts on the Securities represented by a Temporary Global Note shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruptions

[In the case of Open End Securities and Open End Quanto Securities, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on a Valuation Date, the respective Valuation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.
Any Payment Date relating to such Valuation Date shall be postponed accordingly if applicable. No interest is due because of such postponement.
- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than 30 consecutive Banking Days the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Reference Price required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. Such Reference Price shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.

If within these 30 Banking Days traded Derivatives linked to the Underlying expire and are paid on the Determining Futures Exchange, the settlement price established by the Determining Futures Exchange for the there traded Derivatives will be taken into account in order to conduct the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. In that case, the expiration date for those Derivatives is the relevant Valuation Date.

[In the case of Open End Compo Securities, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on a Valuation Date, the respective Valuation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

If a FX Market Disruption Event occurs on a FX Valuation Date, the respective FX Valuation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Valuation Date or FX Valuation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than 30 consecutive Banking Days the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Reference Price required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. Such Reference Price shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.

If within these 30 Banking Days traded Derivatives linked to the Underlying expire and are paid on the Determining Futures Exchange, the settlement price established by the Determining Futures Exchange for the there traded Derivatives will be taken into account order to conduct the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. In that case, the expiration date for those Derivatives is the relevant Valuation Date.

Should the FX Market Disruption Event continue for more than 30 consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective FX. The FX required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.

[In the case of Securities linked to a distributing index as Underlying, the following applies:

- (3) *Dividend Market Disruption:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Dividend Market Disruption Event occurs on a Dividend Observation Date, the respective Dividend Observation Date will be postponed to the next following Calculation Date on which the Dividend Market Disruption Event no longer exists.

Should the Dividend Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Theoretical Cash Component for the respective Dividend Observation Date. The Theoretical Cash Component required for the calculation of the Dividend Amount shall be determined in accordance with prevailing market conditions around [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the economic position of the Certificate

Holder.

Any Payment Date relating to such Dividend Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

§ 8

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

- (1) *Index Concept:* The basis for the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall be the Underlying with its provisions applicable from time to time, as developed and continued by the Index Sponsor, as well as the respective method of calculation, determination, and publication of the price of the Underlying (the "**Index Concept**") applied by the Index Sponsor. This shall apply if during the term of the Securities changes are made or occur in respect of the Index Concept, or if other measures are taken, which have an impact on the Index Concept, unless otherwise provided in the below provisions.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities (in particular the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Calculation Agent pursuant to the Terms and Conditions of these Securities, etc.) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions of these Securities in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. Any adjustment will be made by the Calculation Agent taking into account the adjustments of the Derivatives linked to the Underlying actually performed by the Determining Futures Exchange and the remaining term of the Securities as well as the latest available price of the Underlying. If the Calculation Agent determines that, pursuant to the rules of the Determining Futures Exchange, no adjustments are made to the Derivatives linked to the Underlying, the Terms and Conditions of these Securities will regularly remain unchanged. The adjusted method for the calculation or, respectively, specification of the Redemption Amount, the adjusted Ratio and the time of its initial application will be published in accordance with § 6 of the General Conditions.
- (3) *Replacement Underlying:* In cases of an Index Replacement Event or a License Termination Event, the adjustment pursuant to paragraph (2) usually occurs by the Calculation Agent in its reasonable discretion (§ 315 BGB) determining, which index should be used in the future as Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent, moreover, will make further adjustments to the Terms and Conditions of these Securities (in particular to the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Calculation Agent) and/or all prices of the Underlying determined by the Calculation Agent pursuant to the Terms and Conditions of these Securities in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the performed adjustments and the time of its initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in the Terms and Conditions of these Securities shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.
- (4) *New Index Sponsor and New Index Calculation Agent:* If the Underlying is no longer determined by the Index Sponsor but rather by another person, company or institution (the "**New Index Sponsor**"), then all calculations or, respectively, specifications of the Calculation

Agent described in the Terms and Conditions of these Securities shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the Index Sponsor shall be deemed as referring to the New Index Sponsor, depending on the context. If the Underlying is no longer calculated by the Index Calculation Agent but rather by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the Index Calculation Agent shall be deemed as referring to the New Index Calculation Agent, unless the context provides otherwise.

- (5) *Replacement Specification:* If a necessary price of the Underlying pursuant to the Terms and Conditions of these Securities, as published by the Index Sponsor or the Index Calculation Agent, as the case may be, will subsequently be corrected and the correction (the "**Corrected Value**") will be published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication, but still within one Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value as soon as reasonably practicable and shall again specify and publish pursuant to § 6 of the General Conditions the relevant value by using the Corrected Value (the "**Replacement Specification**").

[In the case of Open End Compo Securities, the following applies:

§ 9

New Fixing Sponsor, Replacement Exchange Rate

- (1) *New Fixing Sponsor:* In the event that the FX Exchange Rate is no longer determined and published by the Fixing Sponsor, calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall occur on the basis of the determinations and publications by another person, company or institution which shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**New Fixing Sponsor**"). In this case each and every reference to the Fixing Sponsor in the Terms and Conditions of these Securities, depending on the context, shall be deemed to refer to the Replacement Fixing Sponsor. The New Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Exchange Rate:* In the event that FX is no longer determined and published, the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall occur on the basis of a FX Exchange Rate determined and published on the basis of another method, which will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**Replacement Exchange Rate**"). In this case of a Replacement Exchange Rate each and every reference to FX, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.]]

[Option 2: In the case of Securities linked to a commodity as Underlying, the following applies:

§ 1

Definitions

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

[In the case of Securities 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 Securities 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.]

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

"**Calculation Date**" means each day on which the Reference Price is published by the Reference Market.

"**Call Date**" means the Call Date as defined in § 5 (2) of the Special Conditions.

[In the case of Open End Securities, the following applies:

"**Call Event**" means Commodity Call Event.]

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

"**Call Event**" means Commodity Call Event.]

[In the case of Open End Compo Securities, the following applies:

"**Call Event**" means Commodity Call Event or FX Call Event.]

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

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

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

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

of tax benefits or other negative consequences with regard to tax treatment), if such changes become effective on or after the First Trade Date of the Securities.

"Commodity Call Event" means each of the following:

- (a) an adjustment pursuant to § 8 (2) or (3) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Replacement Reference Market could be determined or is available;
- (c) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur/s;
- (d) the determination or publication of the Underlying no longer occurs in the Underlying Currency.

[In the case of Securities with CBF as Clearing System, the following applies:]

"Clearing System" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:]

"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**").]

[In the case of Securities with Euroclear France as Clearing System, the following applies:]

"Clearing System" means Euroclear France SA ("**Euroclear France**").]

[In the case of Securities with KDPW as Clearing System, the following applies:]

"Clearing System" means The National Depository for Securities (KDPW SA), Warsaw ("**KDPW**").]

[In the case of Securities with CBF and KDPW as Clearing System, the following applies:]

"Clearing System" means Clearstream Banking AG, Frankfurt am Main ("**CBF**") and The National Depository for Securities (KDPW SA), Warsaw ("**KDPW**").]

[In the case of Securities with another Clearing System, the following applies:]

"Clearing System" means [Insert other Clearing System(s)].]

"Determining Futures Exchange" means the futures exchange, on which respective derivatives on the Underlying (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

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

"First Call Date" means the First Call Date as specified in § 1 of the Product and Underlying

Data.

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

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

[In the case of Open End Compo Securities, the following applies:]

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

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

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

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

- (a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no New Fixing Sponsor or Replacement Exchange Rate is suitable;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX) the reliable determination of FX is impossible or impracticable.

[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:]

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

[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Underlying Currency, the following applies:]

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

"FX (final)" means FX on the FX Valuation Date.

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

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

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

"FX Valuation Date" means the FX Valuation Date immediately following the respective Valuation Date.

"FX Screen Page" means the FX Screen Page as specified in § 1 of the Product and

Underlying Data.]

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

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to obligations under the Securities or
- (b) realise, reclaim or pass on proceeds from such transactions or assets, respectively, under conditions which are economically substantially equal to those on the First Trade Date.

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

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion of the Issuer (§ 315 BGB) are needed in order to hedge price risks or other risks with regard to obligations under the Securities or
- (b) realise, reclaim or pass on proceeds from such transactions or assets, respectively, with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

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

[In the case of an Issuing Agent, the following applies:

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Management Fee Adjustment, the following applies:

"Management Fee Adjustment" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Management Fee (t)}}{365,25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Date (including) to the relevant Valuation Date (including).

"Reference Price (t-1)" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

"Management Fee" means the Management Fee as specified in the column "Management Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

[The Calculation Agent may reduce but not increase the Management Fee at any time during the term of the Securities. Such reduction shall be notified pursuant to § 6 of the General Conditions.]

"Management Fee (t)" means the Management Fee applicable on the relevant calendar day

(t.)]

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

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

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Quanto Fee Adjustment, the following applies:

"**Maximum Quanto Fee**" means the Maximum Quanto Fee as specified in the column "Maximum Quanto Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.]

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Quanto Fee Adjustment, the following applies:

"**Quanto Fee Adjustment**" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Quanto Fee (t)}}{365,25}$$

Where:

"**n**" means the number of calendar days (t) from the First Trading Data (including) to the relevant Valuation Date (including).

"**Reference Price (t-1)**" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

"**Quanto Element**" means the conversion of the Redemption Amount from the Underlying Currency into the Specified Currency with a conversion factor of 1:1.

"**Quanto Fee**" means the Quanto Fee as specified in the column "Quanto Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

The Calculation Agent will, in the case of not only immaterial changes in the market conditions for currency exchange rate protection transactions (e.g. difference in interest rates between the Underlying Currency and the Specified Currency, the volatility between the Reference Price and the currency exchange rate between the Underlying Currency and the Specified Currency, the correlation between the Reference Price and the Underlying Currency, and such other factors), adjust the Quanto Fee to such changed market conditions. The extent of the adjustment is determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) based on the extent of the changes in the relevant market conditions. The Quanto Fee

shall not exceed the Maximum Quanto Fee (including). If the adjustment to changed market conditions would, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, lead to a Quanto Fee lying above the Maximum Quanto Fee, the Issuer shall be entitled to terminate the Securities pursuant to § 5 (3) of the Special Conditions at the Cancellation Amount. The Issuer will provide notice of such adjustment or termination pursuant to § 6 of the General Conditions.

"Quanto Fee (t)" means the Quanto Fee applicable on the relevant calendar day (t).]

"Ratio" means the Ratio as specified in the column "Ratio" in Table 1.2 in § 1 of the Product and Underlying Data.

"Redemption Amount" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"Redemption Date" means the Redemption Date as defined in § 5 (1) of the Special Conditions.

"Redemption Right" means the Redemption Right as defined in § 5 (1) of the Special Conditions.

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

"Reference Price" means the Reference Price of the Underlying as specified in the column "Reference Price" in Table 1.2 in § 1 of the Product and Underlying Data and as published by the Reference Market.

"Regular Call Right" means the Regular Call Right as defined in § 5 (2) of the Special Conditions.

"Relevant Reference Price" means the Reference Price on the respective Valuation Date.

"Security Holder" means the holder of a Security.

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

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

"Underlying" means the Underlying as specified in the column "Underlying" in Table 1.2 in § 1 of the Product and Underlying Data.

"Underlying Currency" means the Underlying Currency as specified in the column "Underlying Currency" in Table 2.1 in § 2 of the Product and Underlying Data.

"Valuation Date" means the [*Insert number*] Banking Day prior to each Redemption Date and each Call Date. If such day is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date, shall be the respective Valuation Date. The respective Redemption Date or the respective Call Date will be postponed accordingly. Interest shall not be payable due to such postponement.

"Website for Notices" means the Website for Notices as specified in § 1 of the Product and Underlying Data (and any successor website).

"Website of the Issuer" means the Website of the Issuer as specified in § 1 of the Product and Underlying Data (and any successor website).

§ 2

Interest

[In the case of non-interest bearing Securities, the following applies:

The Securities do not bear interest.]

[In the case of interest bearing Securities, the following applies:

- (1) *Interest*: The Security Holders may demand payment of the Interest Amount at each Interest Payment Date.

"Interest Payment Date" means each day which falls [*Insert relevant Period*] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the [*Insert relevant date*]. The final Interest Payment Date shall be the Redemption Date in relation to which the respective Security Holder exercises its Redemption Right or the Call Date in relation to which the Issuer exercises its Regular Call Right, as the case may be.

- (2) *Interest Amount*: The **"Interest Amount"** will be calculated by the Calculation Agent, by multiplying the Coupon with the Day Count Fraction.

"Coupon" means [*Insert Coupon*].

"Day Count Fraction" means, in respect of the calculation of the Interest Amount on any Security for any period of time (the **"Calculation Period"**) the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

The Interest Amount shall be payable in arrear pursuant to the provisions in § 6 of the Special Conditions.]

§ 3

Redemption

Redemption: The Securities shall be redeemed by payment of the respective Redemption Amount on the respective Redemption Date or the respective Call Date pursuant to the provisions of § 6 of the Special Conditions.

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount for a Redemption Date and/or Call Date equals an amount in the Specified Currency, which is calculated or, respectively, specified by the Calculation Agent as follows:

[In the case of Open End Securities, the following applies:

Redemption Amount = max(Relevant Reference Price [- Management Fee Adjustment]; 0) x Ratio]

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

Redemption Amount = max(Relevant Reference Price – Quanto Fee Adjustment [– Management Fee Adjustment]; 0) x Ratio]

[In the case of Open End Compo Securities¹, the following applies:

Redemption Amount = max(Relevant Reference Price [– Management Fee Adjustment]; 0) x Ratio / FX (final)]

[In the case of Open End Compo Securities², the following applies:

Redemption Amount = max(Relevant Reference Price [– Management Fee Adjustment]; 0) x Ratio x FX (final)]

The method of calculation or, respectively, specification of the Redemption Amount is subject to adjustments and market disruptions pursuant to § 7[,] [and] § 8 [and § 9] of the Special Conditions.

§ 5

Redemption Right of the Security Holders, Issuer's Regular Call Right, Issuer's Extraordinary Call Right

- (1) *Redemption Right of the Security Holders:* Each Security Holder may demand redemption of the Securities pursuant to the provisions of § 4 (1) of the Special Conditions against delivery of the Securities to the account of the Principal Paying Agent No. [Insert account number] with the Clearing System to the Issuer's order (the "**Redemption Right**") at the last Banking Day of the month of [Insert month(s)] of each year starting on the First Redemption Date (each such date a "**Redemption Date**").

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

The Redemption Notice shall include in particular:

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

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

No Redemption Right so exercised may be revoked or withdrawn.

- (2) *Issuer's Regular Call Right:* The Issuer may at the last Banking Day of the month of [Insert

¹ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

² If the base currency of the FX Exchange Rate displayed on the Screen Page is unequal to the Specified Currency

month(s)] of each year starting on the First Call Date (each such date a "**Call Date**") call the Securities completely but not partially (the "**Regular Call Right**") and redeem them pursuant to § 4 (1) of the Special Conditions.

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

The Redemption Right of the Security Holders remains unaffected until the last Redemption Date immediately preceding the Call Date.

- (3) *Issuer's extraordinary call right:* Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and to redeem the Securities at their Cancellation Amount. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "**Cancellation Amount**" shall be the reasonable market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days before the extraordinary call becomes effective.

The Cancellation Amount will be paid five Banking Days following the date of the above mentioned notice, or at the date specified in such notice, as the case may be, pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

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

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

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

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such a payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues 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 payment (including).

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

- (5) Payments of the Interest Amounts on the Securities represented by a Temporary Global Note shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruptions

[In the case of Open End Securities and Open End Quanto Securities, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on a Valuation Date, the respective Valuation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Valuation Date shall be postponed accordingly if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than 30 consecutive Banking Days the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Reference Price required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. Such Reference Price shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.

If within these 30 Banking Days traded Derivatives linked to the Underlying expire and are paid on the Determining Futures Exchange, the settlement price established by the Determining Futures Exchange for the there traded Derivatives will be taken into account in order to conduct the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. In that case, the expiration date for those Derivatives is the relevant Valuation Date.]

[In the case of Open End Compo Securities, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on a Valuation Date, the respective Valuation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

If a FX Market Disruption Event occurs on a FX Valuation Date, the respective FX Valuation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Valuation Date or FX Valuation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than 30 consecutive Banking Days the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Reference Price required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. Such Reference Price shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.

If within these 30 Banking Days traded Derivatives linked to the Underlying expire and are paid on the Determining Futures Exchange, the settlement price established by the Determining Futures Exchange for the there traded Derivatives will be taken into account order to conduct the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. In that case, the expiration date for those Derivatives is the relevant Valuation Date.

Should the FX Market Disruption Event continue for more than 30 consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective FX. The FX required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.]

§ 8

Relevant Trading Conditions, Adjustments, Replacement Reference Market

- (1) *Relevant Trading Conditions:* The basis for the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall be the Underlying under consideration of
 - (a) the method of price determination,
 - (b) the trading conditions (in particular in terms of the quality, the quantity and the currency of trading) and
 - (c) other value determining factors,applicable on the Reference Market in respect of the Underlying (together the "**Relevant Trading Conditions**"), unless otherwise provided in below provisions.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities (in particular the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Calculation Agent pursuant to the Terms and Conditions of these Securities, etc.) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions of these Securities in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. Any adjustment will be made by the Calculation Agent taking into account the adjustments of the Derivatives linked to the Underlying actually performed by the Determining Futures Exchange and the remaining term of the Securities as well as the latest available price of the Underlying. If the Calculation Agent determines that, pursuant to the rules of the Determining Futures Exchange, no adjustments are made to the Derivatives linked to the Underlying, the Terms and Conditions of these Securities will regularly remain unchanged. The adjusted method for the calculation or, respectively, specification of the Redemption Amount, the adjusted Ratio and the time of its initial application will be published in accordance with § 6 of the General Conditions.
- (3) *Replacement Reference Market:* In the event of
 - (a) a final discontinuation of the trading in the Underlying at the Reference Market,
 - (b) a material change of the market conditions at the Reference Market or
 - (c) a material limitation of the liquidity of the Underlying at the Reference Market,with the trading in the same commodity being continued on another market without

restrictions, the Calculation Agent in its reasonable discretion (§ 315 BGB) shall determine that such other market will be used in the future as Reference Market (the "**Replacement Reference Market**"). If necessary, the Calculation Agent, moreover, will make further adjustments to the Terms and Conditions of these Securities (in particular to the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to the Terms and Conditions of these Securities in order to account for any difference in the method of price determination and the trading conditions applicable to the Underlying on the Replacement Reference Market (in particular in terms of the quality, the quantity and the currency of trading) (together the "**New Relevant Trading Conditions**"), as compared to the original Relevant Trading Conditions. The Replacement Reference Market and the performed adjustments and the time that it is first applied will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Reference Market, any reference to the Reference Market in the Terms and Conditions of these Securities shall be deemed to refer to the Replacement Reference Market, unless the context provides otherwise.

[In the case of Open End Compo Securities, the following applies:

§ 9

New Fixing Sponsor, Replacement Exchange Rate

- (1) *New Fixing Sponsor:* In the event that the FX Exchange Rate is no longer determined and published by the Fixing Sponsor, calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall occur on the basis of the determinations and publications by another person, company or institution which shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**New Fixing Sponsor**"). In this case each and every reference to the Fixing Sponsor in the Terms and Conditions of these Securities, depending on the context, shall be deemed to refer to the Replacement Fixing Sponsor. The New Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Exchange Rate:* In the event that FX is no longer determined and published, the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall occur on the basis of a FX Exchange Rate determined and published on the basis of another method, which will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**Replacement Exchange Rate**"). In this case of a Replacement Exchange Rate each and every reference to FX, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.]]

[Option 3: In the case of Securities linked to a commodity futures contract as Underlying, the following applies:]

§ 1

Definitions

"**Adjustment Event**" means any changes in the Contract Specifications of the Underlying that lead to a situation where, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, as a result of the change, the changed contract specifications are no longer economically equivalent to the Contract Specifications prior to the change.

[In the case of Securities 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 Securities 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.]

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

"**Calculation Date**" means each day on which the Reference Price is published by the Reference Market.

"**Call Date**" means the Call Date as defined in § 5 (2) of the Special Conditions.

[In the case of Open End Securities, the following applies:]

"**Call Event**" means Commodity Call Event.]

[In the case of Open End Quanto Securities, the following applies:]

"**Call Event**" means Commodity Call Event.]

[In the case of Open End Compo Securities, the following applies:]

"**Call Event**" means Commodity Call Event or FX Call Event.]

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

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

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

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

of tax benefits or other negative consequences with regard to tax treatment),
if such changes become effective on or after the First Trade Date of the Securities.

"Commodity Call Event" means each of the following:

- (a) an adjustment pursuant to § 8 (2) or (3) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no suitable Replacement Underlying could be determined or is available;
- (c) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Replacement Reference Market could be determined or is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur/s;
- (e) the determination or publication of the Underlying no longer occurs in the Underlying Currency.

[In the case of Securities with CBF as Clearing System, the following applies:]

"Clearing System" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:]

"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**").]

[In the case of Securities with Euroclear France as Clearing System, the following applies:]

"Clearing System" means Euroclear France SA ("**Euroclear France**").]

[In the case of Securities with KDPW as Clearing System, the following applies:]

"Clearing System" means The National Depository for Securities (KDPW SA), Warsaw ("**KDPW**").]

[In the case of Securities with CBF and KDPW as Clearing System, the following applies:]

"Clearing System" means Clearstream Banking AG, Frankfurt am Main ("**CBF**") and The National Depository for Securities (KDPW SA), Warsaw ("**KDPW**").]

[In the case of Securities with another Clearing System, the following applies:]

"Clearing System" means [Insert other Clearing System(s)].]

"Determining Futures Exchange" means the futures exchange, on which respective derivatives on the Underlying (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

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

Exchange.

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

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

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

[In the case of Open End Compo Securities, the following applies:

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

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

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

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

- (a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no New Fixing Sponsor or Replacement Exchange Rate is suitable;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX) the reliable determination of FX is impossible or impracticable.

[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:

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

[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Underlying Currency, the following applies:

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

"FX (final)" means FX on the FX Valuation Date.

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

- (a) the failure to publish the FX by the Fixing Sponsor;
 - (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation of such exchange rate;
 - (c) any other events with commercial effects which are similar to the events listed above;
- to the extent that the above-mentioned events in the reasonable discretion (§ 315 BGB) of the Calculation Agent are material.

"FX Valuation Date" means the FX Valuation Date immediately following the respective Valuation Date.

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

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

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to obligations under the Securities or
- (b) realise, reclaim or pass on proceeds from such transactions or assets, respectively, under conditions which are economically substantially equal to those on the First Trade Date.

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

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion of the Issuer (§ 315 BGB) are needed in order to hedge price risks or other risks with regard to obligations under the Securities or
- (b) realise, reclaim or pass on proceeds from such transactions or assets, respectively, with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

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

[In the case of an Issuing Agent, the following applies:

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Management Fee Adjustment, the following applies:

"Management Fee Adjustment" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Management Fee (t)}}{365,25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Data (including) to the relevant Valuation Date (including).

"Reference Price (t-1)" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

"Management Fee" means the Management Fee as specified in the column "Management Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

[The Calculation Agent may reduce but not increase the Management Fee at any time during

the term of the Securities. Such reduction shall be notified pursuant to § 6 of the General Conditions.]

"Management Fee (t)" means the Management Fee applicable on the relevant calendar day (t).]

"Market Disruption Event" means each of the following:

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

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Quanto Fee Adjustment, the following applies:

"Maximum Quanto Fee" means the Maximum Quanto Fee as specified in the column "Maximum Quanto Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.]

"Participation Factor Current" means 100%. After each RollOver-Date the Participation Factor Current shall be replaced by the relevant Participation Factor New. Hence, after each RollOver-Date any reference to the Participation Factor Current in these Terms and Conditions shall be deemed to refer to the relevant Participation Factor New.

"Participation Factor New" is calculated by the Calculation Agent on each Roll Over Date as follows:

Participation Factor New = (1 – Transaction Fee) x Reference Price (Roll Over) / Reference Price New (Roll Over) x Participation Factor Current

The Participation Factor New shall be rounded to six decimals, with 0.0000005 being rounded upwards.

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

[In the case of Securities where the method for the calculation of the Redemption Amount provides for a Quanto Fee Adjustment, the following applies:

"Quanto Fee Adjustment" means an amount in the Underlying Currency, which is calculated by the Calculation Agent on the respective Valuation Date for each calendar day (t) within the period from the First Trade Date (including) to the respective Valuation Date (including) as follows:

$$\sum_{t=1}^n \text{Reference Price (t-1)} \times \frac{\text{Quanto Fee (t)}}{365,25}$$

Where:

"n" means the number of calendar days (t) from the First Trading Data (including) to the relevant Valuation Date (including).

"Reference Price (t-1)" means the Reference Price which is published one Calculation Date prior to the calendar day (t).

"Quanto Element" means the conversion of the Redemption Amount from the Underlying Currency into the Specified Currency with a conversion factor of 1:1.

"Quanto Fee" means the Quanto Fee as specified in the column "Quanto Fee in %" in Table 1.2 in § 1 of the Product and Underlying Data.

The Calculation Agent will, in the case of not only immaterial changes in the market conditions for currency exchange rate protection transactions (e.g. difference in interest rates between the Underlying Currency and the Specified Currency, the volatility between the Reference Price and the currency exchange rate between the Underlying Currency and the Specified Currency, the correlation between the Reference Price and the Underlying Currency, and such other factors), adjust the Quanto Fee to such changed market conditions. The extent of the adjustment is determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) based on the extent of the changes in the relevant market conditions. The Quanto Fee shall not exceed the Maximum Quanto Fee (including). If the adjustment to changed market conditions would, in the reasonable discretion (§ 315 BGB) of the Calculation Agent, lead to a Quanto Fee lying above the Maximum Quanto Fee, the Issuer shall be entitled to terminate the Securities pursuant to § 5 (3) of the Special Conditions at the Cancellation Amount. The Issuer will provide notice of such adjustment or termination pursuant to § 6 of the General Conditions.

"Quanto Fee (t)" means the Quanto Fee applicable on the relevant calendar day (t).]

"Ratio" means the Ratio as specified in the column "Ratio" in Table 1.2 in § 1 of the Product and Underlying Data.

"Redemption Amount" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"Redemption Date" means the Redemption Date as defined in § 5 (1) of the Special Conditions.

"Redemption Right" means the Redemption Right as defined in § 5 (1) of the Special Conditions.

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

"Reference Price" means the Reference Price of the Underlying as specified in the column "Reference Price" in Table 1.2 in § 1 of the Product and Underlying Data, as published by the Reference Market and converted into the default unit of the Underlying Currency.

"Reference Price New" means the Reference Price of the New Underlying as specified in the column "Reference Price" in Table 1.2 in § 1 of the Product Data, as published on the Reference Market and converted into the default unit of the Underlying Currency.

"Reference Price (Roll Over)" means the Reference Price at the relevant Roll Over Date.

"Reference Price New (Roll Over)" means the Reference Price New at the relevant Roll Over Date.

"Regular Call Right" means the Regular Call Right as defined in § 5 (2) of the Special Conditions.

"Relevant Reference Price" means the Reference Price on the respective Valuation Date.

"Roll Over Date" means a Commodity Calculation Date as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB), which is at least ten Commodity Calculation Dates prior to:

In the case of Securities where the Reference Market of the Underlying is the Chicago Board of Trade, the Chicago Mercantile Exchange, the Intercontinental Exchange or the New York Mercantile Exchange: the first notice day of the relevant Underlying as published on the respective website of the Reference Market (as specified in the column "Website" in Table 2.1 in § 2 of the Product Data (or any successor website));

In the case of Securities where the Reference Market of the Underlying is the London Metal Exchange: the second business day preceding the monthly prompt date (as defined in the relevant Contract Specifications of the Underlying) of the respective delivery month of the Underlying.

The determination of the relevant Roll Over Date will be published according to § 6 of the General Conditions.

"Security Holder" means the holder of a Security.

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

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

"Transaction Fee" means a fee, expressed in per cent., as determined by the Calculation Agent at each Roll Over Date in its reasonable discretion (§ 315 BGB) under consideration of the then current market conditions for transactions in commodity futures contracts (e.g. transaction costs and other costs and fees, which are usually charged in relation to such transactions). At any time, the Transaction Fee will lie in a range of 0% (including) and a maximum of 0,5% (including).

"Underlying" means the Underlying as specified in the column "Underlying" in Table 1.2 in § 1 of the Product and Underlying Data. On each Roll Over Date, the expiring Underlying will be "rolled" (the **"Roll Over"**) into the futures contract, traded on the Reference Market, with the immediately following delivery month (the **"New Underlying"**). The price difference between the Underlying and the New Underlying (*contango* or *backwardation*) will be compensated by adjusting the participation factor. After each Roll Over Date, any reference in the Terms and Conditions of these Securities to the Underlying shall be deemed to refer to the respective New Underlying.

"Underlying Currency" means the Underlying Currency as specified in the column "Underlying Currency" in Table 2.1 in § 2 of the Product and Underlying Data.

"Valuation Date" means the [*Insert number*] Banking Day prior to each Redemption Date and each Call Date. If such day is not a Calculation Date, the immediately following Banking Day, which is a Calculation Date, shall be the respective Valuation Date. The respective Redemption Date or the respective Call Date will be postponed accordingly. Interest shall not be payable due to such postponement.

"Website for Notices" means the Website for Notices as specified in § 1 of the Product and Underlying Data (and any successor website).

"Website of the Issuer" means the Website of the Issuer as specified in § 1 of the Product and Underlying Data (and any successor website).

§ 2

Interest

[In the case of non-interest bearing Securities, the following applies:

The Securities do not bear interest.]

[In the case of interest bearing Securities, the following applies:

- (1) *Interest:* The Security Holders may demand payment of the Interest Amount at each Interest Payment Date.

"Interest Payment Date" means each day which falls [*Insert relevant Period*] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the [*Insert relevant date*]. The final Interest Payment Date shall be the Redemption Date in relation to which the respective Security Holder exercises its Redemption Right or the Call Date in relation to which the Issuer exercises its Regular Call Right, as the case may be.

- (2) *Interest Amount:* The **"Interest Amount"** will be calculated by the Calculation Agent, by multiplying the Coupon with the Day Count Fraction.

"Coupon" means [*Insert Coupon*].

"Day Count Fraction" means, in respect of the calculation of the Interest Amount on any Security for any period of time (the **"Calculation Period"**) the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

The Interest Amount shall be payable in arrear pursuant to the provisions in § 6 of the Special Conditions.]

§ 3

Redemption

Redemption: The Securities shall be redeemed by payment of the respective Redemption Amount on the respective Redemption Date or the respective Call Date pursuant to the provisions of § 6 of the Special Conditions.

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount for a Redemption Date and/or Call Date equals an amount in the Specified Currency, which is calculated or, respectively, specified by the Calculation Agent as follows:

[In the case of Open End Securities, the following applies:

Redemption Amount = max((Relevant Reference Price x Participation Factor Current) [- Management Fee Adjustment]; 0) x Ratio]

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

Redemption Amount = max((Relevant Reference Price x Participation Factor Current) - Quanto Fee Adjustment [- Management Fee Adjustment]; 0) x Ratio]

[In the case of Open End Compo Securities¹, the following applies:

Redemption Amount = max((Relevant Reference Price x Participation Factor Current) [- Management Fee Adjustment]; 0) x Ratio / FX (final)]

[In the case of Open End Compo Securities², the following applies:

Redemption Amount = max((Relevant Reference Price x Participation Factor Current) [- Management Fee Adjustment]; 0) x Ratio x FX (final)]

The method of calculation or, respectively, specification of the Redemption Amount is subject to adjustments and market disruptions pursuant to § 7[,] [and] § 8 [and § 9] of the Special Conditions.

§ 5

Redemption Right of the Security Holders, Issuer's Regular Call Right, Issuer's Extraordinary Call Right

- (1) *Redemption Right of the Security Holders:* Each Security Holder may demand redemption of the Securities pursuant to the provisions of § 4 (1) of the Special Conditions against delivery of the Securities to the account of the Principal Paying Agent No. [Insert account number] with the Clearing System to the Issuer's order (the "**Redemption Right**") at the last Banking Day of the month of [Insert month(s)] of each year starting on the First Redemption Date (each such date a "**Redemption Date**").

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

The Redemption Notice shall include in particular:

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

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

No Redemption Right so exercised may be revoked or withdrawn.

¹ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

² If the base currency of the FX Exchange Rate displayed on the Screen Page is unequal to the Specified Currency

- (2) *Issuer's Regular Call Right:* The Issuer may at the last Banking Day of the month of *[Insert month(s)]* of each year starting on the First Call Date (each such date a "**Call Date**") call the Securities completely but not partially (the "**Regular Call Right**") and redeem them pursuant to § 4 (1) of the Special Conditions.

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

The Redemption Right of the Security Holders remains unaffected until the last Redemption Date immediately preceding the Call Date.

- (3) *Issuer's extraordinary call right:* Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and to redeem the Securities at their Cancellation Amount. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "**Cancellation Amount**" shall be the reasonable market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days before the extraordinary call becomes effective.

The Cancellation Amount will be paid five Banking Days following the date of the above mentioned notice, or at the date specified in such notice, as the case may be, pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

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

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

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

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such a payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues 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 payment (including).

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

- (5) Payments of the Interest Amounts on the Securities represented by a Temporary Global Note shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruptions

[In the case of Open End Securities and Open End Quanto Securities, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on a Valuation Date, the respective Valuation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Valuation Date shall be postponed accordingly if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than 30 consecutive Banking Days the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Reference Price required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. Such Reference Price shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.

If within these 30 Banking Days traded Derivatives linked to the Underlying expire and are paid on the Determining Futures Exchange, the settlement price established by the Determining Futures Exchange for the there traded Derivatives will be taken into account in order to conduct the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. In that case, the expiration date for those Derivatives is the relevant Valuation Date.]

[In the case of Open End Compo Securities, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on a Valuation Date, the respective Valuation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

If a FX Market Disruption Event occurs on a FX Valuation Date, the respective FX Valuation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Valuation Date or FX Valuation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than 30 consecutive Banking Days the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Reference Price required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. Such Reference Price shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.

If within these 30 Banking Days traded Derivatives linked to the Underlying expire and are paid on the Determining Futures Exchange, the settlement price established by the Determining Futures Exchange for the there traded Derivatives will be taken into account order to conduct the calculations or, respectively, specifications described in the Terms and Conditions of these Securities. In that case, the expiration date for those Derivatives is the relevant Valuation Date.

Should the FX Market Disruption Event continue for more than 30 consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective FX. The FX required for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall be determined in accordance with prevailing market conditions around 10:00 a.m. (Munich local time) on the 31st Banking Day, taking into account the economic position of the Security Holders.]

§ 8

Contract Specifications, Adjustments, Replacement Underlying, Replacement Reference Market

- (1) *Contract Specifications:* The basis for the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall be the Underlying under consideration of
 - (a) the method of price determination,
 - (b) the trading conditions (in particular in terms of the quality, the quantity and the currency of trading),
 - (c) the delivery month and
 - (d) other value determining factors,applicable on the Reference Market in respect of the Underlying (together the "**Contract Specifications**"), unless otherwise provided in below provisions.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities (in particular the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Calculation Agent pursuant to the Terms and Conditions of these Securities, etc.) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions of these Securities in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible. Any adjustment will be made by the Calculation Agent taking into account the adjustments of the Derivatives linked to the Underlying actually performed by the Determining Futures Exchange and the remaining term of the Securities as well as the latest available price of the Underlying. If the Calculation Agent determines that, pursuant to the rules of the Determining Futures Exchange, no adjustments are made to the Derivatives linked to the Underlying, the Terms and Conditions of these Securities will regularly remain unchanged. The adjusted method for the calculation or, respectively, specification of the Redemption Amount, the adjusted Ratio and the time of its initial application will be published in accordance with § 6 of the General Conditions.
- (3) *Replacement Reference Market:* In the event of
 - (a) a final discontinuation of the trading in the Underlying at the Reference Market,
 - (b) a material change of the market conditions at the Reference Market or
 - (c) a material limitation of the liquidity of the Underlying at the Reference Market,with the trading being continued in another futures contract linked to the same commodity as

the underlying on another market without restrictions, the Calculation Agent in its reasonable discretion (§ 315 BGB) shall determine that such other futures contract (the "**Replacement Underlying**") and such other market will be used in the future as Reference Market (the "**Replacement Reference Market**"). If necessary, the Calculation Agent, moreover, will make further adjustments to the Terms and Conditions of these Securities (in particular to the Underlying, the Ratio and/or all prices of the Underlying, which have been specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to the Terms and Conditions of these Securities to account for any difference in the method of price determination and the trading conditions applicable to the Replacement Underlying on the Replacement Reference Market (in particular in terms of the quality, the quantity, the currency of trading and the delivery month) (together the "**New Relevant Trading Conditions**"), as compared to the original Relevant Trading Conditions. The Replacement Underlying, the Replacement Reference Market, the performed adjustments and the time that it is first applied will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying and the Replacement Reference Market, any reference to the Underlying and to the Reference Market in the Terms and Conditions of these Securities shall be deemed to refer to the Replacement Underlying and Replacement Reference Market, unless the context provides otherwise.

[In the case of Open End Compo Securities, the following applies:

§ 9

New Fixing Sponsor, Replacement Exchange Rate

- (1) *New Fixing Sponsor:* In the event that the FX Exchange Rate is no longer determined and published by the Fixing Sponsor, calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall occur on the basis of the determinations and publications by another person, company or institution which shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**New Fixing Sponsor**"). In this case each and every reference to the Fixing Sponsor in the Terms and Conditions of these Securities, depending on the context, shall be deemed to refer to the Replacement Fixing Sponsor. The New Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Exchange Rate:* In the event that FX is no longer determined and published, the calculations or, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall occur on the basis of a FX Exchange Rate determined and published on the basis of another method, which will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (the "**Replacement Exchange Rate**"). In this case of a Replacement Exchange Rate each and every reference to FX, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.]]

FORM OF FINAL TERMS

FORM OF FINAL TERMS

Final Terms

dated [●]

UniCredit Bank AG

Issue of [*Insert title of the Securities*]

(the "**Securities**")

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**") in connection with Section 6 para. 3 of the German Securities Prospectus Act, as amended (Wertpapierprospektgesetz, the "**WpPG**"). In order to get the full information, the Final Terms are to be read together with the information contained in (a) the base prospectus of UniCredit Bank AG (the "**Issuer**") dated 20 August 2013 for the issuance of Open End Securities (the "**Base Prospectus**"), (b) any supplements to this Base Prospectus according to Section 16 WpPG (the "**Supplements**") and (c) the registration document of the Issuer dated 17 May 2013 (the "**Registration Document**"), which is incorporated herein by reference.*

*The Base Prospectus, any Supplements and these Final Terms are available [in printed version free of charge at UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Federal Republic of Germany and in addition] on the website [*Insert website*] or any successor website thereof in accordance with Section 14 WpPG.*

A summary of the individual issue of Securities is annexed to these Final Terms.

SECTION A – GENERAL INFORMATION:

Issue date:

[*Insert issue date*]

Issue price:

[If the issue price has been specified at the time of creation of the Final Terms, the following applies:

The issue price per Security is specified in the column "Issue Price" in Table 1.1 of § 1 of the Product and Underlying Data.]

[If the issue price has not been specified at the time of creation of the Final Terms, the following applies:

The issue price per Security will be specified on [*Insert date*]. The issue price and the on-going offer

price of the Securities will be published [on the websites of the stock exchanges where the Securities will be traded] [on *[Insert website]* (or any successor website)] after its specification.]

Selling concession:

[Not applicable] *[Insert details]*

Other commissions:

[Not applicable] *[Insert details]*

Issue volume:

The issue volume of [the] [each] Series [offered] [issued] under and described in these Final Terms is specified in the column "Issue volume of Series in units" in Table 1.1 of § 1 of the Product and Underlying Data.

The issue volume of [the] [each] Tranche [offered] [issued] under and described in these Final Terms is specified in the column "Issue volume of Tranche in units" in Table 1.1 of § 1 of the Product and Underlying Data.

Product Type:

[Open End Securities]

[Open End Quanto Securities]

[Open End Compo Securities]

Admission to trading and listing:

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

Application [has been] [will be] made for the Securities to be admitted to trading with effect from *[Insert expected date]* on the following regulated or other equivalent markets: *[Insert relevant regulated or other equivalent market(s)]*.]

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

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

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

Payment and delivery:

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

Delivery against payment]

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

Delivery free of payment]

[Insert other method of payment and delivery]

Notification:

The German Financial Services Supervisory Authority (the "**BaFin**") [has provided] [has been requested to provide] to the competent authorities in [France][,] [and] [Italy][,] [and] [Luxembourg][,] [and] [Austria][,] [and] [Poland][,] [and] [the Czech Republic] a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Terms and conditions of the offer:

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

[The Securities are [initially] offered during a Subscription Period[, and subsequently offered].
Subscription Period: [*Insert start date of the subscription period*] to [*Insert end date and time of the subscription period*]. The Issuer reserves the right to extend or shorten the Subscription Period or to withdraw the issue during the Subscription Period.]

[A public offer will be made in [Germany][,] [and] [France][,] [and] [Italy][,] [and] [Luxembourg] [,] [and] [Austria][,] [and] [Poland][,] [and] [Czech Republic].]

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

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

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

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

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

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

[No public offer occurs. The Securities shall be admitted to trading on an organised market.]

[Application to listing will be made as of [*Insert expected date*] on the following markets: [*Insert relevant market(s)*].]

Consent to the use of the Base Prospectus:

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

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

Such consent to use the Base Prospectus is given for the following offer period of the Securities: *[Insert offer period for which the consent is given]* [a period of twelve (12) months after *[Insert the date on which the Final Terms have been filed with the BaFin]*].

General consent for the subsequent resale or final placement of Securities by the financial intermediary[y][ies] is given in relation to [Germany][,] [and] [France][,] [and] [Italy][,] [and] [Luxembourg][,] [and] [Austria][,] [and] [Poland] [and] [the Czech Republic].]

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

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

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

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

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

US Selling Restrictions:

[TEFRA C]

[TEFRA D]

[Neither TEFRA C nor TEFRA D]¹

Additional information:

*[Insert additional provisions relating to the Underlying]*²

[Not applicable]

SECTION B – CONDITIONS:

Part A - General Conditions of the Securities

Form, Clearing System, Global Note, Custody

Type of the Securities: [notes]

¹ Only applicable in the case of Securities with a maturity of one year or less (including unilateral rollovers or extensions).

² Only applicable if the Underlying is not managed or composed by the Issuer or by any legal entity belonging to the same group.

[certificates]

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

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

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

Part B - Product and Underlying Data

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

Part C - Special Conditions of the Securities

[In the case of Securities linked to an index, insert Option 1 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Securities linked to a commodity, insert Option 2 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Securities linked to a commodity futures contract, insert Option 3 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

UniCredit Bank AG

TAXATION

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

Germany

The following is a general discussion of certain German tax consequences of the acquisition, the ownership and the sale, assignment or redemption of Securities. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

With regard to certain types of Securities, neither official statements of the tax authorities nor court decisions exist, and it is not clear how these Securities will be treated. Furthermore, there is often no consistent view in legal literature about the tax treatment of instruments like the Securities, and it is neither intended nor possible to mention all different views in the following section. Where reference is made to statements of the tax authorities, it should be noted that the tax authorities may change their view even with retroactive effect and that the tax courts are not bound by circulars of the tax authorities and, therefore, may take a different view. Even if court decisions exist with regard to certain types of Securities, it is not certain that the same reasoning will apply to the Securities due to certain peculiarities of such Securities. Furthermore, the tax authorities may restrict the application of judgements of tax courts to the individual case with regard to which the judgement was rendered.

Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the acquisition, ownership and the sale, assignment or redemption of Securities, 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 Security Holders.

Tax Residents

Private Investors

Interest and Capital Gains

Interest payable on the Securities to persons holding the Securities as private assets ("**Private Investors**") who are tax residents of Germany (i.e. persons whose residence or habitual abode is located in Germany) should qualify as investment income (*Einkünfte aus Kapitalvermögen*) according to Sec. 20 para. 1 German Income Tax Act (*Einkommensteuergesetz*) and should, in general, be taxed at a separate tax rate of 25 per cent. (*Abgeltungsteuer*, in the following also referred to as "**flat tax**") plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax. Capital gains from the sale, assignment or redemption of the Securities, including interest having accrued up to the disposition of a Security and credited separately ("**Accrued Interest**", *Stückzinsen*, if any) should qualify – irrespective of any holding period – as investment income pursuant to Sec. 20 para. 2 German Income Tax Act and should also be taxed at the flat tax rate of 25 per cent., plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax. If the Securities are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale.

Capital gains are determined by taking the difference between the sale, assignment or redemption price (after the deduction of expenses directly and factually related to the sale, assignment or redemption) and the acquisition price of the Securities. Where the Securities are issued in a currency other than Euro the sale, assignment or redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the acquisition date and the sale, assignment or redemption date respectively.

Expenses (other than such expenses directly and factually related to the sale, assignment or redemption) related to interest payments or capital gains under the Securities are – except for a standard lump sum (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) – not deductible.

According to the flat tax regime losses from the sale, assignment or redemption of the Securities can only be set-off against other investment income including capital gains. If the set-off is not possible in the assessment period in which the losses have been realised, such losses can be carried forward into future assessment periods only and can be set-off against investment income including capital gains generated in these future assessment periods. Losses from so called private disposal transactions (*private Veräußerungsgeschäfte*) according to Sec. 23 German Income Tax Act as applicable until 31 December 2008 may be set-off against capital gains under the flat tax regime until 31 December 2013.

Further, the German Federal Ministry of Finance in its decree dated 9 October 2012 (IV C 1 – S 2252/10/10013, hereafter referred to as "**Decree**") has taken the position that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. This position is subject to controversial discussions among tax experts. In this respect, it is not clear whether the position of the tax authorities may affect securities (*Wertpapiere*) which are linked to a reference value in case such value decreases.

Furthermore, restrictions with respect to the claiming of losses may also apply if certain types of Securities would have to be qualified as derivative transactions and expire worthless. Moreover, according to the Decree the German Federal Ministry of Finance holds the view that a disposal (*Veräußerung*) (and, as a consequence, a tax loss resulting from such disposal) shall not be recognized if the sales price does not exceed the actual transaction cost.

Withholding

If the Securities are held in a custody with or administrated by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank (the "**Disbursing Agent**"), the flat tax at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be withheld by the Disbursing Agent on interest payments and the excess of the proceeds from the sale, assignment or redemption (after the deduction of expenses incurred directly and factually in connection with the sale, assignment or redemption) over the acquisition cost for the Securities (if applicable converted into Euro terms on the basis of the foreign exchange rates as of the acquisition date and the sale, assignment or redemption date respectively). The Disbursing Agent will provide for the set-off of losses with current investment income including capital gains from other securities. If, in the absence of sufficient current investment income derived through the same Disbursing Agent, a set-off is not possible, the Security Holder may – instead of having a loss carried forward into the following year – file an application with the Disbursing Agent until 15 December of the current fiscal year for a certification of losses in order to set-off such losses with investment income derived through other institutions in the holder's personal income tax return. If custody has changed since the

acquisition and the acquisition data is not proved as required by Sec. 43a para. 2 German Income Tax Act or not relevant, the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30 per cent. of the proceeds from the sale, assignment or redemption of the Securities. In the course of the tax withholding provided for by the Disbursing Agent foreign taxes may be credited in accordance with the German Income Tax Act. Taxes withheld on the basis of the EU Savings Directive (for further details see below "EU Savings Directive") may be credited in the course of the tax assessment procedure.

The Issuer is, in general, not obliged to levy German withholding tax in respect of payment on the Securities. If, however, the Securities qualify as hybrid instruments (e. g. silent partnership, profit participating notes, *jouissance rights (Genussrechte)*), German withholding tax has to be imposed by the Issuer irrespective of whether or not the Securities are held in a custodial account maintained with a Disbursing Agent.

In general, no flat tax will be levied if the Security Holder filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of EUR 801 (EUR 1,602 for married couples filing jointly)) to the extent the income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat tax will be deducted if the Security Holder has submitted to the Disbursing Agent a valid certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

For Private Investors the withheld flat tax is, in general, definitive. Exceptions apply, if and to the extent the actual investment income exceeds the amount which was determined as the basis for the withholding of the flat tax by the Disbursing Agent. In such case, the exceeding amount of investment income must be included in the Private Investor's income tax return and will be subject to the flat tax in the course of the assessment procedure. According to the Decree of the German Federal Ministry of Finance, however, any exceeding amount of not more than EUR 500 per assessment period will not be claimed on grounds of equity, provided that no other reasons for an assessment according to Sec. 32d para. 3 German Income Tax Act exist. Further, Private Investors may request that their total investment income, together with their other income, be subject to taxation at their personal, progressive tax rate rather than the flat tax rate, if this results in a lower tax liability. In order to prove such investment income and the withheld flat tax thereon the investor may request a respective certificate in officially required form from the Disbursing Agent.

Investment income not subject to the withholding of the flat tax (e.g. since there is no Disbursing Agent) must be included into the personal income tax return and will be subject to the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax), unless the investor requests the investment income to be subject to taxation at lower personal, progressive income tax rate. In the course of the assessment procedure withholding tax levied on the basis of the EU Savings Directive (for further details see below "EU Savings Directive") and foreign taxes on investment income may be credited in accordance with the German Income Tax Act.

Business Investors

Interest payable under the Securities to persons holding the Securities as business assets ("**Business Investors**") who are tax residents of Germany (i.e. Business Investors whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) and capital gains, including Accrued Interest, if any, from the sale, assignment or redemption of the Securities are subject to income tax at the applicable personal, progressive income tax rate or, in case of corporate entities, to corporate income tax at a uniform 15 per cent. tax rate (in each case plus solidarity surcharge at a rate of 5.5 per cent. on the tax payable; and in case where payments of interest on the

Securities to Business Investors are subject to income tax plus church tax, if applicable). Such interest payments and capital gains may also be subject to trade tax if the Securities form part of the property of a German trade or business. Losses from the sale, assignment or redemption of the Securities are generally recognized for tax purposes; this may be different if certain (e.g. index linked) Securities would have to be qualified as derivative transactions.

Withholding tax, if any, including solidarity surcharge thereon is credited as a prepayment against the Business Investor's corporate or personal, progressive income tax liability and the solidarity surcharge in the course of the tax assessment procedure, i.e. the withholding tax is not definitive. Any potential surplus will be refunded. However, in general and subject to further requirements no withholding deduction will apply on capital gains from the sale, assignment or redemption of the Securities and certain other income if (i) the Securities are held by a corporation, association or estate in terms of Sec. 43 para. 2 sentence 3 no. 1 German Income Tax Act or (ii) the proceeds from the Securities qualify as income of a domestic business and the investor notifies this to the Disbursing Agent by use of the required official form according to Sec. 43 para. 2 sentence 3 no. 2 German Income Tax Act (*Erklärung zur Freistellung vom Kapitalertragsteuerabzug*).

Withholding tax levied on the basis of the EU Savings Directive (for further details see below "EU Savings Directive") and foreign taxes may be credited in accordance with the German Income Tax Act. Alternatively, foreign taxes may also be deducted from the tax base for German income tax purposes.

Non-residents

Interest payable on the Securities and capital gains, including Accrued Interest, if any, are not subject to German taxation, unless (i) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the the Security Holder; or (ii) the interest 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, subject to certain exceptions, exempt from German withholding tax on interest and the solidarity surcharge thereon, even if the Securities 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 Securities are held in a custodial account with a Disbursing Agent withholding flat tax is levied as explained above under "Tax Residents".

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 Security 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 Security 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, execution or conversion of the Securities. Currently, net assets tax is not levied in Germany.

German implementation of the EU Directive on the Taxation of Savings Income

Germany has implemented the EU Council Directive 2003/48/EC (for further details, see below "EU Savings Directive") into national legislation by means of an Interest Information Regulation (*Zinsinformationsverordnung*) in 2004. Starting on 1 July 2005, Germany has therefore begun to communicate all payments of interest on the Securities and similar income with respect to Securities to the beneficial owners Member State of residence if the Securities have been kept in a custodial account with a Disbursing Agent.

Austria

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Securities in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature. These comments are not intended to be, nor should they be construed to be, legal or tax advice. This summary furthermore only refers to investors which are subject to unlimited (corporate) income tax liability in Austria. It is based on the currently valid tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential purchasers of the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Securities. Tax risks resulting from the Securities (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 [Investmentfondsgesetz 2011]) shall in any case be borne by the purchaser. For the purposes of the following it is assumed that the Securities are legally and factually offered to an indefinite number of persons.

General remarks

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

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

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

Income taxation of Securities

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

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the sale, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and also broken-period interest; and
- income from derivatives (*Einkünfte aus Derivativen*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of Securities from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding Securities *vis-à-vis* other countries, *e.g.*, relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding Securities as a non-business asset are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income that is paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to a withholding tax of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the income tax return and is subject to a flat income tax rate of 25%. In both cases upon application the option exists to tax all income subject to the tax rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 27(8) of the Austrian Income Tax Act, losses from investment income may not be offset with other types of income. Negative income subject to the flat tax rate of 25% may not be offset with income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation). Further, an offsetting of losses from realised increases in value and from derivatives in the form of securities with (i) interest and other claims against credit institutions and (ii) income from Austrian or foreign private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) is not permissible.

Individuals subject to unlimited income tax liability in Austria holding Securities as a business asset are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (as described above) the income is subject to a withholding tax of 25%. While this withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must on the other hand be included in the income tax return (nevertheless flat income

tax rate of 25%). In case of investment income without an Austrian nexus, the income must always be included in the income tax return (flat income tax rate of 25%). In both cases upon application the option exists to tax all income subject to the tax rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the sale, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to the special tax rate of 25%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from Securities at a rate of 25%. In case of investment income with an Austrian nexus (as described above) the income is subject to a withholding tax of 25%, which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act no withholding tax is levied in the first place. Income from the sale of the Securities is subject to corporate income tax of 25%. Losses from the sale of the Securities can be offset against other income (and carried forward).

Private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding Securities as a non-business asset are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives in the form of securities. Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the tax period. In case of investment income with an Austrian nexus (as described above) the income is in general subject to a withholding tax of 25%, which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act no withholding tax is levied.

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then the withholding tax on the positive income is to be refunded, with such refund being limited with 25% of the negative income. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation on the offsetting of losses for each bank deposit.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011, a foreign investment fund is defined as any assets subject to a foreign jurisdiction which, irrespective of the legal form they are organized in, are invested according to the principle of risk-spreading on the basis either of a statute, of the entity's articles or of customary exercise. Certain collective investment vehicles investing in real estate are exempted. It should be noted that the Austrian tax authorities have commented upon the distinction between index certificates of foreign issuers on the one hand and foreign investment funds on the other hand in the Investment Fund Regulations (*Investmentfondsrichtlinien*). Pursuant to these, no foreign investment fund may be assumed if for the purposes of the issuance no predominant actual purchase of the underlying assets by the issuer or a trustee of the issuer, if any, is made and no actively managed assets exist. Directly held bonds shall not be considered as foreign investment funds if the performance of the bonds depends on an index, notwithstanding the fact of whether the index is a well-known one, an individually constructed "fixed" index or an index which is changeable at any time.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*) – which transforms into national law the provisions of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent to a beneficial owner who is an individual resident in another EU member state (or in certain dependent or associated territories) are subject to a withholding tax of 35% if no exception from such withholding applies. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from withholding tax where the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her EU member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years.

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

Tax treaty between Austria and Switzerland

On 1 January 2013 the Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets entered into force. The treaty provides that a Swiss paying agent has to withhold a withholding tax with the effect of final taxation corresponding to the Austrian income tax, amounting to 25%, on income and capital gains from assets booked with an account or deposit of such Swiss paying agent, if the relevant holder of such assets (*i.e.* in general individuals on their own behalf and as beneficial owners of domiciliary companies) is tax resident in Austria. The following income and capital gains are subject to the withholding tax: interest income, dividends and capital gains. The treaty, however, does not apply to interest covered by the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss paying agent to disclose to the competent Austrian authority the income and capital gains; these subsequently have to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

However, it should be noted that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in case of a transfer *mortis causa*, in particular for bank deposits, publicly placed bonds and portfolio shares (*i.e.*, less than 1%). The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5%, with a higher rate of 25% applying in special cases.

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

Further, it should be noted that gratuitous transfers of Securities may trigger income tax on the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

Luxembourg

The following is a general description of certain Luxembourg withholding tax considerations relating to the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Luxembourg or elsewhere. Prospective purchasers of the Securities should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Securities.

Withholding Tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Securities can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (a) the application of the Luxembourg laws of 21 June 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC – the "**EU Savings Directive**") and several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (35% from 1 July 2011) on interest and other similar income (including reimbursement premium received at maturity or Redemption Date) paid to certain non Luxembourg resident investors (individuals and certain types of entities called "residual entities") resident or established in another Member State of the European Union in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see section "EU Savings Directive" below) or agreements, unless the beneficiary of the interest payment elects for an exchange of information. The same regime applies to payments to individuals or residual entities resident in any of the following territories: Aruba, the British Virgin Islands, Guernsey, the Isle of Man, Jersey, Montserrat, i.e. Bonaire, Curaçao, Saba, Sint Eustatius and Sint Maarten. The terms "interest", "paying agent" and "residual entity" used hereafter have the same meaning as in the laws of EU Savings Directive (see below). As a general rule, instruments whose return is exclusively linked to profits derived from certain underlying investments such as commodities or indices

are generally out of the scope of the EU Savings Directive. However, to the extent Securities bear a fixed interest component, this interest may fall within the scope of the EU Savings Directive.

- (b) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended, (the "**Law**") which has introduced a 10% withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005 implementing the EU Savings Directive). The Law applies to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Under the Law, the 10% Luxembourg withholding tax is levied on interest or similar income payments made by Luxembourg paying agents to or for the immediate benefit of an individual beneficial owner who is resident in Luxembourg.

In addition, pursuant to the Law, Luxembourg resident individuals who are beneficial owners of interest payments made by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive on the taxation of savings income, can opt to self declare and pay a 10% levy. The option for the 10% levy must cover all interest payments made by paying agents to the Luxembourg resident beneficial owners during the entire civil year.

The 10% withholding tax as described above or the 10% levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and the Law, is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

Italian Republic

This section contains a brief summary on tax implications related to the Securities for Italian tax laws purposes. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for individual potential investors. It is based on the currently valid Italian tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may also be effected with retroactive effect and may negatively impact on the tax consequences described below. Potential purchasers of the Securities should consult with their legal and tax advisors to check tax implications of their possible investment in the Securities.

This section does not constitute a tax advice and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

*Please note that, as a result of the entry into force of the Law Decree No. 138 of 13 August 2011, as following converted into law No. 148 of 14 September 2011 ("**Decree 138**"), passed to introduce certain measures in response to the European debt crisis, major changes have been brought to the Italian tax regime in relation to incomes from financial investments and, as a result, starting from 1 January 2012 the tax regime applicable to the Securities is different from the tax regime applicable previously. Among others, it is worth nothing that payments of interest and other proceeds to Security*

Holders resident in Italy accruing after 1 January 2012 in respect of the Securities will be subject to a substitutive tax ('imposta sostitutiva') at a rate of the 20 per cent (rather than the 12.5 per cent tax rate previously applicable) depending on the circumstances of the relevant Security Holder. In addition, any capital gain realised after 1 January 2012 by Security Holders resident in Italy from the sale or the redemption of Securities is subject to an imposta sostitutiva levied at a rate of the 20 per cent (rather than the 12.5 per cent tax rate currently applicable) depending on the circumstances of the relevant Security Holder.

Prospective purchasers of the Securities are advised to consult their own tax advisers to check tax implications of their possible investment in the Securities.

The following summary is rendered based upon the laws in force in Italy as of the date of this Base Prospectus.

Tax Treatment of the Securities

Interest and other proceeds - Securities that qualify as "obbligazioni o titoli similari alle obbligazioni" (bonds)

For income tax purposes, debentures similar to bonds are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (i.e., the issuer is legally obliged to reimburse the principal amount to the bond holder) and that do not give any right to directly or indirectly participate in the management of the relevant issuer or of the business in relation to which they are issued. Pursuant to Legislative Decree No. 239 of April 1, 1996 ("**Decree No. 239**"), as amended and restated, and pursuant to Art. 44 paragraph 2(c) of Presidential Decree No. 917 of December 22, 1986 ("**Decree No. 917**"), as amended and restated by Legislative Decree No. 344 of December 12, 2003, in general, interest and other proceeds (including the difference between the redemption amount and the issue price) in respect of securities that qualify as bonds or debentures similar to bonds and that are issued by a non-Italian resident issuer may be subject to final Italian substitutive tax if owed to beneficial owners resident in Italy for tax purposes, depending on the legal status of the beneficial owners.

Italian Resident Security Holders Applicability of Substitutive Tax

In particular, pursuant to Decree No. 239, as amended and restated, payments of interest and other proceeds in respect of securities that qualify as "bonds" to Italian resident beneficial owners (either when interest and other proceeds are paid or when payment thereof is obtained by a beneficial owner on a transfer of Securities) will be subject to final substitutive tax at a rate of 20.0%% in Italy if made to Italian resident beneficial owners that are: (i) private individuals holding Securities not in connection with an entrepreneurial activity (unless they have entrusted the management of their financial assets, including the Securities, to an Italian authorised financial intermediary and have opted for the *Risparmio Gestito* regime ("**Asset Management**" regime) provided for by Article 7 of Legislative Decree No. 461 of November 21, 1997); (ii) Italian resident non-commercial partnerships; (iii) public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal activity; (iv) entities exempt from corporate income tax.

In case the Securities are held by an individual or by an entity indicated above under (iii), in either case in connection with an entrepreneurial activity, interest and other proceeds relating to the Securities will be subject to a substitutive tax and will be included in the relevant beneficial owner's income tax return. As a consequence, the interest and other proceeds will be subject to the ordinary income tax and the substitutive tax may be recovered as a deduction from the income tax due. The

20.0% substitutive tax will be applied by the Italian resident qualified financial intermediaries as defined by Italian law that will intervene, in any way, in the collection of interest and other proceeds on the Securities or in the transfer of the Securities.

If interest and other proceeds on the Securities are not collected through an Italian resident qualified intermediary as defined by Italian law and as such no substitutive tax is levied, the Italian resident beneficial owners listed above under (i) to (iv) will be required to include interest and other proceeds in their yearly income tax return and subject them to final substitute tax at a rate of 20.0%, unless an option is allowed and made for a different regime.

Italian Resident Security Holders Substitutive tax Not Applicable

Pursuant to Decree No. 239, as amended and restated, payments of interest and other proceeds in respect of Securities that qualify as 'bonds' to Italian resident beneficial owners will not be subject to the *substitutive tax* at the rate of 20.0% if made to beneficial owners that are: (i) Italian resident individuals holding Securities not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an Italian authorised financial intermediary and have opted for the '*Asset Management*' regime; (ii) Italian resident collective investment funds and SICAVs and pension funds referred to in Legislative Decree No. 124 of April 21, 1993; (iii) Italian resident real estate investment funds; (iv) Italian resident corporations or permanent establishments in the Republic of Italy of non-resident corporations to which the Securities are effectively connected; (v) Italian resident partnerships carrying out a commercial activity; or (vi) public and private entities, other than companies, carrying out commercial activities and holding Securities in connection with the same commercial activities.

If the Securities are part of an investment portfolio managed on a discretionary basis by an Italian authorised intermediary and the beneficial owner of the Securities has opted for the '*Asset Management*' regime (as defined below), annual substitute tax at a rate of 20.0% (the "**Asset Management Tax**") applies on the increase in value of the managed assets accrued, even if not realised, at the end of each tax year (which increase includes interest and other proceeds accrued on Securities). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Securities held by Italian resident corporations, commercial partnerships, individual entrepreneurs holding the Securities in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Securities are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, "**IRES**") at 27.5% or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "**IRPEF**"), at progressive rates, plus local surcharges, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive*, "**IRAP**"), at a general rate of 3.9% (regions may vary the rate up to 0.92%)

Italian resident collective investment funds and SICAVs are subject to a 20.0% annual substitutive tax (the "**Collective Investment Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (such increase would include interest and other proceeds accrued on the Securities).

Starting from 1 January 2001, Italian resident pension funds are subject to an 11% annual substitutive tax (the "**Pension Fund Tax**") in relation to the increase in value of the managed assets accrued at the end of each tax year.

Any positive difference between the nominal amount of the Securities and their issue price is deemed to be interest for tax purposes. To ensure payment of interest and other proceeds in respect of the Securities without application of the substitutive tax, where allowed, investors indicated here above under (i) to (vi) must be the beneficial owners of payments of interest and other proceeds on the Securities and timely deposit the Securities, together with the coupons relating to such Securities, directly or indirectly, with an Italian authorised financial intermediary as defined by Italian law.

Non-Italian Resident Security Holders

Interest and other proceeds paid on Securities by the non-Italian resident Issuer to a beneficial owner who is not resident in Italy for tax purposes, without a permanent establishment in Italy to which the Securities are effectively connected, should not be subject to any Italian taxation. If the Securities are deposited with an Italian bank or other resident intermediary or are sold through an Italian bank or other resident intermediary or in any case an Italian resident intermediary as defined by Italian law intervenes in the payment of interest and other proceeds on the Securities, to ensure payment of interest and other proceeds without application of Italian taxation a non-Italian resident Security Holder may be required to produce to the Italian bank or other intermediary as defined by Italian law a self-declaration certifying to be the beneficial owner of payments of interest and other proceeds on the Securities and not to be resident in Italy for tax purposes.

Tax treatment of Securities that do not qualify as bonds'

The following applies to Securities containing a derivative agreement (or similar mechanism) in the relevant terms and conditions.

Securities that (a) do not qualify as bonds (*'obbligazioni'*) or debentures similar to bonds (*'titoli similari alle obbligazioni'*) pursuant to Art. 44 of the *TUIR*, but (b) qualify as *Redditi diversi* (sundry income) pursuant to Article 67 of the *TUIR* may fall under the joint provisions of Article 67 of the *TUIR* and Article 5 of Legislative Decree n. 461 as of 21 November, 1997 ("**Decree 461**"), and further amendments thereof, according to which, proceeds and capital gains, not obtained within the exercise of entrepreneurial activities, realised by persons resident in Italy and individuals equivalent to residents as defined in the Decree 461, arising out of both the exercise and the sale for money consideration of the Securities are subject to the substitutive tax of 20.0 per cent.. Charges and capital losses arising out of the exercise and the sale of the Securities are deductible in accordance with the modalities indicated below; premiums paid on the Securities contribute to create the income of the financial year in which the Securities are exercised or alienated.

Capital Gains Tax

Any capital gains realised upon the sale for consideration or redemption of the Securities will be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of Security Holders (and, in certain cases, depending on the status of the Security Holders, may also be included in taxable basis of IRAP), and it will, therefore, be subject to tax in Italy according to the relevant tax provisions, if realised by Security Holders that are:

- (a) Italian resident corporations;
- (b) Italian resident commercial partnerships;
- (c) permanent establishments in Italy of foreign corporations to which the Securities are effectively connected; or

- (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gains realised by Italian resident individuals holding Securities not in connection with entrepreneurial activity and certain other persons upon the sale for consideration or redemption of the Securities would be subject to an "substitutive tax" at the current rate of 20.0%. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, the "*substitutive tax*" on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss. These individuals must report overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay the "substitutive tax" on such gains together with any balance on income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

As an alternative to the tax declaration regime, Italian resident individual Security Holders not in connection with entrepreneurial activity may elect to pay the "substitutive tax" separately on capital gains realised on each sale or redemption of the Securities (the "**Risparmio Amministrato**" regime or "**Managed Portfolio**" regime). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries; and (ii) an express election for the Managed Portfolio regime being made promptly in writing by the relevant Security Holder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for the "substitutive tax" in respect of capital gains realised on each sale or redemption of Securities (as well as in respect of capital gains realised at the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Security Holder. Under the Managed Portfolio regime, where a sale or redemption of Securities results in capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth year. Under the Managed Portfolio regime, the Security Holder is not required to declare capital gains in its annual tax declaration and remains anonymous. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Any capital gains realised by Italian resident individuals holding Securities not in connection with entrepreneurial activity who have elected for the Asset Management regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to the substitutive tax at the current rate of 20.0% to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management regime, the Security Holder is not required to report capital gains realised in its annual tax declaration and remains anonymous. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Any capital gains realised by Security Holders who are Italian resident collective investment funds and SICAVs will be included in the computation of the taxable basis of the Collective Investment Fund Tax.

Any capital gains realised by Security Holders who are Italian resident pension funds will be included in the computation of the taxable basis of Pension Fund Tax.

The 20.0% final substitutive tax may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Securities by non-Italian resident persons or entities without a permanent establishment in Italy to which the Securities are effectively connected, if the Securities are held in Italy. However, even if the Securities are held in Italy and regardless of the provisions set forth by any applicable double taxation treaty, pursuant to Article 23 of Presidential Decree No. 917 of 22 December 1986, as amended by Legislative Decree of 12 December 2003, No. 344, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected, through the sale for consideration or redemption of Securities are exempt from taxation in Italy to the extent that the Securities are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation. In case the Securities are not listed on a regulated market in Italy or abroad: (1) as to capital gains realised by non-Italian resident beneficial owners of the Securities with no permanent establishment in Italy to which the Securities are effectively connected are exempt from the substitutive tax in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Securities if they are resident, for tax purposes, in a country which recognizes the Italian tax authorities' right to an adequate exchange of information, the so called "white list". If non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected fall under the Managed Portfolio regime or the Asset Management regime, exemption from Italian capital gains tax will apply on the condition that they file an appropriate self-declaration within the relevant time limit with the authorised financial intermediary stating that they are resident in a country which allows an adequate exchange of information. Pursuant to Article 5, paragraph 5 of the Legislative Decree No 461 of 1997 and Article 6, paragraph 1, of the Legislative Decree No 239 of 1996, such exemption could apply also to non-Italian residents who are (a) international bodies and organizations established in accordance with international agreements ratified in Italy; (b) foreign institutional investors, even though not subject to income tax or to other similar taxes, established in countries which allow an adequate exchange of information with Italy and (c) Central Banks or entities also authorised to manage official reserves of a State. (2) In any event, non-Italian resident persons or entities without a permanent establishment in Italy to which the Securities are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Securities are to be taxed only in the country of tax residence of the recipient, will not be subject to the "*substitutive tax*" in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Securities; in this case, if non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected fall under the Managed Portfolio regime or the Asset Management regime, exemption from Italian capital gains tax will apply on the condition that they file the appropriate documents within the relevant time limit with the authorised financial intermediary which include, inter alia, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

Atypical securities

According to the provisions of the Terms & Conditions of the Securities, the Security Holder may receive an amount lower than the invested amount or lower than zero. Thus it is possible that Securities may not be qualified as (1) bonds or as debentures similar to bonds pursuant to Article 44, paragraph 2(C) of Decree No. 917 or as (2) securitised derivatives under Article 67 of Decree No.

917, thus the Securities could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident Security Holder and to an Italian resident Security Holder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

Inheritance and Gift Taxes

Italian inheritance and gift taxes were formerly abolished by Law no. 383 of 18 October, 2001 in respect of gifts made or succession proceedings started after 25 October 2001. Inheritance and gift taxes have been reintroduced by Law Decree no. 262 of 3 October 2006, subsequently amended and supplemented by the Budget Law for 2007. On basis of the Budget Law for 2007 the transfer by inheritance of the Securities in respect of succession proceeding started from 3 October 2006 is subject to the inheritance tax at the following rates: (i) 4% if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer to each beneficiary is subject to taxation if the value exceeds Euro 1,000,000; (ii) 6% if the transfer is made to brothers and sisters; in this case, the transfer to each beneficiary is subject to taxation if the value exceeds Euro 100,000; (iii) 6% if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and (iv) 8% in all other cases. If the transfer is made in favor of persons with severe disabilities, taxation will apply only if the value of the transaction exceeds Euro 1,500,000. The transfer of the Securities by reason of gift occurred from 29 November 2006 is subject to the gift tax at the following rates: (i) when the donee is the spouse or a relative in direct lineage, the value of the Securities gifted to each beneficial exceeding € 1,000,000 is subject to a 4% of gift tax; (ii) when the donee is a relative within the fourth degree or is a relative-in-law in direct line and other relatives-in-law in collateral lineage up to the third degree, the value of the Securities gifted to each beneficial is subject to a 6% of gift tax; and (iii) when the donee is a person not listed under previous points (i) and (ii), the value of the Securities gifted to each beneficial is subject to a 8% of gift tax. When the donee is the spouse or a relative in direct lineage and the transfer of the Securities by reason of gift occurs from 3 October 2006 to 28 November 2006 the value of the Securities gifted to each beneficial exceeding € 100,000 is subject to a 4% of gift tax. When (a) the beneficial is the brother or the sister, and (b) the agreement through which the Securities are transferred by reason of gift is filed for registration starting from 1st January 2007, the value of the Securities transferred to each beneficial exceeding € 100,000 is subject to a 6% of gift tax.

Tax Monitoring Obligations

Italian resident individuals, partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships) carrying out commercial activities, professional associations and public and private entities, other than companies, not carrying out commercial activities will be required to report in their yearly income tax return ("UNICO" tax form, RW section), for tax monitoring purposes: the amount of Securities (and of other investments held abroad and foreign financial assets generating foreign source income taxable in Italy) held at the end of each tax year, if exceeding in the aggregate € 10,000.00 each year; and the amount of any transfers from abroad, to abroad and occurred abroad, related to the Securities (and to other investments held abroad and

foreign financial assets generating foreign source income taxable in Italy), occurring during each tax year, if exceeding in the aggregate € 10,000.00 each year. This also is the case if at the end of the tax year the Securities (or other investments held abroad and foreign financial assets generating foreign source income taxable in Italy) are no longer held by the above-mentioned subjects. The above subjects will however not be required to comply with the above reporting requirements in respect of Securities deposited for management or administration with qualified Italian financial intermediaries as defined by Italian law and in respect of contracts entered into through the intervention of financial intermediaries, upon condition that the items of income derived from the Securities are collected through the intervention of the same intermediaries.

Transfer tax

General

Law Decree no. 248 as of 31 December 2007 provided for the repeal of the transfer tax (*tassa sui contratti di borsa*). As a result, starting from 31 December 2007 the disposal of Securities does not trigger the application of such transfer tax anymore. The Law no. 228 as of December 24, 2012 introduced a stamp duty on certain financial transactions (the "**Tobin Tax**"). The Italian Ministry of Finance issued an implementing Decree in 2013 to set forth the details of the new tax regime. In general terms the Tobin Tax applies to transactions, even if executed abroad, involving shares, bonds converted in shares and equity financial instruments issued by both listed and non-listed companies resident in Italy and derivatives substantially underlying such securities. More specifically, the Tobin Tax is applicable on the transfer of ownership relating to (i) shares, issued by companies which have their registered office in the territory of the Italian State (it should be noted that certain exemptions are provided by the law *e.g.*, regarding intercompany transactions; or listed shares issued by companies having an average market capitalization of less than Euro 500 million); (ii) financial equity instruments as defined pursuant to Article 2346(6) of the Italian Civil Code and issued by companies which have their registered office in the territory of the Italian State; (iii) securities representing such financial instruments (*e.g.* warrants, covered warrants, certificates), without considering the residence of the parties to the transaction; and (iv) shares deriving from the conversion of bonds.

France

The following is a general description of certain French withholding tax considerations relating to the Securities. It does not purport to be a description of general French tax considerations relating to the Securities. Prospective investors are advised to consult their own professional advisors to obtain information about the tax consequences of the acquisition, ownership, disposition or redemption of the Securities. Only personal advisors are in a position to adequately take into account special tax aspects of the particular Securities in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor. This summary is based on French law as in force as of the date of this Base Prospectus. The laws and their interpretation by the tax authorities may change and such changes may have retroactive effect.

Interest Income

Individuals resident in France for tax purposes

French Resident individuals are subject to individual income tax ("*impôt sur le revenu*") at progressive rates up to 45% on their worldwide income. The individual income tax is levied on the fiscal household. Separate taxation is only possible in exceptional cases. An additional surcharge of 3% is imposed on income exceeding EUR 250,000 (EUR 500,000 in case of couples); the surcharge is

4% for the income exceeding EUR 500,000 (EUR 1 million in case of couples). According to articles 125 A and 125 D of the FTC, French resident taxpayers receiving interest on debt instruments from France or from abroad, such as the Securities, are subject to a levy at the progressive rates of the individual income tax ("*prélèvement à la source obligatoire au barème progressif*"). The levy is a prepayment of income tax; it is credited against the individual income tax due. The levy is reimbursed if it exceeds the individual income tax due.

Where a fiscal household receives interest for a total amount of less than EUR 2,000 per year, the individual tax payers may elect to be subject to the individual income tax regarding such interest for a flat rate of 24% (article 125 A, I bis of the FTC). If the paying agent of the interest is located in France, such paying agent must file the related tax return and perform the paiement of the levy (article 125 A, I of the FTC). If the paying agent is not located in France, the filing and the payment of the levy is to be made by the beneficial owner of the interest. In the case, the paying agent is located in an European Union Member State, Iceland, Norway or Liechtenstein, the filing and the payment of the levy may be performed by the paying agent located in such State on demand of the beneficial owner (article 125 D, IV of the FTC). Please note that gains related to the selling of the Securities are not taxed as interest but as capital gains on transferable securities ("*plus-value sur valeurs mobilières et droits sociaux*") falling within the scope of article 125-0 A of the FTC.

Corporations subject to the French corporate income tax

The standard rate of corporate income tax is 33 1/3%. Small and medium-sized enterprises (owned at least for 75% by individuals and with a turnover of EUR 7,630,000 or less) are taxed at a reduced rate of 15% on the first EUR 38,120 of profits and at the standard rate on any excess. In addition, companies whose liability to corporate income tax exceeds EUR 763,000 are subject to an additional social surcharge of 3.3%. The latter applies only to the part of the tax liability which exceeds that amount. Thus, the resulting effective rate on that part is 34.43%. For financial years closed between 31 December 2011 and 30 December 2015, a 5% surcharge (in addition to the above-mentioned 3.3% surcharge) is applicable to the gross corporate income tax liability (before the imputation of any available tax credit) of companies with a turnover exceeding EUR 250 million. As a result, the effective tax rate applicable to large profitable companies is 36.1%. French or foreign interest income and capital gains on bonds earned by a company subject to corporate income tax is analysed as ordinary income and subject to the standard rate of corporate income tax.

Poland

*The following summary describes the principal Polish tax consequences of debt instruments at the level of Polish individual and corporate investors. Such debt instruments should be considered as debt securities under the Polish Act on Trading in Financial Instruments ("**Securities**"). This summary is not intended to constitute a comprehensive analysis of all tax aspects. Potential investors should, therefore, consult their own tax advisers regarding the tax consequences of the sale and redemption, both on the grounds of Polish law and the law of the jurisdiction of the Issuer.*

Individuals

According to the Act on Personal Income Tax of July 26, 1991 (consolidated text in Journal of Laws of 2010, No. 51, item 307, as amended, the "**Polish Act on Personal Income Tax**") natural persons are subject to tax liability in the Republic of Poland relating to all their income (revenues) regardless of the location of the source of such revenues (unlimited tax liability) if they have their place of residence in the Republic of Poland (Polish tax residents). A person whose place of residence is in the Republic of Poland is a natural person who: (i) has his/her center of personal or economic interests

(center of life interests) in the Republic of Poland; or (ii) stays in the Republic of Poland more than 183 days in a tax year (Article 3 Section 1 and 1a of the Polish Act on Personal Income Tax). These principles apply without prejudice to double taxation treaties signed by Poland (Article 3 Section 1a of the Polish Act on Personal Income Tax). In particular, these double tax treaties may define the "place of residence" in a different manner or further clarify the notion of the "center of life interests". Individuals whose place of residence is not located in Poland are subject to tax liability only with respect to the income (revenues) generated within the territory of Poland (limited tax liability).

Corporations

Under the Act on Corporate Income Tax of February 15, 1992 (consolidated text in Journal of Laws of 2011, No. 74, Item 397, as amended, the "**Polish Act on Corporate Income Tax**") taxpayers subject to corporate income tax in the Republic of Poland are legal persons, companies under organization and entities with no legal personality (other than companies and partnerships that are not afforded legal personality, *i.e.*, other than civil, general, limited partnerships, professional partnerships, and limited joint-stock partnerships, which are deemed transparent for income tax purposes in Poland), as well as partnerships having their seats or places of management in other states if they are treated as legal persons under tax law provisions of a given state and they are liable to tax on the total amount of their incomes, irrespective of the place where they are earned (Article 1 Section 1 and 2 of the Polish Act on Corporate Income Tax). Corporate taxpayers having their registered office or place of management in the Republic of Poland (Polish tax residents) are subject to tax liability with respect to all their income, wherever generated (unlimited tax liability). Corporate taxpayers who have neither their seat nor their place of management in Poland are subject to tax liability in Poland only with respect to the income (revenues) earned within the territory of Poland (limited tax liability) (Article 3 Section 2 of the Polish Act on Corporate Income Tax).

Interest Income

Pursuant to Article 30a of the Polish Act on Personal Income Tax, income by an individual earned from interest and/or discounts on the Securities is subject to a flat 19% tax rate, regardless of the territory in which it has been generated. The income is not reduced by the cost of generating such income. Income taxed pursuant to Article 30a of the Polish Act on Personal Income Tax is not amalgamated with other income taxable pursuant to general rules, which is subject to the progressive tax rates referred to in Article 27 of the Polish Act on Personal Income Tax. Interest and discount on the Securities obtained by corporate taxpayers is taxed under the Polish Act on Corporate Income Tax together with all other incomes earned by the Corporate Taxpayer in a given tax year. This income is subject to the tax rate of 19%. The Polish Act on Corporate Income Tax contains some specific rules for taxation of interest, *e.g.*, interest is not recognized as income as long as it is not received (paid or compound), even if due.

Disposal/redemption of debt instruments

Individuals

Capital gains generated by individuals on disposal/redemption of the Securities are subject to tax in Poland with the application of a flat 19% tax rate (Art. 30b of the Polish Act on Personal Income Tax). Capital gains are calculated as the difference between total revenues earned on disposal of the Securities for consideration in the calendar year and the costs of generating such revenues (as regulated by the Polish Act on Personal Income Tax). The revenue on the disposal of the Securities for consideration is the value expressed as the price in the relevant agreement. However, if for no justified reason the price set out in the agreement significantly deviates from the market value of the

transferred Securities, the revenue on the disposal of the Securities for consideration will be assessed by the relevant tax authority or tax inspection authority at the level of the market value of these Securities (Article 19 Section 1 in conjunction with Article 17 Section 2 of the Polish Act on Personal Income Tax). The revenue on the disposal of the Securities for consideration is the revenue due, even if not yet received. The tax-deductible costs of generating revenue on the disposal of the Securities for consideration are the expenses incurred on acquiring the Securities. These costs can only be deducted when revenue is generated on the disposal of the relevant Securities for a consideration (Article 23 Section 1 item 38 of the Polish Act on Personal Income Tax). Tax advances on realisation of capital gains are not payable during the calendar year. After the end of the fiscal year, the individual is obligated to report the income generated on the disposal of the Securities for a consideration during the fiscal year and – where taxable income was generated – calculate the relevant income tax charge in a tax return reporting his/her income earned (loss incurred) during the fiscal year.

The tax return shall be filed by April 30 of the year following the year in which the revenue on the disposal of the Securities was earned. Within the same date the tax is payable. Where income is generated on disposal of the Securities for a consideration, such income is not amalgamated with income generated from other sources of revenues (Article 30b Section 5 of the Polish Act on Personal Income Tax). Losses incurred on disposal of the Securities for consideration in one fiscal year can be deducted from income generated from the source of revenues referred to in Article 30b of the Polish Act on the Personal Income Tax in the following five consecutive fiscal years, provided that the deduction in any of these years cannot exceed 50% of the amount of the loss. Losses incurred on this activity cannot be amalgamated with losses incurred by the taxpayer on other sources of revenues (Article 9 Section 6 of the Polish Act on Personal Income Tax). These principles do not apply if the Securities are disposed of in the course of business activity conducted by the individual. In such circumstances this revenue qualifies as revenue from business activity and is accounted for accordingly together with other income from the business activities of the individual. In such a case the individual is obliged to pay advance payments in accordance with one of the specific methods provided for in the Polish Act on Personal Income Tax.

Corporations

Capital gains generated on disposal of the Securities are treated as regular income subject to the Polish corporate income tax. This income is subject to the flat 19% tax rate. The taxable basis is the same as the difference between overall revenues earned on business activity of the taxpayer in the fiscal year and the costs of generating these revenues. The revenue on the disposal of the Securities for consideration is the value expressed as the price in the relevant agreement. However, if for no justified reason the price set out in the agreement significantly deviates from the market value of the transferred Securities, the revenue on the disposal of the Securities for consideration will be assessed by the relevant tax authority or tax inspection authority at the level of the market value of these Securities (Article 14 Section 1 of the Polish Act on Corporate Income Tax). The tax-deductible costs which are accounted for when capital gains are calculated represent the expenses incurred on acquiring the Securities, and can be deducted only when revenue on disposal of the relevant Securities for a consideration is generated. Corporate Taxpayers are obliged to pay advance payments regarding Polish corporate income tax upon the realisation of the capital gains. Advance payments are payable in accordance with one of the specific methods provided for in the Polish Act on Corporate Income Tax chosen by the taxpayer.

Transfer tax (tax on civil law transactions)

The tax on civil law transactions is payable on agreements concerning the sale or exchange of property rights (including the Securities) if the items subject to such agreements are (i) property rights

enforceable in the territory of Poland or (ii) property rights enforceable abroad, if the purchaser of the property rights has its residence or seat in Poland and the transfer is executed in Poland. The tax base is the market value of the property or the property rights. The tax liability resulting from a sale agreement is borne by the buyer and arises upon the finalization of the civil law transaction. The taxpayers are required to file, without any additional request from the tax office, a transfer tax return and calculate and remit the due tax within 14 days following the day on which the tax liability arose. This obligation does not apply if the transaction is executed in the form of a notarial deed where tax on civil law transactions is collected by the notary who, in this case, acts as the tax remitter. The rate of this tax is 1% of the market value of the property rights. The in-kind contribution of the Securities to a company or partnership may be subject to tax on civil law transactions if the company/partnership has its seat in Poland. The applicable tax rate would be 0.5% payable on the value of the nominal share capital issued (in the case of companies) or value of the contributed Securities (in the case of partnerships).

Inheritance and donations tax

Liabilities to inheritance and donations tax apply only to individuals and may arise on a gift of the Securities or on an inheritance of the Securities, where:

- the heir or the donee is a Polish citizen or has a permanent stay in Poland; or
- the rights attributable to the Securities are qualified as property rights enforceable in Poland.

The amount of such tax (and applicable tax exemptions) depends on the relationship of the donor to the donee or of the deceased to the heir.

Tax withheld in Germany

According to the Double Tax Treaty between Germany and Poland ("**Treaty**"), any tax withheld in Germany on income, which is not exempt from taxation in Poland under the Treaty, can be deducted against tax payable on this income in Poland. However, the deduction cannot exceed the amount of tax, which would be payable on this income in Poland.

Czech Republic

The following is a brief summary of certain tax consequences in the Czech Republic for investors in connection with the Securities. It does not claim to fully describe all Czech tax consequences of the acquisition, ownership, disposition or redemption of the Securities. In some cases a different tax regime may apply. Further, this summary does not take into account or discuss the tax laws of any country other than the Czech Republic nor does it take into account the investors' individual circumstances. Prospective investors are advised to consult tax advisors to obtain further information about the tax consequences of the acquisition, ownership, disposition, redemption, exercise or settlement of the Securities and receiving payments of interest, principal and/or other amounts under the Securities. Only tax advisors are in a position to adequately take into account special tax aspects of the particular Securities in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor. Tax risks resulting from the Securities (in particular from a potential qualification of the Securities as equity instruments) shall in any case be borne by the investors.

This summary is based on Czech law as in force as of the day of this Prospectus. The laws and their interpretation by the tax authorities may change and such changes may also have retroactive effect.

With regard to certain financial instruments there is currently neither case law nor guidance of the tax authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be ruled out that the Czech tax authorities or the Czech courts adopt a view different from that outlined below.

Taxation of Czech tax residents

An individual who is for tax purposes treated as a resident of the Czech Republic or a person (other than an individual) and unit trust who is for tax purposes treated as a resident of the Czech Republic or organisational unit of the Czech state ("**Czech Security Holder**") is subject to income taxation (personal income tax or corporate income tax, as the case may be) on its worldwide income, regardless of source of the income, including interest from debt (such as the Securities), Redemption Amounts, capital gains or other income (realised on the Securities).

The taxable income from the Security is taxed at a flat Czech income tax rate of 15% for individuals, at a flat Czech income tax rate of 19% for general corporate entities and at a flat Czech income tax rate of 5% for investment and pension funds and unit trusts. Certain exemptions may apply.

Such tax is payable on a self-assessment basis (in the case of Czech Security Holders who are individuals, the reporting obligation, in addition to whether the interest income shall be declared on a cash or an accrual basis, will depend on the individual's circumstances in each case). Czech Security Holders that are subject to Czech accounting standards for entrepreneurs (most companies other than financial or insurance institutions and certain individuals engaged in active business) or to Czech accounting standards for financial institutions (including, in particular, banks) will be required to recognize the interest income on an accrual basis for accounting purposes and, accordingly, include it in their general tax base for Czech income tax purposes in the given period. Interest and similar income of pension funds from certain debt instruments (e.g. from bonds or deposit Securities) is not subject to the Czech corporate income tax.

Czech Security Holders who are subject to Czech accounting standards for entrepreneurs or to Czech accounting standards for financial institutions and hold the Securities for the purposes of trading may be, under certain conditions, required to revalue the Securities to fair value for accounting purposes, whereby the unrealised gains or losses would be accounted for as revenues or expenses, respectively. Such revenues are generally taxable and the corresponding expenses are generally tax deductible for Czech tax purposes.

Any gains upon a sale or a redemption of the Securities will generally be taxable at the above mentioned rates and in the case of Czech Security Holders who keep accounting books (in principle, all legal entities and certain individuals), any losses will generally be tax deductible. By contrast, a loss realised by Czech Security Holders who are individuals (other than those mentioned in the preceding sentence) is generally non-deductible; in the case of sale such losses can generally be compensated by taxable gains on sales of other similar securities provided that the income from the sale of these securities is not exempt from tax.

In the case of Czech Security Holders who are individuals, any gain derived from the sale of the Securities is exempt from Czech personal income tax if:

- the individual did not hold a share in the Issuer's registered capital or voting rights exceeding 5% in the 24-month period prior to the sale of the Securities;
- holding period of the Securities exceeds six months; and

- the Securities have not been held in connection with the business activities of the Czech Security Holders or, if so, the Securities will be sold after six months following the termination of such business activities at the earliest.

If any of the above conditions is not fulfilled, any gain derived by a Czech Security Holder who is individual from the sale (but not a redemption) of the Securities will be exempt, if the holding period of the Securities exceeds five years.

The tax base is calculated in Czech Crowns. For the purposes of calculating the tax base, the income denominated in different currency is translated to the Czech Crowns using the exchange rate determined pursuant to the Czech tax law.

Taxation of Czech tax non-residents

Income realised by an individual who is not for tax purposes treated as a resident of the Czech Republic or by a person (other than an individual) who is not for tax purposes treated as a resident of the Czech Republic ("**Non-Czech Security Holder**"), from the sale of the Securities to a Czech Security Holder or to a Non-Czech Security Holder acquiring the Securities through a permanent establishment in the Czech Republic, will be subject to taxation in the Czech Republic, unless:

- the Non-Czech Security Holder realising that income is a tax resident in a country within the meaning of a double taxation treaty concluded between that country and the Czech Republic, pursuant to the terms of which the right to tax that income is conferred exclusively to that country (such as the double taxation treaty between the Czech Republic and Germany), is the beneficial owner of that income, is entitled to enjoy the benefits of that double taxation treaty and does not have a permanent establishment in the Czech Republic to which the income would be attributable; or
- the Non-Czech Security Holder who is an individual and did not hold a share in the Issuer's registered capital or voting rights exceeding 5% in the 24-month period prior to the sale of the securities and has held the securities for more than six months prior to their sale and the securities have not been held in connection with business activities of the Non-Czech Security Holder and if so, the securities will be sold after six months following the termination of such business activities at the earliest.

If income realised by a Non-Czech Security Holder, whether holding the Securities through a permanent establishment in the Czech Republic or not, from the sale of the Securities is subject to taxation in the Czech Republic (as discussed in the foregoing paragraphs), the Czech Security Holder or a permanent establishment in the Czech Republic of a Non-Czech Security Holder paying the income will be obliged to withhold an amount of 1% on a gross basis representing tax security, unless the Non-Czech Security Holder selling the Securities is for tax purposes a resident of a member state of the European Union or the European Economic Area or unless the obligation to withhold is waived based on a tax authority decision. The tax security shall be credited against the final tax liability of the Non-Czech Security Holder selling the Securities.

The tax base is calculated in Czech Crowns. For the purposes of calculating the tax base, the income denominated in different currency is translated to the Czech Crowns using the exchange rate determined pursuant to the Czech tax law.

Withholding tax on interest

Assuming that the Issuer is not a Czech tax resident and does not have a permanent establishment in the Czech Republic, all interest as well as any other payments to be made under Securities may be made free of withholding or deduction of, for or on the account of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Czech Republic or any political subdivision or taxing authority thereof or therein.

Other taxes or duties

No registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar tax or duty is payable in the Czech Republic by a Non-Czech Security Holder or a Czech Security Holder in respect of or in connection with the purchase, holding or disposition of the Securities, save for disposition in certain cases upon donation or inheritance.

Also, if the Non-Czech Security Holder individual residing in an EU member state other than the Czech Republic receives an interest as well as similar in kind payment paid-out, credited or remitted to it by a Czech paying agent (agent within the meaning of the EU Savings Directive (Council Directive 2003/48/EC) as implemented into the Czech tax law appointed by the Issuer in the Czech Republic), the paying agent will be obliged to report to its local tax authority the identity of Non-Czech Security Holder individual as the beneficial owner of this income, unless the Non-Czech Security Holder individual proves to the Czech paying agent that it is a tax resident in a country outside the EU. For this purpose, the recipient of the payment is deemed to be the beneficial owner unless it proves otherwise to the Czech paying agent. The Czech paying agent will also be obliged to report the payments made to a non-Czech EU entity on behalf of the Non-Czech Security Holder individual.

Savings Directive

The Savings Directive has been implemented into French law under article 242 ter of the FTC and articles 49 I ter to 49 I sexies of Annex III to the FTC, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

EU Savings Directive

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), each Member State is required, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg will (unless during such period they elect otherwise) instead operate a information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the withholding tax rate has raised over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following the agreement by certain non-EU countries to the exchange of information relating to such payments.

Also, a number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the EU Savings Directive (COM (2008) 727), which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

GENERAL INFORMATION

Selling Restrictions

General

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

United States of America

- (a) The Securities have not been and will not be registered under the Securities Act, and, except as provided in the applicable Final Terms with respect to Securities with a maturity on the issue date of one year or less, may not be offered or sold within the United States or to, or for the account or benefit of, U. S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- (b) Any person purchasing Securities is deemed to agree with the Issuer and, if different, the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any Securities for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales or deliveries of any Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

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

- (c) Securities, other than Securities with a maturity of one year or less (including unilateral rollovers or extensions) and Securities 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) ("**TEFRA D Rules**"), or in accordance with the provisions of United States Treasury Regulations Section 1.163-5(c)(2)(i)(C) ("**TEFRA C Rules**"), as specified in the applicable Final Terms.

In addition, in respect of Securities 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 Securities to represent and agree that:

- (i) except to the extent permitted under the TEFRA D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Securities in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) it has not delivered and will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;

- (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities in bearer form are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (iii) if such person is a United States person, it has represented that it is acquiring the Securities for purposes of resale in connection with their original issuance and if such Distributor retains Securities in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6);
- (iv) with respect to each affiliate that acquires from such person Securities in bearer form for the purposes of offering or selling such Securities during the restricted period, such person either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii); and
- (v) such person will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii), (iii), and (iv) from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4), for the offer and sale of Securities during the restricted period.

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

In addition, in respect of Securities issued in accordance with the TEFRA C Rules, Securities must be issued and delivered outside the United States and its possessions in connection with their original issuance. The Issuer will not, and it will require all those persons participating in the distribution of the Securities to not, offer, sell or deliver, directly or indirectly, Securities in bearer form within the United States or its possessions in connection with their original issuance. Further, the Issuer will not, and it will require all those persons participating in the distribution of the Securities to not, communicate, directly or indirectly, with a prospective purchaser if the Issuer, such person or purchaser is within the United States or its possessions and will not otherwise involve its United States office in the offer or sale of Securities. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the TEFRA C Rules.

Bearer Securities issued pursuant to the TEFRA D Rules (other than Temporary Global Securities and Securities with a maturity, taking into account any unilateral rights to roll over or extend, of one year or less) and any Receipts or Coupons appertaining thereto will bear the following legend:

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

Public Offer Selling Restrictions under the Prospectus Directive

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

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

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer to publish a base prospectus pursuant to Article 3 of the Prospectus Directive or supplement a base prospectus pursuant to Article 16 of the Prospectus Directive.

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

Selling Restrictions Addressing additional United Kingdom Securities Laws

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 Securities 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 Securities in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing additional Italian Securities Laws

The offering of the Securities has not been registered pursuant to Italian securities legislation. Accordingly, Securities may not be offered or sold and documents relating to the Securities 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 Securities or distribution of any other document relating to the Securities in the Republic of Italy must be:
 - (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of September 1, 1993 as amended (the "**Banking Act**"), CONSOB Intermediaries Regulation, as amended and any other applicable laws and regulations; and
 - (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy (e.g. Article 129 of the Banking Act pursuant to which the Bank of Italy may request periodic information on the Securities offered in the Republic of Italy).

Provisions relating to the secondary market in the Republic of Italy

Investors should also note that, in any subsequent distribution of the Securities 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 Securities are placed solely with qualified investors and are then systematically resold on the secondary market at any time in the twelve months following such placing, purchasers of Securities 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 Securities were purchased, unless an exemption provided for under the Financial Services Act applies.

Selling Restrictions Addressing Additional French Securities Laws

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 Securities have not been and will not be filed with the AMF for prior approval or submitted for clearance to the AMF.

Consequently, the Securities may not be, directly or indirectly, offered or sold to the public in France and, if any, offers and sales, directly or indirectly, of the Securities 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 Securities to the public in France. The subsequent direct or indirect retransfer of the Securities to the public in France may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code Monétaire et Financier*.

Authorisation

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

Availability of Documents

Copies of the articles of association of the Issuer, the consolidated annual reports in respect of the fiscal years ended 31 December 2011 and 2012 of the Issuer, the Consolidated Half-yearly Financial Report as of 30 June 2013 of the Issuer, the forms of the Global Notes, the Final Terms and the Agency Agreement, as amended and restated, will be available during usual business hours on any weekday (except Saturdays and public holidays) at the offices of the Issuer and of BNP Paribas Securities Services, Luxembourg Branch in its capacity as listing agent for the Securities. 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 listing agent's offices. 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).

Euroclear Bank, Clearstream Banking SA Clearstream Banking AG, Euroclear France, KDPW

Securities 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**"), Euroclear France SA (66 Rue de la Victoire, 75009 Paris, France) ("**Euroclear France**"), The National Depository for Securities (KDPW SA) (4 Książęca Street, 00-498 Warsaw, Poland)

("KDPW") and/or any alternative clearing system. The appropriate security identification codes for each Series of Securities will be contained in the Final Terms. The Issuer may decide to deposit, or otherwise arrange for the clearance of, Securities issued under the Programme with or through an alternative clearing system. The relevant details of such alternative clearing system will be specified in the Final Terms.

Agents

Principal Paying Agents under the Programme are UniCredit Bank AG, Arabellastraße 12, 81925 Munich (for all other Securities) and Citibank, N.A., London Office, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

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

Luxembourg Listing Agent and Paying Agent under the Programme is BNP Paribas Securities Services, Luxembourg Branch, 33, rue de Gasperich, Howald – Hesperange, L-2085 Luxembourg.

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

Significant Changes in HVB's Financial Position and Trend Information

There has been (i) no significant change in the financial positions of the HVB Group which has occurred since 30 June 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).

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

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

Third party information

Where information has been sourced from a third party, the Issuer confirms that to the best of its knowledge this information has been accurately reproduced and that so far as the Issuer is aware and able to ascertain from information published by such third party no facts have been omitted which would render the reproduced information inaccurate or misleading.

Use of Proceeds and reasons for the offer

The net proceeds from each issue of Securities by the Issuer will be used for its general corporate purposes.

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 Base 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 Base Prospectus on the following pages:
Registration Document of UniCredit Bank AG, dated 17 May 2013, approved by the German Federal Financial Services Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>)*		
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-	Statement of Changes in Consolidated Shareholders' Equity	p. 110 to 111	p. 46
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Audited financial statements of HVB Group for the fiscal year ended 31 December 2012			
-	Consolidated Income Statement	p. 116 to 117	p. 46
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Audited unconsolidated financial statements (Jahresabschluss) of Unicredit Bank AG for the fiscal year ended 31 December 2012			
-	Income Statement	p. 80 to 81	p. 46
-	Balance Sheet	p. 82 to 87	p. 46
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Documents incorporated by reference have been published on the website of the Issuer (<http://investors.hypovereinsbank.de/cms/german/investorrelations/index.html> or, if marked with "*", <http://www.onemarkets.de/de/produkte/rechtliche-hinweise/basisprospekte.html>).

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

Consolidated Half-yearly Financial Report as of 30 June 2013

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Financial Highlights

Key performance indicators

	1/1–30/6/2013	1/1–30/6/2012
Net operating profit	€1,121m	€1,411m
Cost-income ratio (based on operating income)	59.4%	51.5%
Profit before tax	€1,222m	€1,557m
Consolidated profit	€818m	€912m
Return on equity before tax ¹	11.8%	13.9%
Return on equity after tax ¹	8.1%	8.3%
Earnings per share	€1.01	€1.11

Balance sheet figures

	30/6/2013	31/12/2012
Total assets	€319.5bn	€348.3bn
Shareholders' equity	€21.6bn	€23.3bn
Leverage ratio ²	14.8x	15.0x

Key capital ratios compliant with Basel II

	30/6/2013	31/12/2012
Core capital without hybrid capital (core Tier 1 capital)	€19.1bn	€19.1bn
Core capital (Tier 1 capital)	€19.2bn	€19.5bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€100.0bn	€109.8bn
Core capital ratio without hybrid capital (core Tier 1 ratio) ³	19.1%	17.4%
Core capital ratio (Tier 1 ratio) ³	19.2%	17.8%

	30/6/2013	31/12/2012
Employees (in full-time equivalents, FTEs)	18,788	19,247
Branch offices	928	941

¹ return on equity calculated on the basis of average shareholders' equity compliant with IFRS and projected profit before tax at 30 June 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

Ratings

	LONG-TERM	SHORT-TERM	OUTLOOK	FINANCIAL STRENGTH	CHANGED/ CONFIRMED	PFANDBRIEFS		CHANGED/ CONFIRMED
						PUBLIC	MORTGAGE	
Moody's	A3	P-2	negative	C-	15/7/2013	Aaa	Aa1	8/6/2012
Standard & Poor's	A	A-1	watch negative	bbb+	12/7/2013	AAA	—	4/3/2013
Fitch Ratings	A+	F1+	stable	a*	24/4/2013	AAA	AAA	11/3/2013/ 21/12/2012

* as of 20 July 2011 Fitch uses the Viability Rating, thus replacing the previous Individual Rating

Financial Review

Underlying conditions and general comments on the business situation

The global economy stabilised in the first half of 2013 after losing much of its momentum during the course of 2012, and especially in the last quarter of that year. Growth in the countries on the eurozone's periphery is projected to have remained negative through to the mid-point of 2013, albeit at a reduced pace. The US economy did not slip into recession in the second quarter of 2013, despite wide-ranging automatic government austerity measures known as the fiscal cliff. The annualised growth of 1.8% seen in the first quarter of 2013 is expected to have been repeated in the second quarter. In China, on the other hand, the economy has slowed further, driven by a deceleration in industrial expansion, although it still recorded an annual growth rate of 7.5% in gross domestic product (GDP) in the second quarter of 2013.

The situation of the countries on the eurozone's southern periphery in particular remained bleak on account of the in part drastic austerity measures and rising unemployment. The huge burdens arising from budgetary consolidation have until recently caused the economies in the heavily indebted countries of the eurozone to contract sharply. The main reason for this was weaker domestic demand due to austerity measures. Alongside Greece, Ireland and Portugal, Cyprus is now also reliant upon financial assistance from the European Stability Mechanism (ESM) to cope with the massive imbalances in its bloated financial sector. Unlike in previous rescue packages, investors in the securities issued by the financial institutions were called to contribute more this time round as well as depositors of the financial institutions. Even though the economies of the core eurozone countries similarly slowed considerably during the course of 2012, the situation in the first half of 2013 was more stable. Thus, the growth differences between core and peripheral countries remain in place. Industrial output in Germany in particular rebounded in the first half of 2013. Following on from only a marginal rise in GDP in the first quarter (0.1%), the economy is expected to have tangibly picked up pace again in the second quarter of 2013, driven in part by the weather-related catch-up effects in the construction industry. The overall eurozone GDP is likely to have contracted somewhat in the second quarter, although the risk situation has probably eased a little.

Furthermore, the European Central Bank (ECB) continues to supply European banks with unlimited liquidity, although the funding required by banks in the countries affected by the sovereign debt crisis has fallen constantly since last autumn. The negative TARGET2 balance of

the crisis-hit countries – Spain, Italy, Greece, Ireland, Portugal and Cyprus – had fallen from a peak value of €1 trillion in August 2012 to €714 billion by May 2013. The easing stems mainly from the announcement made by the ECB in the third quarter of 2012 that it is willing, under certain conditions, to buy unlimited volumes of government bonds issued by crisis-hit states with a maturity of up to three years on the secondary market (Outright Monetary Transactions or OMT). For such an intervention under the ESM, the member state in question must agree to a set of conditions and also continue to have access to the capital market.

The European capital markets performed moderately well in the first half of 2013, albeit with periods of unexpected volatility that was fairly high at times. At the end of the second quarter of 2013, the DAX 30 was up around 8.5%, well ahead of the EURO STOXX 50 which only gained around 2% in the same period. The yield on ten-year German government bonds increased from 1.30% at the start of the year to 1.55% by the end of June 2013, although it had briefly been as high as 1.80% a few weeks prior to that.

The ECB lowered its benchmark rate by 25 basis points in May to a new low of 0.5%. The interest paid on the deposit facility remained at 0%. In July, it reaffirmed that short-term interest rates would remain at this level, or even lower, for a longer period of time in order to counter a possible increase in longer term interest rates in the eurozone in correlation with US interest rates (due to the possible tapering of the third programme to buy sovereign bonds that has been running since September 2012 known as Quantitative Easing 3 or QE3). However, the ECB has not excluded the possibility of charging negative interest rates on deposits in the future. As a result of the very low level of interest rates, the banking sector is faced with falling earnings in interest-driven activities in particular on account of greater downward pressure on margins especially in deposit-taking business.

In addition, the measures taken by the financial industry to reduce risk-weighted assets together with the weak demand for credit observable in Germany in particular served to depress interest income. The euro remained largely stable against the US dollar, British pound, Swiss franc and Japanese yen in the second quarter, although it did prove highly volatile at times. The spreads on the credit markets narrowed, especially for sovereigns and banks, after they had come under some pressure at times due to the possible effects of a potential tapering of the third quantitative easing programme.

In this persistently challenging economic and financial environment, HVB Group generated a good profit before tax of €1,222 million in the first half of 2013. At €613 million in the first quarter and €609 million in the second, the quarterly results in this financial year have provided pleasingly consistent contributions to earnings. Based on the half-yearly result, there was a decline of €335 million in the profit before tax compared with the figure posted for the first six months of last year (€1,557 million). However, it should be taken into account in this context that the year-ago total benefited from a non-recurring item of €395 million in net trading income resulting from the reversal of credit value adjustments. Without this one-off effect last year, the profit before tax in 2013 would have been €60 million higher than last year's figure. Consolidated profit after tax amounted to €818 million in the reporting period (2012: €912 million).

The decline in reported profit before tax can be attributed to a fall of €331 million in net interest to €1,465 million combined with persistently low interest rate levels and the decline in net trading income to €709 million caused by the non-recurrence of the one-off income item. At the same time, net fees and commissions developed extremely well, rising by 9.1%, or €54 million, over the equivalent period last year to €650 million. Furthermore, net other expenses/income increased by €32 million to €91 million. We succeeded in reducing operating costs by a pleasing 1.1%, to €1,764 million, compared with the first half of 2012, despite an inflation rate of 1.5% and higher regulatory costs. The cost-income ratio of 59.4% for the first six months of 2013 (first half of 2012 excluding non-recurring effects in net trading income: 58.2%) remained at a very good level for a universal bank by both national and international standards. At €86 million, net write-downs of loans and provisions for guarantees and commitments were significantly lower than the €265 million recorded last year.

We described the changes made to our business model and our organisational structure in detail in Management's Discussion and Analysis in the HVB Group Annual Report for 2012 (see also page 45 and following in the HVB Group Annual Report for 2012). A wide-ranging resegmentation was undertaken in 2013 within the framework of these adjustments. The new segmentation is more closely aligned with usual international practice and is employed in similar form by our parent company across the UniCredit corporate group. HVB Group has now been divided into the following new segments: Commercial Banking, Corporate & Investment Banking, Asset Gathering, and Other/consolidation. The income and expenses shown in this financial year and the year-ago-figures for the new segments have been determined

in accordance with the new segment contents. The tasks and objectives of each segment are described in Note 1, "Accounting and valuation principles".

All the segments contributed to the good profit before tax of HVB Group. The Commercial Banking (CB) business segment recorded a profit before tax of €218 million, down €41 million on the year-ago figure. Within this total, operating income fell by €39 million to €1,233 million, primarily on account of lower net interest. Operating costs rose slightly, while net write-downs of loans and provisions for guarantees and commitments decreased to what continues to be a very low level. The Corporate & Investment Banking (CIB) business segment recorded operating income of €1,387 million (first half of 2012: €1,848 million). The year-on-year decline of €461 million results mainly from the non-recurring item mentioned above of €395 million from credit value adjustments no longer included in the first half of 2013, which led to a decline of €249 million in net trading income, coupled with a decrease of €288 million in net interest. There was a substantial decline in net write-downs of loans and provisions for guarantees and commitments. Profit before tax amounted to €604 million after €900 million last year (without the non-recurring item named above, profit before tax would have been €99 million higher than the adjusted year-ago total). The Asset Gathering business segment generated a profit before tax of €10 million, which failed to fully match the pre-tax profit of €16 million recorded in 2012 due mainly to lower net interest.

HVB Group has had an excellent capital base for years. The core Tier 1 ratio in accordance with Basel II (ratio of core capital excluding hybrid capital instruments to the total amount of credit risk-weighted assets and risk-weighted asset equivalents for market risk and operational risk) increased again to 19.1% at 30 June 2013 (year-end 2012: 17.4%), which is an excellent level by both national and international standards. The shareholders' equity shown in the balance sheet fell by €1.7 billion compared with year-end 2012 to €21.6 billion as a result of the dividend payment totalling €2,462 million as resolved in the second quarter of 2013 by the Shareholders' Meeting which was only partially offset by the consolidated profit (attributable to the shareholder of UniCredit Bank AG) of €808 million generated in the first half of 2013. With total assets down by 8.3% compared with year-end 2012 to €319.5 billion, the leverage ratio (ratio of total assets to shareholders' equity shown in the balance sheet) amounted to 14.8x at 30 June 2013 after 15.0x at year-end 2012.

Financial Review (CONTINUED)

HVB Group again enjoyed a very comfortable liquidity base and a solid financing structure at all times in the reporting period. In this context, it is worth mentioning that HVB Group has placed a large part of its excess liquidity with Deutsche Bundesbank. The funding risk remained low on account of the diversification in our products, markets and investor groups, meaning that adequate funding of our lending activities was ensured at all times. Our Pfandbriefs continued to represent an important source of funding thanks to their very good credit rating and liquidity.

With our diversified business model, high capital base, solid funding foundation and good market position in our core business areas, we remain a reliable partner for our customers and investors. As an integral part of UniCredit, HVB Group is in a unique position to leverage its regional strengths in the international network of UniCredit for the benefit of its customers. UniCredit Bank AG (HVB) is building on these advantages by adjusting its business model as implemented in the

first half of 2013 to reflect the rapidly changing economic and regulatory environment and push further growth through a regional organisational structure and a stronger entrepreneurial focus.

We would expressly like to thank our employees at this point. Their willingness to embrace change and at the same time to help secure our commercial success forms the basis for our good performance. We also thank the employee representatives for their constructive cooperation in spite of the difficult issues. This gives all of us the confidence we need to master the challenges of the future.

Operating performance of HVB Group

All the statements regarding the operating performance of HVB Group in this Interim Management Report relate to the structure of our segmented income statement (see Note 3, "Segment reporting") which we set out below. By doing so, we are following the Management Approach incorporated into our segment reporting.

Income/Expenses	1/1–30/6/2013	1/1–30/6/2012	CHANGE	
	€ millions	€ millions	€ millions	in %
Net interest	1,465	1,796	(331)	(18.4)
Dividends and other income from equity investments	56	62	(6)	(9.7)
Net fees and commissions	650	596	+ 54	+ 9.1
Net trading income	709	946	(237)	(25.1)
Net other expenses/income	91	59	+ 32	+ 54.2
OPERATING INCOME	2,971	3,459	(488)	(14.1)
Payroll costs	(906)	(940)	+ 34	(3.6)
Other administrative expenses	(765)	(752)	(13)	+ 1.7
Amortisation, depreciation and impairment losses on intangible and tangible assets	(93)	(91)	(2)	+ 2.2
Operating costs	(1,764)	(1,783)	+ 19	(1.1)
OPERATING PROFIT	1,207	1,676	(469)	(28.0)
Net write-downs of loans and provisions for guarantees and commitments	(86)	(265)	+ 179	(67.5)
NET OPERATING PROFIT	1,121	1,411	(290)	(20.6)
Provisions for risks and charges	9	76	(67)	+ 88.2
Restructuring costs	(2)	—	(2)	
Net income from investments	94	70	+ 24	+ 34.3
PROFIT BEFORE TAX	1,222	1,557	(335)	(21.5)
Income tax for the period	(404)	(645)	+ 241	(37.4)
CONSOLIDATED PROFIT	818	912	(94)	(10.3)

Net interest

Net interest fell by a tangible €331 million, or 18.4%, in the first half of 2013 compared with the equivalent period last year to €1,465 million. This can be attributed mainly to the decrease of €288 million in net interest in the CIB business segment to €585 million. However, net interest also fell in the other operating segments, amounting to €770 million in the CB business segment (2012: €811 million) and €17 million in the Asset Gathering business segment (2012: €28 million).

The decline in net interest results mainly from two developments. First, trading-induced interest fell by a sharp €120 million due in part to reduced volumes of financial assets held for trading. Second, net interest decreased primarily in lending operations on account of both contracting volumes and further declines in margins, especially in activities involving our corporate customers.

Dividends and other income from equity investments

The income generated from dividends and other income from equity investments, which results mainly from dividends paid by private equity funds, declined by €6 million compared with last year to total €56 million in the reporting period.

Net fees and commissions

In the first six months of 2013, net fees and commissions showed a very pleasing development compared with the same period last year, increasing by €54 million to €650 million. Within this total, growth was driven primarily by the net fees and commissions from lending operations which were up by €46 million to €229 million. Higher year-on-year results were also generated by an increase of €5 million in collection and payment services to €113 million on the back of higher account-management income and of €10 million in other service operations to €18 million. At €290 million, the year-ago total of €297 million was almost matched again in fee and commission income from management, brokerage and consultancy services. This trend is due mainly to a weaker securities business and can be attributed in part to customers' preference for products with lower margins for the Bank.

Net trading income

HVB Group recorded net trading income of €709 million in the first half of 2013; this represents a decline of €237 million, or 25.1%, compared with the equivalent period last year. It is important to note in this regard that the year-ago total benefited from a non-recurring effect of €395 million arising from the reversal of credit value adjustments in the first quarter of 2012. Adjusted for this effect, net trading income would have increased by €158 million compared with the equivalent period last year. In this context, valuation effects accrued on the financial liabilities held for trading, resulting from the inclusion of the own credit spread. This served to benefit net trading income year-on-year by an amount of €86 million.

The CIB business segment generated net trading income of €582 million in the reporting period compared with €831 million in the first half of 2012, which benefited from the effect described above from the reversal of credit value adjustments. Adjusted for this effect, net trading income increased by €146 million. In particular, the positive development of customer transactions involving fixed-income securities, interest rate derivatives and structured credit products contributed to this rise.

In order to enhance the capital structure of HVB Group and to exploit the low interest rate levels at the same time, further buy-backs of hybrid capital instruments were carried out in 2013. The resulting gains have been allocated to the Other/consolidation segment, for which we have recorded net trading income of €114 million after the first six months of 2013 (first half of 2012: €111 million, likewise including gains from the buy-back of hybrid capital instruments and supplementary capital).

Net other expenses/income

Net other expenses/income increased by a sharp €32 million to €91 million in the first half of 2013 compared with the equivalent period last year. This rise can be attributed primarily to the recognition of income from the billing of structuring and advisory services relating to project loans for earlier years and lower expenses for the bank levy in Germany, while the total in connection with disposals of loans and receivables fell compared with the same period last year.

Financial Review (CONTINUED)

Operating costs

Operating costs declined by €19 million, or 1.1%, to €1,764 million during the reporting period compared with the first half of 2012. Within this total, payroll costs, at €906 million, were €34 million down on last year partly on account of lower expenses for profit-related bonus payments, despite the increases in standard-rate and non-standard-rate wages and salaries. By contrast, other administrative expenses rose by a slight €13 million, or 1.7%, to €765 million. The main increases within this total relate to expenses for the implementation of greater regulatory requirements, the cost of external service providers and marketing expenses. Amortisation, depreciation and impairment losses on intangible and tangible assets increased by €2 million to €93 million.

Operating profit (before net write-downs of loans and provisions for guarantees and commitments)

The operating profit fell by a significant €469 million, or 28.0%, to €1,207 million in the reporting period due to the declines in net trading income and net interest. Consequently, the cost-income ratio (ratio of operating costs to operating income) rose by 7.9 percentage points to 59.4% in the reporting period (first half of 2012: 51.5%), which, in view of the historically low level of interest rates, is still a very good level for a universal bank despite the rise.

Net write-downs of loans and provisions for guarantees and commitments and net operating profit

At €86 million, net write-downs of loans and provisions for guarantees and commitments in the reporting period were at a very low level and thus significantly below the figure posted for the equivalent period last year (€265 million). In gross terms, the expenses of €763 million for additions in the first half of 2013 (2012: €745 million) were largely offset by releases and recoveries from write-offs of loans and receivables amounting to €677 million (2012: €480 million).

Net operating profit was down by €290 million, or 20.6%, to €1,121 million compared with the equivalent period last year (first half of 2012: €1,411 million which benefited from the non-recurring item in net trading income). Without the non-recurring item, net operating profit would have risen by €105 million or 10.3%.

Provisions for risks and charges

There was net income of €9 million from the reversal of provisions in the current reporting period (2012: €76 million), essentially accruing in connection with the reversal of provisions for legal risks.

Net income from investments

Net income from investments amounted to €94 million after the first six months of 2013 compared with €70 million in 2012. The net income from investments in the reporting period resulted mostly from gains of €128 million on disposal, which were partially offset by write-downs and value adjustments totalling €34 million. Of the total gains on disposal, €73 million relate to available-for-sale financial assets, essentially stemming from the sale of private equity funds, and €54 million to the disposal of property.

The year-ago total of €70 million resulted chiefly from gains on the disposal of land and buildings (€49 million) and available-for-sale financial assets (€22 million).

Profit before tax, income tax for the period and consolidated profit

HVB Group generated a good profit before tax of €1,222 million in a persistently challenging market environment in the first half of 2013. This total was lower than the figure recorded for the first half of 2012 (€1,557 million), mainly on account of the non-recurring effect of €395 million included in net trading income last year. Adjusted for the non-recurring item in 2012, the profit before tax is up €60 million, or 5.2%, compared with the figure posted for the equivalent period last year. Income tax in the first six months of 2013 totalled €404 million due in part to the lower profit, which represents a decline of €241 million on the income tax reported for the equivalent period last year (€645 million). After deducting income tax, HVB Group generated a consolidated profit of €818 million in the first half of 2013 (first half of 2012: €912 million).

Segment results

The segments contributed the following amounts to the profit before tax of €1,222 million of HVB Group:

Commercial Banking	€218 million
Corporate & Investment Banking	€604 million
Asset Gathering	€10 million
Other/consolidation	€390 million

The income statements for each segment and comments on the economic performance of the individual segments are provided in Note 3, "Segment reporting", in this Half-yearly Financial Report. The tasks and objectives of each segment are described in Note 1, "Accounting and valuation principles".

Financial situation

Total assets

The total assets of HVB Group decreased by €28.8 billion, or 8.3%, to €319.5 billion at 30 June 2013 compared with year-end 2012.

On the assets side, financial assets held for trading fell by €23.3 billion to €107.7 billion, resulting from a decline in the positive fair values of derivative financial instruments (down €28.5 billion), while the financial instruments reported in the balance sheet were up by €5.1 billion, particularly due to the €4.3 billion increase in repurchase agreements and a larger holding of equity instruments (up €1.5 billion) with fixed-income securities falling by €0.6 billion. Loans and receivables with customers declined by €5.9 billion to €116.3 billion, due mostly to decreases of €4.7 billion in other receivables and €1.0 billion in the volume of mortgage loans. This development also reflects the lower funding requirements, particularly of our corporate customers. A lower figure was reported for cash and cash equivalents compared with year-end 2012. This decline of €5.5 billion took place most notably in deposits with central banks. The cash and cash equivalents of €10.1 billion reflects our still very comfortable liquidity base and the placement of our high liquidity reserves with Deutsche Bundesbank. Partly as a result of this high liquidity reserve, we continue to see ourselves more than adequately prepared to face the difficult situation on the capital and financial markets which is likely to persist over the rest of 2013. Loans and receivables with banks rose by €4.8 billion to €41.1 billion on account of a sharp increase of €7.0 billion in repurchase agreements while balances on current accounts were down by €1.7 billion. Furthermore, the financial assets at fair value through profit or loss increased by €2.8 billion to €27.1 billion.

On the liabilities side, financial liabilities held for trading fell by €29.6 billion year-on-year to €91.9 billion due primarily to lower negative fair values of derivative financial instruments (down €28.5 billion) together with lower other financial liabilities held for trading (down €1.1 billion). There was also a decline of €6.0 billion, to €104.2 billion, in deposits from customers. Within this total, there were decreases of €3.9 billion in credit balances on current accounts, of €1.3 billion in reverse repos and of €1.2 billion in other liabilities, while term and savings deposits increased by €0.2 billion respectively. There was a net decline of €2.8 billion, to €33.0 billion, in debt securities on account of issues due. By contrast, deposits from banks rose by €13.1 billion, to €58.3 billion, compared with year-end 2012, caused essentially by increases of €14.0 billion in reverse repos while deposits from central banks declined by €0.9 billion. The shareholders' equity shown in the balance sheet fell by €1.7 billion, to €21.6 billion, over year-end 2012. At the same time, the dividend payment of €2,462 million made in the second quarter of 2013 in accordance with the resolution by the Shareholders' Meeting was only partially offset by the consolidated profit (attributable to shareholder of UniCredit Bank AG) of €808 million generated in the first half of 2013.

The contingent liabilities and other commitments not included in the balance sheet increased by €0.3 billion at 30 June 2013 to €56.2 billion from the 2012 year-end total of €55.9 billion. This figure includes contingent liabilities in the form of financial guarantees of €19.4 billion (2012: €19.9 billion); these contingent liabilities are offset by contingent assets of the same amount. Other commitments of €36.8 billion (2012: €36.0 billion) primarily consist of irrevocable credit commitments which rose by €0.8 billion year-on-year to €36.5 billion.

Risk-weighted assets, key capital ratios and liquidity of HVB Group

The total risk-weighted assets of HVB Group (including market risk and operational risk) determined on the basis of Basel II (German Banking Act/Solvency Regulation – KWG/SolvV) amounted to €100.0 billion at 30 June 2013 (31 December 2012: €109.8 billion), which represents a decrease of €9.8 billion compared with year-end 2012.

In the process, the risk-weighted assets for credit risks (including counterparty default risk) determined by applying partial use decreased by €8.2 billion to €75.0 billion. The decline results primarily from a reduction of €6.6 billion in risk-weighted assets at HVB and of

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€1.6 billion at UniCredit Luxembourg S.A. HVB's credit risk fell by €3.0 billion as a result of improved risk weightings caused by the annual adjustment of the loss given default parameters and the expansion of the IRBA approval by the German Federal Financial Supervisory Authority (BaFin) in the second quarter of 2013. In addition, HVB's counterparty risk fell by €3.2 billion, mainly due to declines in exposures in the derivatives business and improved risk weightings. There was also a decrease of €0.4 billion in HVB's securitisation positions. The reduction at UniCredit Luxembourg was caused by both declines in exposures and improved ratings.

The risk-weighted assets for market risk decreased by €1.2 billion to €11.7 billion. This development is mainly due to a reduction of positions in Italian sovereign bonds.

The risk-weighted equivalents for operational risk fell by a total of €0.5 billion to €13.3 billion, mainly at companies subject to the Advanced Measurement Approach (AMA). The decrease is essentially caused by greater insurance cover for the whole of UniCredit which is included in the AMA in such a way as to reduce risk.

At 30 June 2013, the core capital of HVB Group compliant with the German Banking Act excluding hybrid capital (core Tier 1 capital) remained almost unchanged at €19.1 billion compared with year-end 2012. As a result of the decline in total risk-weighted assets, the core Tier 1 ratio (ratio of core capital excluding hybrid capital instruments to the total amount of credit risk-weighted assets and risk-weighted asset equivalents for market risk and operational risk) rose to 19.1% at 30 June 2013 after 17.4% at year-end 2012. The core capital of HVB Group (Tier 1 capital) amounted to €19.2 billion at 30 June 2013 (31 December 2012: €19.5 billion). Due to the decline in total risk-weighted assets, the core capital ratio under Basel II (Tier 1 ratio; including market risk and operational risk) rose to 19.2% (31 December 2012: 17.8%). The equity capital amounted to €20.8 billion at 30 June 2013 (31 December 2012: €21.2 billion). The equity funds ratio was 20.8% at the end of June 2013 (31 December 2012: 19.3%).

A bank's liquidity is evaluated using the liquidity ratio defined in the German Banking Act/German Liquidity Regulation (KWG/LiqV). This figure is the ratio of cash and cash equivalents available within a month to the payment obligations falling due in this period. Liquidity is considered adequate if this ratio is at least 1.00. At HVB, this figure declined to 1.28 at the end of June 2013 after 1.38 at year-end 2012. A detailed description on the liquidity situation is given in the section of the Risk Report entitled "Liquidity risk" in this Interim Management Report.

Corporate acquisitions and sales

There were no significant acquisitions or sales in the first half of 2013.

See Note 2, "Companies included in consolidation", for details on changes in the group of companies included in consolidation.

Corporate structure

Legal corporate structure

UniCredit Bank AG was formed in 1998 through the merger of Bayerische Vereinsbank Aktiengesellschaft with Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft. It is the parent company of HVB Group, which is headquartered in Munich. HVB has been an affiliated company of UniCredit S.p.A. (UniCredit), Rome, Italy, since November 2005 and hence a major part of the UniCredit corporate group from that date as a subgroup.

Since the shares held by minority shareholders of HVB were transferred to UniCredit compliant with Section 327a of the German Stock Corporation Act (Aktiengesetz – AktG), as resolved at the Annual General Meeting of Shareholders in June 2007 and entered in the Commercial Register in September 2008, UniCredit has held 100% of the capital stock of HVB. Thus, trading in HVB shares officially ceased. HVB does, however, remain listed on securities exchanges as an issuer of debt instruments such as Pfandbriefs, bonds and certificates.

Organisation of management and control

The Management Board is the management body of HVB and consists of eight members. It is directly responsible for managing the Bank. It is obliged to act in the interests of the company and to increase its sustainable value. Within the framework of its leadership function, it is responsible for corporate planning and strategic orientation, and for ensuring adequate risk management and control. The Management Board provides the Supervisory Board with regular, timely and comprehensive reports on all issues relevant to corporate planning and strategic development, the course of business and the state of the Bank and its subsidiaries, including the risk situation and significant compliance issues. The members of the Management Board are jointly responsible for managing the Bank.

The Supervisory Board of the Bank has 12 members and has an equal number of employee and shareholder representatives. The task of the Supervisory Board is to monitor and regularly advise the Management Board as it conducts its business.

A list showing the names of all the members of the Management Board and the Supervisory Board of HVB is given in this Half-yearly Financial Report under Note 31, "Members of the Supervisory Board and Management Board".

Events after 30 June 2013

In the course of the ongoing sovereign debt crisis, the credit standings of the affected sovereigns and their financial institutions are being constantly reassessed. On 9 July 2013, the Standard & Poor's (S&P) rating agency lowered its long-term rating for the country of Italy by one notch from BBB+ to BBB, while the outlook was retained as negative due to the poor prospects for economic development. In connection with the downgrade for Italy, on 12 July 2013 S&P lowered its ratings for several Italian financial institutions, including our corporate parent UniCredit S.p.A., to BBB (outlook: negative), or put them on the watch list. At the same time, the long-term rating for HVB Group was left at A, although we were placed on "Watch negative", meaning that a downgrade is being considered. S&P expects to either confirm or lower our rating within the next three months. Rating agency Moody's confirmed our long-term rating of A3 on 15 July 2013.

Outlook

The following comments on the outlook are to be viewed in connection with the comments on the outlook in the Financial Review and Risk Report in the consolidated financial statements for the 2012 financial year (see the HVB Group Annual Report for 2012).

General economic outlook and sector development in 2013

The global economy and the international financial markets continue to face a high degree of uncertainty. Nonetheless, we anticipate a moderate recovery in the global economy in the second half of 2013.

The Chinese economy has been a key driver of global growth over recent years, but it has recently seen its rate of expansion slow unexpectedly sharply. And the effects of the increasing scarcity of state credit remain uncertain. The structural potential in the world's second-biggest economy remains enormously high, however, and despite the slower pace of industrial growth, consumer demand has to date proved robust. By contrast, the economic environment in the United States has steadily improved of late. The turnaround has been achieved in the housing market and the labour market, yet the fiscal cliff has not been completely averted. Wide-ranging budget cuts were indeed implemented in the first half of 2013, although these do not appear to have had a negative effect on the steady recovery. The Federal Reserve is currently preparing to start a gradual normalisation of monetary policy accordingly. The first step in this regard will involve a reduction in the scope of bond purchases.

There are also signs of stabilisation in the eurozone, although the financial markets in Europe continue to see high volatility and structural solutions for the sovereign debt of major eurozone countries are still outstanding. Mutual agreement has been reached on easing the requirements for short-term austerity measures somewhat. This has helped to reduce the pressure on the domestic economy, while the prospects for exports have improved at the same time. The path of austerity in the countries affected by the debt crisis remains bumpy. There is a need for additional finance in Greece and Portugal in particular, although the extreme risk of the eurozone disintegrating has permanently declined since the announcement of the OMT programme by the ECB. Even though we project a tangible minus of 0.6% year-on-year for 2013 as a whole, eurozone GDP is likely to increase again somewhat in the second half of the year.

With regard to the German economy, we believe that growth of 0.5% can be achieved in 2013. Companies are anticipating a moderate recovery in exports as the year wears on and the prospects for domestic demand remain good. Given the improved outlook for the global economy, companies should be looking to catch up on at least part of the capital spending they had put back. The construction sector is benefiting greatly from the demand for housing driven by low interest rates. Furthermore, the slow but sure upward trend in employment, coupled with decent rises in take-home pay, is helping to boost consumer spending.

The announcement of unlimited purchases of government bonds by the ECB, subject to certain conditions, in the third quarter of 2012 had a very positive impact on the general funding options available to banks. The second quarter of 2013 was characterised by far fewer issuing operations compared with the first quarter of the year. Besides seasonal effects, fears about an end to securities purchases in the United States and the tight situation on the Chinese interbank market are among the probably causes of the decline. Nonetheless, the market environment for banks can be expected to remain beneficial, although the risk of occasional volatility, triggered by political events, is far from negligible. Progress was made on regulatory proposals at both EU and German national level in the second quarter of 2013. In Germany, the Mediation Committee approved the act implementing CRD IV. This now makes it possible for the CRD IV directive to be enacted by 1 January 2014 in Germany, as demanded by the EU, and hence the foundation to be laid for a more stable financial sector. The lower and upper houses (Bundestag and Bundesrat) approved the act implementing CRD IV on 27 June 2013 and 5 July 2013 respectively. This means that CRD IV will come into force with effect from 1 January 2014. The preparations for CRD IV are likely to be a main point of focus for banks in the second half of the year. Thanks to its strong capital and liquidity base, HVB Group is well prepared for the requirements arising from the introduction of Basel III/CRD IV in terms of both fulfilling all the capital charges and new liquidity ratios. Technical implementation is running as planned.

Furthermore, German lawmakers are set to make changes to the regulations governing large loans and loans to executives (Großkredit- und Millionenkreditverordnung – GroMiKV), which could lead to restrictions on cross-border corporate financing. The new rules are currently still in the consultation phase and will come into force with effect from 1 January 2014 following their expected approval in the second half of 2013.

Moreover, banks in Germany are already expected to adjust their commercial operations in preparation for the mandatory segregation of proprietary trading activities. On 7 June 2013, the corresponding draft bill presented by the federal government was adopted by the upper house. This legislation requires banks that manage customer deposits to separate the risks arising from their proprietary speculative and high-risk transactions from their customer-based activities. The approved rules are scheduled to come into force in January 2014, and the segregation of the activities must be completed by July 2016. At present, it is not possible to assess the effects of this bill on the assets, liabilities, financial position, and profit or loss of HVB.

The EU proposal regarding bank rescues released on 27 June 2013 represents a further regulatory milestone. The Council of the European Union has approved the Bank Recovery and Resolution Directive (BRRD). This represents the springboard for the trilogue process that provides for a directive to be adopted by the end of 2013. The BRRD is intended to come into force with effect from 1 January 2015 as planned. The controversial bail-in mechanism for mainly unsecured bonds is only intended to come into force with effect from 1 January 2018.

Both CRD IV and the bank-recovery plans are intended to help greatly improve the stability of European banks in the medium term. At the same time, the regulatory requirements are likely to have a considerable influence on banks' business and funding models. Profitability is generally expected to decline while the cost of compliance will increase and the cost of funding with mainly unsecured bonds could rise in the long run.

In May 2013, the European Banking Authority agreed to review the quality of the assets held by major European banks with a view to alleviating concerns regarding a deterioration in quality. The intention is for these measures to be taken in the run-up to the EBA stress tests scheduled for the first half of 2014. The ECB is intended to gain a comprehensive picture of the condition of the banks prior to taking on the role of Europe-wide banking supervisor in the second half of 2014.

Development of HVB Group

With the difficult market conditions forecast to persist in 2013, HVB Group continues to expect that it will fail to match the very good result of the previous year over 2013 as a whole, in particular because the 2012 figures included the positive effect arising from credit value adjustments and net interest is set to fall on account of the ongoing downward pressure on margins. With the persistently high level of uncertainty entailed in the macropolitical environment in Europe and the resulting high structural volatility of financial and capital markets, forward-looking statements on performance are fairly unreliable. Based on our business model and the assumption that the political and macroeconomic environment will remain relatively stable, we assume that we will again be able to generate a good profit before tax in 2013. In this "stable scenario", we are budgeting for a pre-tax profit in 2013 roughly equal to the result in 2012 (adjusted for one-off effects).

HVB Group expects to record a year-on-year decline in operating income in 2013, in particular due to a significant decrease in net trading income. It should be noted, however, that the good figure posted for net trading income in 2012 benefited from the non-recurrent effect from the reversal of credit value adjustments mentioned above. At the same time, the downward pressure on margins in interest-driven activities should continue unabated in the 2013 financial year, which could lead to a sharp decline in net interest. Operating costs should remain close to their 2012 level, despite the anticipated inflation rate of 1.3% for the year as a whole, as a result of the strict cost management that we have been practising for several years now. We expect net write-downs of loans and provisions for guarantees and commitments in 2013 to be much lower than in 2012.

The financial markets will continue to be affected by the unresolved sovereign debt crisis in particular. Consequently, the performance of HVB Group will depend on the future development of the financial markets and the real economy as well as on other remaining imponderables. 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. With its strategic orientation and excellent capital resources, HVB Group is in a good overall position to effectively exploit the opportunities that may arise from the new operating environment, the further volatility that can still be expected on the financial markets and an expanding real economy.

We expect that all the segments will contribute a profit before tax to the good results of HVB Group in the 2013 financial year as a whole. The results trends for the individual business segments in the 2013 financial year are discussed below.

HVB Group's performance in the 2013 financial year will depend in large part on the operating performance of the CIB business segment, and in particular its earnings and net write-downs of loans and provisions for guarantees and commitments. We expect CIB's operating income to decline year-on-year in the 2013 financial year, due in part to a fall in net trading income on account of the non-recurrence of the effect from the reversal of credit value adjustments included in the previous year. Without this one-off effect, higher net trading income is anticipated for 2013 compared with the previous year. At the same time, the decline in operating income will result from a sharp year-on-year fall in net interest due primarily to the persistently

strong downward pressure on margins and the restrained demand for credit. By contrast, net fees and commissions are projected to rise across all activities. Operating costs are only expected to rise slightly set against falling payroll costs, whereas the net write-downs of loans and provisions for guarantees and commitments in the 2013 financial year are likely to be much lower than in the previous year. The profit before tax in the 2013 financial year is anticipated to be higher than the year-ago figure adjusted for the one-off effect in net trading income.

We expect the Commercial Banking business segment to record operating income in the 2013 financial year that is at around the same level as in the previous year. Within this total, the decline in net interest caused by the ongoing downward pressure on margins should be largely offset by an improvement in net fees and commissions, net trading income and net other expenses/income. In terms of net fees and commissions, the focus in the 2013 financial year will remain on the development of the mandate-based securities business with a view to stabilising net fee and commission income. The planned moderate increase in operating costs will probably result from other administrative expenses, whereas we would expect payroll costs to decline. The net write-downs of loans and provisions for guarantees and commitments will in all probability rise to a still moderate level in the 2013 financial year compared with the very low year-ago figure. All in all, the profit before tax for the 2013 financial year will not match the good year-ago total.

We expect the Asset Gathering business segment to report a pre-tax profit in the 2013 financial year that is well below the total for the previous year. In part, this is due to the challenging interest environment in this year and the associated significant decrease in net interest. At the same time, we do not expect to be able to match the unusually high net income from investments recorded in 2012. In terms of net interest, we do not envisage any further declines in the second half of the year compared with the first six months. We anticipate that the trading activity of our customers will touch the same levels in the second half of the year and hence that net fees and commissions will remain stable. Based on our consistent cost management, we expect operating costs to remain stable.

Risk Report

HVB Group as a risk-taking entity

By their very nature, the business activities of HVB Group are subject to risk. HVB Group defines risk as the danger of suffering losses or foregoing gains on account of internal or external factors. Deliberately taking on risk, actively managing it, and monitoring it on an ongoing basis: these are core elements of profit-oriented management of business and risk transactions by HVB Group. In the course of our business activities, risks are identified, quantified, assessed, monitored and actively managed. We therefore regard it as one of our core objectives to apply these considerations in order to integrate risk-management, risk-controlling and risk-monitoring processes in all business segments and functions. These activities are the precondition for providing adequate capital backing and maintaining an adequate liquidity base.

All HVB Group companies that are included in the consolidated financial statements of HVB Group prepared in accordance with International Financial Reporting Standards (IFRS) are incorporated in the risk management programme of HVB Group. These Group companies are classified by applying various criteria as part of the Internal Capital Adequacy Assessment Process (ICAAP), such as size, portfolio structure and risk content. The economic capital for large and complex companies is measured differently for the individual risk types. A simplified approach is applied for all other companies.

The risk types as defined in the next section have been regrouped for the 2013 Half-yearly Financial Report. Where there have been changes to the methods used to measure the risk types, these are described under the individual risk types concerned.

Risk types

Credit risk is defined as potential losses arising from a customer default or a downgraded credit rating. It arises mainly in the Corporate & Investment Banking (CIB) and Commercial Banking (CB) business segments.

Market risk is defined as the potential loss arising from an adverse change in the value of positions in the trading and banking books.

The companies that conduct trading activities or have significant capital market positions are primarily exposed to such risk. Alongside UniCredit Bank AG (HVB), these are the subsidiaries DAB Bank AG, HVB Capital Partners AG, UniCredit Capital Markets LLC and UniCredit Luxembourg S.A.

Liquidity risk is defined as the risk that the Bank will not be able to meet its payment obligations in full or on time. However, it is also defined as the risk of not being able to obtain sufficient liquidity when required or that liquidity will only be available at higher interest rates, and the risk that the Bank will only be able to liquidate assets on the market at a discount.

The Bank defines **operational risk** as the possibility of suffering losses from faulty internal processes, systems or external events, and human error. This definition includes legal risk.

All minor risk types with a relatively low share of internal capital are grouped together under **other risks**. **Business risk** is defined by the Bank as losses from unexpected adverse changes in business volume and margins that cannot be attributed to other risk types. **Strategic risk** is a non-quantifiable portion of business risk that results from management being slow to recognise significant developments or important trends in the banking sector or drawing false conclusions about such developments and trends. This may result in policy decisions that may prove after the event to be disadvantageous in terms of the Bank achieving its long-term goals; in the worst case, some of these may be hard to reverse. **Reputational risk** is defined as a present or future risk to the earnings or capital situation of the Bank due to a negative perception of the Bank by customers, creditors, rating agencies, employees and regulatory authorities or other interest groups such as private associations and the media. **Risk arising from the real estate portfolio** exists primarily in the HVB Group companies that have their own portfolio of real estate. We classify potential losses resulting from market fluctuations of our real estate portfolio under this risk type.

Risk arising from our shareholdings/financial investments relates to potential losses resulting from fluctuations in the prices of our listed and non-listed shareholdings, financial investments and corresponding fund shares. **Pension risk** is defined as the unexpected increase in pension commitments compared with the assets available to cover such commitments.

Integrated overall bank management

Background

The ICAAP requirements are derived from the Minimum Requirements for Risk Management (MaRisk) and are being constantly refined. Most of the new ICAAP-related features have already been implemented as a result of the timely examination of the new version of the MaRisk rules published on 14 December 2012. Larger adjustments are required to implement a process to plan the future capital requirement over a period of several years. The project activities required to do this have been started and the new requirements will be implemented together with the plan for the 2014 financial year.

Risk management

HVB Group's risk management programme is now built around the business strategy adopted by the Management Board, the Bank's risk appetite and the corresponding risk strategy. Implementation of the risk strategy is a task for the Bank as a whole, with key support from the Chief Risk Officer (CRO) organisation.

The Bank's risk-bearing capacity upon achievement of the set targets is assessed in advance using the available financial resources on the basis of the risk strategy and the business and risk plans. At the same time, limits are defined in the planning process to ensure that the risk-bearing capacity is guaranteed.

The business segments are responsible for performing risk management working closely with the CRO within the framework of competencies defined by the Management Board of HVB.

Functional separation

In addition to Bank-wide risk management, integrated overall bank management is accompanied by comprehensive risk controlling and monitoring in accordance with the MaRisk rules, which is functionally and organisationally independent.

Risk controlling

Risk controlling is defined as the operational implementation of the risk strategy. The Senior Risk Management (SRM) unit and the Credit RR F&SME Germany (KRI) unit are responsible for managing default risk for the CIB and Commercial Banking (CB) business segments. The senior risk managers and the credit specialists take lending credit decisions in the defined "risk-relevant business". Thus they make it possible for the front office units to take on risk positions in a deliberate and controlled manner within the framework of the risk strategies and evaluate whether it is profitable to do so from the overall perspective of the customer relationship and on the basis of risk-return considerations. In the "non-risk-relevant business", the front office units are authorised to take their own credit decisions under conditions set by the CRO. The Trading Risk Management unit is responsible for controlling market risk, while the operational risk managers in the individual business segments are responsible for controlling operational risk. Controlling of the financial investments is in the hands of the business segments to which they are assigned in each case and the Asset Liability Management unit in the Chief Financial Officer (CFO) organisation is responsible for controlling liquidity risk. Real estate risk is controlled by the Real Estate Management UniCredit Bank (GRE) and Real Estate Management UGBS (IME) units.

Risk monitoring

The central risk monitoring function within the CRO organisation is responsible for identifying, measuring and evaluating the risks at HVB Group. It is subdivided in accordance with risk types. The risk control functions for the following risk types are grouped together in the Market Risk unit: market risk, operational risk, reputational risk and liquidity risk. The Credit Risk Control & Economic Capital (CEC) unit monitors credit risk, business risk, real estate risk and investment risk and consolidates all quantifiable risk types, with the exception of liquidity risk, for the determination of the economic capital requirement.

Parallel to these activities, the available financial resources are defined, quantified and compared with the risk capital for the analysis of the risk-bearing capacity. A qualitative approach is used to monitor and manage risks that cannot be quantified.

Implementation of overall bank management

System of strategies

The system of strategies at HVB Group essentially comprises the business strategy and the risk strategy of HVB Group, with the business strategy forming the foundation. The risk strategy encompasses the relevant risk types, the risk strategies of the CIB and CB business segments, the Industry Credit Risk Strategy and a summary of the risk strategies of the relevant subsidiaries.

The HVB Group business strategy includes definitions of the business model and the conceptional framework for the strategy and its cornerstones for both the Bank as a whole and the individual business segments.

The HVB Group risk strategy is derived consistently from the business strategy, supplementing it with the relevant aspects of risk management. The risk strategy focuses on considering the relevant risk types of credit and market risk together with their controlling using the economic capital and limits, as well as operational risk, investment, real estate and business risk, which are only controlled using the economic capital. In addition, the strategic objectives for reputational risk, strategic risk and outsourcing are also defined in quality terms.

In particular, the section on credit risk is supplemented by the Industry Credit Risk Strategy, which defines the direction of risk policy within the various industries.

The relevant subsidiaries are incorporated in the strategies listed above to ensure integrated risk management.

The strategies approved by the Management Board are reviewed on both an ad hoc and a regular basis and, where necessary, modified.

2013 strategy

The Bank's business strategy objectives are geared to keeping allowances for losses on loans and advances at a permanently low and stable level. This means that a portfolio containing less risk than the

industry average needs to be achieved that also secures the business strategy objectives in a difficult macroeconomic environment. HVB enjoys a good strategic position as a result of the strategic reorientation of the business model in the CIB business segment initiated at the end of 2011, which is still applicable, and the refinement of the organisational structure in 2013 involving the roll-out of the Commercial Banking business segment. Thanks to its distinct risk culture, which is permanently established across all stages in the value chain of the customers and credit management process, coupled with its conservative risk strategy objectives, the Bank believes it is in a good position to master the uncertainty surrounding the global economy and the international financial markets, which will remain high again in 2013.

The core elements of the strategy remain in place. These include:

- a focus on customer-related activities with low charges to risk-weighted assets (RWA)
- a focus on the core market
- the definition of a non-core portfolio, which is intended to release around €25 billion from risk-weighted assets to be invested in expanding customer-related activities

The ring-fenced portfolios were reduced in line with the strategy. These include:

- ship and aircraft loans
- renewables, primarily in Asia and the Americas
- risk concentrations with individual borrowers

The concentration risk in the leveraged buyout portfolio and the automotive industry were successfully reduced, benefiting greatly from the greatly improved receptiveness of the debt and equity markets. The better than expected operating performance of the companies also played a major role here. The Bank aims to continue reducing its concentration risk and believes the reduction will be completed in 2013.

In accordance with the strategic objectives, the core portfolio has been developed towards a portfolio containing lower than average risk together with stable risk costs.

The Bank's risk result is determined to a large part by the structural weakness of the shipping finance market that is expected to last until at least 2015 and non-core project loans in Asia and the Americas.

Overall bank management at Group level

The metrics relevant for the overall bank management of HVB Group are derived from the business strategy in the annual budgeting process. Earnings, risk, liquidity and capital targets are defined in the budgeting process together with the targeted risk-bearing capacity at overall Bank level. The limits for the internal capital are defined and monitored in order to ensure the Bank's risk-bearing capacity. For the purposes of business segment management, the economic capital limits are distributed for each risk type to ensure that the planned economic risk remains within the framework defined by the Management Board.

Furthermore, the economic yield expectations have been calculated using the allocated capital principle that UniCredit introduced across its entire organisation. Within the framework of the principle of dual control, both regulatory capital in the sense of used core capital and internal capital are allocated to the business segments. Both resources are assigned expected yields which are derived from the expectations of the capital market and which have to be earned by our business units.

In line with the parameters defined in the business strategy and the risk strategy, the defined targets are broken down to business segment level and then translated into operational metrics for sales management. The defined targets are monitored using a standardised monthly report to the Management Board of HVB. The Management Board of HVB initiates counter-measures in response to deviations from the targets defined in the budgeting process.

Regulatory capital adequacy

Used core capital

For the purposes of planning and monitoring risk-weighted assets (in accordance with the Basel rules, and in order to meet the stricter European regulatory requirements for systemically important financial institutions or groups of institutions in 2013), the business segments are required to have core capital backing for credit, market and operational risks equal to an average of 9% of equivalent risk-weighted assets. Furthermore, the expected return on investment is derived from the average used core capital.

Management of regulatory capital adequacy requirements

To manage our regulatory capital taking account of regulatory requirements, we apply the following three capital ratios, which are managed within the framework of HVB Group's risk appetite rules using internal targets, triggers and limit levels:

- Tier 1 ratio (ratio of core capital to risk-weighted assets arising from credit risk positions and equivalent risk-weighted assets from market and operational risk positions)
- Core Tier 1 ratio (ratio of core capital, excluding hybrid capital instruments, to the sum of risk-weighted assets arising from credit risk positions and the equivalent risk-weighted assets from market and operational risk positions)
- Equity funds ratio (ratio of equity funds to the sum of risk-weighted assets arising from credit risk positions and the equivalent risk-weighted assets arising from market and operational risk positions)

More detailed information on these ratios is provided in the section "Risk-weighted assets, key capital ratios and liquidity of HVB Group" in the Financial Review in the present Half-yearly Financial Report.

The following process has essentially been defined to determine the appropriate capital funding: based on our (multi-year) annual plan, we prepare a monthly, rolling eight-quarter projection for ongoing forecasting of our capital ratios in accordance with the German Banking Act (Kreditwesengesetz – KWG).

HVB Group and UniCredit S.p.A. agreed with the relevant regulators beyond the statutory minimum requirements that HVB would not fall below an equity funds ratio of 13%. This agreement remains in force until the measures required to remedy findings from earlier audits of annual financial statements and regulatory compliance regarding statutory and regulatory requirements in Germany have been implemented. The equity funds ratio of HVB Group was 20.8% at the end of June 2013 (31 December 2012: 19.3%).

The measures listed above have been successfully advanced since 2010 as part of a Bank-wide project carried out with top priority to a strict methodology and adequately resourced. Their main contents

Risk Report (CONTINUED)

reflect the breadth of the constantly increasing regulatory requirements for the structure of the risk management system and the internal control system. The improvements achieved by the successful conclusion of several complex implementation projects at the end of 2012 are reviewed constantly in everyday operations and refined in order to ensure that the requirements are permanently met.

Economic capital adequacy

HVB Group determines its internal capital on a quarterly basis. The internal capital is the sum total of the economic capital of all quantified risk types, with the exception of liquidity risk, and the economic capital for small legal entities. Pension risk has been included in the calculation for the first time at June 2013. A confidence level of

99.93% (previously 99.97%) and a holding period of one year have been assumed consistently for all risk types since March 2013.

When the economic capital is determined, risk-reducing portfolio effects are taken into account and parameters and correlations applied that include economic downturns. On account of the low risk content, the economic capital for small legal entities of HVB Group is calculated with no differentiation by risk type.

An all-round overview of the risk situation of HVB Group is obtained by regularly assessing the Bank's risk-bearing capacity, as shown in the following table.

Internal capital after portfolio effects (confidence level 99.93% since March 2013, previously 99.97%)

Broken down by risk type	30/6/2013		31/12/2012 ¹	
	€ millions	in %	€ millions	in %
Credit risk	5,907	50.5	7,982	57.6
Market risk	1,937	16.6	2,186	15.8
Operational risk	1,639	14.0	1,965	14.2
Business risk	342	2.9	263	1.9
Risk arising from our own real estate portfolio	384	3.3	378	2.7
Risk arising from our shareholdings/financial investments	860	7.3	985	7.2
Aggregated economic capital	11,069	94.6	13,766	99.4
Economic capital of small legal entities	70	0.6	81	0.6
Pension risk	566	4.8	—	—
Internal capital of HVB Group	11,705	100.0	13,847	100.0
Available financial resources of HVB Group	20,278		21,008	
Risk-bearing capacity of HVB Group, in %	173.2		151.7	

¹ deviations from figures published in the 2012 Annual Report due to the modified calculation of the internal capital to reflect the structure in effect since January 2013

Aggregated economic capital¹ after portfolio effects (confidence level 99.93% since March 2013, previously 99.97%)

Broken down by segment	30/6/2013		31/12/2012 ²	
	€ millions	in %	€ millions	in %
Commercial Banking	2,324	20.9	3,436	24.8
Corporate & Investment Banking	6,778	60.9	8,487	61.3
Asset Gathering	180	1.6	207	1.5
Other/consolidation	1,857	16.6	1,717	12.4
Aggregated economic capital of HVB Group	11,139	100.0	13,847	100.0

1 aggregate of economic capital of the individual risk types and economic capital of small legal entities, excluding pension risk

2 deviations from figures published in the 2012 Annual Report due to the modified calculation of the internal capital to reflect the structure in effect since January 2013

The internal capital falls by €2.1 billion overall. This can be attributed primarily to the change in the confidence level (total of minus €1.7 billion). The individual changes are described in greater detail in the sections on the respective risk types below.

Risk appetite

HVB Group's risk appetite is defined as part of the annual strategy and planning process. The risk appetite ratios comprise ratios for capital adequacy and for profitability as a proportion of risk and liquidity. Thresholds and limits are defined for these ratios that allow risk to be identified and counter-measures initiated at an early stage. The matter is escalated to the appropriate committees and the Management Board, should the defined limits be exceeded.

Gone concern/going concern

HVB Group normally controls its risk-bearing capacity under a gone-concern approach. In other words, the risk-bearing capacity spotlights HVB Group's ability to settle its liabilities. At the same

time, appropriate figures are also defined for the regulatory core capital backing alongside targets, triggers and limits for the risk-bearing capacity.

The going-concern concept is additionally allowed for by critically evaluating and incorporating as appropriate the results of the regular Bank-wide stress tests when defining targets, triggers and limits for both the risk-bearing capacity and the regulatory core capital backing.

Recovery and resolution plan

The preparation of recovery and resolution plans is intended to facilitate the recovery and, in an emergency, also the orderly resolution of systemically important financial institutions.

UniCredit has been defined as globally systemically relevant and HVB has coordinated closely with UniCredit to draw up a draft recovery plan for HVB Group, which was submitted to the German banking supervisors in March 2013. The plan is to be updated in 2013.

Risk-bearing capacity

In a quarterly analysis of our risk-bearing capacity, we measure our internal capital against the available financial resources. Furthermore, a monthly update is carried out for the two biggest risk types – credit risk and market risk – and a monthly analysis of the available financial resources for the purpose of systematically monitoring the risk-bearing capacity. Moreover, the risk-bearing capacity is analysed as part of our planning process with an appropriate internally defined forecast period of one year.

HVB Group uses an internal definition for the available financial resources, which, like risk measurement, is based on a consistent liquidation approach (gone concern). Under this approach, the risk-bearing capacity is defined by comparing maximum potential losses (internal capital) with the ability to absorb losses using the available equity (available financial resources). When determining the available financial resources, the available economic capital is considered. In other words, the calculation is made in accordance with a value-oriented derivation, under which shareholders' equity is adjusted for fair value adjustments. Furthermore, intangible assets, deferred tax assets and effects arising from the own credit spread are deducted and minority interests are only taken into account to the extent of the risk-bearing portion. At the same time, subordinated liabilities recognised as shareholders' equity for banking supervisory purposes are included. The available financial resources at HVB Group totalled €20.3 billion at 30 June 2013 (31 December 2012: €21.0 billion).

With internal capital of €11.7 billion, the risk-bearing capacity is approximately 173% (year-end 2012: 152%). We see this as a comfortable value. The increase of 21 percentage points for HVB Group compared with 31 December 2012 can be attributed to the sharp decline of €2.1 billion, or 15.5%, in internal capital. This effect is greater than the slight decrease of €0.7 billion, or 3.5%, in the available financial resources in the first half of 2013. The reduction in the available financial resources results from different and, in some cases, contrary developments in individual components, including the expiry of limited-term subordinated capital instruments, the buy-back of hybrid capital instruments and an increase in the value adjustment excess.

Limit concept

The risk limit system is a key component of the ICAAP at HVB Group. Its purpose is to ensure the Bank's risk-bearing capacity at all times by means of an integrated controlling process. A wide-ranging, consistent limit system that includes the specification of limits for internal and economic capital, risk-type-specific limits and limits for risk concentrations has been implemented to ensure this. It covers all risks that need to be backed with capital. Consequently, unexpected losses for credit, market, operational, investment, business and real estate risk are currently recorded.

This limit system is based on the risk strategy and the risk appetite and ensures compliance with the risk-bearing capacity. The risk limits are approved annually by the Management Board of HVB as part of the strategy process.

The internal-capital limits are allocated both at the level of HVB Group broken down by risk type and for the small legal entities and for the internal capital as a whole. Based on the aggregate limit set for internal capital, the risk-bearing capacity of HVB Group is ensured at all times. The correlation effects included in the internal capital cannot be influenced by the business segments and legal entities. Consequently, economic-capital limits adjusted for these effects and the risk-type-specific limits are used for controlling purposes in the business segments and relevant legal entities.

In order to identify possible limit overshoots at an early stage, HVB Group has specified thresholds in the form of early warning indicators as well as the defined limits. The utilisation and hence compliance with the limits is monitored regularly and presented in the Bank's reports on a monthly basis.

Stress tests

The MaRisk rules call for stress tests to be carried out regularly using various scenarios.

Various macroeconomic downturn scenarios and a historic scenario were calculated for the cross-risk-type stress tests in 2013:

- Contagion scenario – sovereign debt crisis becomes systemic and other countries are infected
- Grexit scenario – disorderly departure of Greece from the eurozone

- Recession scenario – recession in Germany due to a massive decline in global demand
- Historical scenario – based on the 2009 financial crisis

The cross-risk-type stress tests were presented and analysed in the Stress Test Council (STC) on a quarterly basis and, where necessary, appropriate management measures were proposed to the Risk Committee (RC). The risk-bearing capacity would currently be ensured, even if the stress scenarios listed above were to materialize.

Furthermore, inverse stress tests are carried out. This involves analysing what events could endanger the continued existence of the Bank as a going concern. The continued existence as a going concern is considered at risk when the original business model proves to be no longer feasible or viable. Inverse stress tests are based on the interviews that are conducted regularly as part of the risk inventory and the Bank's risk structure. The hypothetical events analysed included fraud by a trader, rating downgrades, a bank run or default by the biggest customers. The STC discussed the most serious events at length and examined whether such events were already covered by the Bank's risk management programme. As this was the case, no further measures were considered necessary.

Concentrations of risk and earnings

Concentrations are accumulations of risk positions that react similarly to specific developments or events. Concentrations may have an impact within a risk type or equally across risk types. Concentrations indicate increased potential losses resulting from an imbalance of risk positions held in customers and products or specific industries and countries.

Concentrations are analysed, managed, controlled and reported on a regular basis with regard to the relevant risk drivers for credit, market, liquidity and operational risk. In particular, appropriate instruments and processes ensure the prompt identification of concentrations.

In 2013, the risk management processes for concentrations will be optimised with regard to the connection of risk drivers across the risk types, such that concentration risk is integrated into the assessment and controlling.

The concentration of earnings in individual customers, business segments, products or regions represents a business-strategy risk for the Bank. Risk arising from concentrations of earnings is monitored regularly, as its avoidance is an important indicator of sustainable diversification and hence the viability of the business model in crisis situations.

Risk inventory

The scheduled comprehensive risk inventory was started at HVB Group in March 2013. Among other things, this includes examining and scrutinizing both present and potential new risks by means of structured interviews with numerous decision-makers at the Bank. The larger subsidiaries are adapting this approach as appropriate for their situation, while the smaller subsidiaries will use a simplified procedure to determine the relevant risks. The results will be presented to the RC in the autumn and included in the calculation and planning of the risk-bearing capacity.

Internal reporting system

The internal reporting system supports risk monitoring at portfolio level in particular. This involves providing information about the overall risk to the Management Board on a monthly basis and to the Audit Committee of the Supervisory Board at least on a quarterly basis and also ad hoc. In addition, further monthly risk reports are created focusing on specific business segments, products or industries, to be communicated to the RC and the units involved with risk management, among others.

Risk types in detail

Where minor developments affecting individual risk types have taken place, these are described under the risk type concerned.

1 Credit risk

The economic capital for credit risk at HVB Group, without taking account of diversification effects between the risk types, amounts to €6.0 billion, which is €2.2 billion lower than the total at 31 December 2012 (€8.2 billion). Among other things, the reduction results from the adjustment of the confidence level from 99.97% to 99.93% in March 2013.

Risk Report (CONTINUED)

Credit default, counterparty and issuer risk

The following tables and charts for credit default risk and counterparty risk in the Bank as a whole and issuer risk in the banking book show the aggregate exposure values excluding the remaining exposures assigned to the former Real Estate Restructuring segment. These are excluded from the analysis because the portfolio, which has already been reduced considerably in recent years to €0.9 billion

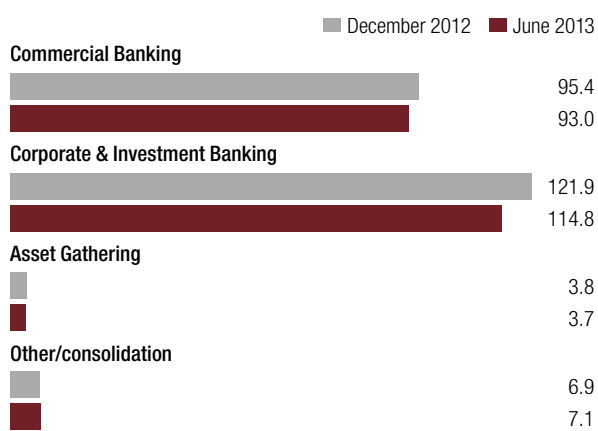
(31 December 2012: €1.1 billion), is earmarked for elimination without any new business being written. The aggregate credit default, counterparty and issuer exposure is called credit default risk exposure or simply exposure below. Issuer risk arising from the trading book is included in the market risk analysis by way of the incremental risk charge. The comments in this regard can be found in the section covering market risk.

Breakdown of expected loss by segment

(€ millions)

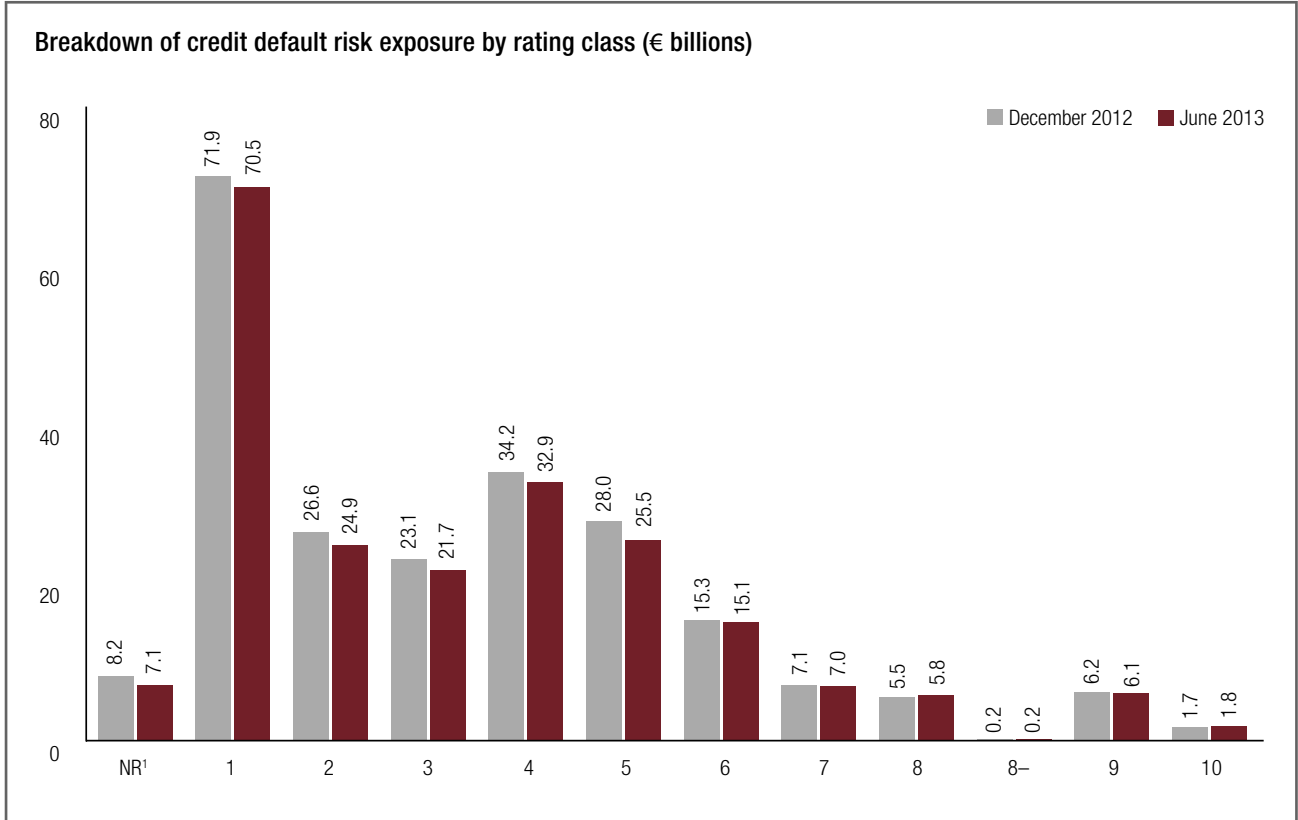
Breakdown by segment	EXPECTED LOSS	
	30/6/2013	31/12/2012
Commercial Banking	200	241
Corporate & Investment Banking	430	428
Asset Gathering	1	4
Other/consolidation	48	45
HVB Group	679	718

Breakdown of credit default risk exposure by segment (€ billions)



A reduction in the expected loss is evident at HVB Group during the first half of 2013. This development can be attributed to both the reduction in the credit default risk exposure and a partial improvement in the probabilities of default.

The exposure in the Corporate & Investment Banking business segment has declined by €7.1 billion. This can be attributed among other things to a change in the placement of excess liquidity.



¹ not rated

The rating classes are shown broken down into non-rated partners (NR), the rating classes 1 to 7 for performing loans and the rating classes 8 to 10 for non-performing loans, with the rating classes 8-, 9 and 10 representing default classes.

The exposure in the rating classes 1 to 7 and the exposure to non-rated partners decreased on account of the overall decline in exposure at HVB Group.

**Breakdown of credit default risk exposure
by industry group**

(€ billions)

Industry group	30/6/2013	31/12/2012
Banks, insurance companies	53.0	58.1
Public sector	31.1	30.0
Real estate	23.5	24.0
Energy	12.0	12.5
Special products	10.6	9.9
Chemicals, pharmaceuticals, health	9.3	9.3
Machinery, metals	8.5	9.4
Shipping	7.3	8.1
Automotive industry	6.0	6.6
Construction, wood	5.6	5.6
Consumer goods	5.2	5.3
Services	5.1	5.5
Food, beverages	4.5	4.8
Transport, travel	4.5	4.8
Telecom, IT	2.7	3.2
Media, paper	2.4	2.5
Agriculture, forestry	2.1	2.0
Electronics	1.9	1.8
Tourism	1.5	1.6
Textile industry	1.2	1.5
Retail	20.6	21.5
HVB Group	218.6	228.0

The portfolio has a balanced structure and is diversified across the various industries.

The exposure in the Banks, insurance companies portfolio declined by €5.1 billion in the first half of 2013. This portfolio is dominated by the placements of excess liquidity with Deutsche Bundesbank, which are subject to significant fluctuations during the course of the year and changed markedly in the first half of 2013. At the same time, business activities with our key customers in the Banks, insurance companies sector were expanded.

The Special products portfolio is characterised by reclassifications in 2013. All in all, slight growth was achieved in a weak market environment.

Banks, insurance companies

In view of the ongoing crisis of confidence in the banking industry, external rating agencies reviewed banks throughout the world on a large scale, as a result of which a number of banks have seen their ratings downgraded. Consequently, the affected banks are facing ever greater challenges in terms of liquidity and capital procurement.

The Bank has deployed a monitoring tool known as the “radar screen for financial institutions/banks” in order to be in a position to promptly identify and counter negative developments within the banking sector. In the event of rating downgrades of banks, measures are taken to reduce the risk arising from bank exposures.

Part of the exposure in the Banks, insurance companies sector results from credit exposure to UniCredit S.p.A. and other UniCredit companies (upstream exposure). €6.6 billion of the gross upstream exposure (before collateral) results from the strategic orientation of HVB Group as UniCredit’s investment bank and other business activities (such as export finance and guarantees).

Energy

The Energy portfolio was kept stable despite the reticence to invest on the part of many companies in response to the uncertain regulatory environment and the wide-ranging disinvestment programmes of major power utilities.

Despite the rapidly changing underlying conditions, we aim to grow in this segment alongside our core customers. The dramatic effects of the legislation enacted with the German Renewable Energy Act (Erneuerbare-Energien-Gesetz – EEG) and intensive price competition made it necessary to specifically focus on producers and equipment providers in the field of renewable energy. Furthermore, the strategy for smaller project loans in the field of renewable energy was modified.

In accordance with the defined industry strategy, we generally focus in the energy segment on short-term business with major international corporations. The exposure to companies that fail to meet our financing conditions is being actively reduced or the risk limited by means of structural financing elements. In the case of project loans, we concentrate on projects in countries with a stable regulatory environment and monitor compliance with our financing standards.

Shipping

The industry remains dogged by the structural weakness in the shipping market, which is hindering rapid, lasting recovery in freight rates in many segments. Furthermore, the shipping companies are suffering from high fuel prices. Prices on the market for new ships and the secondary market remain under pressure during the course of the ongoing crisis. This is reflected in persistently high risk costs for the Bank. The medium-term goal is to significantly reduce the portfolio, by 50% by 2016.

The Bank is applying a strategy of reduction of its ship financing business. Where they are concluded at all, new agreements serve to optimise loans that had already been extended. The targeted reduction in the exposure in this portfolio depends on the euro/US dollar exchange rate, as most ship loans are denominated in US dollars.

Special focus facilities

Among other things, the HVB Group portfolio includes exposures relating to the completion of an offshore wind farm. The Bank has undertaken to finance this offshore wind farm located in the North Sea, around 100 kilometres off the German coast. Risk ensued in particular from delays to the completion of the wind farm in both

2010 and 2011. Consequently, HVB restructured its commitment to the general contractor commissioned to deliver the wind farm on a turnkey basis in 2011 by way of a restructuring loan.

The construction work ran largely to plan in the first half of 2013 and the erection of the wind farm was and is advancing with a view to completion towards the end of 2013 or start of 2014. Given the dimensions of this unprecedented project for the offshore industry, however, there remains a risk of deviations from plan, driven by the dependence of erection work on the weather as well as technical problems in individual components.

Should the ongoing, close monitoring of the project indicate any need to revise the risk assessment, the measures required to ring-fence and limit the risk will be initiated and implemented promptly, and corresponding loan-loss provisions will, if necessary, be set up.

Exposure development of countries and regions by risk category

The following tables show the exposure of HVB Group to customers on the basis of the country of their registered office (excluding Germany). Compared with the 2012 Risk Report, the risk view has been expanded to cover all countries, with some exposures grouped together on a regional basis. Thus, the tables show the full concentration risk at country level. In return, the presentation of the exposure relevant for country risk, which only takes account of cross-border business denominated in foreign currency (from the point of view of the borrower), is no longer shown. The tables and charts for credit risk at 30 June 2013 show exposures with reference to the country where the risk partner has its registered office and without the remaining exposures assigned to the former Real Estate Restructuring segment.

Risk Report (CONTINUED)

Exposure development of eurozone countries, broken down by risk category

(€ millions)

EaD	LENDING BUSINESS		COUNTERPARTY RISK		ISSUER RISK IN BANKING BOOK		ISSUER RISK IN TRADING BOOK		TOTAL		OF WHICH SOVEREIGN
	30/6/2013	31/12/2012	30/6/2013	31/12/2012	30/6/2013	31/12/2012	30/6/2013	31/12/2012	30/6/2013	31/12/2012	30/6/2013
Italy	1,688	1,480	1,728	1,730	4,865	4,859	4,399	3,656	12,680	11,725	4,443
Luxembourg	5,029	4,873	1,500	1,430	3,705	2,029	603	424	10,837	8,756	6
France	2,486	2,450	1,151	1,851	1,658	1,790	902	892	6,197	6,983	1,165
Netherlands	2,295	2,951	246	307	1,307	1,302	370	311	4,218	4,871	44
Austria	1,323	1,413	231	228	1,136	1,365	905	902	3,595	3,908	519
Spain	1,058	1,374	89	92	1,664	1,762	247	130	3,058	3,358	27
Ireland	1,174	1,274	53	64	655	715	290	295	2,172	2,348	—
Greece	545	579	84	102	—	—	2	2	631	683	2
Belgium	59	30	39	76	35	35	160	102	293	243	47
Finland	98	112	25	39	17	15	116	101	256	267	—
Portugal	102	116	55	64	46	72	36	25	239	277	38
Malta	214	243	3	6	—	—	1	2	218	251	—
Cyprus	194	204	1	2	—	—	1	2	196	208	—
Slovakia	62	67	70	95	—	2	—	45	132	209	—
Slovenia	46	39	74	106	—	17	2	6	122	168	—
Estonia	9	9	—	—	—	—	—	6	9	15	—
HVB Group	16,382	17,214	5,349	6,192	15,088	13,963	8,034	6,901	44,853	44,270	6,291

The portfolio in the weaker eurozone countries has been actively managed in 2013, albeit with different strategies. Differentiated reduction strategies exist for certain countries, including Greece, Portugal and Spain. New business written in the FIBS portfolio (financial institutions, banks and sovereigns) in the weaker countries is deliberately steered by means of specific product and maturity targets. This automatically leads to less new business being written.

The weaker eurozone countries do not represent core markets for HVB Group overall. The existing portfolios have been identified for reduction for various reasons and concrete objectives to that effect have been formulated and agreed.

The developments in selected countries, including countries with an active reduction strategy, and the respective drivers are outlined below.

Greece

The reduction strategy for Greece that was already initiated in May 2010 continued to be systematically implemented, as a result of which the exposure was reduced by a further €52 million in the first half of the year. The sovereign exposure remains unchanged at €2 million (31 December 2012: €2 million).

Italy

The relatively large portfolio involving Italy results from the HVB Group's role as UniCredit's investment bank. This portfolio is also being actively managed in accordance with market standards (such as secured derivatives activities). The exposure to Italy includes the exposure with UniCredit S.p.A., for which a separate strategy was defined (see also the comments above regarding the Banks, insurance companies portfolio).

Luxembourg

The exposure in Luxembourg, which is not subject to a reduction strategy, increased by €2.1 billion as a result of a major finance facility in connection with the European Financial Stability Facility (EFSF), among other things.

Portugal

Measures aimed at reducing the Portugal portfolio were also initiated and successfully implemented. This is reflected by a €38 million decline in exposure.

Spain

Spain is not one of HVB Group's core markets. Nevertheless, we do support a few multinational corporates with connections to Germany.

The Spain exposure still arising from the previous strategic orientation is being reduced as planned. We do not see any increased risk with regard to the credit standing of customers who only generate a small portion of their cash flows in Spain. Maturing loans are extended again by a different UniCredit company outside of HVB Group rather than being rolled over.

These measures helped to reduce the exposure in Spain by a considerable €0.3 billion in the first half of 2013.

Eurozone countries with a reduction strategy

Reduction strategies have been implemented and successfully realised for the following insignificant countries (aggregate exposure less than €220 million): Estonia, Malta, Slovakia, Slovenia and Cyprus. The exposure was reduced by a total of €174 million in the first half of the year.

Exposure development by region/country outside the eurozone

(€ millions)

EaD	TOTAL		OF WHICH ISSUER RISK IN TRADING BOOK	
	30/6/2013	31/12/2012	30/6/2013	31/12/2012
UK	10,733	11,440	677	622
USA	8,358	8,222	635	670
Asia/Oceania	4,669	4,800	85	95
Switzerland	4,214	4,561	371	257
Turkey	2,190	2,351	5	72
Western Europe (without Switzerland, UK)	2,049	2,538	302	259
North America (including offshore jurisdictions, without USA)	1,865	1,955	64	70
Russia	1,322	1,654	42	132
Middle East/North Africa	1,224	1,133	23	11
Eastern Europe	1,010	1,097	127	289
Southern Africa	813	1,124	0	1
Central and South America	440	516	44	45
Central Asia (without Russia, Turkey)	165	218	22	22
HVB Group	39,052	41,609	2,397	2,545

Risk Report (CONTINUED)

Derivative transactions

Financial derivatives are used primarily to manage market price risk (in particular, risk arising from interest-rate fluctuations and currency fluctuations) arising from trading activities, and also serve to provide cover for on- and off-balance-sheet items within asset/liability management. Besides market risk, they bear counterparty risk or, in the case of credit derivatives which serve to manage credit default risk, also issuer risk.

The positive fair values are relevant for purposes of default risk as replacement values for the OTC derivatives, which represent the potential costs that HVB Group would incur to replace all of the original contracts with equivalent transactions in case of simultaneous default by all counterparties.

Without taking risk-reducing effects into account, the maximum counterparty risk (worst-case scenario) for HVB Group at 30 June 2013 totalled €80.2 billion (31 December 2012: €109.4 billion).

In accordance with the banking supervision regulations under Basel II (German Banking Act/Solvency Regulation), risk-weighted assets arising from counterparty risk for HVB Group amounted to €9.8 billion at 30 June 2013 (31 December 2012: €12.9 billion) with so-called partial use based on individual risk weightings and the risk-reducing effects of existing, legally enforceable, bilateral netting agreements as well as the collateral provided by borrowers.

The following tables provide detailed information on the nominal amount and fair values of all derivative transactions of HVB Group.

Derivative transactions

(€ millions)

	NOMINAL AMOUNT			TOTAL		FAIR VALUE			
	RESIDUAL MATURITY			TOTAL	TOTAL	POSITIVE		NEGATIVE	
	UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 5 YEARS	MORE THAN 5 YEARS	30/6/2013	31/12/2012	30/6/2013	31/12/2012	30/6/2013	31/12/2012
Interest rate derivatives	1,077,313	1,085,183	962,759	3,125,255	3,134,770	69,036	96,352	67,962	95,934
Foreign exchange derivatives	175,501	27,639	514	203,654	231,944	2,376	2,995	2,371	2,816
Cross-currency swaps	30,636	141,636	74,398	246,670	250,601	3,895	5,077	4,337	5,649
Equity/index derivatives	66,380	43,428	11,444	121,252	114,528	3,241	3,211	3,942	3,608
Credit derivatives	39,191	91,129	3,857	134,177	145,027	1,455	1,592	1,353	1,486
– purchased	20,370	45,648	2,053	68,071	74,694	1,015	1,001	451	652
– written	18,821	45,481	1,804	66,106	70,333	440	591	902	834
Other transactions	2,971	3,212	719	6,902	7,373	260	211	317	264
HVB Group	1,391,992	1,392,227	1,053,691	3,837,910	3,884,243	80,263	109,438	80,282	109,757

Derivative transactions by counterparty type

(€ millions)

	FAIR VALUE			
	POSITIVE		NEGATIVE	
	30/6/2013	31/12/2012	30/6/2013	31/12/2012
Central governments and central banks	3,590	4,489	1,857	2,474
Banks	63,597	90,770	64,841	93,584
Financial institutions	10,417	10,748	12,240	12,310
Other companies and private individuals	2,659	3,431	1,344	1,389
HVB Group	80,263	109,438	80,282	109,757

Summary and outlook

It is safe to conclude that HVB Group continues to enjoy a positive risk situation.

Among other things, this can be attributed to the broadly diversified credit portfolio in conjunction with conservative risk management policies and a clearly focused credit risk strategy.

Risk positions and concentrations were identified at the start of the year and systematically controlled on the basis of the individual strategic objectives. In particular, this affected the weaker eurozone countries, the countries of North Africa and the Shipping portfolio.

In order to ensure that positive development continues going forward, the risk strategy approved for 2013 clearly defines core markets, portfolios earmarked for reduction and controlling instruments amid the changing underlying economic conditions. This will ensure that credit risk is actively controlled and limited going forward. HVB Group will constantly refine its risk management programme in order to continue optimally meeting future changes and the ensuing requirements.

2 Market risk

Market risk is defined as the potential loss arising from an adverse change in value of positions in the trading and banking books. Market risk comprises the following risk categories: interest rate, foreign exchange, equity, credit spread and commodity risk.

We use a value-at-risk (VaR) approach based on a historical simulation to determine market risk. In this context, the VaR is the maximum loss that, with a certain probability defined as the confidence level, will not be exceeded over a given period. We use a confidence level of 99% and a holding period of one day for internal risk reports, controlling and risk limits.

The historical simulation is a simple method that makes it possible to calculate the VaR without having to make any fundamental assumptions regarding the statistical distributions of the movements in the portfolio value. This approach encompasses the direct generation of the hypothetical distribution of the earnings (gains and losses) from a portfolio of financial instruments using the historical market price fluctuations over the last two years. As soon as the hypothetical distribution has been determined, the VaR is provided by determining the percentile of the 99% confidence level.

Risk Report (CONTINUED)

For the purposes of internal risk management, the new market risk metrics defined in the current German Solvency Regulation have been calculated and limited on a weekly basis alongside the VaR. The new requirements are the result of the revised Capital Requirements Directive (CRD III). The German Solvency Regulation requires these metrics to be included when determining the equity capital requirements.

– Calculation of the potential stressed VaR:

The stressed VaR is calculated in the same way as the VaR, although the 12-month observation period with most significant negative market changes for the HVB Group portfolios is selected. The amount calculated for the regulatory report relates to a holding period of ten days and a confidence level of 99%.

– Incremental risk charge (IRC) for non-securitised credit products:

Internal approach used to determine the additional default and migration risk in the net interest positions. Both the change in ratings (migration) and the potential default on a credit product are taken into account. The calculated amount relates to a holding period of one year and a confidence level of 99.9% for both regulatory and internal reporting.

– Standard Approach for (re-)securitisations:

Outside of the internal model, the regulatory Standard Approach for the specific interest rate risk is applied to securitised credit products.

The economic capital for the market risk of HVB Group, without taking account of diversification effects between the risk types, amounts to €2.5 billion, down by €0.4 billion on the figure at 31 December 2012 (€2.9 billion). The decline results from the adjustment of the confidence level from 99.97% to 99.93% in March 2013 (minus €0.2 billion) together with the expiry of CDS positions that were originally entered into to hedge fluctuations in the own credit spread.

The following table shows the aggregated market risk for our trading positions at HVB Group over the course of the year. The temporary increase in market risk in the first quarter of the year results from the greater risk assumed during that period.

Market risk from trading positions of HVB Group (VaR, 99% confidence level, one-day holding period)

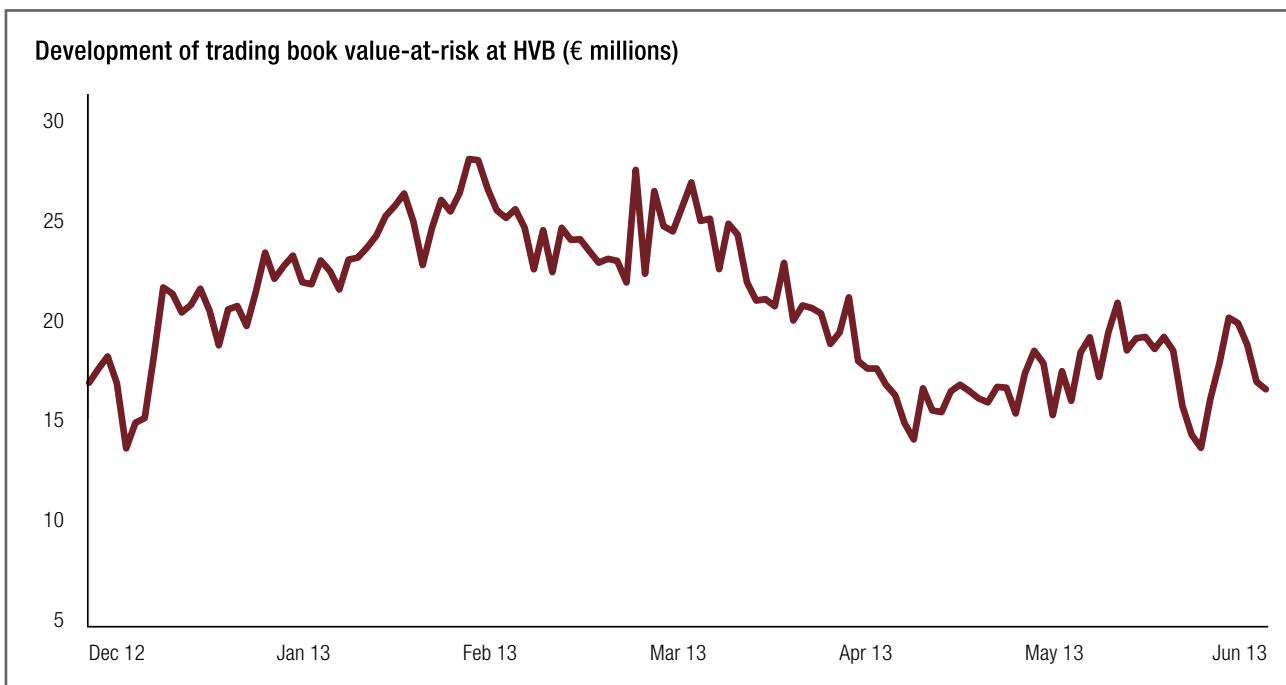
(€ millions)

	AVERAGE 2013 ¹	30/6/2013	31/3/2013	31/12/2012	30/9/2012	30/6/2012
Interest rate positions (incl. credit spread risks)	21	15	26	17	23	23
Foreign exchange derivatives	1	1	1	2	1	1
Equity/index positions ²	5	4	5	4	5	6
Diversification effect ³	(6)	(4)	(6)	(7)	(12)	(12)
HVB Group	21	16	26	16	17	18

1 arithmetic mean of the two quarter-end figures

2 including commodity risk

3 because of the diversification effect between the risk categories, the total risk is less than the sum of the individual risks



The VaR development in the first half of 2013 shows a sharp decline in market risk in the trading book.

New regulatory metrics¹ at HVB (CRD III figures)

(€ millions)

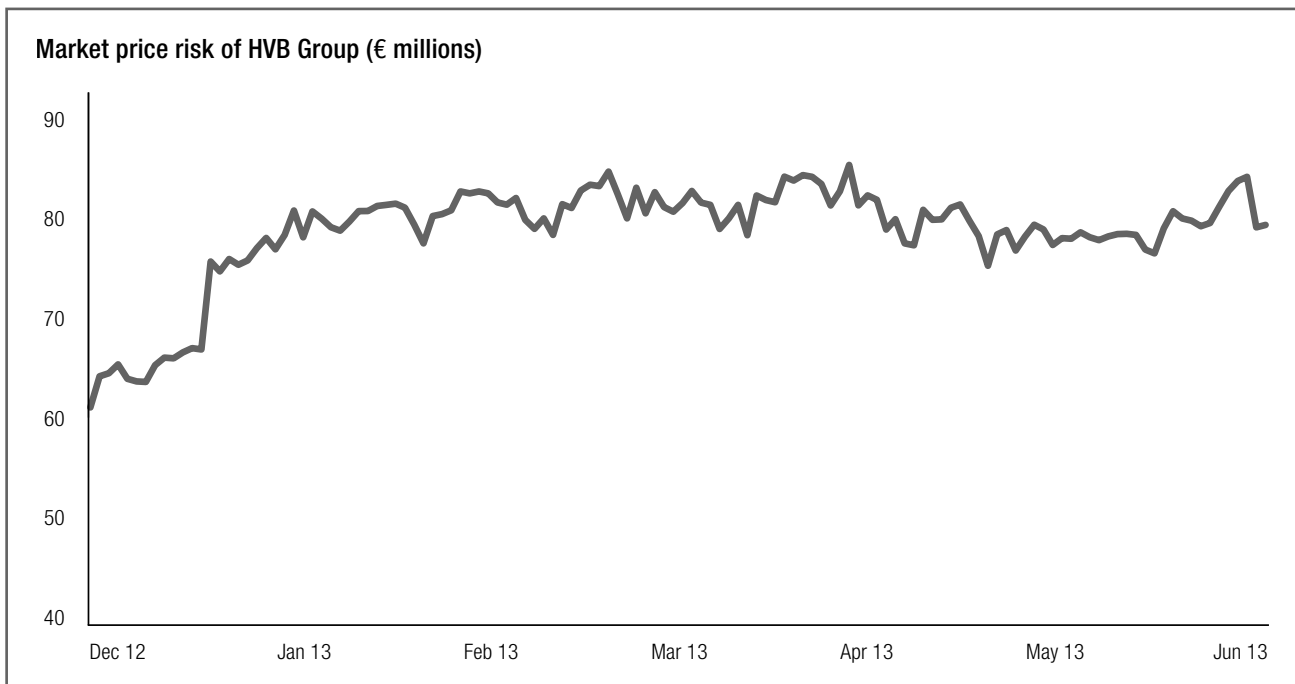
	30/6/2013	31/3/2013	31/12/2012	30/9/2012	30/6/2012
Stressed value-at-risk	31	35	22	24	24
Incremental risk charge	267	299	201	436	521
Market risk Standard Approach	5	16	22	32	38

¹ risk values based on internal reporting

Risk Report (CONTINUED)

The results of the new risk metrics show a slight increase in the first half of the year. The decrease in the IRC figure between June and December essentially results from position reductions. The sharp decrease at 31 December 2012 arises from the expiry of positions that were originally entered into to hedge fluctuations in the own credit spread.

Alongside the market risk arising from trading books that is relevant for regulatory reporting, further market risk arises from positions in the banking book. All transactions exposed to market risk in the trading and banking books of HVB Group are consolidated for the purpose of risk controlling. Most of the market risk arises from positions of the CIB business segment at HVB Group.



The chart "Market price risk of HVB Group" shows all the market price risk exposures arising from trading and banking book positions together with the market price risk exposure assigned directly to the Management Board.

In compliance with the Circular issued on 9 November 2011 by the German Federal Financial Supervisory Authority (BaFin), the change in the market value of the banking book in case of a sudden and unexpected interest rate shock of ± 200 basis points is compared with the Bank's eligible equity capital. We also carry out this valuation

with and without the hedging effect from the equity capital model book. With a notional utilisation of 0.5% (31 December 2012: 0.3%), or 4.0% excluding the model book (31 December 2012: 4.6%), of its regulatory equity capital at the end of June 2013, HVB Group is well below the 20% above which the banking supervisory authorities consider a bank to have increased interest rate risk. Without the valuation effects from the reclassified portfolios, the rate of equity capital utilisation is 0.6% (31 December 2012: 0.4%) or 3.9% without the model book (31 December 2012: 4.6%).

In addition, a dynamic simulation of interest income is carried out for HVB on a quarterly basis. The future development of the net interest income is simulated under various scenarios regarding the development of business volumes and interest rates. Assuming a constant volume of business, a parallel interest shock of minus 100 basis points would result in a €205 million decrease in net interest income within the next twelve months (31 December 2012: €191 million).

Value change in case of a 10% FX appreciation

at 30 June 2013

(€ millions)

HVB GROUP BANKING BOOK	
Total	(12)
USD	(27)
GBP	(4)
CHF	(5)
JPY	24
CAD	0
HKD	1

In addition to calculating the value-at-risk, the risk profile of the banking book is examined using sensitivity analyses. A 10% depreciation of all foreign currencies (FX sensitivity) results in a decrease in the portfolio value by €12 million (0.1% of the regulatory capital) in the banking book of HVB Group (31 December 2012: a decrease of €48 million).

We check the appropriateness of the methods used to measure market risk by means of regular back-testing that compares the value-at-risk calculations with the hypothetical market value changes derived from the positions. In the first half of 2013, there were no back-testing exceptions to report. On days with a back-test overshoot, the amount of the hypothetical loss would have been greater than the forecast value-at-risk.

Market liquidity risk

Market liquidity risk (the risk that the Bank will be able to liquidate assets on the market only at a discount) is managed by the people responsible for the various portfolios as they perform their defined market-related tasks. Reference should essentially be made to the measurement and monitoring instruments listed for market risk. An appropriate stress test is used for quantification purposes.

Fair value adjustments (FVAs) are used to reflect valuation uncertainties related to the market liquidity of securities and derivatives in the accounts for both the trading book and the banking book. Among other things, the FVAs include a premium for close-out costs and non-liquid positions related to the assessment of fair values.

In the course of stress tests, the risk from deteriorating market liquidity is analysed. In this regard, analysis is carried out to determine the amount of losses that would result from the liquidation of trading and banking book positions in a market environment with greatly expanded bid-offer spreads. For June 2013, the tests showed a potential loss of €386 million (31 December 2012: €404 million).

Summary and outlook

As was already the case in 2012, efforts will again be made in 2013 to concentrate on low-risk customer business in our financial market activities. HVB Group will continue to invest in the development and implementation of electronic sales platforms.

3 Liquidity risk

Short-term liquidity risk

Within the framework of our limit system, we showed an overall positive balance of short-term liquidity risk of €32.0 billion in HVB Group for the next banking day at the end of June 2013 (30 June 2012: €37.3 billion). The portfolio of highly liquid securities eligible as collateral for central bank borrowings and available at short notice to compensate for unexpected outflows of liquidity amounted to €24.3 billion at the end of the first half of 2013 (30 June 2012: €20.1 billion).

The requirements of the German Liquidity Regulation (Liquiditätsverordnung – LiqV) were met at all times by the affected units of HVB Group during the year to date. The funds available to HVB Group exceeded its payment obligations for the following month by an average of €31.7 billion for HVB Group in the first half of 2013 (first half of 2012: €30.0 billion) and €29.5 billion at 30 June 2013. This means that we are comfortably above the internally defined trigger.

Funding risk

The funding risk of HVB Group was again quite low in the first half of 2013 due to our broad funding base with regard to products, markets and investor groups. This ensured that we were able to obtain adequate funding for our lending operations in terms of volume and maturity within the framework of our limit system at all times. HVB Group obtained longer-term funding with a volume of €2.9 billion on the capital market during the first half of 2013. At the end of June 2013, 100.8% (30 June 2012: 96.8%) of assets with an economic maturity of more than one year were covered by liabilities with an economic maturity of more than one year. Consequently, we do not expect to face any significant liquidity risk in the future. With their high credit quality and liquidity, our Pfandbrief covered bonds still remain an important funding instrument.

Summary and outlook

The first half of 2013 was dominated by repeated uncertainty regarding the impact of the European sovereign debt crisis on the banking industry. Various measures taken by the European Union in particular failed to completely calm the markets. It is not yet possible to predict for how long and to what extent the financial markets will be impacted by the debt crisis in some European countries together with risks arising from changes in interest and exchange rates.

HVB Group put in a solid performance in the first half of 2013 in this challenging market environment, thanks to a good liquidity situation, a solid financing structure and the liquidity management measures it undertook. Based on our forward-looking risk quantification and scenario analysis, we expect our overall liquidity situation to remain very comfortable. HVB Group expects the markets to remain volatile in the second half of 2013.

4 Operational risk

The Bank defines operational risk as the possibility of suffering losses from faulty internal processes, systems or external events, and human error. This definition includes legal risk.

The economic capital for operational risk of HVB Group, without taking account of diversification effects between the risk types, amounted to €2.2 billion at 30 June 2013 (31 December 2012: €2.5 billion). The decrease of €0.3 billion is mainly due to the adjustment of the confidence level in March 2013 from 99.97% to 99.93%. In addition, the less risk-prone external risk profile in the Execution and Process Management risk category led to a further reduction in the economic capital. This effect was, however, almost completely offset by an increase in capital for selling risk due to a higher number of expected losses.

Compliance risk and legal risk

Legal risk and compliance risk (risk related to compliance with rules and regulations) are subcategories of operational risk that might represent a risk to the earnings position due to violations of legal framework requirements, regulations, agreements, obligatory practices or ethical standards.

The Compliance department is responsible for the management of compliance risk. It focuses primarily on the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and supporting rules and regulations. Among other things, Compliance carries out risk analyses at regular intervals. Besides the monitoring of employee transactions and the Bank's trading activities, this includes various second level controls for all units covered by Compliance. The results of the controls and audits are reported directly to the Management Board and the Supervisory Board together with compliance measures, problems and the current status of compliance in the Bank.

The Legal, Corporate Affairs & Documentation (LCD) department is responsible for managing legal risk. LCD provides advice to all units at the Bank on legal matters. Furthermore, LCD provides advice and support for compliance by HVB Group companies with legal frameworks and the recognised principles of jurisprudence. Excluded from this are tax law relating to the Bank's tax position, labour law (apart from legal disputes) and the legal areas covered only by the Compliance department.

Individual legal risks are discussed below:

Legal risks/arbitration proceedings

HVB and other companies belonging to the HVB subgroup are involved in various legal proceedings. The following is a summary of pending cases against HVB or other companies belonging to the HVB subgroup which have a value in dispute exceeding €50 million or are of significance for HVB for other reasons.

HVB is required to deal appropriately with various legal and regulatory requirements in relation to issues such as anti-money-laundering laws, privacy and data-protection rules, and avoiding conflicts of interest. Failure to do so may lead to additional litigation and investigations and subject HVB to damage claims, regulatory fines or other penalties. In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of possible losses. These cases include criminal or administrative proceedings by the relevant authority and claims in which the petitioner has not specifically quantified the amounts in dispute. In all legal cases where it is possible to reliably estimate the amount of possible losses, and the loss is considered likely, appropriate provisions have been set up based on the circumstances and consistent with IAS accounting principles applied by HVB.

Medienfonds and other closed-end fund lawsuits

Various investors in VIP Medienfonds 4 GmbH & Co. KG brought legal proceedings against HVB. HVB did not sell shares in the Medienfonds fund, but granted loans to all private investors for a part of the amount invested in the fund; HVB assumed specific payment obligations of certain film distributors with respect to the fund.

The investors in the Medienfonds fund initially enjoyed certain tax benefits which were later revoked by the tax authorities. An outstanding final decision with respect to the question of HVB's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz), which is currently pending at the German Federal Court of Justice (Bundesgerichtshof), will affect only a few pending cases since a general settlement has already been reached with the vast majority of the investors. In the fiscal proceeding of the fund which is pending besides the civil

proceedings and concerning the tax declaration of the fund for the financial year 2004, no final decision has been issued regarding whether the tax benefits were revoked rightfully.

Furthermore there are a number of separate lawsuits from investors pending regarding other closed-end funds (mainly media funds, but also other asset classes). The changed view of the fiscal authorities regarding tax benefits granted earlier often represents the economic background to the respective litigation. Among other things, the plaintiffs base their claims on alleged inadequate advice and/or on supposed errors in the prospectus. With their claims the investors demand restitution of their equity contribution and offer in return the transfer of the related fund share to the Bank.

Relating to one public fund with investment target in heating plants, a number of investors brought legal proceedings against HVB. In these cases some plaintiffs applied for a specific procedure pursuant to the Capital Markets Test Case Act. Munich Higher Regional Court will presumably deal with the issue relating to prospectus liability.

Real estate finance/financing of purchases of shares in real estate funds

In various cases customers dispute their obligation to repay their property loan agreements. According to the law and the opinion on this subject expressed in the German Federal Court of Justice's established practice, the customer has to prove the conditions for the lapse of his repayment obligation or alleged violations of obligations to give information and advice on the part of HVB. Based on the experience gained to date, HVB can assume that noteworthy legal risks will not arise from these cases.

If a bank finances the purchase of shares in real estate funds for the borrower with a loan not secured by a real property lien, the borrower can – if the transaction is a so-called related transaction – contest the claim of the financing bank to repayment on the basis of objections which the borrower is entitled to assert against the seller or agent in the fund transaction on account of having received incorrect advice. From today's standpoint, HVB expects these circumstances to apply, if at all, only in exceptional cases.

Lawsuits related to financial instruments

Customers who invested in securities that have been negatively affected by the financial crisis have raised claims on account of the unstable conditions of the financial markets; even though the number is gradually declining, such complaints continue to be raised. Some customers have taken legal action with respect to losses from securities transactions based on information that was allegedly not suitable for the relevant investor or on investment advice that was allegedly inappropriate with respect to the relevant investment.

A class action that was filed against several members of an underwriting consortium, including UniCredit Capital Markets, Inc. (UCCM), was dismissed by the court of first instance with regard to the members of the consortium. This class action is based on mortgage-backed securities issued by Bank of America and continues against the issuer. Thus the plaintiffs are not yet able to appeal against the dismissal of claims against the underwriting consortium.

Proceedings related to derivative transactions

Complaints and lawsuits by German customers whose derivative transactions have suffered losses or currently have a negative market value have also substantially increased. Among other things, the arguments made are that the Bank allegedly did not sufficiently inform the customer with respect to the relevant investment and potential risks related to such transactions. In this context, some investors have reported a criminal offence to the public prosecutor. Generally, there has been a trend for consumer-friendly judgments with respect to derivative-related lawsuits. Latest rulings confirm this trend but also demonstrate that the characteristics of the relevant product and the individual circumstances of each case are decisive. Thus the rulings issued by the courts are inconsistent, while the statute of limitations under Section 37a WpHG a.F. (Securities Trading Act earlier regulation) may be a relevant question.

Proceedings related to German tax credits

During the period from 2006 to 2008, a client of HVB entered into various transactions based on the expectation of receiving withholding tax credits on dividends from German equities which were traded around dividend dates.

In the context of a tax audit of the client, the German tax authorities demanded payment from the client of withholding tax credits that were previously granted. The demand, together with interest, amounted to approximately €124 million. The client and his tax advisor are challenging the tax authorities' position. The client has also made a claim against HVB and is requiring a full indemnity from HVB.

While the client has the primary liability to pay, the tax authorities also served a secondary liability notice upon HVB demanding payment of the approximately €124 million sum on the basis of alleged issuer liability for tax certificates. HVB has challenged the notice. HVB has also issued claims against the client requiring full indemnification.

In order to avoid the accruing of further potential interest and/or potential late payment penalties, HVB and the client made preliminary payments to the competent tax authorities on a without prejudice basis. Up to now, an amount of around €120 million has been paid with respect to the amount stated in the liability notice. The dispute continues.

In a preliminary investigation against the client and others (including former and current employees of HVB), the General of Public Prosecutions (Generalstaatsanwaltschaft) in Frankfurt am Main searched the Munich premises of HVB and its IT provider, among others. HVB is fully cooperating with the prosecutor and the tax police (Steuerfahndung). There is a risk that HVB could be held liable for damages to the client in the civil proceeding or for payments to the tax authorities with respect to the outstanding claims of the tax authorities (especially on the basis of the liability notice and further interest and/or late payment penalties). In addition, HVB could be subject to other penalties, fines and profit claw backs, and/or criminal exposure.

In addition, HVB has notified the competent tax authorities of the possibility of certain proprietary trading of HVB undertaken close to dividend dates and related withholding tax credits claimed or applications for refund of related taxes by HVB. In response to the customer case, the Management Board has already commissioned an internal investigation of the events with the assistance of external advisors;

also in this context, the Supervisory Board of HVB has commissioned an internal review of such events by external advisors. This audit is supported by UniCredit without reservation. The investigations are currently ongoing. HVB expects to receive findings during the second half of 2013. An interim report by the external advisors mandated by the Supervisory Board describes facts which allow the conclusion that there are trading patterns in parts of the proprietary trading of HVB that are similar to the client case described above. In addition, the Management Board of HVB has been and will be working with external advisors on all relevant aspects in the matter which includes a full review of the matters described above.

In the course of the open regular tax audits for past fiscal years, the Munich tax authorities and the German Central Federal Tax Authority (Bundeszentralamt für Steuern) are currently especially examining the proprietary transactions close to dividend dates in which withholding tax credits were claimed or applications for refund of related taxes have been made. Also in this respect, HVB with the support of external advisors is actively reviewing all aspects as well as supporting the tax audit and has an ongoing dialogue and exchange of information with the relevant tax authorities.

German tax authorities have denied withholding tax credits and refunds in certain types of trades undertaken near dividend dates. The related legal questions on the tax treatment of such transactions have not yet been adjudicated by the highest German tax courts. The impact of any review by the competent tax authorities regarding proprietary trades mentioned above is currently open. In relation to the securities transactions described above, HVB could be subject to substantial tax, liability and interest claims in relation to these matters, as well as penalties, fines and profit claw backs, and/or other tax, criminal or administrative exposure. In addition, HVB could be exposed to damage claims from third parties.

HVB is in communication with its relevant regulators regarding these matters.

Lawsuit in connection with Primeo-linked notes

HVB issued several tranches of notes whose potential return was to be calculated by reference to the performance of a synthetic hypothetical investment in the Primeo fund. The nominal value of the notes issued by HVB is around €27 million. Legal proceedings have been commenced in Germany in connection with the issuance of said Primeo-linked notes, which also named HVB as a defendant. One case has been decided in favour of HVB in a first-instance ruling and one case in favour of HVB also in a second-instance ruling; both rulings are not final and binding as of today. One case has been abandoned by the plaintiff.

Securitisation – financial guarantee

In 2011, a financial institution filed suit against HVB with regard to a securitisation transaction. The parties dispute the validity of an early termination notice served by HVB on the financial institution in question. In December 2012, the English court decided that the transactions were still ongoing and thus still valid and binding upon HVB. HVB has appealed against this decision.

Insolvency of Landsbanki Islands

In 2008, HVB concluded money market deposit transactions with Iceland-based Landsbanki Islands, among others, which were duly settled. The Winding-up Board of Landsbanki has recently challenged in court the repayment at that time of the money borrowed and sued HVB for payment of a middle double digit million euro sum. The competent court dismissed the claims; the ruling is not yet final and binding.

Repo transactions

Two customers belonging to the same group of companies have recently filed claims against HVB with a total amount in dispute of €491.4 million (plus interest). The dispute results from the termination of their repo transactions with HVB. The claimants assert that the compensation paid by HVB to the clients following the clients' default was insufficient. The Bank is defending itself against said claims. In one out of two pending cases, a first-instance ruling has been issued partly going against the Bank; the Bank has appealed against the decision.

Legal proceedings relating to the restructuring of HVB

Numerous (former) minority shareholders filed suits challenging the resolutions of the Extraordinary Shareholders' Meeting of HVB on 25 October 2006 (resolutions of approval) approving the sale and transfer of the shares held by the Bank in Bank Austria Creditanstalt AG (Bank Austria) and in HVB Bank Ukraine to UniCredit S.p.A. and the shares held in Closed Joint Stock Company International Moscow Bank (IMB) (renamed as ZAO UniCredit Bank, Moscow in December 2007, but still referred to as IMB below) and in HVB Bank Latvia AS (later renamed as AS UniCredit Bank, Riga) to Bank Austria Creditanstalt AG, and the branches of the Bank in Vilnius and Tallinn to AS UniCredit Bank, Riga, asking the court to declare these resolutions null and void.

In a ruling dated 31 January 2008, Munich Regional Court I declared the resolutions of approval passed at the Extraordinary Shareholders' Meeting on 25 October 2006 null and void solely for formal reasons. The court did not decide on the issue of the allegedly inadequate purchase price paid for the purchased units. HVB has appealed against this ruling.

The resolutions passed by the Extraordinary Shareholders' Meeting of 25 October 2006 were confirmed at HVB's Annual General Meeting of Shareholders on 29 and 30 July 2008. Suits were filed against said confirmatory resolutions which are mainly based on a too low and inadequate consideration.

In a ruling dated 29 October 2008, Munich Higher Regional Court suspended the appeal against the suits challenging the resolutions of approval of the Extraordinary Shareholders' Meeting of HVB of 25 October 2006 until such time as a final court decision is passed on the suits challenging the confirmatory resolutions adopted during the Annual General Meeting of HVB on 29 and 30 July 2008. The suits against the resolutions adopted at the Annual General Meeting on 29 and 30 July 2008, including the suits against the confirmatory resolutions adopted at this meeting, are currently pending at Munich Higher Regional Court.

Other administrative proceedings

There has been increasing scrutiny of the financial institutions sector, especially by US authorities, with respect to combating money laundering and terrorist financing and enforcing compliance with economic sanctions. In March 2011, HVB received a subpoena from the New York District Attorney's Office (NYDA) relating to historic transactions involving certain Iranian entities. HVB has provided data in response to NYDA and the US Treasury Department Office of Foreign Assets Control (OFAC) and continues to cooperate with those authorities, inter alia, by conducting an ongoing review of accounts and transactions subject to the investigation. In June 2012, the US Department of Justice (DOJ) opened an investigation of OFAC compliance by HVB generally, with which HVB is also cooperating. Although we cannot at this time determine the form, extent or the timing of any resolution with the US authorities, the investigation costs, remediation required and/or payment or other legal liability incurred could have a material adverse effect on the net assets, operating results and/or cash flows of HVB in any particular period.

In recent years, alleged violations of US sanctions have resulted in financial institutions paying substantial fines, penalties or settlements to the US authorities, depending on the individual circumstances of each case.

5 Other risks

The Bank groups together business risk, the risk arising from its own real estate portfolio, the risk arising from its shareholdings/financial investments, reputational risk, strategic risk and pension risk under other risks. These risk types are only discussed briefly on account of their relatively low share of internal capital. The definitions of the individual risk types can be found under "Risk types" above. The risk

arising from outsourcing activities does not constitute a separate risk type at HVB Group; instead, it is treated as a cross-risk-type risk and consequently listed under other risks.

Business risk

The data used to calibrate the business risk model were adjusted in the first half of 2013 to reflect the modified structure and supplemented with data from 2012.

The VaR, without taking account of diversification effects between the risk types, rose by €0.1 billion to €0.7 billion in the first half of 2013. The fully diversified economic capital for the business risk of HVB Group amounted to €0.3 billion after six months of 2013 (31 December 2012: €0.3 billion). In addition to the effect arising from the update in the data series and the associated change in volatilities and correlations, this figure also includes the effect of the update of the correlation matrix between the risk types.

Risk arising from our own real estate portfolio

A fundamental distinction is made in real estate risk between strategic and non-strategic real estate, although cost optimisation was the main focus across both portfolios in the first half of 2013. Besides the cost-optimised provision of real estate for HVB Group's banking activities, the operating and utilisation strategy for strategic real estate in the first half of 2013 consisted primarily of preferring Bank-owned properties over third-party properties.

The CEC department determines the economic capital for real estate risk and reports this to the business segments, the CRO and the Audit Committee of the Supervisory Board.

In order to increase the information content of the indices by applying a more granular mapping method, the property type has been included since 2012 in addition to the geographical location. As a result of this, the individual properties are allocated to 20 real estate indices of various (and in some instances composite) segments. The adjustment of the data used to calibrate the real estate risk to reflect the current portfolio was improved in the first half of 2013 and the mapping procedure updated.

The VaR, without taking account of diversification effects between the risk types, declined by €40 million in the first half of 2013 to total €0.5 billion at 30 June 2013. The figure is based on a portfolio worth €3.1 billion, consisting of 51.2% strategic properties and 48.8% non-strategic properties. The economic capital for real estate risk at HVB Group taking into account diversification effects totals €0.4 billion (31 December 2012: €0.4 billion). Alongside the effect arising from the update of the index mapping, this figure also includes the effects arising from the update of the correlation matrix. The real estate portfolio of HVB Group is assigned primarily to Munich, which accounts for 36% of the total.

Again for the second half of 2013, it is planned to further reduce the portfolio of non-strategic real estate. The situation on the real estate markets will again depend on economic developments in the second half of 2013. Should growth slow, the demand for space might decline as well. The demand from investors for core real estate is continuing to increase. It remains to be seen to what extent this rising demand will transfer to other classes of real estate.

Risk arising from our shareholdings/ financial investments

All the investments to be included in the risk arising from our shareholdings/financial investments are either considered strategic and allocated to a business segment or competence line, or deemed non-strategic and hence fundamentally to be eliminated through disposals, mergers or liquidation. In the first half of 2013, the number of strategic investments remained largely constant. There are no plans for major changes. Additional investments in private equity funds and co-investments/direct investments were also made only on a highly selective basis with the objective of achieving an appropriate risk/return balance with a broadly diversified portfolio. The reduction of the non-strategic portfolio is progressing as planned.

A distinction is made in risk measurement between listed and unlisted investments. In the first instance, the VaR is determined on the basis of market values, volatilities and correlations of the corresponding shares. In the second instance, fluctuations in the market value of individual investments are simulated as part of a Monte Carlo simulation and the ensuing losses aggregated to form the portfolio VaR. The same macroeconomic correlations are assumed in the simulation as in the credit portfolio model. Existing residual payment commitments to private equity funds are included in the calculation of investment risk.

CEC calculates the economic capital for shareholdings and financial investments, and reports it to the business segments, the CRO and the Audit Committee of the Supervisory Board. In line with the risk strategy, quarterly risk reporting also includes a comparison of the actual and budget figures.

The VaR, without taking account of diversification effects between the risk types and without the economic capital of small legal entities, fell by €0.2 billion in the first half of 2013 to total €1.1 billion after six months of 2013. The decline can be attributed mainly to changes in exposures and parameters. The portfolio consists of 64.5% private equity funds, 23.0% private equity business and 12.5% other investments. The fully diversified economic capital of HVB Group (without small legal entities) amounts to €0.9 billion (31 December 2012: €1.0 billion).

As in 2012, the Bank will continue to dispose of non-strategic shareholdings in 2013. It will also look into fresh investments in line with its business strategy and the current market environment, provided these complement our structure and our business priorities, and generate added value for our Bank and our Group.

Reputational risk

HVB applies a holistic approach to reputational risk management. This means that all significant new activities and transactions at the Bank are normally analysed with regard to potential reputational risk – “change-the-bank” approach – and individual units at the Bank are examined at regular intervals regarding existing reputational risk at the same time – “run-the-bank” approach.

Commercial transactions and new activities like the new product process, outsourcing, projects and particular investments are included in the “change-the-bank” approach, as well any other new activity as is appropriate. The employees responsible in each case are required to analyse the transactions/activities to identify any potential reputational risk, taking into account the existing guidelines. Once a potential reputational risk has been identified, the appropriate specialist departments must be called in, the reputational risk assessed in terms of quality and the decision proposal prepared for the Reputational Risk Council (RRC).

Under the “run-the-bank” approach, the individual units of the Bank are examined at regular intervals with regard to existing and/or latent reputational risk. The process starts with reputational risk self-assessments by important function owners (risk managers) together with the operational risk managers. A list of questions is used to carry out the self-assessments. Building on this, senior management is interviewed about reputational risk. The senior manager has the opportunity to review the reputational risk identified in his unit during the interview and add further material reputational risks.

The Bank has decided not to directly quantify reputational risk under the “run-the-bank” process on account of the fundamental difficulty of accurately assessing the possible effects of reactions from interest groups. Any reputational risk identified is documented in the Bank’s own IT system (possibly also during the year).

The OpRisk Control unit (CRO unit) has overall responsibility for controlling. OpRisk Control consolidates the results and prepares a reputational risk report covering the biggest individual risks for HVB.

Strategic risk

The statements made in the 2012 Annual Report regarding strategic risk remain valid. Statements on overall economic trends, in particular in international financial markets, and on the development of HVB Group in the second half of 2013 can be found in the Outlook section of the Financial Review in the present Half-yearly Financial Report.

Pension risk

HVB Group has undertaken to provide a range of different pension plans to current and former employees which are largely financed by various forms of investment, some of which are external. Market risk may arise in connection with the pension plans on both the assets side and the liabilities side. This is possible due to decreases in the market value of the plan assets on the assets side as well as increases in the obligations on the liabilities side, caused for instance by changes to the discount rate. Furthermore, actuarial risks, such as longevity risk, may arise on the obligation side.

The risks described above are calculated and monitored at regular intervals in our risk management programme using a model devised specifically for pension risk. A risk figure is determined periodically using calculations based on changes in key risk parameters for both the various capital investments and the cash flows on the obligation side. We have determined a figure of €566 million for the pension risk of HVB Group at 30 June 2013 using the model described, which is incorporated in the calculation of the risk-bearing capacity in the form of an additive component to the internal capital accordingly as of June 2013.

We continue to consider the low level of interest rates to be the main factor affecting the size of the pension risk disclosed. It is already foreseeable today that it will be necessary to reduce the discount rate further in the future in line with the general interest environment.

Risks arising from outsourcing activities

Outsourcing risk is considered a cross-risk-type risk at HVB Group and not treated as a separate risk type. Outsourcing activities affect the following risk types in particular: operational risk, reputational risk, strategic risk, business risk, credit, market and liquidity risk. Those risks are managed as part of the respective risk type that are identified and assessed in an in-depth risk analysis. Specific risks arising from outsourcing activities that cannot be assigned directly to a specific risk type are managed by the unit responsible for the outsourcing activity in question.

Outsourcing involves the transfer of activities and processes to external service providers. This involves the transfer of some of the operational risk, while contractual risks arising from the outsourcing arrangement remain with the Bank. An outsourcing arrangement is deemed to exist when a different company is commissioned to perform such activities and processes in connection with the performance of banking activities, financial services or other typical banking services as would otherwise be performed by HVB itself. This includes outsourcing arrangements within UniCredit as well as the subcontracting of outsourced activities and functions to subcontractors.

The respective project team and defined functional departments (including Operational Risk Management, Compliance, Legal, Corporate Affairs & Documentation, Data Protection and Business Continuity Management) use a standard procedure to classify outsourcing arrangements as “not material”, “material without considerable significance” and “material with considerable significance”. An in-depth risk analysis covering the other risk types as well as operational risk is performed for the outsourcing arrangements classified as material. A retained organisation (RTO) responsible for the arrangement is set up for each material outsourcing arrangement that manages the risks identified. The identified risks are incorporated in risk management in the processes defined for the risk types concerned. The operational risk managers and the central OpRisk Control function help the project managers and the heads of the RTOs to prepare and/or update the related risk analysis.

In order to make the presentation of the outsourcing risk situation more transparent, work began in 2012 on expanding the existing methods and modifications to the required IT systems were commissioned. No new material outsourcing arrangements were commenced in the first half of 2013, although larger subcontracting arrangements were assessed on the IT side with regard to their risk content and associated risk-minimising measures drawn up.

Consolidated Income Statement

for the period from 1 January to 30 June 2013

Income/Expenses	NOTES	1/1–30/6/2013	1/1–30/6/2012	CHANGE	
		€ millions	€ millions	€ millions	in %
Interest income		2,936	3,788	(852)	(22.5)
Interest expense		(1,471)	(1,992)	+ 521	(26.2)
Net interest	4	1,465	1,796	(331)	(18.4)
Dividends and other income from equity investments	5	56	62	(6)	(9.7)
Net fees and commissions	6	650	596	+ 54	+ 9.1
Net trading income	7	709	946	(237)	(25.1)
Net other expenses/income	8	91	59	+ 32	+ 54.2
Payroll costs		(906)	(940)	+ 34	(3.6)
Other administrative expenses		(765)	(752)	(13)	+ 1.7
Amortisation, depreciation and impairment losses on intangible and tangible assets		(93)	(91)	(2)	+ 2.2
Operating costs		(1,764)	(1,783)	+ 19	(1.1)
Net write-downs of loans and provisions for guarantees and commitments	9	(86)	(265)	+ 179	(67.5)
Provisions for risks and charges	10	9	76	(67)	+ 88.2
Restructuring costs		(2)	—	(2)	
Net income from investments	11	94	70	+ 24	+ 34.3
PROFIT BEFORE TAX		1,222	1,557	(335)	(21.5)
Income tax for the period		(404)	(645)	+ 241	(37.4)
PROFIT AFTER TAX		818	912	(94)	(10.3)
attributable to shareholder of UniCredit Bank AG		808	894	(86)	(9.6)
attributable to minorities		10	18	(8)	(44.4)

Earnings per share

(in €)

	NOTES	1/1–30/6/2013	1/1–30/6/2012
Earnings per share (undiluted and diluted)	12	1.01	1.11

Consolidated statement of total comprehensive income for the period from 1 January to 30 June 2013

(€ millions)

	1/1–30/6/2013	1/1–30/6/2012
Consolidated profit recognised in the income statement	818	912
Income and expenses recognised in other comprehensive income		
Income and expenses not to be reclassified to the income statement in future periods		
Actuarial profit/(loss) on defined benefit plans (pension commitments)	(88)	—
Taxes on income and expenses not to be reclassified to the income statement in future periods	27	—
Income and expenses to be reclassified to the income statement in future periods		
Changes from foreign currency translation	8	30
Change in valuation of financial instruments (Afs reserve)	11	103
Unrealised gains/(losses)	21	102
Gains/(losses) reclassified to the income statement	(10)	1
Change in valuation of financial instruments (hedge reserve)	4	(10)
Unrealised gains/(losses)	—	—
Gains/(losses) reclassified to the income statement	4	(10)
Taxes on income and expenses to be reclassified to the income statement in future periods	(8)	(19)
Total income and expenses recognised in equity under other comprehensive income	(46)	104
Total comprehensive income	772	1,016
of which:		
attributable to shareholder of UniCredit Bank AG	756	973
attributable to minorities	16	43

Consolidated Income Statement (CONTINUED)

for the period from 1 April to 30 June 2013

Income/Expenses	1/4–30/6/2013	1/4–30/6/2012	CHANGE	
	€ millions	€ millions	€ millions	in %
Interest income	1,437	1,837	(400)	(21.8)
Interest expense	(730)	(959)	+ 229	(23.9)
Net interest	707	878	(171)	(19.5)
Dividends and other income from equity investments	39	40	(1)	(2.5)
Net fees and commissions	323	281	+ 42	+ 14.9
Net trading income	334	139	+ 195	>+ 100.0
Net other expenses/income	42	31	+ 11	+ 35.5
Payroll costs	(434)	(468)	+ 34	(7.3)
Other administrative expenses	(402)	(370)	(32)	+ 8.6
Amortisation, depreciation and impairment losses on intangible and tangible assets	(45)	(45)	—	—
Operating costs	(881)	(883)	+ 2	(0.2)
Net write-downs of loans and provisions for guarantees and commitments	3	(175)	+ 178	
Provisions for risks and charges	18	75	(57)	+ 76.0
Restructuring costs	(2)	—	(2)	
Net income from investments	26	50	(24)	(48.0)
PROFIT BEFORE TAX	609	436	+ 173	+ 39.7
Income tax for the period	(194)	(254)	+ 60	(23.6)
PROFIT AFTER TAX	415	182	+ 233	>+ 100.0
attributable to shareholder of UniCredit Bank AG	402	187	+ 215	>+ 100.0
attributable to minorities	13	(5)	+ 18	

Earnings per share

(in €)

	1/4–30/6/2013	1/4–30/6/2012
Earnings per share (undiluted and diluted)	0.50	0.23

Consolidated statement of total comprehensive income for the period from 1 April to 30 June 2013

(€ millions)

	1/4–30/6/2013	1/4–30/6/2012
Consolidated profit recognised in the income statement	415	182
Income and expenses recognised in other comprehensive income		
Income and expenses not to be reclassified to the income statement in future periods		
Actuarial profit/(loss) on defined benefit plans (pension commitments)	(88)	—
Taxes on income and expenses not to be reclassified to the income statement in future periods	27	—
Income and expenses to be reclassified to the income statement in future periods		
Changes from foreign currency translation	(24)	61
Change in valuation of financial instruments (Afs reserve)	(5)	(16)
Unrealised gains/(losses)	5	(19)
Gains/(losses) reclassified to the income statement	(10)	3
Change in valuation of financial instruments (hedge reserve)	3	(11)
Unrealised gains/(losses)	—	—
Gains/(losses) reclassified to the income statement	3	(11)
Taxes on income and expenses to be reclassified to the income statement in future periods	(2)	15
Total income and expenses recognised in equity under other comprehensive income	(89)	49
Total comprehensive income	326	231
of which:		
attributable to shareholder of UniCredit Bank AG	332	192
attributable to minorities	(6)	39

Consolidated Balance Sheet

at 30 June 2013

Assets

	NOTES	30/6/2013	31/12/2012	CHANGE	
		€ millions	€ millions	€ millions	in %
Cash and cash balances		10,109	15,655	(5,546)	(35.4)
Financial assets held for trading	13	107,704	131,017	(23,313)	(17.8)
Financial assets at fair value through profit or loss	14	27,130	24,282	+ 2,848	+ 11.7
Available-for-sale financial assets	15	5,146	5,482	(336)	(6.1)
Shares in associates accounted for using the equity method and joint ventures accounted for using the equity method	16	64	65	(1)	(1.5)
Held-to-maturity investments	17	222	261	(39)	(14.9)
Loans and receivables with banks	18	41,075	36,320	+ 4,755	+ 13.1
Loans and receivables with customers	19	116,346	122,212	(5,866)	(4.8)
Hedging derivatives		2,386	3,262	(876)	(26.9)
Hedge adjustment of hedged items in the fair value hedge portfolio		357	193	+ 164	+ 85.0
Property, plant and equipment		2,984	3,013	(29)	(1.0)
Investment properties		1,541	1,557	(16)	(1.0)
Intangible assets		526	540	(14)	(2.6)
of which: goodwill		418	418	—	—
Tax assets		2,628	3,113	(485)	(15.6)
Current tax assets		320	370	(50)	(13.5)
Deferred tax assets		2,308	2,743	(435)	(15.9)
Non-current assets or disposal groups held for sale		22	70	(48)	(68.6)
Other assets		1,215	1,258	(43)	(3.4)
Total assets		319,455	348,300	(28,845)	(8.3)

Liabilities

	NOTES	30/6/2013	31/12/2012	CHANGE	
		€ millions	€ millions	€ millions	in %
Deposits from banks	22	58,288	45,216	+ 13,072	+ 28.9
Deposits from customers	23	104,228	110,268	(6,040)	(5.5)
Debt securities in issue	24	33,047	35,863	(2,816)	(7.9)
Financial liabilities held for trading	25	91,944	121,501	(29,557)	(24.3)
Hedging derivatives		1,159	1,386	(227)	(16.4)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		2,077	2,858	(781)	(27.3)
Tax liabilities		2,127	2,596	(469)	(18.1)
Current tax liabilities		672	893	(221)	(24.7)
Deferred tax liabilities		1,455	1,703	(248)	(14.6)
Liabilities of disposal groups held for sale		19	20	(1)	(5.0)
Other liabilities		3,087	3,375	(288)	(8.5)
Provisions	26	1,918	1,948	(30)	(1.5)
Shareholders' equity		21,561	23,269	(1,708)	(7.3)
Shareholders' equity attributable to					
shareholder of UniCredit Bank AG		20,766	22,475	(1,709)	(7.6)
Subscribed capital		2,407	2,407	—	—
Additional paid-in capital		9,791	9,791	—	—
Other reserves		7,696	7,759	(63)	(0.8)
Change in valuation of financial instruments	27	64	56	+ 8	+ 14.3
AfS reserve		35	30	+ 5	+ 16.7
Hedge reserve		29	26	+ 3	+ 11.5
Consolidated profit 2012		—	2,462	(2,462)	(100.0)
Net profit 1/1 – 30/6/2013 ¹		808	—	+ 808	
Minority interest		795	794	+ 1	+ 0.1
Total shareholders' equity and liabilities		319,455	348,300	(28,845)	(8.3)

¹ attributable to shareholder of UniCredit Bank AG

Statement of Changes in Shareholders' Equity

at 30 June 2013

	SUBSCRIBED CAPITAL	ADDITIONAL PAID-IN CAPITAL	OTHER RESERVES	
			TOTAL	OF WHICH: PENSIONS AND SIMILAR OBLIGATIONS (IAS 19)
Shareholders' equity at 1 January 2012	2,407	9,791	9,389	(197)
Consolidated profit recognised in the consolidated income statement	—	—	—	—
Total income and expenses recognised in equity under other comprehensive income⁴	—	—	11	—
Change in valuation of financial instruments not affecting income	—	—	—	—
Change in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—
Reserve arising from foreign currency translation	—	—	11	—
Total other changes in equity	—	—	—	—
Dividend payouts	—	—	—	—
Transfers to consolidated profit	—	—	—	—
Changes in group of consolidated companies	—	—	—	—
Shareholders' equity at 30 June 2012	2,407	9,791	9,400	(197)
Shareholders' equity at 1 January 2013	2,407	9,791	7,759	(599)
Consolidated profit recognised in the consolidated income statement	—	—	—	—
Total income and expenses recognised in equity under other comprehensive income⁴	—	—	(60)	(61)
Change in valuation of financial instruments not affecting income	—	—	—	—
Change in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	(61)	(61)
Reserve arising from foreign currency translation	—	—	1	—
Total other changes in equity	—	—	(3)	—
Dividend payouts	—	—	—	—
Transfers to consolidated profit	—	—	—	—
Changes in group of consolidated companies	—	—	(3)	—
Shareholders' equity at 30 June 2013	2,407	9,791	7,696	(660)

1 The Shareholders' Meeting of 10 May 2012 resolved to distribute the 2011 consolidated profit in the amount of €1,017 million as a dividend to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €1.27 per share

The Shareholders' Meeting of 7 May 2013 resolved to distribute the 2012 consolidated profit in the amount of €2,462 million as a dividend to our sole shareholder UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €3.07 per share

2 attributable to shareholder of UniCredit Bank AG

3 UniCredit Bank AG (HVB)

4 see Consolidated statement of total comprehensive income

(€ millions)

CHANGE IN VALUATION OF FINANCIAL INSTRUMENTS		CONSOLIDATED PROFIT ¹	PROFIT 1/1 – 30/6 ²	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDER OF HVB ³	MINORITY INTEREST	TOTAL SHAREHOLDERS' EQUITY
AFS RESERVE	HEDGE RESERVE					
(134)	22	1,017	—	22,492	826	23,318
—	—	—	894	894	18	912
69	(1)	—	—	79	25	104
70	—	—	—	70	6	76
(1)	(1)	—	—	(2)	—	(2)
—	—	—	—	—	—	—
—	—	—	—	11	19	30
—	—	(1,017)	—	(1,017)	(18)	(1,035)
—	—	(1,017)	—	(1,017)	(18)	(1,035)
—	—	—	—	—	—	—
—	—	—	—	—	—	—
(65)	21	—	894	22,448	851	23,299
30	26	2,462	—	22,475	794	23,269
—	—	—	808	808	10	818
5	3	—	—	(52)	6	(46)
13	—	—	—	13	(1)	12
(8)	3	—	—	(5)	—	(5)
—	—	—	—	(61)	—	(61)
—	—	—	—	1	7	8
—	—	(2,462)	—	(2,465)	(15)	(2,480)
—	—	(2,462)	—	(2,462)	(18)	(2,480)
—	—	—	—	—	—	—
—	—	—	—	(3)	3	—
35	29	—	808	20,766	795	21,561

Cash Flow Statement (abridged version)

(€ millions)

	2013	2012
Cash and cash equivalents at 1 January	15,655	4,267
Cash flows from operating activities	(2,694)	18,894
Cash flows from investing activities	444	2,314
Cash flows from financing activities	(3,296)	(2,155)
Effects of exchange rate changes	—	—
Less disposal groups held for sale and discontinued operations	—	—
Cash and cash equivalents at 30 June	10,109	23,320

Selected Notes

1 Accounting and valuation principles

IFRS basis

The present Half-yearly Financial Report has been prepared in accordance with the regulations defined in the International Financial Reporting Standards (IFRS) and complies with IAS 34, which covers interim reporting. Thus, the present Half-yearly Financial Report meets the requirements of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) for the half-yearly financial reporting of capital-market-oriented companies.

We have applied the same accounting, valuation and disclosure principles in 2013 as in the consolidated financial statements for 2012 (please refer to the HVB Group Annual Report for 2012, starting on page 126).

The new IFRS 13 “Fair Value Measurement”, which consolidates the rules for determining fair value within IFRS, and the following standards revised by the IASB are applicable for the first time in the 2013 financial year:

- Amendments to IFRS 7 “Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities”
- Amendments to IAS 1 “Presentation of Financial Statements – Other Comprehensive Income”
- Amendments to IAS 12 “Deferred Tax: Recovery of Underlying Assets”
- Amendments to IAS 19 “Employee Benefits”
- “Annual Improvements to IFRSs 2009–2011”

Implementation of these standards will have no material effect on the consolidated financial statements of HVB Group. Necessary additional disclosures in the notes to the financial statements will be included in the consolidated financial statements at 31 December 2013.

We did not avail ourselves of the possibility of reviewing the present local Half-yearly Financial Report of HVB Group compliant with Section 37w (5) (WpHG).

Segment reporting

As already announced in the 2012 Annual Report, the business model was adjusted at the outset of 2013 to cater for the changed market environment which entailed a restructuring of global and regional responsibilities and thus the segments of HVB Group.

This means that HVB Group is divided into the following segments as of the reporting date:

- Commercial Banking
- Corporate & Investment Banking
- Asset Gathering
- Other/consolidation

The adjustment of the business model in the first quarter of 2013 also entailed the formation of the new Commercial Banking business segment, which encompasses oversight for all activities involving retail customers and entrepreneurs in Germany.

Selected Notes (CONTINUED)

The Corporate & Investment Banking (CIB) business segment is continuing to benefit from its global business focus. At the start of 2013, the Corporates Germany and Real Estate customer care models were transferred to the newly formed Commercial Banking business segment. The Unternehmer Bank integrated in the Commercial Banking business segment stands for the comprehensive care of entrepreneurs in Germany. To achieve this, all business activities involving small and medium-sized enterprises and public-sector customers have been transferred from the former Family & SME (F&SME) division to the Unternehmer Bank. Furthermore, the former Private Banking division has been integrated in the newly formed Private Clients Bank business unit and the Family Office transferred to the Unternehmer Bank business unit. The Private Clients Bank business unit similarly forms part of the new Commercial Banking business segment.

The business activities of DAB Bank AG and direktanlage.at AG which were previously assigned to the F&SME division are to be shown as a separate business segment known as Asset Gathering following the reorganisation of the segments.

In contrast to the first quarter of 2013, we have decided not to show Global Banking Services as a separate segment; it is now allocated to the Other/consolidation segment.

Components of the segments of HVB Group

Commercial Banking business segment

The Commercial Banking business segment covers all customers in Germany requiring standardised or individual service and advice across a wide range of banking services in the Private Clients Bank and Unternehmer Bank business units. Different service models are applied in Commercial Banking in line with the needs of its various customer groups: retail customers, private banking customers, business and corporate customers, commercial real estate customers, and Wealth Management customers.

Commercial Banking builds on the strong HypoVereinsbank brand, with a regional sales structure facilitating market-compliant customer care by anchoring a high level of responsibility for results in the region.

The Unternehmer Bank employs a different Mittelstand bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany. All of the business involving the German Mittelstand and commercial real estate is pooled in the Unternehmer Bank business unit, with the exception of the companies and subsidiaries served by the Multinational Corporates unit. These are allocated to the Corporate & Investment Banking business segment in light of their regular demand for capital market products and complex advisory services.

The scope of business services offered is based on the complexity of the customer's needs, ranging from simple commercial banking products all the way through to the provision of capital market solutions. At the same time, access to the UniCredit corporate network in western, central and eastern Europe adds considerable value for export-oriented German Mittelstand firms in the support they receive for their international business activities.

The range of services for personal banking is determined by the needs of the entrepreneurs, running from standard products through to Family Office functionality.

The Private Clients Bank serves retail customers and private banking customers with banking and insurance solutions across all areas of demand.

The specific, all-round advisory offering reflects the individual and differentiated needs of these customer groups in terms of relationship model and product offering. The competence of the global corporate group and prestigious international product vendors are called upon for high-end product offerings.

Alongside personal service "on the ground" locally, our retail customers also have access to a wide range of specialist know-how at all times and, if required, the services of an online branch with extended opening hours in a modern multichannel offering.

Thus, Commercial Banking customers benefit from the strong set of product solutions of a universal bank, ranging from simple banking products, expertise in subsidy advice and leasing through to usage of the global product competence in Corporate & Investment Banking and Global Transaction Banking.

Corporate & Investment Banking business segment

The Corporate & Investment Banking business segment aims to be the first port of call for large corporates and institutional customers in terms of advisory expertise, product and process quality, and value creation. In this context, we seek to build a sustainable, stable and strategic business partnership and position ourselves as core bank with the customer for both commercial and investment banking. The customer focus concept includes professional, active relationship management that acts in a way that is competent, advice-based, fast and transparent. Added to this is a thorough understanding of the customer's business model and industry. CIB supports corporate customers – including those served by the Unternehmer Bank – in their positioning, growth and internationalisation by acting as an intermediary with the capital market.

The three global product lines – Markets, Financing & Advisory and Global Transaction Banking – form part of the integrated CIB value chain. They assist the customer with strategic, transaction-oriented activities, solutions and products. In light of changing markets and rising market risk, we aim to accompany the customer and cover issues like restructuring, growth and internationalisation alongside all corporate customer needs from their bank. Among other things, this includes the very latest intelligence about specific industries and markets that also satisfy the growing expectations of a financing partner.

Our CIB America and CIB Asia branches enable us to provide the best possible service to the subsidiaries of our corporate customers located in the Americas and Asia and offer American and Asian companies with commercial activities in our domestic markets the network they need to operate successfully.

Selected Notes (CONTINUED)

Asset Gathering business segment

The activities of our DAB Bank subsidiary are reflected in the Asset Gathering business segment. DAB Bank offers financial services for retail and business customers. Besides its activities in Germany, DAB Bank also serves the Austrian market through direktanlage.at, its Austria-based subsidiary.

DAB Bank's core products are online brokerage services coupled with an independent range of investment and online banking solutions. DAB Bank provides its customers with direct, inexpensive access to the capital market.

In addition, DAB Bank helps its customers to implement long-term investment strategies by means of advisory services relating to product selection and portfolio structuring, among other things.

DAB Bank offers its customer a wide range of payment and financing services. By concentrating on the internet as a distribution channel, DAB Bank is able to provide its products and services at attractive terms and conditions.

DAB Bank acts as custodian and manager of securities and conducts securities transactions for its business customers. Furthermore, DAB Bank offers these customers wide-ranging services in the fields of IT and reporting and provides marketing and sales support.

Other/consolidation segment

The Other/consolidation segment encompasses Global Banking Services and Group Corporate Centre activities, and consolidation effects.

Global Banking Services views itself as a central internal service provider for both customers and employees. Its activities encompass purchasing, organisation, corporate security, logistics and facility management, cost management, back-office functions for credit, accounts, foreign exchange, money market and derivatives, and in-house consulting. Payments, securities settlement, IT application development and IT operation have been outsourced. Strategic property management at UniCredit Bank AG similarly comes under Global Banking Services and is carried out by HVB Immobilien AG and its subsidiaries.

The Group Corporate Centre activities include profit contributions that do not fall within the jurisdiction of the individual business segments. Among other items, this includes the profits and losses of consolidated subsidiaries and of non-consolidated holdings, provided they are not assigned to the business segments, together with the net income from securities holdings for which the Management Board is responsible. Also incorporated in this segment are the amounts arising from decisions taken by management with regard to asset/liability management. This includes contributions to earnings from securities and money trading activities involving UniCredit S.p.A. and its subsidiaries. The Other/consolidation segment also includes the Real Estate Restructuring customer portfolio (RER).

Method of segment reporting

Apart from the reorganisation of the segment contents, the same principles are being applied in the 2013 financial year as were used at year-end 2012. We use risk-weighted assets compliant with Basel II as the criterion for allocating tied equity capital. The interest rate used to assess the equity capital allocated to companies assigned to several divisions (HVB, UniCredit Luxembourg) was 3.7% in 2012. This interest rate was redetermined for 2013 and has been 3.17% since 1 January 2013. At the same time, we have made a minor adjustment in net interest as of the start of the year. The cost of foreign currency swaps concluded as part of asset/liability management that was previously included in the net interest of the Corporate & Investment Banking business segment is now included in the net interest of the Other/consolidation segment. In addition, there was a shift in the net interest in the Commercial Banking and Corporate & Investment Banking business segments during the second quarter of 2013 on account of customers transferred between these two segments.

The modification of the business model in 2013 led to further cost transfers in both payroll costs and other administrative expenses during the second quarter of 2013. This had an impact on the Commercial Banking, Corporate & Investment Banking and Other/consolidation segments.

Last year's figures and those of previous quarters have been adjusted accordingly to reflect the new corporate structure, the reorganisation described above and a few other minor changes.

2 Companies included in consolidation

The following companies were added to the group of companies included in consolidation in the first half of 2013:

- Elektra Purchase No. 911 Ltd., Dublin
- GELDILUX-TS-2013 S.A., Luxembourg
- Vermietungsgesellschaft mbH & Co. Objekt MOC KG, Munich

The following companies left the group of companies included in consolidation in the first half of 2013 due to liquidation:

- Black Forest Funding LLC, Dover
- GELDILUX-TS-2007 S.A., Luxembourg

HVB Expertise GmbH, Munich, left the group of companies included in consolidation in the first half of 2013 following its absorption by UniCredit Bank AG.

Notes to the Income Statement

3 Segment reporting

Income statement broken down by segment for the period from 1 January to 30 June 2013

(€ millions)

INCOME/EXPENSES	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	ASSET GATHERING	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	770	585	17	93	1,465
Dividends and other income from equity investments	4	51	—	1	56
Net fees and commissions	445	155	43	7	650
Net trading income	13	582	—	114	709
Net other expenses/income	1	14	—	76	91
OPERATING INCOME	1,233	1,387	60	291	2,971
Payroll costs	(379)	(214)	(20)	(293)	(906)
Other administrative expenses	(622)	(419)	(28)	304	(765)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(4)	(6)	(78)	(93)
Operating costs	(1,006)	(637)	(54)	(67)	(1,764)
OPERATING PROFIT	227	750	6	224	1,207
Net write-downs of loans and provisions for guarantees and commitments	(28)	(170)	—	112	(86)
NET OPERATING PROFIT	199	580	6	336	1,121
Provisions for risks and charges	20	(10)	—	(1)	9
Restructuring costs	(2)	—	—	—	(2)
Net income from investments	1	34	4	55	94
PROFIT BEFORE TAX	218	604	10	390	1,222

Income statement broken down by segment for the period from 1 January to 30 June 2012

(€ millions)

INCOME/EXPENSES	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	ASSET GATHERING	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	811	873	28	84	1,796
Dividends and other income from equity investments	6	54	—	2	62
Net fees and commissions	454	98	37	7	596
Net trading income	4	831	—	111	946
Net other expenses/income	(3)	(8)	—	70	59
OPERATING INCOME	1,272	1,848	65	274	3,459
Payroll costs	(380)	(254)	(19)	(287)	(940)
Other administrative expenses	(605)	(393)	(30)	276	(752)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(5)	(6)	(75)	(91)
Operating costs	(990)	(652)	(55)	(86)	(1,783)
OPERATING PROFIT	282	1,196	10	188	1,676
Net write-downs of loans and provisions for guarantees and commitments	(36)	(364)	—	135	(265)
NET OPERATING PROFIT	246	832	10	323	1,411
Provisions for risks and charges	13	55	—	8	76
Restructuring costs	—	—	—	—	—
Net income from investments	—	13	6	51	70
PROFIT BEFORE TAX	259	900	16	382	1,557

Notes to the Income Statement (CONTINUED)

Income statement of the Commercial Banking business segment

(€ millions)

INCOME/EXPENSES	1/1 – 30/6/ 2013	1/1 – 30/6/ 2012	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest	770	811	378	392	403	418	398
Dividends and other income from equity investments	4	6	4	—	7	5	5
Net fees and commissions	445	454	213	232	229	218	234
Net trading income	13	4	1	11	(14)	1	5
Net other expenses/income	1	(3)	—	1	(10)	1	(1)
OPERATING INCOME	1,233	1,272	596	636	615	643	641
Payroll costs	(379)	(380)	(185)	(193)	(189)	(190)	(197)
Other administrative expenses	(622)	(605)	(318)	(303)	(318)	(299)	(298)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(5)	(5)	(3)	(3)	(3)	(2)	(2)
Operating costs	(1,006)	(990)	(506)	(499)	(510)	(491)	(497)
OPERATING PROFIT	227	282	90	137	105	152	144
Net write-downs of loans and provisions for guarantees and commitments	(28)	(36)	4	(32)	40	(43)	(18)
NET OPERATING PROFIT	199	246	94	105	145	109	126
Provisions for risks and charges	20	13	19	—	(11)	30	(5)
Restructuring costs	(2)	—	(2)	—	(86)	—	—
Net income from investments	1	—	1	—	(4)	—	—
PROFIT BEFORE TAX	218	259	112	105	44	139	121
Cost-income ratio in %	81.6	77.8	84.9	78.5	82.9	76.4	77.5

Development of the Commercial Banking business segment

The Commercial Banking business segment generated operating income of €1,233 million in the first half of the year, down €39 million on the figure recorded for the equivalent period last year.

Within this total, net interest fell by €41 million to €770 million due to depressed margins in deposit-taking operations on account of the sharp drop in interest rates, with deposit volumes falling by 3%. The decline results from the lower volumes of deposits from business customers, which could only be offset in part by higher deposits from private customers. In lending operations, essentially declining volumes of property owned by private customers coupled with decreases on account of the restrained demand for credit from business customers led to lower net interest being recorded.

At €445 million, net fees and commissions almost matched the outstanding total of €454 million achieved in the first half of 2012. The net trading income of €13 million essentially comprises the reversal of credit value adjustments carried out in the first quarter of 2013. The cost-income ratio rose by 3.8 percentage points to 81.6% on account of the lower operating income after totalling 77.8% in the equivalent period last year.

The 1.6% increase in operating costs to €1,006 million can be attributed to higher other administrative expenses resulting from higher indirect costs, while payroll costs remained almost unchanged year-on-year at €379 million (first half of 2012: €380 million).

Net write-downs of loans and provisions for guarantees and commitments fell by around 22% compared with the equivalent period last year to what remains a very low level of €28 million.

Once the positive effect of €20 million arising from the reversal of provisions (first half of 2012: €13 million) is included, the Commercial Banking business segment generated a profit before tax totalling €218 million in the first half of 2013 (first half of 2012: €259 million).

Income statement of the Corporate & Investment Banking business segment

(€ millions)

INCOME/EXPENSES	1/1 – 30/6/ 2013	1/1 – 30/6/ 2012	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest	585	873	266	319	380	455	438
Dividends and other income from equity investments	51	54	33	17	41	30	33
Net fees and commissions	155	98	84	71	37	45	24
Net trading income	582	831	333	250	77	159	48
Net other expenses/income	14	(8)	2	12	10	—	(2)
OPERATING INCOME	1,387	1,848	718	669	545	689	541
Payroll costs	(214)	(254)	(94)	(120)	(77)	(141)	(115)
Other administrative expenses	(419)	(393)	(222)	(196)	(183)	(191)	(199)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(4)	(5)	(2)	(2)	(4)	(3)	(3)
Operating costs	(637)	(652)	(318)	(318)	(264)	(335)	(317)
OPERATING PROFIT	750	1,196	400	351	281	354	224
Net write-downs of loans and provisions for guarantees and commitments	(170)	(364)	(114)	(56)	(439)	(132)	(296)
NET OPERATING PROFIT/(LOSS)	580	832	286	295	(158)	222	(72)
Provisions for risks and charges	(10)	55	(1)	(10)	101	—	81
Restructuring costs	—	—	—	—	(9)	1	(1)
Net income from investments	34	13	22	12	(24)	98	—
PROFIT/(LOSS) BEFORE TAX	604	900	307	297	(90)	321	8
Cost-income ratio in %	45.9	35.3	44.3	47.5	48.4	48.6	58.6

Development of the Corporate & Investment Banking business segment

The Corporate & Investment Banking business segment generated operating income of €1,387 million in the difficult market environment of the first half of 2013. The total was €461 million below the amount recorded for the equivalent period last year (first half of 2012: €1,848 million), although this figure benefited from non-recurring income of €395 million arising from the reversal of credit value adjustments. After operating costs down by 2.3% to €637 million are deducted (first half of 2012: €652 million), the operating profit amounts to €750 million (first half of 2012: €1,196 million).

The decline in operating income is due mainly to a decrease of €288 million in interest income to €585 million (first half of 2012: €873 million). This development can be attributed to a decline of €120 million in trading-induced interest together with lower income from lending operations due to contracting credit volumes and margins. At the same time, net trading profit similarly declined by a significant €249 million to €582 million (first half of 2012: €831 million), although this can be attributed to the non-recurrence of the one-time income of €395 million arising from the reversal of credit value adjustments recorded in the previous year. After adjustment for this non-recurring effect in the year-ago total, net trading profit increased by €146 million. In particular, the positive development of customer transactions involving fixed-income securities, interest rate derivatives and structured credit products contributed to this rise.

The dividend income fell by a total of €3 million to €51 million on account of lower dividend payments by private equity funds. Net fees and commissions performed extremely well, rising a strong €57 million over the level recorded in the equivalent period last year to €155 million (first half of 2012: €98 million), thanks notably to higher income from advisory services and credit-related business. The €22 million rise in net other expenses/income is essentially attributable to the recognition of income from the billing of structuring and advisory services relating to project finance. Operating costs declined by €15 million, or 2.3%, to €637 million during the reporting period compared with the first half of 2012 (€652 million) despite an inflation rate of around 1.5%. This pleasing development can be attributed to a fall of €40 million in payroll costs to €214 million, resulting from lower expenses for profit-related bonus payments. At the same time, other administrative expenses and amortisation, depreciation and impairment losses on intangible and tangible assets increased by €25 million to a total of €423 million. The business segment's cost-income ratio rose by 10.6 percentage points to 45.9% (first half of 2012: 35.3%) on account of the decline in operating income.

At €170 million, net write-downs of loans and provisions for guarantees and commitments during the reporting period were €194 million below the figure for the first half of 2012 (€364 million) and hence still at a moderate level. Provisions of €10 million for risks and charges were recognised in the first half of 2013 (first half of 2012: net reversal of €55 million), resulting primarily from legal risks. Once net income from investments of €34 million is factored in (first half of 2012: €13 million), the CIB business segment generated a profit before tax of €604 million in the first six months of 2013 (first half of 2012: €900 million).

Notes to the Income Statement (CONTINUED)

Income statement of the Asset Gathering business segment

(€ millions)

INCOME/EXPENSES	1/1 – 30/6/ 2013	1/1 – 30/6/ 2012	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest	17	28	8	9	11	10	14
Dividends and other income from equity investments	—	—	—	—	—	—	—
Net fees and commissions	43	37	22	21	17	20	17
Net trading income	—	—	—	—	1	—	—
Net other expenses/income	—	—	—	—	(1)	1	—
OPERATING INCOME	60	65	30	30	28	31	31
Payroll costs	(20)	(19)	(10)	(10)	(11)	(11)	(10)
Other administrative expenses	(28)	(30)	(15)	(14)	(12)	(14)	(15)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(6)	(6)	(3)	(3)	(5)	(3)	(3)
Operating costs	(54)	(55)	(28)	(27)	(28)	(28)	(28)
OPERATING PROFIT	6	10	2	3	—	3	3
Net write-downs of loans and provisions for guarantees and commitments	—	—	—	—	—	—	—
NET OPERATING PROFIT	6	10	2	3	—	3	3
Provisions for risks and charges	—	—	—	—	—	—	—
Restructuring costs	—	—	—	—	—	—	—
Net income from investments	4	6	3	2	6	2	4
PROFIT BEFORE TAX	10	16	5	5	6	5	7
Cost-income ratio in %	90.0	84.6	93.3	90.0	100.0	90.3	90.3

Development of the Asset Gathering business segment

The operating income of the Asset Gathering business segment totalled €60 million in the first half of 2013 compared with €65 million in the first half of 2012, which means that it is €5 million below the year-ago figure. This decline results for the most part from the €11 million fall in net interest to €17 million. The historically low level of interest rates has greatly reduced the margins that can be achieved in the deposit-taking business. Net fees and commissions rose by a healthy 16% over the equivalent period last year, to €43 million, reflecting the restored interest in securities trading on the part of customers.

Operating costs remained almost unchanged at €54 million after €55 million in the equivalent period last year. This can be attributed mainly to the continued application of consistent cost management.

Together with the net income from investments of €4 million (first half of 2012: €6 million), the Asset Gathering business segment generated a profit before tax of €10 million in the first half of 2013 (first half of 2012: €16 million).

Income statement of the Other/consolidation segment

(€ millions)

INCOME/EXPENSES	1/1 – 30/6/ 2013	1/1 – 30/6/ 2012	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest	93	84	55	38	(60)	(4)	28
Dividends and other income from equity investments	1	2	2	—	2	—	2
Net fees and commissions	7	7	4	3	(3)	4	6
Net trading income	114	111	—	114	3	17	86
Net other expenses/income	76	70	40	36	32	49	34
OPERATING INCOME	291	274	101	191	(26)	66	156
Payroll costs	(293)	(287)	(145)	(149)	(138)	(142)	(146)
Other administrative expenses	304	276	153	150	142	128	142
Amortisation, depreciation and impairment losses on intangible and tangible assets	(78)	(75)	(37)	(40)	(27)	(40)	(37)
Operating costs	(67)	(86)	(29)	(39)	(23)	(54)	(41)
OPERATING PROFIT/(LOSS)	224	188	72	152	(49)	12	115
Net write-downs of loans and provisions for guarantees and commitments	112	135	113	(1)	96	16	139
NET OPERATING PROFIT	336	323	185	151	47	28	254
Provisions for risks and charges	(1)	8	—	1	3	(4)	(1)
Restructuring costs	—	—	—	—	(7)	(1)	1
Net income from investments	55	51	—	54	5	5	46
PROFIT BEFORE TAX	390	382	185	206	48	28	300
Cost-income ratio in %	23.0	31.4	28.7	20.4	(88.5)	81.8	26.3

Development of the Other/consolidation segment

The operating income of this segment amounted to €291 million in the first half of 2013 compared with €274 million in the equivalent period last year. As was the case in 2012, the net trading income of €114 million during the reporting period (first half of 2012: €111 million) mainly includes gains generated in connection with the buy-back of hybrid capital instruments. At the same time, both net interest (up €9 million to €93 million) and net other expenses/income (up €6 million to €76 million) increased slightly. With operating costs down by €19 million, the operating profit was up by €36 million in the first half of 2013 to €224 million (first half of 2012: €188 million).

A net reversal of €112 million was recorded in net write-downs of loans and provisions for guarantees and commitments in the first half of 2013 (first half of 2012: €135 million) arising mainly from the successful reduction of expiring portfolios. As in the previous year, the net income from investments of €55 million (first half of 2012: €51 million) resulted notably from gains on the sale of land and buildings. All in all, this segment recorded a profit before tax of €390 million for the first half of 2013, which is €8 million higher than the amount reported for the equivalent period last year (first half of 2012: €382 million).

Notes to the Income Statement (CONTINUED)

4 Net interest

(€ millions)

	1/1 – 30/6/2013	1/1 – 30/6/2012
Interest income from	2,936	3,788
lending and money market transactions	1,987	2,667
other interest income	949	1,121
Interest expense from	(1,471)	(1,992)
deposits	(358)	(653)
debt securities in issue and other interest expenses	(1,113)	(1,339)
Total	1,465	1,796

5 Dividends and other income from equity investments

(€ millions)

	1/1 – 30/6/2013	1/1 – 30/6/2012
Dividends and other similar income	54	57
Companies accounted for using the equity method	2	5
Total	56	62

6 Net fees and commissions

(€ millions)

	1/1 – 30/6/2013	1/1 – 30/6/2012
Management, brokerage and consultancy services	290	297
Collection and payment services ¹	113	108
Lending operations ¹	229	183
Other service operations	18	8
Total	650	596

¹ at 30 September 2012, guarantee and documentary-credit fees were reclassified from lending operations to collection and payment services. The year-ago figures have been adjusted accordingly

This item comprises the balance of fee and commission income of €853 million (2012: €816 million) and fee and commission expenses of €203 million (2012: €220 million).

7 Net trading income

(€ millions)

	1/1 – 30/6/2013	1/1 – 30/6/2012
Net gains on financial assets held for trading ¹	468	1,006
Effects arising from hedge accounting	15	(51)
Changes in fair value of hedged items	790	(587)
Changes in fair value of hedging derivatives	(775)	536
Net gains/(losses) on financial assets at fair value through profit or loss (fair value option) ²	93	(67)
Other net trading income	133	58
Total	709	946

1 including dividends on financial assets held for trading

2 also including the valuation results of derivatives concluded to hedge financial assets through fair value at profit or loss

The effects arising from hedge accounting include the hedge results of the fair value hedge portfolio and the individual micro fair value hedges as a net aggregate total.

The net gains on holdings at fair value through profit or loss (held-for-trading portfolio and fair value option) generally only contain the changes in fair value disclosed in the income statement. The interest income from held-for-trading portfolios is normally disclosed under net interest. To ensure that the full contribution of these activities to profits is disclosed, the interest cash flows are only carried in net trading income for the interest rate swap trading book, which exclusively contains interest rate derivatives.

8 Net other expenses/income

(€ millions)

	1/1 – 30/6/2013	1/1 – 30/6/2012
Other income	179	168
Other expenses	(88)	(109)
Total	91	59

Notes to the Income Statement (CONTINUED)

9 Net write-downs of loans and provisions for guarantees and commitments

(€ millions)

	1/1 – 30/6/2013	1/1 – 30/6/2012
Additions/releases	(114)	(290)
Allowances for losses on loans and receivables	(155)	(261)
Allowances for losses on guarantees and indemnities	41	(29)
Recoveries from write-offs of loans and receivables	28	25
Gains on the disposal of impaired loans and receivables	—	—
Total	(86)	(265)

In gross terms, the expenses of €763 million for additions in the first half of 2013 (2012: €745 million) were partly offset by releases and recoveries from write-offs of loans and receivables amounting to €677 million (2012: €480 million).

10 Provisions for risks and charges

A net gain of €9 million was recorded from net reversals of provisions for risks and charges during the reporting period, essentially in connection with legal risks.

11 Net income from investments

(€ millions)

	1/1 – 30/6/2013	1/1 – 30/6/2012
Available-for-sale financial assets	40	14
Shares in affiliated companies	—	—
Companies accounted for using the equity method	—	—
Held-to-maturity investments	—	5
Land and buildings	54	49
Investment properties ¹	—	2
Total	94	70

¹ gains on disposal, impairments and write-ups together with fair value fluctuations for investment properties measured at market value

Net income from investments breaks down as follows:

(€ millions)

	1/1 – 30/6/2013	1/1 – 30/6/2012
Gains on the disposal of	128	84
available-for-sale financial assets	73	22
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	5
land and buildings	54	49
investment properties	1	8
Write-downs, value adjustments and write-ups on	(34)	(14)
available-for-sale financial assets	(33)	(8)
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	—
investment properties	(1)	(6)
Total	94	70

12 Earnings per share

	1/1 – 30/6/2013	1/1 – 30/6/2012
Consolidated profit attributable to shareholder (€ millions)	808	894
Average number of shares	802,383,672	802,383,672
Earnings per share (€)	1.01	1.11

Notes to the Balance Sheet

13 Financial assets held for trading

(€ millions)

	30/6/2013	31/12/2012
Balance sheet assets	30,184	25,035
Fixed-income securities	13,324	13,917
Equity instruments	5,299	3,843
Other financial assets held for trading	11,561	7,275
Positive fair value from derivative financial instruments	77,520	105,982
Total	107,704	131,017

The financial assets held for trading include €105 million (31 December 2012: €207 million) in subordinated assets at 30 June 2013.

14 Financial assets at fair value through profit or loss

(€ millions)

	30/6/2013	31/12/2012
Fixed-income securities	25,816	22,915
Equity instruments	—	—
Investment certificates	2	2
Promissory notes	1,312	1,365
Total	27,130	24,282

The financial assets at fair value through profit or loss include €293 million (31 December 2012: €301 million) in subordinated assets at 30 June 2013.

15 Available-for-sale financial assets

(€ millions)

	30/6/2013	31/12/2012
Fixed-income securities	3,713	4,013
Equity instruments	371	418
Other available-for-sale financial assets	182	188
Impaired assets	880	863
Total	5,146	5,482

At 30 June 2013, available-for-sale financial assets include financial instruments of €1,140 million (31 December 2012: €1,082 million) valued at cost.

The available-for-sale financial assets contain a total of €880 million (31 December 2012: €863 million) in impaired assets at 30 June 2013 for which impairments of €37 million (30 June 2012: €13 million) were taken to the income statement during the period under review. None of the non-impaired debt instruments are financial instruments past due.

The available-for-sale financial assets include €221 million (31 December 2012: €220 million) in subordinated assets at 30 June 2013.

16 Shares in associated companies accounted for using the equity method and joint ventures accounted for using the equity method

(€ millions)

	30/6/2013	31/12/2012
Associated companies accounted for using the equity method	64	65
of which: goodwill	34	36
Joint ventures accounted for using the equity method	—	—
Total	64	65

17 Held-to-maturity investments

(€ millions)

	30/6/2013	31/12/2012
Fixed-income securities	222	261
Impaired assets	—	—
Total	222	261

The held-to-maturity investments include a total of €10 million (31 December 2012: €11 million) in subordinated assets at 30 June 2013.

18 Loans and receivables with banks

(€ millions)

	30/6/2013	31/12/2012
Current accounts	13,013	14,737
Repos ¹	13,957	6,975
Reclassified securities	1,925	2,171
Other loans to banks	12,180	12,437
Total	41,075	36,320

¹ repurchase agreements

The other loans to banks consist mostly of term deposits and bonds.

The loans and receivables with banks include €593 million (31 December 2012: €641 million) in subordinated assets at 30 June 2013.

19 Loans and receivables with customers

(€ millions)

	30/6/2013	31/12/2012
Current accounts	10,974	10,754
Repos ¹	611	443
Mortgage loans	41,937	42,957
Finance leases	1,952	1,883
Reclassified securities	3,061	3,552
Non-performing loans and receivables	4,365	4,468
Other loans and receivables	53,446	58,155
Total	116,346	122,212

¹ repurchase agreements

The loans and receivables with customers include €1,275 million (31 December 2012: €1,298 million) in subordinated assets at 30 June 2013.

Other loans and receivables largely comprise miscellaneous other loans, installment loans, term deposits and refinanced special credit facilities.

Loans and receivables with customers include an amount of €1,627 million (31 December 2012: €1,916 million) funded under the fully consolidated Arabella conduit programme. For the most part, this involves buying short-term accounts payable and medium-term receivables under lease agreements from customers and funding them by issuing commercial paper on the capital market. The securitised loans and receivables essentially reflect loans and receivables of European borrowers, with a majority of the loans and receivables relating to German borrowers.

Notes to the Balance Sheet (CONTINUED)

20 Application of reclassification rules defined in IAS 39.50 et seq.

No further reclassifications have been carried out since 2010. The intention to trade no longer exists for the assets reclassified in 2008 and 2009, since the markets in these financial instruments had become illiquid as a result of the extraordinary circumstances created by the financial crisis (2008/09) through to the time of reclassification. Given the high quality of the assets concerned, HVB intends to retain the assets for a longer period. HVB has not reclassified any assets from the available-for-sale portfolio.

The following table shows the development of the reclassified holdings:

(€ billions)

RECLASSIFIED ASSET-BACKED SECURITIES AND OTHER DEBT SECURITIES	CARRYING AMOUNT OF ALL RECLASSIFIED ASSETS ¹	FAIR VALUE OF ALL RECLASSIFIED ASSETS	NOMINAL AMOUNT OF ALL RECLASSIFIED ASSETS
Reclassified in 2008			
Balance at 31/12/2008	13.7	11.8	14.6
Balance at 31/12/2009	9.0	8.0	9.7
Balance at 31/12/2010	6.5	5.9	7.0
Balance at 31/12/2011	4.7	4.0	5.0
Balance at 31/12/2012	3.4	3.0	3.6
Balance at 30/6/2013	2.9	2.6	3.0
Reclassified in 2009			
Balance at 31/12/2009	7.3	7.4	7.4
Balance at 31/12/2010	4.6	4.5	4.6
Balance at 31/12/2011	3.2	3.2	3.3
Balance at 31/12/2012	2.4	2.5	2.5
Balance at 30/6/2013	2.2	2.3	2.3
Balance of reclassified assets at 30/6/2013	5.1	4.9	5.3

¹ before accrued interest

The fair value of the financial instruments reclassified as loans and receivables with banks and customers amounts to a total of €4.9 billion at 30 June 2013. If these reclassifications had not been carried out in 2008 and 2009, mark-to-market valuation (including realised disposals) would have given rise to a net gain of €158 million in net trading income in the first half of 2013. A net gain of €498 million (2012), €96 million (2011), €416 million (2010) and €1,159 million (2009) would have arisen in net trading income in the financial years 2012, 2011, 2010 and 2009 while a net loss of €1,792 million would have accrued in net trading income from the reclassified holdings in 2008. These effects reflect a theoretical, pro forma calculation, as the assets are measured at amortised cost on account of the reclassification.

In the first six months of 2013, we reversed €4 million of the write-downs taken on reclassified holdings. Write-downs on reclassified holdings had been taken in the amount of €31 million in 2012, €3 million in 2011, €8 million in 2010, €80 million in 2009 and €63 million in 2008. The fair value at the date when the reclassification takes effect represents the new acquisition cost, which in some cases is considerably less than the nominal value. Accordingly, this difference (discount) is to be amortised over the remaining term of the reclassified financial assets. This together with the reclassified securities that had matured or been partially repaid gives rise to an effect of €18 million (whole of 2012: €66 million, 2011: €100 million, 2010: €160 million, 2009: €208 million, 2008: €127 million), which is recognised in net interest.

A gain of €0.4 million (whole of 2012: €21 million, 2011: €14 million, 2010: €19 million, 2009: €83 million) on reclassified securities that had been sold was recognised in the income statement in the first six months of 2013.

In the first half of 2013, the reclassifications carried out in 2008 and 2009 resulted in a profit before tax that was €136 million lower. Between the date when the reclassifications took effect and the reporting date, the cumulative net impact on the income statement from the reclassifications already carried out totalled €100 million before tax (first six months of 2013: minus €136 million, whole of 2012: minus €442 million, 2011: plus €15 million, 2010: minus €245 million, 2009: minus €948 million, 2008: plus €1,856 million).

21 Allowances for losses on loans and receivables with banks and customers

Analysis of loans and receivables

(€ millions)

Balance at 1 January 2012	4,743
Changes affecting income	261
Changes not affecting income	
Changes due to make-up of group of consolidated companies and reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(304)
Effects of currency translation and other changes	11
Non-current assets or disposal groups held for sale	(15)
Balance at 30 June 2012	4,696
Balance at 1 January 2013	4,448
Changes affecting income	155
Changes not affecting income	
Changes due to make-up of group of consolidated companies and reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(227)
Effects of currency translation and other changes	31
Non-current assets or disposal groups held for sale	—
Balance at 30 June 2013	4,407

22 Deposits from banks

(€ millions)

	30/6/2013	31/12/2012
Deposits from central banks	5,383	6,271
Deposits from banks	52,905	38,945
Current accounts	13,129	12,959
Reverse repos ¹	22,403	8,378
Term deposits	7,548	7,883
Other liabilities	9,825	9,725
Total	58,288	45,216

¹ repurchase agreements

23 Deposits from customers

(€ millions)

	30/6/2013	31/12/2012
Current accounts	55,874	59,768
Savings deposits	14,996	14,779
Reverse repos ¹	7,233	8,550
Term deposits	18,048	17,820
Other liabilities	8,077	9,351
Total	104,228	110,268

¹ repurchase agreements

Notes to the Balance Sheet (CONTINUED)

24 Debt securities in issue

(€ millions)

	30/6/2013	31/12/2012
Bonds	31,671	34,467
Other securities	1,376	1,396
Total	33,047	35,863

25 Financial liabilities held for trading

(€ millions)

	30/6/2013	31/12/2012
Negative fair values arising from derivative financial instruments	77,046	105,513
Other financial liabilities held for trading	14,898	15,988
Total	91,944	121,501

The negative fair values arising from derivative financial instruments are carried as financial liabilities held for trading purposes. Also included under other financial liabilities held for trading are warrants, certificates and bonds issued by our trading department as well as delivery obligations arising from short sales of securities not held for trading purposes.

26 Provisions

(€ millions)

	30/6/2013	31/12/2012
Provisions for pensions and similar commitments	208	133
Allowances for losses on guarantees and commitments and irrevocable credit commitments	498	527
Restructuring provisions	178	184
Actuarial provisions	26	27
Other provisions	1,008	1,077
Total	1,918	1,948

27 Change in valuation of financial instruments

The reserves arising from changes in the valuation of financial instruments recognised in equity totalled €64 million at 30 June 2013 (31 December 2012: €56 million). This rise of €8 million compared with year-end 2012 can be attributed for the most part to the €5 million increase in the AfS reserve to €35 million, resulting primarily from positive fair value fluctuations of fixed-income securities classified as available for sale. Similarly, the hedge reserve included in the reserves arising from changes in the value of financial instruments recognised in equity increased by €3 million compared with year-end 2012 to €29 million.

28 Subordinated capital

The following table shows the breakdown of subordinated capital included in deposits from banks and customers and debt securities in issue: (€ millions)

	30/6/2013	31/12/2012
Subordinated liabilities	1,665	2,103
Hybrid capital instruments	49	358
Total	1,714	2,461

Other Information

29 Contingent liabilities and other commitments

(€ millions)

	30/6/2013	31/12/2012
Contingent liabilities¹	19,399	19,909
Guarantees and indemnities	19,399	19,909
Other commitments	36,758	35,984
Irrevocable credit commitments	36,451	35,646
Other commitments ²	307	338
Total	56,157	55,893

1 contingent liabilities are offset by contingent assets to the same amount

2 without commitments arising from leases

30 Notes to selected structured products

Additional information regarding selected structured products is given below in order to provide greater transparency. Assets of fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles are shown alongside tranches retained by HVB Group and holdings of asset-backed securities (ABS) transactions issued by third parties, broken down by various criteria.

ABS portfolio

In a securitisation transaction, above all the originator transfers credit receivables and/or credit risks to third parties. The securitisation itself is usually performed via special purpose vehicles (SPVs). In order to refinance the acquisition of receivables, these SPVs issue securities on the capital market that are secured by the receivables acquired. This serves to transfer the associated credit risks to investors in the form of asset-backed securities. The securities issued by SPVs are generally divided into tranches which differ above all in terms of seniority in the servicing of claims to repayment and interest payments. These tranches are generally assessed by rating agencies.

Depending on the underlying assets in a securitisation transaction, the following types of security among others are distinguished in ABS transactions:

- residential mortgage-backed securities (RMBS) relating to mortgage loans in the private sector (residential mortgage loans)
- commercial mortgage-backed securities (CMBS) relating to mortgage loans in the commercial sector (commercial mortgage loans)
- collateralised loan obligations (CLO) relating to commercial bank loans
- collateralised bond obligations (CBO) relating to securities portfolios

Besides this, consumer loans, credit card receivables and lease receivables are also securitised.

Other Information (CONTINUED)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by rating class (HVB Group without fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles; these are shown separately) (€ millions)

CARRYING AMOUNTS	30/6/2013				31/12/2012
	SENIOR	MEZZANINE	JUNIOR	TOTAL	TOTAL
Positions retained from own securitisations	—	101	—	101	97
Positions in third-party ABS transactions	3,186	1,201	20	4,407	4,742
Residential mortgage-backed securities (RMBS)	1,732	390	—	2,122	2,192
thereof:					
US subprime	1	—	—	1	1
US Alt-A	2	—	—	2	2
Commercial mortgage-backed securities (CMBS)	712	248	—	960	1,108
Collateralised debt obligations (CDO)	20	46	—	66	88
thereof:					
US subprime	—	—	—	—	—
US Alt-A	—	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	398	403	18	819	877
Consumer loans	255	78	2	335	302
Credit cards	—	—	—	—	—
Leases	65	22	—	87	151
Others	4	14	—	18	24
Total					
	30/6/2013	3,186	1,302	20	4,508
	31/12/2012	3,364	1,453	22	4,839
Synthetic collateralised debt obligations (CDO) (derivatives)¹					
	30/6/2013	—	25	—	25
	31/12/2012	—	25	—	25

¹ the amounts shown in the table represent the carrying amount (fair value)

The positions are classified as senior, mezzanine and junior on the basis of external ratings, or internal ratings where no external rating exists. Only those tranches with the best rating are carried as senior tranches. Only tranches with low ratings (worse than BB- in external ratings) and unrated tranches (known as first loss pieces) are carried as junior tranches; all other tranches are grouped together as mezzanine tranches.

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by region (HVB Group without fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles; these are shown separately)

(€ millions)

CARRYING AMOUNTS	30/6/2013					TOTAL
	EUROPE	USA	ASIA	OTHER REGIONS		
Positions retained from own securitisations	101	—	—	—	101	
Positions in third-party ABS transactions	3,675	535	28	169	4,407	
Residential mortgage-backed securities (RMBS)	1,987	4	28	103	2,122	
thereof:						
US subprime	—	1	—	—	1	
US Alt-A	—	2	—	—	2	
Commercial mortgage-backed securities (CMBS)	826	134	—	—	960	
Collateralised debt obligations (CDO)	6	42	—	18	66	
thereof:						
US subprime	—	—	—	—	—	
US Alt-A	—	—	—	—	—	
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	511	260	—	48	819	
Consumer loans	252	83	—	—	335	
Credit cards	—	—	—	—	—	
Leases	75	12	—	—	87	
Others	18	—	—	—	18	
Total	3,776	535	28	169	4,508	
	31/12/2012	4,062	577	181	4,839	
Synthetic collateralised debt obligations (CDO) (derivatives)¹	—	25	—	—	25	
	31/12/2012	—	25	—	25	

¹ the amounts shown in the table represent the carrying amount (fair value)

Other Information (CONTINUED)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by remaining maturity (HVB Group without fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles; these are shown separately) (€ millions)

CARRYING AMOUNTS	30/6/2013			TOTAL	
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS		
Positions retained from own securitisations	47	54	—	101	
Positions in third-party ABS transactions	360	2,798	1,249	4,407	
Residential mortgage-backed securities (RMBS)	72	1,073	977	2,122	
thereof:					
US subprime	—	1	—	1	
US Alt-A	—	1	1	2	
Commercial mortgage-backed securities (CMBS)	138	723	99	960	
Collateralised debt obligations (CDO)	1	6	59	66	
thereof:					
US subprime	—	—	—	—	
US Alt-A	—	—	—	—	
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	21	707	91	819	
Consumer loans	93	219	23	335	
Credit cards	—	—	—	—	
Leases	34	53	—	87	
Others	1	17	—	18	
Total	30/6/2013	407	2,852	1,249	4,508
	31/12/2012	543	3,073	1,223	4,839
Synthetic collateralised debt obligations (CDO) (derivatives)¹	30/6/2013	—	25	—	25
	31/12/2012	25	—	—	25

¹ the amounts shown in the table represent the carrying amount (fair value)

Positions retained from own securitisation transactions and in third-party ABS transactions, broken down by class as per IAS 39 (HVB Group without fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles; these are shown separately)

(€ millions)

CARRYING AMOUNTS	30/6/2013					TOTAL
	HELD FOR TRADING	FAIR VALUE OPTION	LOANS & RECEIVABLES	HELD TO MATURITY	AVAILABLE FOR SALE	
Positions retained from own securitisations	—	—	—	—	101	101
Positions in third-party ABS transactions	296	43	3,733	78	257	4,407
Residential mortgage-backed securities (RMBS)	80	14	1,962	1	65	2,122
thereof:						
US subprime	—	—	—	1	—	1
US Alt-A	—	1	1	—	—	2
Commercial mortgage-backed securities (CMBS)	82	8	836	—	34	960
Collateralised debt obligations (CDO)	—	7	41	18	—	66
thereof:						
US subprime	—	—	—	—	—	—
US Alt-A	—	—	—	—	—	—
Collateralised loan obligations (CLO)/ collateralised bond obligations (CBO)	107	10	519	52	131	819
Consumer loans	23	—	305	7	—	335
Credit cards	—	—	—	—	—	—
Leases	4	—	56	—	27	87
Others	—	4	14	—	—	18
Total	296	43	3,733	78	358	4,508
	30/6/2013					
	31/12/2012	401	44	3,948	79	367
Synthetic collateralised debt obligations (CDO) (derivatives)¹	25	—	—	—	—	25
	30/6/2013					
	31/12/2012	25	—	—	—	25

¹ the amounts shown in the table represent the carrying amount (fair value)

Fully consolidated commercial paper conduits and other consolidated special purpose vehicles

Over the last few years, the Bank has streamlined its activities involving conduits in a process that was completed in 2012. The Arabella conduit programme is the only remaining conduit at the HVB subgroup, with a volume of €1.6 billion (31 December 2012: €1.9 billion). Other conduits disclosed here in previous years have been handled as follows:

- Some have been wound down, with the remaining assets of the conduits being transferred to HVB.
- The shares in the special purpose vehicles have been acquired in some cases, meaning that these are subsidiaries that are now fully funded by HVB.
- The funding has been changed in some cases, with the fully consolidated special purposes vehicles now being fully funded by HVB.

The purpose of showing the fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles was to disclose the volume of business that the Bank bought from third parties through conduits and further special purpose vehicles and funded directly on the capital market by placing securities such that it did not appear directly on the balance sheet of HVB Group. In light of the streamlining mentioned above, this business volume has declined considerably and is now limited to Arabella as the Bank's only remaining conduit programme, which buys exclusively receivables with customers and refinances them on the capital market. To reflect this development, the previous presentation of fully consolidated commercial paper conduits and other fully consolidated special purpose vehicles is no longer shown. The Arabella programme is discussed separately in Note 19, "Loans and receivables with customers", as all the receivables purchased under this programme are disclosed in this item on the balance sheet.

Other Information (CONTINUED)

31 Members of the Supervisory Board and Management Board

Supervisory Board

Federico Ghizzoni **Chairman**

Peter König **Deputy Chairmen**
Dr Wolfgang Sprissler

Aldo Bulgarelli **Members**
Beate Dura-Kempf
Klaus Grünewald
Werner Habich
Dr Lothar Meyer
Marina Natale
Klaus-Peter Prinz
Jens-Uwe Wächter
Dr Susanne Weiss

Management Board

Dr Andreas Bohn	Corporate & Investment Banking
Peter Buschbeck	Commercial Banking/ Private Clients Bank
Jürgen Danzmayr	Commercial Banking/ Private Clients Bank (main focus Private Banking)
Lutz Diederichs	Commercial Banking/ Unternehmer Bank
Peter Hofbauer	Chief Financial Officer (CFO)
Heinz Laber	Human Resources Management, Global Banking Services
Andrea Umberto Varese	Chief Risk Officer (CRO)
Dr Theodor Weimer	Board Spokesman

Munich, 2 August 2013

UniCredit Bank AG
The Management Board



Dr Bohn



Buschbeck



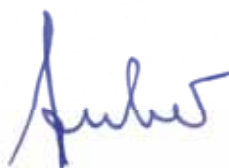
Danzmayr



Diederichs



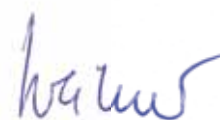
Hofbauer



Laber



Varese



Dr Weimer

Declaration by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Munich, 2 August 2013

UniCredit Bank AG
The Management Board



Dr Bohn



Buschbeck



Danzmayr



Diederichs



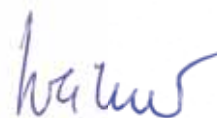
Hofbauer



Laber



Varese



Dr Weimer

Summary of Quarterly Financial Data

(€ millions)

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
OPERATING PERFORMANCE					
Net interest	707	758	734	879	878
Dividends and other income from equity investments	39	17	50	35	40
Net fees and commissions	323	327	280	287	281
Net trading income	334	375	67	177	139
Net other expenses/income	42	49	31	51	31
OPERATING INCOME	1,445	1,526	1,162	1,429	1,369
Operating costs	(881)	(883)	(825)	(908)	(883)
OPERATING PROFIT	564	643	337	521	486
Net write-downs of loans and provisions					
for guarantees and commitments	3	(89)	(303)	(159)	(175)
NET OPERATING PROFIT	567	554	34	362	311
Provisions for risks and charges	18	(9)	93	26	75
Restructuring costs	(2)	—	(102)	—	—
Net income from investments	26	68	(17)	105	50
PROFIT BEFORE TAX	609	613	8	493	436
Income tax for the period	(194)	(210)	59	(185)	(254)
CONSOLIDATED PROFIT	415	403	67	308	182
attributable to shareholder of UniCredit Bank AG	402	406	65	287	187
attributable to minorities	13	(3)	2	21	(5)
Earnings per share (€) (undiluted and diluted)	0.50	0.51	0.08	0.36	0.23

Financial Calendar

Important Dates 2013*

Interim Report at 30 September 2013	11 November 2013
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* dates planned

Contacts

Should you have any questions about the annual report or our interim reports, please contact Media Relations by calling +49 (0)89 378-25744, faxing +49 (0)89 378-25699. You can call up important company announcements as soon as they have been published by visiting our website at www.hvb.de.

Internet

You can call up user-friendly, interactive versions of our annual and interim reports, including search and other functions, on our website: www.hvb.de/annualreport www.hvb.de/interimreport.

Publications

Annual Reports (English/German)
Interim reports (English/German)
for the first, second and third quarters
Sustainability Profile 2012
You can obtain PDF files of all reports on our website:
www.hvb.de/annualreport
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Disclaimer

This edition of our interim report is prepared for the convenience of our English-speaking readers. It is based on the German original, which takes precedence in all legal respects.

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