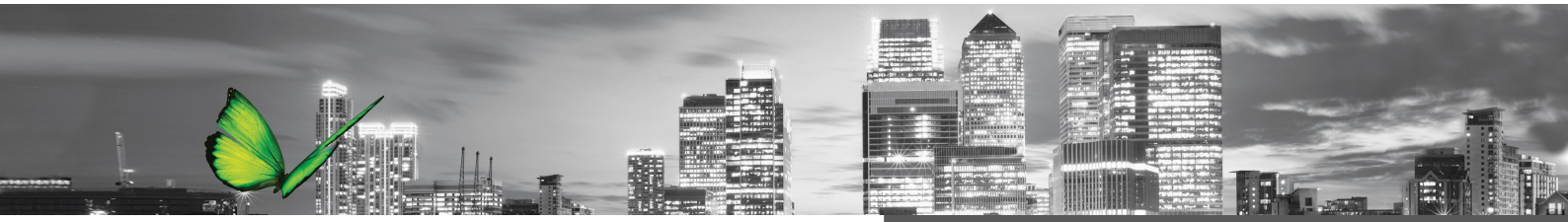
# UniCredit Bank AG
# 60-55 Memory Income Autocall September 2021 Factsheet



## INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of the Hong Kong, US, French and Italian Indices.

If on any of the semi-annual observation dates, including the Final Observation, the closing levels of all the Underlyings are at or above 60% of their initial levels, the income will be paid plus any previously missed income payments.

This investment will autocall and mature early if all Underlyings are at or above 105% their initial levels on any semi-annual observation date starting at 12 months. If early maturity occurs, full capital is returned and the investment will end. If early maturity does not occur the investment will continue to the Final Observation date.

At the Final Observation date, if all Underlyings are at or above 55% of their initial levels, then full capital is returned. If any Underlying is below 55% of its original level, capital return will be reduced on a 1-for-1 basis. For example if the worst performing Underlying has fallen to 40% of its original level, 40% of the capital will be returned.

## BENEFITS

- Opportunity for regular income payments even where the Underlyings show significant falls.
- A memory feature, whereby income previously unpaid, will be included when the income trigger is next activated.
- Autocall feature potentially shortens the investment term and is triggered by minimal growth.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Daily pricing.

## RISKS

- The return is limited to the pre-defined investment terms.
- The income payment is conditional upon the Underlying performance.
- Investors will be exposed to the credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments on the Product for any other reason, investors could lose some or all of their investment. A decline in the Issuer's credit quality is likely to reduce the market value of the Product and therefore the price an investor may receive for the Product if they were to sell them in the market.
- There is a risk to capital should one of the Underlyings breach the capital protection barrier on its Final Observation date.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

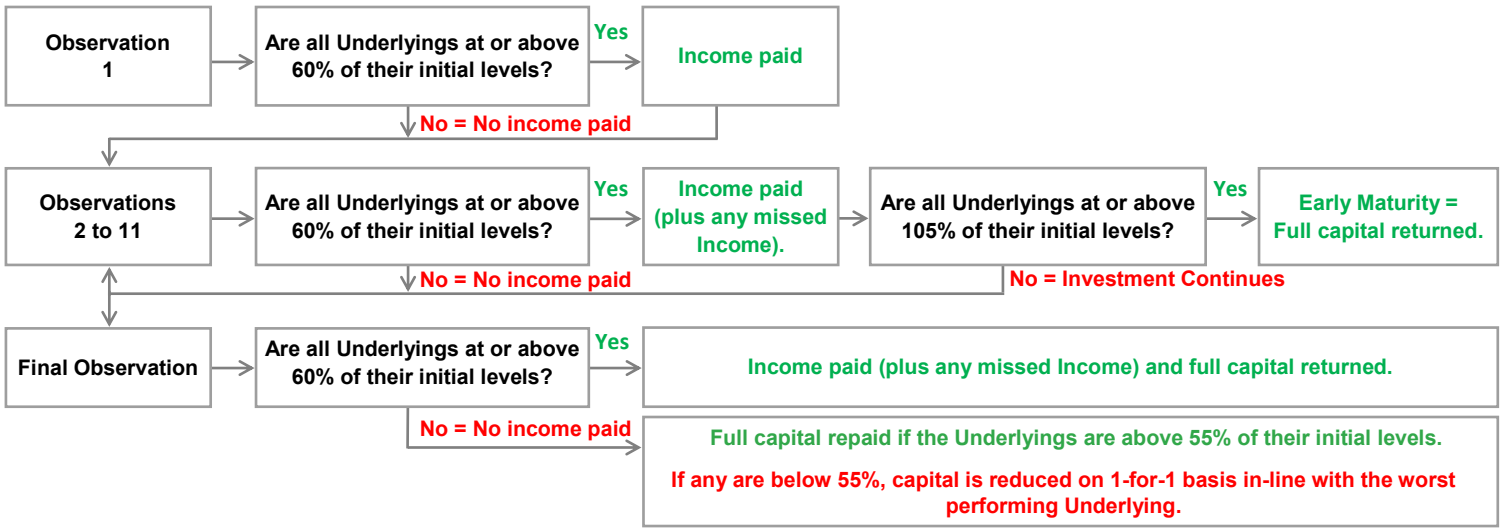
## Product Facts & Features

| | |
|---|---|
| **Issuer:** | UniCredit Bank AG |
| **Credit Ratings:** | Moody's A2, S&P BBB+, Fitch BBB<br>**Source**: Bloomberg 09.09.2021 |
| **Maximum Term:** | 6 years |
| **Investment Structure:** | Semi-Annual Memory Income Autocall |
| **Autocall Opportunities:** | Semi-Annual<br>(First Observation at 12 months) |
| **Autocall Trigger:** | 105% of initial level |
| **Memory Income Rate:** | USD = 2.50% Semi-Annually<br>(5.00% p.a.) |
| **Income Trigger:** | 60% of initial level |
| **Capital Risk:** | Not capital protected |
| **Capital Protection Barrier:** | 55% Final level (European style) |
| **Underlying Basket** | **Bloomberg Code** |
| Hong Kong: Hang Seng | HSI Index |
| US: S&P 500 | SPX Index |
| France: CAC 40 | CAC Index |
| Italy: FTSE MIB | FTSEMIB Index |

## Key Information

| | |
|---|---|
| **Subscription Period:** | 09 Sept 2021 – 29 Sept 2021<br>(4.30pm UK Time) |
| **Issue Price:** | 100% |
| **Strike Date:** | 30 September 2021 |
| **Issue Date:** | 07 October 2021 |
| **1st Coupon Observation:** | 30 March 2022 |
| **1st Autocall Observation:** | 30 September 2022 |
| **Final Observation:** | 30 September 2027 |
| **Maturity Date:** | 07 October 2027 |
| **Denominations:** | 1,000 then lots of 1,000 |
| **ISIN:** | DE000HR9SYG1 |

## HOW THE INVESTMENT WORKS




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## OBSERVATION DATES (some dates may vary if a bank holiday or non-business day occurs)

| | Observation Date | Payment Date | Income Trigger | Autocall Trigger |
|---|---|---|---|---|
| **Observation 1** | 30 March 2022 | 07 April 2022 | 60% | n/a |
| **Observation 2** | 30 September 2022 | 07 October 2022 | 60% | 105% |
| **Observation 3** | 31 March 2023 | 11 April 2023 | 60% | 105% |
| **Observation 4** | 02 October 2023 | 09 October 2023 | 60% | 105% |
| **Observation 5** | 02 April 2024 | 09 April 2024 | 60% | 105% |
| **Observation 6** | 30 September 2024 | 07 October 2024 | 60% | 105% |
| **Observation 7** | 31 March 2025 | 07 April 2025 | 60% | 105% |
| **Observation 8** | 30 September 2025 | 07 October 2025 | 60% | 105% |
| **Observation 9** | 30 March 2026 | 07 April 2026 | 60% | 105% |
| **Observation 10** | 30 September 2026 | 07 October 2026 | 60% | 105% |
| **Observation 11** | 30 March 2027 | 07 April 2027 | 60% | 105% |
| **Final Observation** | 30 September 2027 | 07 October 2027 | 60% | 55% European Barrier |

**IDAD** was established in 2002 and our approach from the outset, is what we call the "*IDAD Difference*". The selection of the investments we offer is not decided in terms of profitability alone and when developing investment products, we favour evidence over dogma. We are happy to work with advisers and product providers alike to deliver a range of investment options to suit differing client wealth strategies. We're proud of our approach to business as well as the investments delivered as a result of the "*IDAD Difference*". We are committed to building upon our reputation for bringing benefits to all involved in the investment process, but most importantly to the clients.

**UniCredit Bank AG** provides commercial banking services. The Bank offers corporate lending, investment, wealth management, and online banking services. UniCredit Bank serves customers worldwide. **Source**: Bloomberg 09.09.2021

## RATIONALE

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

The opportunity for an income stream can be of key importance to investors as part of their wealth planning. The probability of an income payment being triggered is increased with this investment as an Underlying needs to show a fall of 40% from its initial level on any observation date before the income stream is disrupted.

The investment also benefits from a memory feature so that if any income payments have missed being paid, they will catch-up the next time all Underlyings are above 60% of their initial levels on an observation date.

The four Underlyings detailed overleaf have been selected in order to support the anticipated delivery of that income.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. The value of this feature cannot be underestimated as it brings with it the opportunity to secure capital value, as well as the chance to take advantage of future market trends.

To manage the capital risk, a final level barrier set at 55% means an Underlying must fall by more than 45% over 6 years before capital is at risk.

## SUITABILITY

This product may be suitable for investors who:

- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking income rather than growth.
- Understand and accept there is a risk to capital and how the Capital Protection Barrier works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the income payments.
- Are looking to invest for the medium to long term, being happy to remain invested until maturity.
- Can afford to have their cash invested for the full term of the Product.
- Wish to use this investment as part of a well-diversified portfolio.
- Understand that the returns are pre-defined and that they will forgo any growth in the Underlyings which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a counterparty default.
- Should they need to sell their investment, accept that the trading price will likely mean they get back less than they invested.
- Appreciate that income payments are conditional but understand that the memory feature can deliver previously missed income payments.

**Placing Trades**

Trade orders should be sent to orders@idad.com

All trades will be settled direct with IDAD's Euroclear a/c 44382

**Secondary Market**

The Issuing bank will endeavour to provide quotes under normal market conditions for trading purposes upon request, subject to a Bid-Offer spread of 1%. On the secondary market, traded prices will include any accrued interest ("dirty prices").

Sale trades will settle 2 days after the trade date. Trading details as above.

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## THE UNDERLYINGS

The **Hang Seng Index** is a free-float capitalization-weighted index of a selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four subindices: Commerce and Industry, Finance, Utilities, and Properties. The index was developed with a base level of 100 as of July 31, 1964.

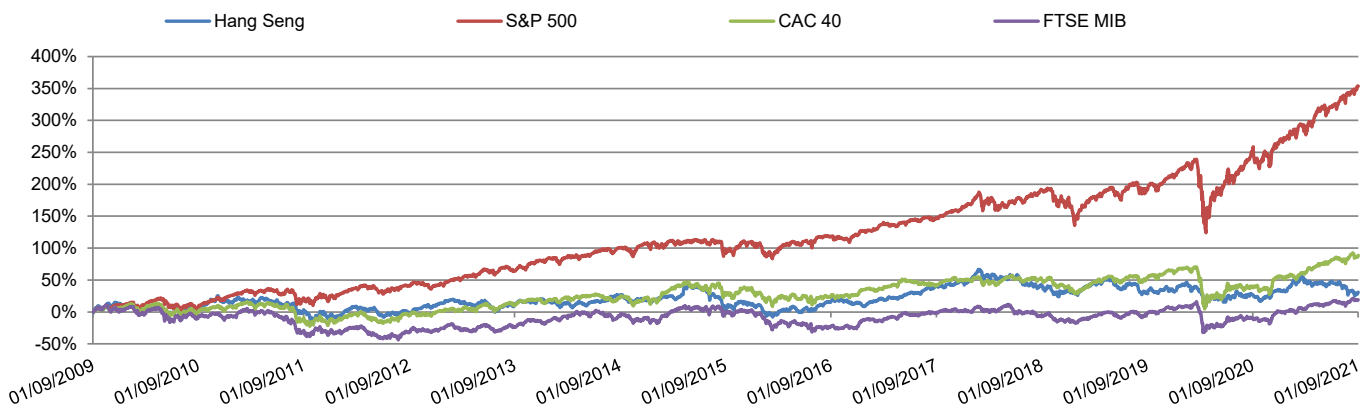
The **S&P 500** is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

The **CAC 40** is a free float market capitalization weighted index that reflects the performance of the 40 largest and most actively traded shares listed on Euronext Paris, and is the most widely used indicator of the Paris stock market. The index serves as an underlying for structured products, funds, exchange traded funds, options and futures. It is operated by Euronext, the pan-European exchange.

The **FTSE MIB Index** consists of the 40 most liquid and capitalized stocks listed on the Borsa Italiana. In the FTSE MIB Index foreign shares are eligible for inclusion.

**Source**: Bloomberg 09.09.2021

## MOVEMENT IN THE UNDERLYINGS OVER A 12 YEAR PERIOD




## 12 YEAR BACK-TESTING

Back-testing shows how the investment would have performed historically using data from previous potential strike dates and observations. Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.
This 12 year back-test shows the historical data for a full 6 years of 6 year products that could reach the full term.
Of the 1,501 scenarios tested, 19.99% would reach the full term without autocalling and none would have breached the 55% final level barrier.
Every coupon observation has also been tested, and out of all 1,501 scenarios tested, 100% of coupons would have been paid.

| Autocall Test | Autocalled | % | Autocall Test | Autocalled | % |
|---|---|---|---|---|---|
| **12 Months** | 416 | 27.71% | **42 Months** | 20 | 1.33% |
| **18 Months** | 215 | 14.32% | **48 Months** | 86 | 5.73% |
| **24 Months** | 78 | 5.20% | **54 Months** | 122 | 8.13% |
| **30 Months** | 99 | 6.60% | **60 Months** | 44 | 2.93% |
| **36 Months** | 99 | 6.60% | **66 Months** | 22 | 1.47% |

| Total Number Tested | % Matured Early | % To Reach Final Date | % That Returned Full Capital | % Barrier Breach | % Of Coupons Paid | Average Historic Return USD |
|---|---|---|---|---|---|---|
| 1501 | 80.01% | 19.99% | 100% | 0.00% | 100% | 5.00% p.a. |

**Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks**

**Source:** Bloomberg 09.09.2021, Data period: 01.09.2009 to 01.09.2021 - Assumptions shown are net of any initial fees or costs and describe the potential historic return that a client would have received based on the terms of this Product.

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