

UNICREDIT BANK AG

REDEMPTION FAILURE NOTICE

UniCredit Bank AG in its role as the Issuer and Calculation Agent of the Ruble denominated reference asset linked securities (ISIN XS1640808116) (the „**Securities**“) linked to the Rusal Capital DAC Bond with the ISIN XS 1577964965 (the „**Reference Asset**“) has notified the Security Holders of the occurrence of a Risk Event by publishing a Risk Event Notice on April 24th 2018, so the Acceleration Condition specified in the Terms and Conditions of the Securities has been fulfilled.

Following the fulfillment of the Acceleration Condition the Securities shall be redeemed early as provided for in § 4 of the Terms and Conditions. In order to determine the relevant portion of the Reference Asset to be delivered to the Security Holders (the „**Acceleration Delivery Amount**“) according to § 4 (1) of the Terms and Conditions, the Calculation Agent has performed an auction following the procedure specified in the Terms and Conditions (the „**Auction**“). The Calculation Agent has tried to obtain firm bid quotations from six Dealers: none of the Dealers has submitted any firm bid quote, neither for the Valuation Nominal Amount nor for any Partial Quotation Amount. The quotation was therefore calculated as equal to zero and an auction failure according to the Terms and Conditions (the „**Auction Failure**“) has occurred. Following the occurrence of the Auction Failure the Acceleration Delivery Amount is deemed to be equal to zero, hence no relevant portion of the Reference Asset will be delivered to the Security Holders on the Acceleration Redemption Date.

Capitalized terms used in this redemption failure notice shall have the same meaning as in the Terms and Conditions of the Securities.

Munich, 26 April 2018

UniCredit Bank AG