

Supplement dated 13 May 2016



LEONTEQ SECURITIES AG, Zurich, Switzerland
(incorporated in Switzerland)
as Issuer

which may also be acting through its Guernsey branch:
Leonteq Securities AG, Guernsey Branch (the "**Issuer**")

This document represents a supplement pursuant to article 16 para. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) (the "**Supplement**") to the base prospectus of the Issuer for Bonus Certificates, Inverse Bonus Certificates, Reverse Convertibles, Barrier Reverse Convertibles, Express Certificates, Tracker Certificates, Open End Tracker Certificates, Mini Future Certificates, Discount Certificates and Certificates with unconditional minimum redemption dated 8 July 2015 (the "**Base Prospectus**").

This Supplement shall be published by making it available free of charge at Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland (Phone: +41 (0)58 800 1000, Facsimile: +41 (0)58 800 1010), in its function as paying agent. Furthermore, it will be published in electronic form on the website www.leonteq.com under the section "Products & Services" – "Structured Products" – "Basisprospekte & Bekanntmachungen" – "Leonteq Programm".

Lead Manager
Leonteq Securities AG, Zurich,
Switzerland

Withdrawal Right

Pursuant to article 16 para. 3 of the German Securities Prospectus Act investors who have already agreed to purchase or subscribe for products issued under the Base Prospectus that is supplemented by this Supplement (as defined herein) before this Supplement has been published shall have the right, exercisable within a time period of two working days after the publication of this Supplement, to withdraw their declaration of intent provided that the new factor or mistake to which this Supplement relates arose before the final closing of the offer to the public and the delivery of the products.

The withdrawal (for which no reasons need to be given) must be declared by notice in writing (i) to the same entity to which the investor addressed the declaration of intent or (ii), if the investor had addressed the declaration of intent directly to the Lead Manager, to Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland. Timely dispatch of the notice shall be sufficient to meet the notice period.

However, investors should note, that the applicable laws of other member states of the European Economic Area implementing Directive 2003/71/EC as amended by the Directive 2010/73/EU (the "**Prospectus Directive**") may contain different provisions regarding the withdrawal right.

This Supplement must be read in conjunction with any information already supplemented by previous supplements to the Base Prospectus.

Subject of this Supplement is the publication of the Registration Document of Leonteq Securities AG as of 29 April 2016 on 4 May 2016, which is incorporated into the Base Prospectus and in respect thereof further amendments in the Base Prospectus have been made.

The Base Prospectus shall be supplemented as follows:

AMENDMENTS RELATING TO THE SECTION "I. SUMMARY"

1) *In „Section B – Issuer and any guarantor” on page 12ff. of the Base Prospectus the whole text shall be replaced as follows*

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Section B – Issuer and any guarantors		
B.1	Legal and commercial name of the Issuer	The legal and commercial name of the Issuer is Leonteq Securities AG
B.2	Domicile, legal form, legislation, country of incorporation	Leonteq Securities AG, formerly EFG Financial Products AG, was incorporated and registered in Zurich, Switzerland on 24 September 2007 as a stock corporation under article 620 et seq. of the Swiss Code of Obligations for an unlimited duration. As from that day, it is registered in the Commercial Register of the Canton of Zurich, Switzerland, under the number CHE-113.829.534. The registered office of Leonteq Securities AG is at Brandschenkestrasse 90, 8002 Zurich, Switzerland, and the general telephone number is +41 58 800 1000.
B.4b	Known trends affecting the Issuer and the industries in which it operates	Not applicable; there are no known trends affecting the Issuer and the industries in which it operates.
B.5	Description of the group	Leonteq Securities AG, which may also be acting through its Guernsey branch Leonteq Securities AG, Guernsey Branch, is a fully owned subsidiary of Leonteq AG, formerly EFG Financial Products Holding AG, (Leonteq AG together with its subsidiaries the "Leonteq Group"). Leonteq Securities AG's shares are listed on the SIX Swiss Exchange and are held amongst others by Raiffeisen Switzerland Cooperative, members of the management and employees of Leonteq Group entities.
B.9	Profit forecasts or estimates	Not applicable; the Issuer has not made any profit forecasts or estimates.
B.10	Qualifications in the audit report	Not applicable; there are no qualifications in the audit report of the Issuer on its historical financial information.

B.12	Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer	<p>The following financial information (according to IFRS) has been extracted from the audited financial statements of Leonteq Securities AG for the years ended 31 December 2014 and 2015.</p> <table border="0"> <thead> <tr> <th style="text-align: left;">in CHF thousands</th> <th style="text-align: right;">Year ended 31 December 2014 (audited)</th> <th style="text-align: right;">Year ended 31 December 2015 (audited)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Income</td> </tr> <tr> <td>Total operating income</td> <td style="text-align: right;">170'914</td> <td style="text-align: right;">171'831</td> </tr> <tr> <td>Result from operating activities (profit before taxes)</td> <td style="text-align: right;">55'228</td> <td style="text-align: right;">58'878</td> </tr> <tr> <td></td> <td style="text-align: right;">31 December 2014 (audited)</td> <td style="text-align: right;">31 December 2015 (audited)</td> </tr> <tr> <td colspan="3">Balance Sheet</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">6'883'992</td> <td style="text-align: right;">6'565'337</td> </tr> <tr> <td>Other financial liabilities at fair value through profit or loss</td> <td style="text-align: right;">3'691'422</td> <td style="text-align: right;">3'191'476</td> </tr> <tr> <td>Total shareholders' equity</td> <td style="text-align: right;">154'797</td> <td style="text-align: right;">193'154</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of the Issuer since the date of the last audited financial statements (31 December 2015).</p> <p>There has been no significant change in the financial or trading position of the Issuer since the date of the last audited financial statement (31 December 2015).</p>	in CHF thousands	Year ended 31 December 2014 (audited)	Year ended 31 December 2015 (audited)	Income			Total operating income	170'914	171'831	Result from operating activities (profit before taxes)	55'228	58'878		31 December 2014 (audited)	31 December 2015 (audited)	Balance Sheet			Total assets	6'883'992	6'565'337	Other financial liabilities at fair value through profit or loss	3'691'422	3'191'476	Total shareholders' equity	154'797	193'154
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B.13	Description of recent events which are to a material extent relevant to the evaluation of the issuer's solvency	Not applicable; there are no recent events which are to a material extent relevant to the evaluation of the issuer's solvency.																											

B.14	B.5 plus Dependence of the Issuer upon other entities within the group	See B.5. Not applicable; Leonteq Securities AG does not have any subsidiaries.
B.15	A description of the Issuer's principal activities	<p>Leonteq Securities AG's main business activities include the development, structuring, distribution, hedging and settlement as well as the market-making and secondary market servicing of structured products and the design and investment management of certificates in relation with variable annuity products.</p> <p>Leonteq Securities AG provides certain of these core services to platform partners pursuant to cooperation agreements. Additionally, Leonteq Securities AG provides structured asset management and pension solution services to third parties in Switzerland and abroad and provides brokerage services to third parties.</p> <p>Leonteq Securities AG distributes its financial products either directly to institutional investors or indirectly to retail investors through third party financial intermediaries.</p>
B.16	Major shareholders	Leonteq Securities AG's share capital is held in its entirety by Leonteq AG, which as sole shareholder controls Leonteq Securities AG.

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- 2) *In „Section D – Risks” subsection “D.2 Key information on the key risks that are specific to the Issuer” on page 39f. of the Base Prospectus the whole text shall be replaced as follows:*

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D.2	Key information on the key risks that are specific to the Issuer	<p>The Issuer is exposed to risks resulting primarily from the issuance of structured investment products. The Issuer is exposed to market risks, which result from mismatches between exposure to equity prices, interest rates, currencies, credit spreads and commodity prices resulting from the issuance of structured investment products and the instruments that the Issuer uses to hedge this exposure, and to liquidity risks relating to the need to fund hedging activities. The Issuer is exposed to credit risks resulting from exposure to the trading counterparties and as a result of investment of the proceeds from the issuance of structured investment products in bonds and other fixed-income instruments. The Issuer is also exposed to model, operational and reputational risks, as well as potential</p>
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		<p>changes in the regulatory and macro-economic environments.</p> <ul style="list-style-type: none"> • Financial information of the Issuer should not be relied on as evidence of future results. • The Issuer may not be able to fulfil its obligations due to a deteriorated financial situation. The Issuer may become insolvent. • The Issuer is exposed to the risk that its valuation and risk measurement model may be wrong and that its risk management measures may not prove successful. • The Issuer is exposed to market risks arising from open positions in interest rate, currency, commodity, credit, equity and other products which may adversely affect its results of operations. • The Issuer is exposed to significant and increasing competition which may adversely affect its future results of operations. • The Issuer is exposed to the risks relating to its platform partners business which may adversely affect its results of operations. • The Issuer is exposed to the credit risk of its counterparties. • The Issuer is exposed to market liquidity, liquidity and funding risk which may adversely affect its ability to operate its business and its future results of operations. • The Issuer’s risk exposure in financial instruments leads to certain risk concentrations which could result in a significant loss. • The Issuer’s activities and results of operations may be adversely affected by operational risks. • The Issuer may be adversely affected by compliance, legal, regulatory, and reputational risks.
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**AMENDMENTS RELATING TO THE SECTION "I. SUMMARY – DEUTSCHE
ÜBERSETZUNG DER ZUSAMMENFASSUNG"**

1) *In „Abschnitt B – Emittent und etwaige Garantiegeber“ on page 68ff. of the Base Prospectus the whole text shall be replaced as follows*

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Abschnitt B – Emittent und etwaige Garantiegeber		
B.1	Juristische und kommerzielle Bezeichnung des Emittenten	Die juristische und kommerzielle Bezeichnung der Emittentin lautet Leonteq Securities AG.
B.2	Sitz, Rechtsform, Rechtsordnung, Land der Gründung der Gesellschaft	Leonteq Securities AG, vormals EFG Financial Products AG, wurde am 24. September 2007 gemäss Art. 620ff. des Schweizer Obligationenrechts als Aktiengesellschaft in der Schweiz für unbestimmte Zeit gegründet und in Zürich (Schweiz) eingetragen. Seit diesem Datum ist sie im Handelsregister des Kantons Zürich (Schweiz) unter der Nummer CHE-113.829.534 registriert. Der eingetragene Sitz der Leonteq Securities AG ist Brandschenkestrasse 90, 8002 Zürich (Schweiz), und die zentrale Telefonnummer lautet +41 58 800 1000.
B.4b	Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Entfällt; es gibt keine bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.
B.5	Konzernstruktur	Die Leonteq Securities AG, gegebenenfalls handelnd durch ihre Zweigniederlassung in Guernsey Leonteq Securities AG, Guernsey Branch, ist eine hundertprozentige Tochtergesellschaft der Leonteq AG, ehemals EFG Financial Products Holding AG, (Leonteq AG gemeinsam mit ihren Tochtergesellschaften die " Leonteq Gruppe "). Die Aktien der Leonteq AG sind an der SIX Swiss Exchange notiert und werden unter anderen durch die Raiffeisen Schweiz Genossenschaft, Mitglieder des Managements und Mitarbeitende von Gesellschaften der Leonteq Gruppe gehalten.
B.9	Gewinnprognosen oder -schätzungen	Entfällt; die Emittentin hat keine Gewinnprognose oder -schätzung abgegeben.
B.10	Beschränkungen im Bestätigungsvermerk	Entfällt; es gibt keine Beschränkungen im Bestätigungsvermerk der Emittentin zu ihren historischen Finanzinformationen.
B.12	Ausgewählte wesentliche	Die nachfolgenden Finanzinformationen (nach IFRS) wurden dem geprüften Jahresabschluss der Leonteq Securities AG für die zum 31. Dezember 2014

	<p>historische Finanzinformationen über den Emittenten, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition des Emittenten</p>	<p>und 2015 geendeten Jahre entnommen.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 60%;">in Tausend CHF</th> <th style="text-align: right; width: 20%;">zum</th> <th style="text-align: right; width: 20%;">zum</th> </tr> <tr> <td></td> <th style="text-align: right;">31. Dezember 2014</th> <th style="text-align: right;">31. Dezember 2015</th> </tr> <tr> <td></td> <th style="text-align: right;">(geprüft)</th> <th style="text-align: right;">(geprüft)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Umsatz</td> </tr> <tr> <td>Ergebnis der gesamten Geschäftstätigkeit</td> <td style="text-align: right;">170.914</td> <td style="text-align: right;">171.831</td> </tr> <tr> <td>Ergebnis der operativen Geschäftstätigkeit (Gewinn vor Steuern)</td> <td style="text-align: right;">55.228</td> <td style="text-align: right;">58.878</td> </tr> <tr> <td></td> <th style="text-align: right;">31. Dezember 2014</th> <th style="text-align: right;">31. Dezember 2015</th> </tr> <tr> <td></td> <th style="text-align: right;">(geprüft)</th> <th style="text-align: right;">(geprüft)</th> </tr> <tr> <td colspan="3">Bilanz</td> </tr> <tr> <td>Summe der Aktiva</td> <td style="text-align: right;">6.883.992</td> <td style="text-align: right;">6.565.337</td> </tr> <tr> <td>Erfolgswirksam zum beizulegenden Zeitwert bewertete finanzielle Verbindlichkeiten</td> <td style="text-align: right;">3.691.422</td> <td style="text-align: right;">3.191.476</td> </tr> <tr> <td>Summe Eigenkapital</td> <td style="text-align: right;">154.797</td> <td style="text-align: right;">193.154</td> </tr> </tbody> </table> <p>Seit dem Stichtag des letzten geprüften Jahresabschlusses (31. Dezember 2015) hat es keine wesentlichen negativen Veränderungen in den Geschäftsaussichten der Emittentin gegeben.</p> <p>Seit dem Stichtag des letzten geprüften Jahresabschlusses (31. Dezember 2015) sind keine wesentlichen Veränderungen in der Finanzlage oder Handelsposition der Emittentin eingetreten.</p>	in Tausend CHF	zum	zum		31. Dezember 2014	31. Dezember 2015		(geprüft)	(geprüft)	Umsatz			Ergebnis der gesamten Geschäftstätigkeit	170.914	171.831	Ergebnis der operativen Geschäftstätigkeit (Gewinn vor Steuern)	55.228	58.878		31. Dezember 2014	31. Dezember 2015		(geprüft)	(geprüft)	Bilanz			Summe der Aktiva	6.883.992	6.565.337	Erfolgswirksam zum beizulegenden Zeitwert bewertete finanzielle Verbindlichkeiten	3.691.422	3.191.476	Summe Eigenkapital	154.797	193.154
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B.13	Beschreibung aller Ereignisse aus der jüngsten Zeit, die für die Bewertung der Zahlungsfähigkeit des Emittenten in hohem Maße relevant sind	Entfällt; es gibt keine Ereignisse aus der jüngsten Zeit, die für die Bewertung der Zahlungsfähigkeit des Emittenten in hohem Masse relevant sind.																																				
B.14	B.5, sowie Abhängigkeit des Emittenten von anderen Konzern-	Siehe B.5 Entfällt; Leonteq Securities AG hat keine Tochtergesellschaften.																																				

	gesellschaften	
B.15	Beschreibung der Haupttätigkeiten des Emittenten	<p>Zu den Haupttätigkeiten der Leonteq Securities AG zählen Entwicklung, Strukturierung, Vertrieb, Absicherung (<i>Hedging</i>), Abrechnung sowie Market-Making und Sekundärmarktdienste für strukturierte Produkte sowie ferner die Konzeption und das Investment Management von Zertifikaten im Hinblick auf variable Annuitäten-Produkte.</p> <p>Die Leonteq Securities AG erbringt einige dieser Hauptdienstleistungen an Dritte, ihre <i>Plattform-Partners</i>, nach Massgabe der jeweiligen Zusammenarbeitsverträgen. Ferner bietet die Leonteq Securities AG strukturierte Asset Management- und Pensionslösungen für Dritte in der Schweiz und im Ausland sowie Brokerage-Dienstleistungen für Dritte.</p> <p>Die Leonteq Securities AG vertreibt ihre Finanzprodukte entweder direkt an institutionelle Anleger oder indirekt über dritte Finanzintermediäre an Privatanleger.</p>
B.16	Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse	Das Aktienkapital der Leonteq Securities AG wird in seiner Gesamtheit von der Leonteq AG gehalten, die als Einzelaktionär die Leonteq Securities AG kontrolliert.

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- 2) *In „Abschnitt D – Risiken“ subsection “D.2 Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind” on page 96f. of the Base Prospectus the whole text shall be replaced as follows:*

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D.2	Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind	<p>Die Emittentin ist Risiken ausgesetzt, die sich vor allem aus der Emission strukturierter Anlageprodukte ergeben. Die Emittentin ist Marktrisiken ausgesetzt, die sich aus der Diskrepanz zwischen dem Exposure zu Aktienkursen, Zinsen, Währungen, Credit Spreads und Rohstoffpreisen aus der Emission strukturierter Anlageprodukte und den Instrumenten, die die Emittentin verwendet, um sich gegen dieses Exposure abzusichern, ergeben können. Darüber hinaus unterliegt sie Liquiditätsrisiken im Zusammenhang mit der Finanzierung dieser Absicherungsaktivitäten. Die Emittentin ist Kreditrisiken ausgesetzt, die sich aus Geschäften mit Handelsgegenparteien ergeben bzw. die sich durch die Investition der Erlöse aus den Emissionen von strukturierten Anlageprodukten in Anleihen und andere festverzinsliche Instrumente ergeben. Ferner ist die Emittentin Risiken aufgrund ihrer Modelle, operationellen</p>
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		<p>Risiken, Reputationsrisiken sowie Risiken aufgrund etwaiger Veränderungen im regulatorischen und makroökonomischen Umfeld ausgesetzt.</p> <ul style="list-style-type: none"> • Auf die Finanzinformationen der Emittentin für eine bestimmte Finanzperiode sollte nicht als Indiz für zukünftige Ergebnisse vertraut werden. • Die Emittentin könnte aufgrund einer verschlechterten finanziellen Lage nicht fähig sein, ihre Verpflichtungen zu erfüllen. Die Emittentin könnte zahlungsunfähig werden. • Die Emittentin ist dem Risiko ausgesetzt, dass ihr Modell für Bewertung und Risikobemessung falsch sein könnte und dass sich ihre Massnahmen zu Risikomanagement als nicht erfolgreich erweisen. • Die Emittentin ist Marktrisiken aufgrund offener Positionen bei Zins-, Währungs-, Rohstoff-, Kredit-, Equity- und anderen Produkten ausgesetzt, welche ihre Ertragslage negativ beeinflussen könnten. • Die Emittentin ist einem erheblichen und steigenden Wettbewerb ausgesetzt, der ihre künftige Ertragslage negativ beeinflussen könnte. • Die Emittentin ist den Risiken im Zusammenhang mit ihrem Plattform-Partner-Geschäft ausgesetzt, welche ihre Ertragslage negativ beeinflussen könnten. • Die Emittentin ist dem Kreditrisiko ihrer Gegenparteien ausgesetzt. • Die Emittentin unterliegt einem Marktliquiditätsrisiko sowie einem Liquiditäts- und Finanzierungsrisiko, welche ihre Fähigkeit, ihr Geschäft zu betreiben, sowie ihre künftige Ertragslage negativ beeinflussen könnten. • Das Risikoexposure der Emittentin in Finanzinstrumenten führt zu bestimmten Risikokonzentrationen, die zu einem erheblichen Verlust führen können. • Die Aktivitäten der Emittentin und ihre Ertragslage könnten durch operationelle Risiken negativ beeinflusst werden. • Die Emittentin könnte durch Compliance-, rechtliche und regulatorische Risiken sowie durch Reputationsrisiken negativ beeinflusst werden.
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AMENDMENTS RELATING TO THE SECTION "II. RISKS"

In the section "II. Risks" the subsection „I. Risk factors associated with the Issuer“ on page 125ff. of the Base Prospectus the whole text shall be replaced as follows:

„The following is a disclosure of risk factors that are material to the specific situation of the Issuer and may affect the Issuer’s ability to fulfil its respective obligations as issuer of any issued products.

The Issuer is exposed to risks resulting primarily from the issuance of structured investment products. The Issuer is exposed to market risks, which result from mismatches between exposure to equity prices, interest rates, currencies, credit spreads and commodity prices resulting from the issuance of structured investment products and the instruments that the Issuer uses to hedge this exposure, and to liquidity risks relating to the need to fund hedging activities. The Issuer is exposed to credit risks resulting from exposure to trading counterparties and as a result of investment of the proceeds from the issuance of structured investment products in bonds and other fixed-income instruments. The Issuer is also exposed to model, operational and reputational risks, as well as potential changes in the regulatory and macro-economic environments.

Financial information of the Issuer should not be relied on as evidence of future results.

As a financial services provider, the business activities of the Issuer are affected by the prevailing market situation. Different risk factors can impair the Issuer's ability to implement business strategies and may have a direct, negative impact on earnings. Accordingly, the Issuer's revenues and earnings are subject to fluctuations. The revenues and earnings figure from a specific period, thus, are not evidence of results in any future period. They can vary from one year to the next and may affect the Issuer's ability to achieve its strategic objectives. Taking into account that the Issuer has only a short financial history this might be of particular relevance.

The Issuer may not be able to fulfil its obligations due to a deteriorated financial situation. The Issuer may become insolvent.

The financial situation of the Issuer could deteriorate and may prevent the Issuer from fulfilling its obligations. Investors are therefore exposed to the credit risk of the Issuer. The default or insolvency of the Issuer may lead to a partial or total loss of the claims of investors. The Issuer is subject to the Swiss bank insolvency rules and the Swiss Financial Market Supervisory Authority’s (“FINMA”) bank insolvency ordinance, which empowers FINMA as the competent authority to apply certain recovery and resolution measures. If FINMA applies such measures this may have a significant negative impact on the investor’s rights by suspending, modifying and/or wholly extinguishing obligations of the Issuer under structured products and may lead to a partial or total loss of the invested capital.

The Issuer is exposed to the risk that its valuation and risk measurement model may be wrong and that its risk management measures may not prove successful.

Model risk is the risk of financial loss due to inappropriate model assumptions or inadequate model usage. In the Issuer’s business, the major model risks arise when models are used to value financial securities and

to calculate hedging ratios. The consequence of an inadequate model could be a wrong valuation leading to an incorrect risk measurement and a wrong hedging position, both of which could lead to a financial loss.

The Issuer is exposed to the risk that its risk management and mitigation measures do not prove successful. Management of the Issuer's risks can be very complex given the highly complex nature of many of the products, structured solutions and other operations. The Issuer's risk management strategies and procedures may leave it exposed to unidentified or unanticipated risks. If the measures used to assess and mitigate risk prove insufficient, that may lead to adverse effects on the Issuer's operations and financial condition.

The Issuer is exposed to market risks arising from open positions in interest rate, currency, commodity, credit, equity and other products which may adversely affect its results of operations.

Market risk is the risk of loss resulting from adverse movements of the market price or model price of financial assets. The Issuer distinguishes five types of market risks:

- Equity risk, which is the risk of adverse movements in share prices and related derivatives;
- Interest rate risk, which is the risk of adverse movements in yield curve and corresponding movements in the valuation of fixed-income based assets;
- Credit spread risk, which is the risk that the widening of credit spreads negatively impacts asset prices, credit spread risk relates primarily to the investment portfolio;
- Foreign exchange risk (FX risk), which is the risk of adverse movements in currency exchange rates and related derivative instruments; and
- Commodity risk, which is the risk of adverse movements in commodity prices and related derivatives.

The Issuer's market risk arises primarily from the issuance of structured products and the related hedging activity. Any risk mitigation strategies of the Issuer can expose the firm to remaining sources of risk as the hedge instrument and the position being hedged may not always move in parallel. Interest rate risks and foreign exchange risks may also arise in the normal course of business. The Issuer is also exposed to interest rate risk as a result of its Pension Solutions business. The Issuer gives guarantees to its insurance cooperation partners on minimum returns, and this exposes the Issuer to risks involving falling interest rates and risks involving the increasing volatility of interest rates. Market risk may adversely affect the results of operations of the Issuer.

The Issuer is exposed to significant and increasing competition which may adversely affect its future results of operations.

All aspects of the Issuer's business are highly competitive and the competitive conditions are expected to continue to intensify. The Issuer's ability to compete depends on many factors, including its reputation, the quality of its services and advice, intellectual capital, product innovation, execution ability, pricing, sales

efforts, and the talent of its employees. The significant and increasing competition may adversely affect the Issuer's future results of operations.

The Issuer is exposed to the risks relating to its platform partners business which may adversely affect its results of operations.

The Issuer offers services in connection with development, structuring, distribution, hedging and settlement as well as the market-making and secondary market servicing of structured products to third parties, platform partners, pursuant to cooperation arrangements. The Issuer's platform partners business is based on a novel business model that is largely untested and there may not be sufficient demand to enable the Issuer to achieve meaningful operating income or cash flow or profitable operations.

The Issuer is further exposed to reputational and potentially regulatory risks should one of its platform partner's default which might have a significant impact on the Issuer's operations.

The Issuer is exposed to the credit risk of its counterparties.

Credit risk is the general risk of financial loss if a counterparty or an issuer of financial securities does not meet its contractual obligations. The Issuer distinguishes the following credit risks:

- Counterparty credit risk is the risk of the counterparty defaulting on a derivative instrument that has a positive replacement value.
- Issuer risk is the risk of a default by the issuer of an equity or debt instrument held as a direct position or as an underlying of a derivative.
- Country risk is the risk of financial loss due to a country-specific event.

The Issuer is exposed to credit risks related to over-the-counter (OTC) derivatives and securities lending and borrowing activities with counterparties, and through the investment of proceeds from the issuance of structured investment products in bonds or other fixed-income instruments.

Large credit risks are primarily with banks and insurance companies as a result of the Issuer's OTC derivatives, securities lending and Pension Solutions business.

The Issuer is exposed to market liquidity, liquidity and funding risk which may adversely affect its ability to operate its business and its future results of operations.

Since the Issuer hedges its liabilities under issued structured investment products through the sale or purchase of derivatives or other financial assets, the Issuer is exposed to the risk that it will be unable to sell or buy such hedging assets at fair value or at all when it is required to do so to cover its liabilities under the corresponding structured investment products. The Issuer refers to this risk as market liquidity risk.

Furthermore, the Issuer is exposed to liquidity and refinancing risk primarily due to its structured product issuances and issuances by its platform partners for whom it provides derivative hedges. In addition, the Issuer is required to post collateral in order to secure the obligations relating to certain (collateralized) structured products.

The funding liquidity risk represents the risk that the Issuer will not be able to efficiently meet both expected and unexpected cash flows.

Liquidity and funding risks may realise if the Issuer is not able to implement mitigation measures or if such measures do not prove successful. If the Issuer does not effectively manage its liquidity and funding, its business could be negatively affected.

The Issuer's risk exposure in financial instruments leads to certain risk concentrations which could result in a significant loss.

The Issuer considers that a risk concentration exists when an individual or group of financial instruments is exposed to changes in the same risk factor, and that exposure could result in a significant loss based on plausible adverse future market developments. At 31 December 2015, the Issuer has identified three large exposures.

The Issuer's activities and results of operations may be adversely affected by operational risks.

Operational risk is the risk of losses resulting from inadequate or failed internal processes, people and systems or due to external causes. "Losses" can be direct financial losses or in the form of regulatory sanctions or foregone revenues, for example due to the failure of a service or system. Such events may also lead to reputational damage which could result in longer term financial consequences. Operational risks may adversely affect the Issuer's activities and results of operations.

The Issuer may be adversely affected by compliance, legal, regulatory, and reputational risks.

The Issuer operates in an industry that is highly regulated and may be adversely affected by compliance, legal or regulatory risks and reputational implications from the legal and regulatory environment. Compliance risk and legal risk are the risks arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices or internal policies and procedures, or the non-enforceability of legal, including contractual, rights. Legislation and rules adopted around the world have imposed substantial new or more stringent regulations, internal practices, capital requirements, procedures and controls and disclosure requirements in different areas. The trend and scope of increased compliance requirements may require the Issuer to invest in additional resources to ensure compliance.

The Issuer is exposed to the risk of fines, civil financial penalties, payment of damages and the voiding of contracts. Compliance and legal risks can lead to diminished reputation, limited business opportunities, reduced expansion potential and an inability to enforce contracts.

Furthermore, the Issuer is exposed to the risk that changes in law or interpretations thereof, including regulatory and tax laws, may have a material negative impact on its results. Regulatory or similar changes in any jurisdiction in which the Issuer operates may adversely affect its business, results of operations and financial condition.

Reputational risk is the potential loss in reputation due to a financial loss or due to any other real or perceived event with a negative impact on reputation. This includes, in particular, the risk arising from deviations from good ethical behavior. The Issuer's reputation is critical in maintaining its relationships with clients, investors, regulators and the general public, and is a key focus in its risk management efforts.“

AMENDMENTS RELATING TO THE SECTION "III. INFORMATION ABOUT THE ISSUER"

In the section “III. Information about the Issuer” on page 172 of the Base Prospectus the whole text shall be replaced as follows:

„In respect of information that is required to be disclosed in relation to the Issuer is contained in the Registration Document of Leonteq Securities AG dated 29 April 2016 (the "**Registration Document**"), which was approved by BaFin. The information about the Issuer contained in the Registration Document is herewith incorporated into this Base Prospectus by reference pursuant to Section 11 of the WpPG (see also section "X. Documents Incorporated by Reference" of the Base Prospectus).“

AMENDMENTS RELATING TO THE SECTION "X. DOCUMENTS INCORPORATED BY REFERENCE"

In the section “X. Documents incorporated by reference” on page 911 of the Base Prospectus the whole text shall be replaced as follows:

„In the Base Prospectus reference is made to the following document pursuant to Section 11 WpPG:

- In Section "III. Information about the Issuer" (page 172 of the Base Prospectus) the information contained in the Registration Document of Leonteq Securites AG dated 29 April 2016 with respect to the Issuer are incorporated by reference into this Base Prospectus pursuant to Section 11 WpPG and are therefore deemed to be an integral part of this Base Prospectus.

The document incorporated by reference has been filed with BaFin and can be ordered free of charge from or will be available, during the usual business hours for inspection at Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland. In addition thereto, the document is published in electronic form on the website www.leonteq.com under the section “Products & Services” – “Structured Products” – “Basisprospekte & Bekanntmachungen” – “Leonteq Programm”.“

Signatures by Leonteq Securities AG, Zurich

13 May 2016

Leonteq Securities AG, Zurich

signed by René Ziegler
Managing Director /
Head Product Documentation & Services

signed by Dr. Ingrid Silveri
Managing Director /
Head Legal